



# FINAL ANNUAL REPORT 2023/2024

**John Taolo Gaetsewe District Municipality**

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# CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT A: MAYOR’S FOREWORD

Audit processes are intricate endeavors demanding a wealth of skills, knowledge, and unwavering commitment. As auditees, it is our duty to furnish comprehensive financial statements and performance evaluations for the John Taolo Gaetsewe District Municipality. We approach this responsibility with the utmost seriousness, pledging to execute our tasks with the highest standards of integrity and professionalism.

This year, upon the completion of our audits, we are pleased to report that the John Taolo Gaetsewe District Municipality obtained an Unqualified Audit Opinion with matters. These matters pertain to compliance on the utilization of grants and expenditure management. This achievement underscores the commitment of our management team to sound financial practices while highlighting areas for improvement that we are addressing with renewed vigor. Acknowledging the formidable challenges faced by the John Taolo Gaetsewe District Municipality over the past year, we recognize the substantial impacts on both the economy and the municipality's financial health. Despite these adversities, the municipality's management has demonstrated an unwavering dedication to enhancing performance and financial management.

We extend our gratitude to the management of the John Taolo Gaetsewe District Municipality for their tireless efforts during these challenging times. Managing a municipality is an inherently demanding task, and we commend the endeavors undertaken to secure the financial stability of the municipality.

As we embark on a new phase to implement the District Development Model (DDM), a government-driven strategy aimed at expediting socio-economic development and alleviating inequality in the country, we appreciate the prioritization of investments in underdeveloped districts. The collaborative approach involving various stakeholders, such as local government, the private sector, and civil society, is pivotal for driving development and generating

employment opportunities. The DDM stands as a crucial tool in realizing the government's objectives of inclusive growth and diminishing poverty and inequality in South Africa.

Government has also intensified its focus on strengthening local government by enhancing accountability, improving service delivery, and ensuring municipalities operate efficiently and transparently. These efforts align with our commitment to improving compliance with grant utilization and expenditure management.

Looking ahead, the management of the John Taolo Gaetsewe District Municipality has outlined plans to further enhance performance and financial management. This involves the implementation of new financial controls and systems, fortifying internal audit processes, and enhancing transparency and accountability. We express confidence that these initiatives will contribute to a more robust and financially stable municipality.

In the upcoming year, we commit to working closely with the management to identify areas for improvement and offer guidance on best practices for financial management. Together, we will build on the foundation established through our audit outcomes and the DDM to drive meaningful development and ensure the municipality meets its obligations to the community.

In conclusion, we convey our appreciation to the management of the John Taolo Gaetsewe District Municipality for their steadfast commitment to enhancing performance and financial management. We eagerly anticipate collaborating with the management in the coming year to bolster the ongoing success of the municipality.

**MRS. P. Q. MOGATLE**  
**EXECUTIVE MAYOR**

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 Municipal Manager's Overview

The John Taolo Gaetsewe District Municipality has made significant strides in maintaining its financial accountability and enhancing service delivery, despite the numerous challenges that have arisen over the past financial year. This executive summary provides an overview of the key achievements, challenges, and strategic priorities for the municipality as we move forward.

Our municipality obtained an Unqualified Audit Opinion with matters, a testament to the management's commitment to transparency, accountability, and sound financial practices. The identified matters, namely compliance on grant utilization and expenditure management, have been acknowledged, and targeted action plans are in place to address these areas effectively. This achievement underscores the municipality's resilience and dedication to continuous improvement in its financial and operational management.

The socio-economic climate of the past year has posed significant challenges for the municipality, impacting our ability to deliver services and support economic growth. However, through collaborative efforts with stakeholders and the implementation of strategic initiatives, the municipality has made progress in mitigating these impacts and ensuring the delivery of critical services to our communities.

Key accomplishments during the year include:

1. **Integration of the District Development Model (DDM):** The municipality has fully embraced the DDM, aligning our Integrated Development Plan (IDP) with the One Plan and incorporating its projects into our Service Delivery and Budget Implementation Plan (SDBIP). This alignment ensures a cohesive and strategic approach to addressing socio-economic disparities and fostering sustainable development.
2. **Enhanced Financial Controls:** We have implemented measures to strengthen internal controls, enhance transparency, and ensure compliance with relevant regulations. These efforts are pivotal in maintaining our financial stability and achieving positive audit outcomes.
3. **Quarterly Reporting Framework:** Regular updates to the DDM-IGR Forum have fostered accountability and transparency while enabling productive engagements on developmental priorities.

Challenges during the year included financial constraints, the ongoing need for capacity building, and ensuring compliance with evolving regulatory requirements. These challenges are being addressed through targeted strategies, including:

- Strengthening skills development and capacity-building programs.
- Enhancing monitoring and evaluation systems to ensure compliance and efficiency.
- Leveraging partnerships with stakeholders to support resource mobilization and service delivery.

Looking ahead, the municipality's strategic priorities include:

- Addressing audit matters to achieve a clean audit in the future.
- Expanding socio-economic development initiatives under the DDM framework.
- Improving service delivery efficiency through the adoption of innovative technologies and systems.
- Strengthening community engagement to align municipal programs with the needs of our citizens.

As we embark on a new financial year, the John Taolo Gaetsewe District Municipality remains steadfast in its commitment to delivering on its mandate. We are grateful to the council, management team, staff, and all stakeholders for their unwavering dedication and support in achieving our collective goals.

Together, we will continue to build a sustainable, inclusive, and prosperous district for the benefit of all our residents.

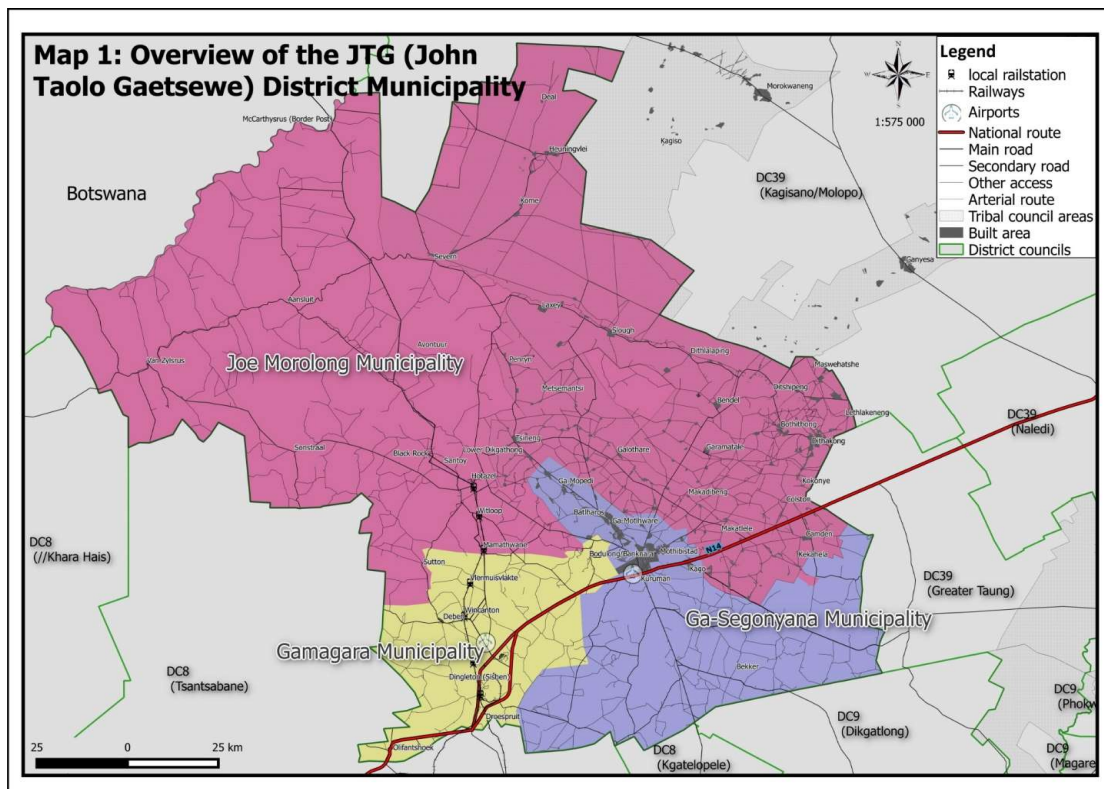
**MR. K. K. TEISE**  
**MUNICIPAL MANAGER**

## 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 km<sup>2</sup>). The largest area within JT Gaetsewe is the former District Management Area (DMA) with over 10 000 km<sup>2</sup>. Joe Morolong covers the next largest area of 9 477 km<sup>2</sup> (JTGDM, IDP 2023-24). 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



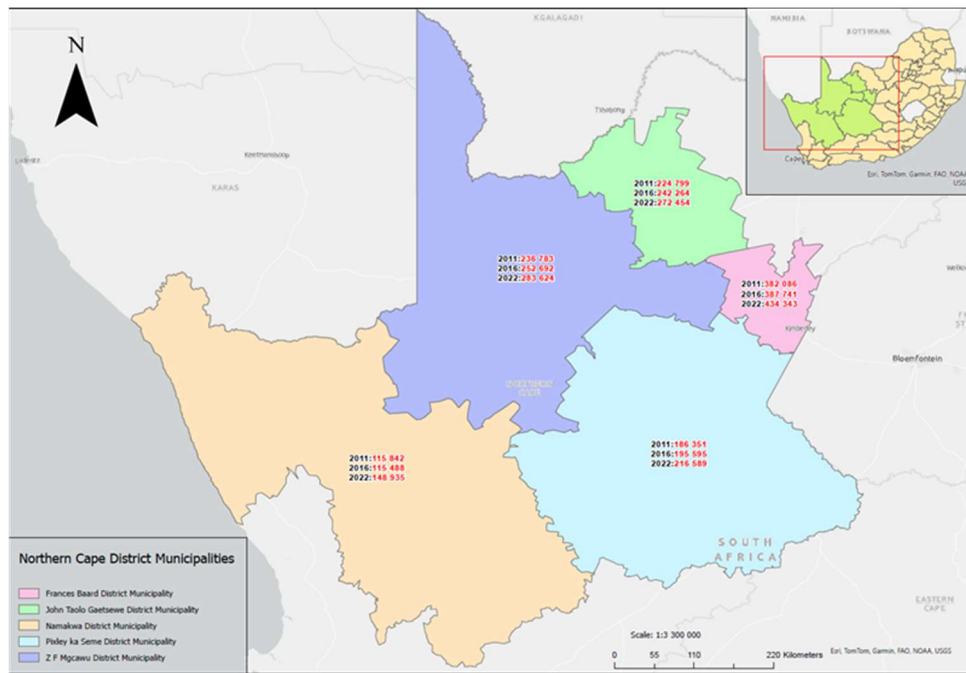
*(Source: JT Gaetsewe DM 2017 SDF)*



## Population Demographics

The population of the John Taolo Gaetsewe District Municipality accounts for 20.1% of the total population in the Northern Cape Province. It is the third largest population size after the Frances Baard and ZF Mgcawu Districts. This position has been consistent throughout the period between 2011, 2016 and 2022.

Map 1 Northern Cape Population per District



Source: StatsSA 2011, 2016 & 2022

The district had an increase of 30 190; 242 264 in 2016 to 272 454 in 2022; indicating annual growth rate of about 1.87%. According to StatsSA (2022), there has been a major decline of about 44.9% in the population of Gamara Local Municipality in the period between 2016 and 2022; this is mainly due to the out-migration from the municipality to the Ga-Segonyana and Joe Morolong Local Municipalities.

The Gamagara Local Municipality decreased, with an average annual rate of -3.31%, the Ga-Segonyana Local Municipality had an average annual growth rate of 2.20%. The Joe Morolong Local Municipality had the highest average annual growth rate of 3.27% (Stats SA 2022).

Table 1 Total Population - Local Municipalities of JTG District Municipality, 2011, 2016 and 2022

	2011	2016	2022	Average Annual growth
<b>John Taolo Gaetsewe</b>	224 799	242 264	272 454	1.87%
<b>Gamagara</b>	41 617	53 656	29 580	-3.31%
<b>Ga-Segonyane</b>	93 651	104 408	117 454	2.20%
<b>Joe Morolong</b>	89 530	84 201	125 420	3.27%

Source: StatsSA 2022

However, the South African Regional explorer statistics (2022), shows an increase in the Ga-Segonyana and Gamagara local municipalities as it has been the trend since 2011 statsSA report. The report indicates an increase of about 14857; 242 264 in 2016 to 257 121 in 2022; with an annual growth rate of about 1.92%. Ga-Segonyana (12.6%), Gamagara (12.3%) and about 3.2% in the population of Joe Morolong Local Municipality in the period between 2016 and 2022 (South African Regional eXplorer, 2022).

Table 2 comparison of total Population - Local Municipalities of JTG District Municipality, 2012, 2017 AND 2022

Municipality	2012	2017	2022	Average Annual growth
<b>Joe Morolong</b>	80,400	80,200	82,800	<b>0.29%</b>
<b>Ga-Segonyana</b>	89,200	103,000	116,000	<b>2.65%</b>
<b>Gamagara</b>	42,900	52,100	58,500	<b>3.16%</b>
<b>John Taolo Gaetsewe</b>	212,512	235,587	257,121	<b>1.92%</b>

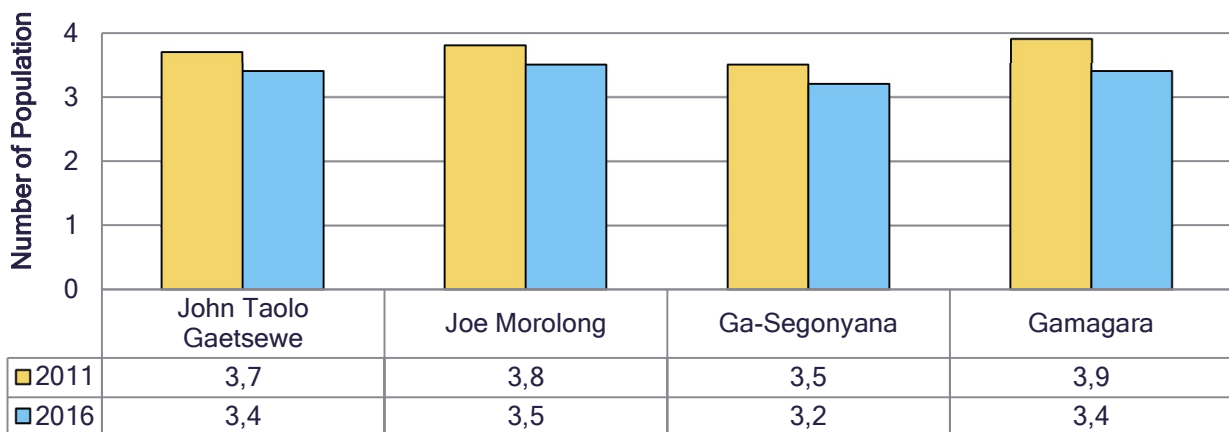
Source: South African Regional eXplorer, 2022

Gamagara Local Municipality had an increase of 3.16%, while Ga-Segonyana Local Municipality had the second highest growth 2.65%. The Joe Morolong Local Municipality annual growth rate of 0.29% (South African Regional eXplorer, 2022).

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 area.

### Population Distribution

The household sizes 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 LM. The low decrease in Joe Morolong LM and Ga-Segonyana LM is as a result of the increase in the number of households and high dependency due to level of poverty within the areas, especially in Joe Morolong LM where a high number of outmigration is experienced.

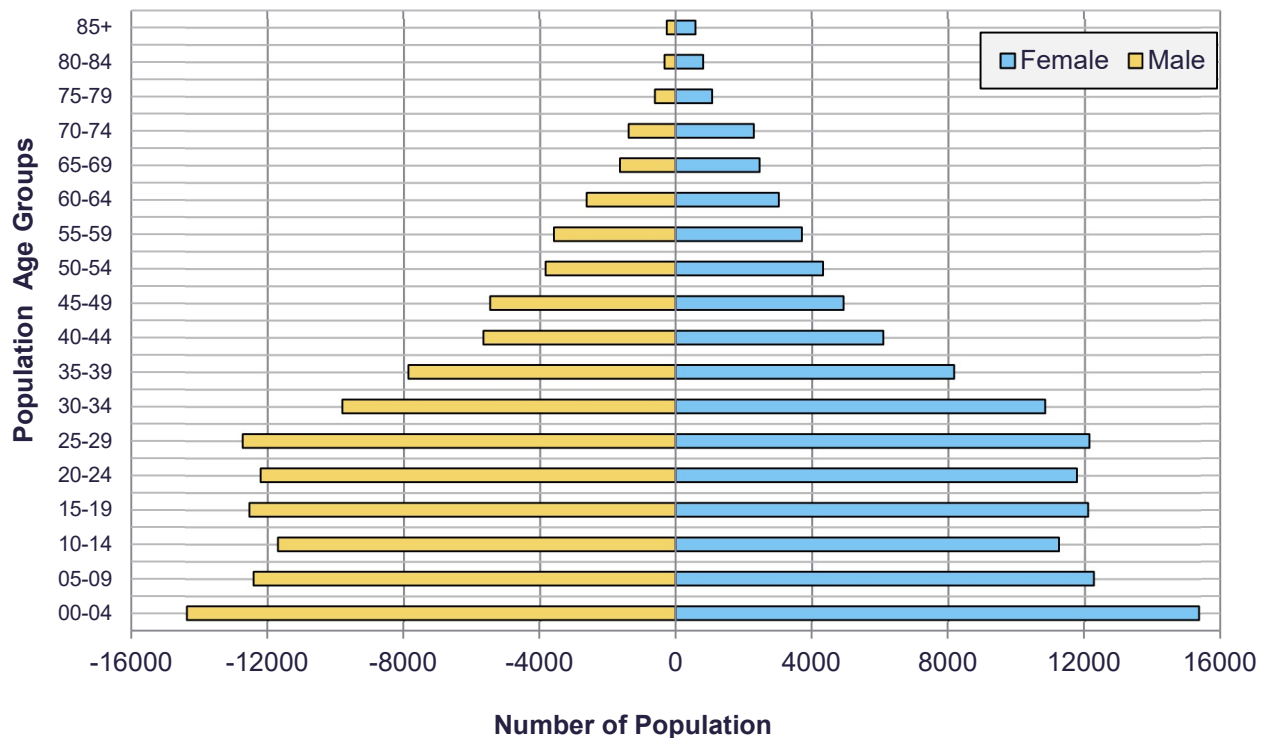


(Source: StatsSA 2016)

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 JTGDMD is 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 gender split in the JTGDM is 47.4% male and 52.6% female. There are generally more females than males in all municipalities with the exception of Gamagara; where there are more males than females, mainly because of the presence of job opportunities that attract men from other areas outside the district (Stats SA 2022).

**Table 3 Gender Ratio**

	<b>John Taolo Gaetsewe</b>	<b>Joe Morolong</b>	<b>Ga- Segonyana</b>	<b>Gamagara</b>
<b>Male</b>	129166	58039	56318	14809
<b>Female</b>	143288	67381	61136	14771
<b>Total population</b>	<b>272 454</b>	<b>125 420</b>	<b>117 454</b>	<b>29 580</b>

Source: StatsSA 2022

The gender split in the JTGDM is 48.1% male and 51.9% female (South African Regional eXplorer, 2022).

**Table 4 comparison Population by gender - John Taolo Gaetsewe, 2022**

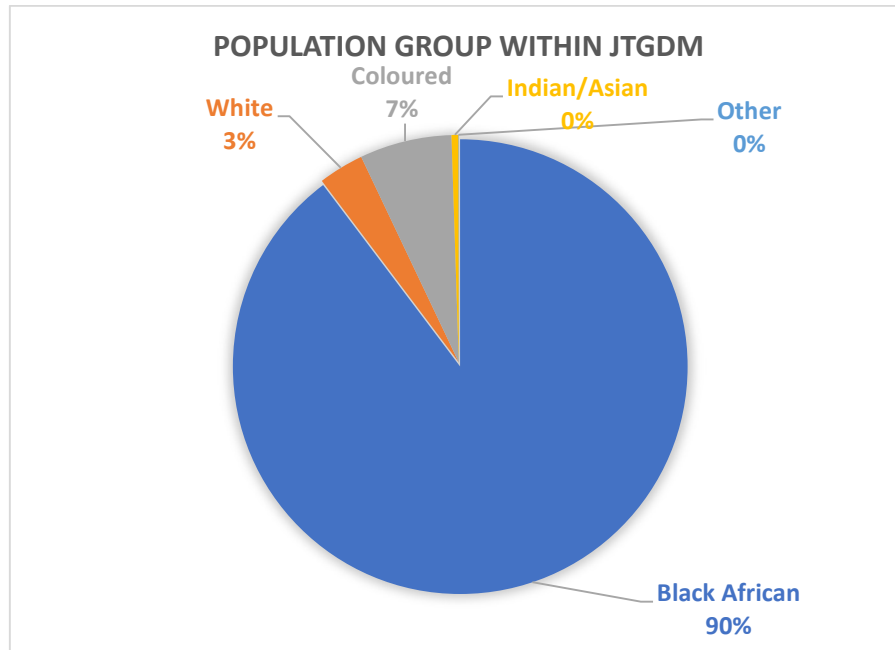
<b>Municipality</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
<b>John Taolo Gaetsewe District Municipality</b>	123, 796	133, 796	257, 121

Source: South African Regional eXplorer (2022)

### Racial distribution

According to StatsSA 2022 the racial profile of the JTGDM is as follows: Black/African: 90%; Coloured: 7%; Asian and Indian: 0%; White: 3%; other: 0% (Stats SA 2022).

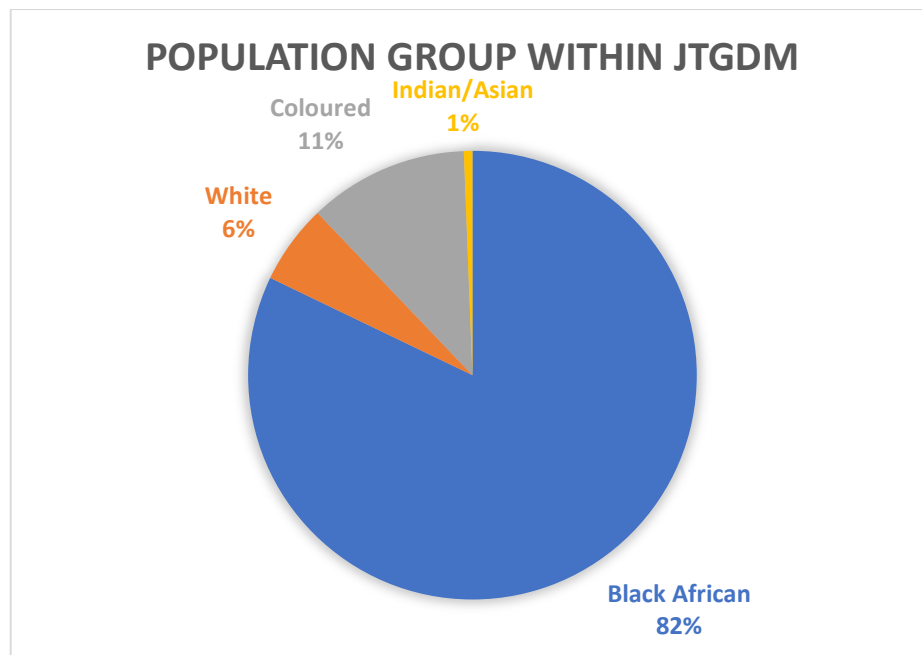
Figure 1 Population group within JTGDM



Source: StatsSA 2022

According to South African Regional eXplorer (2022), the racial profile of the JTGDM is as follows: Black/African: 82%; Coloured: 11%; Asian and Indian: 1%; White: 6% (According to South African Regional eXplorer, 2022).

Figure 2 comparison of Population group within JTGDM

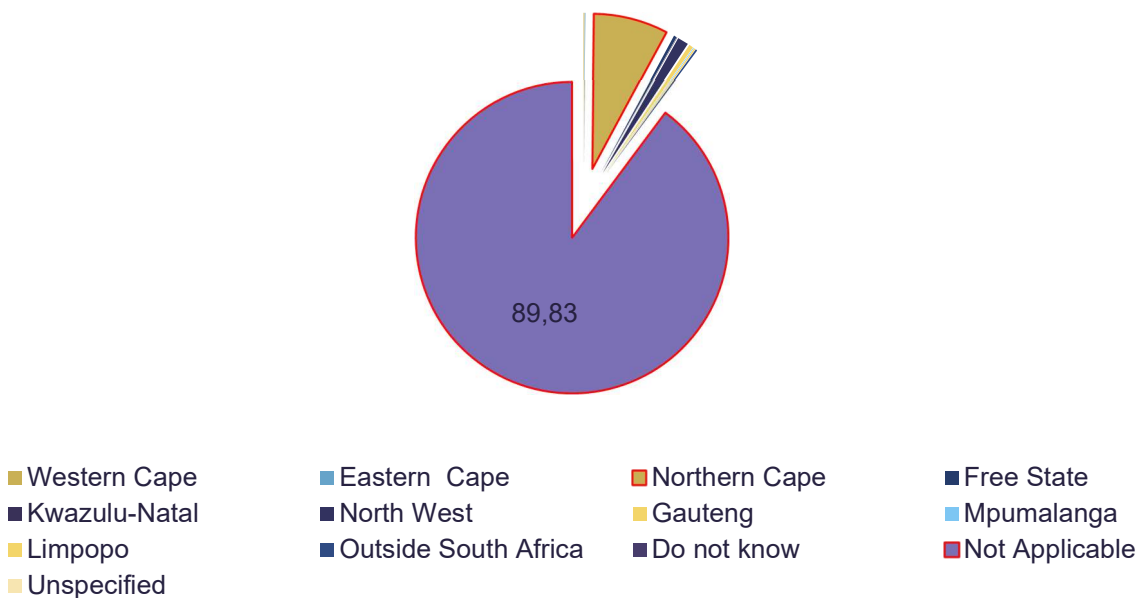


Source: South African Regional eXplorer, 2022



## 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.



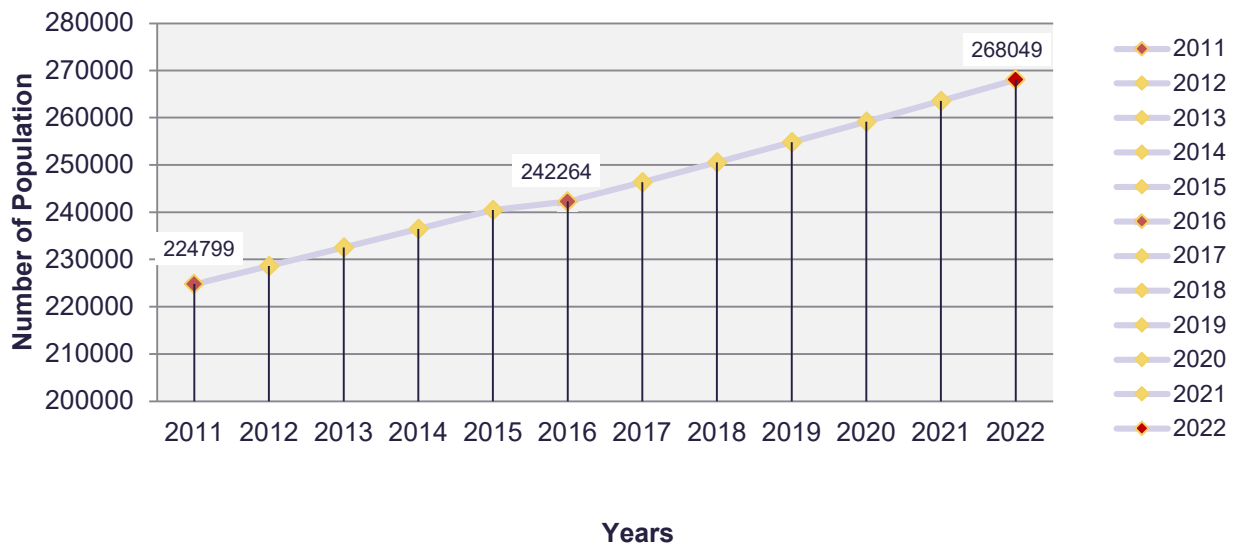
(Source: StatsSA 2016)

It is clear from the figure above that 89.83% of the population originates and still stay in JTGD. The figure above shows that 89.8% of the population in JTGD 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%).

In regard to the CENSUS 2022, specific data detailing the internal migration patterns—such as the number of individuals moving into or out of JTGD and within the District itself, their origins or destinations, and the demographic characteristics of these migrants—are not explicitly provided in the available sources.

## 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 to develop the air travel the 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 assists in the reduction of vehicle operating costs.

There are currently 2,773.11 km of municipal road network captured on the District Rural Road Asset Management System. A total of 58.4km is block paved, 1,595.60km is earth, 794.35km gravel and 324.76km 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 on imputing in the reduction of the vehicle operating costs and in extending the lifespan of municipal roads. The plan is also critical in the allocation of road infrastructure related grants.

Four Civil Engineering technicians are running the RRAMS programme. The technicians 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. The RRAMS software is shared with the local municipalities and the roads official s for each local municipality have viewer access to the programme.

Professional capacitation of graduates in the built industry under the Infrastructure Skills Development Grant (ISDG) programme is ongoing. Since inception of the grant, four Town Planning graduates trained through the ISDG programme are appointed on permanent positions in all municipalities within the District as registered professionals in management positions. Further three town planning graduates under the programme are employed by the municipalities on a permanent basis. One registered professional Civil Engineering Technician is a permanent employee in the Technical Services Department of a nearby local municipality. One Civil Engineering Technician is registered as a professional and is appointed in the District Municipality while one Civil Engineering Technician is appointed in the Joe Morolong Local Municipality and is completing his registration as a professional. A Land Surveyor has registered has been appointed by the District Municipality. This development is relevant to the programme objectives as it enhances the built environment levels of professionalism in local government.

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 is reviewed in the 2023/24 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 to be available in the JTG District to supply in 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 was divided per local municipality for the planning period of 2019- 2024.

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 2020/21 financial year. The Municipality received funding to build temporary housing units in the Joe Morolong and Ga-Segonyana Local Municipalities. This project has been successfully completed at the end of the 2023/24 financial year.

## **Water**

The John Taolo Gaetsewe District Municipality is not a Water Service Authority and does thus 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 Korannaberg 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 are 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 issue, which hampers provision of waterborne sewerage in townships like Vanzylsrus.

The first phase of the Vaal Gamagara water supply pipeline, which is the upgrade of the existing scheme has been completed. An extension of the pipeline to service areas which have a dire need of water in the far north of the District is being explored. 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
<b>John Taolo Gaetsewe</b>	<b>63,614</b>	<b>88,5</b>	<b>8,251</b>	<b>11,5</b>	<b>71,865</b>

*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
<b>John Taolo Gaetsewe</b>	<b>27,297</b>	<b>37,7</b>	<b>38,712</b>	<b>53,5</b>	<b>6,301</b>	<b>8,7</b>	<b>72,310</b>

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	74,812

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 funding sanitation projects in the district to eradicate the inadequate toilets and providing toilets where there is a lack through the different government grants. 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.

Coordination between stakeholders has slightly improved - local municipalities in the District and Eskom. Support on electricity supply strategy from ESKOM is an area of discussion. 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 remains a level 2 accredited municipality and 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 relate 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%

The using 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 2013 growth scenario for that was anticipated for 2019, 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 to be available in the JTG District to supply in 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 2021
Gamagara LM	Housing Backlog, 2021	4,440	300m <sup>2</sup>	135 ha
	Housing Demand for all income groups due to household growth	28,073	500m <sup>2</sup>	1,404 ha
Ga-Segonyana LM	Housing Backlog, 2021	7,441	300m <sup>2</sup>	225 ha
	Housing Demand for all income groups due to household growth	10,713	500m <sup>2</sup>	536 ha
Joe Morolong LM	Housing Backlog, 2021	4,817	300m <sup>2</sup>	145 ha
	Housing Demand for all income groups due to household growth	6,112	500m <sup>2</sup>	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, due in large part 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 Waste Water Treatment Works (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 mainly because, probably because of the low rainfall in the area and related traffic volumes in the past. 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 Road Masterplans which incorporate the Storm-water master plans. There are currently 2,773.11km of municipal road network captured on the District Rural Road Asset Management System, of which 58.4 km is Block paved, 1,595.6km is earth, 794.35km gravel and 324.76km have flexible pavement.

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

LM MUNICIPALITY	FLEX (km)	BLOCK (km)	GRAV (km)	EARTH (km)	GRAND TOTAL (km)
Ga-Magara	163,57	6,10	25,92	67,85	263,44
Ga-Segonyana	133,69	34,64	229,19	862,04	259,56
Joe Morolong	27,50	17,66	539,24	665,71	250,11
GRAND TOTAL	324,76	58,40	794,35	595,60 <sup>1</sup>	773,11

The modes of transportation in the District beside road transportation are rail and air transportation. The air transportation is mainly of the private sector and as a result airport in the region are not on public grounds only. 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 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 Department of Roads and Public Works.

#### **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. 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 2024. 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 2023/24 financial year. Full details appear in the audited Annual Financial Statements for the year ended 30 June 2024.

The municipality faced serious financial setbacks 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.

**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

**Statement of Changes in Net Assets**

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
<b>Restated* Balance at July 1, 2022</b>	<b>62,024,719</b>	<b>37,070,083</b>	<b>99,094,802</b>
Deficit for the year	-	(5,730,972)	(5,730,972)
Total changes	-	(5,730,972)	(5,730,972)
<b>Balance at July 1, 2023</b>	<b>62,024,719</b>	<b>31,339,112</b>	<b>93,363,831</b>
Changes in net assets			
Revaluation of property, plant and equipment	5,241,042	-	5,241,042
Net income recognised directly in net assets	5,241,042	-	5,241,042
Deficit for the year	-	(13,760,066)	(13,760,066)
Total changes	5,241,042	(13,760,066)	(8,519,024)
<b>Balance at June 30, 2024</b>	<b>67,265,761</b>	<b>17,579,046</b>	<b>84,844,807</b>
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 2023/24 financial year. The municipality recorded the deficit of R 13 760 066, and an increase in the revaluation reserve of R 5 241 042.

Below is an extract of the Statement of financial Performance:

## John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

### Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Rental of facilities and equipment	18	449,178	212,195
Other income	19	192,722	119,660
Administration and management fees	20	2,839,596	2,308,366
Interest income	21	2,742,573	5,038,457
<b>Total revenue from exchange transactions</b>		<b>6,224,069</b>	<b>7,678,678</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies	22	118,998,531	113,692,735
Contract revenue	16	-	39,353,102
Donations received	23	4,727,949	2,123,729
<b>Total revenue from non-exchange transactions</b>		<b>123,726,480</b>	<b>155,169,566</b>
<b>Total revenue</b>		<b>129,950,549</b>	<b>162,848,244</b>
<b>Expenditure</b>			
Employee related costs	24	(87,240,890)	(80,312,588)
Remuneration of councillors	25	(6,626,785)	(6,223,884)
Depreciation and amortisation	26	(6,474,246)	(5,646,440)
Finance costs	27	(914,209)	(1,434,301)
Debt Impairment	28	(216,237)	(76,476)
Bad debts written off	29	(2,234,314)	(778,026)
Contract costs	16	-	(39,353,102)
Operational costs	30	(37,547,805)	(36,591,521)
<b>Total expenditure</b>		<b>(141,254,486)</b>	<b>(170,416,338)</b>
<b>Operating deficit</b>		<b>(11,303,937)</b>	<b>(7,568,094)</b>
Loss on disposal of assets and liabilities	31	(139,412)	(721,414)
Fair value adjustments	32	96,537	1,116,433
Actuarial gains/losses	14	(183,000)	448,000
(Loss) gain on biological assets and agricultural produce	33	(2,230,254)	1,264,499
Loss on non-current assets held for sale or disposal groups		-	(270,396)
		<b>(2,456,129)</b>	<b>1,837,122</b>
<b>Deficit for the year</b>		<b>(13,760,066)</b>	<b>(5,730,972)</b>

Revenue decreased to R 129 million (2023: R162 million) with the total expenditure decreasing to R 141 million (2023: R170 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 13 760 066 has been recorded during the year under review. This is from a restated net deficit position amounting to R 5 730 972 recorded in the 2022/23 financial year.

Financial Overview: Year 2023/24			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	115,708	119,768	118,999
Taxes, Levies and tariffs			
Other	4,474	10,430	10,952
Sub Total	120,182	130,198	129,951
Less: Expenditure	119,932	129,090	141,254
Net Total*	250	1,108	(11,304)
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	66,5%
Repairs & Maintenance	0,5%
Finance Charges & Impairment	0,6%
	T 1.4.3

### Comment on Operating Ratios

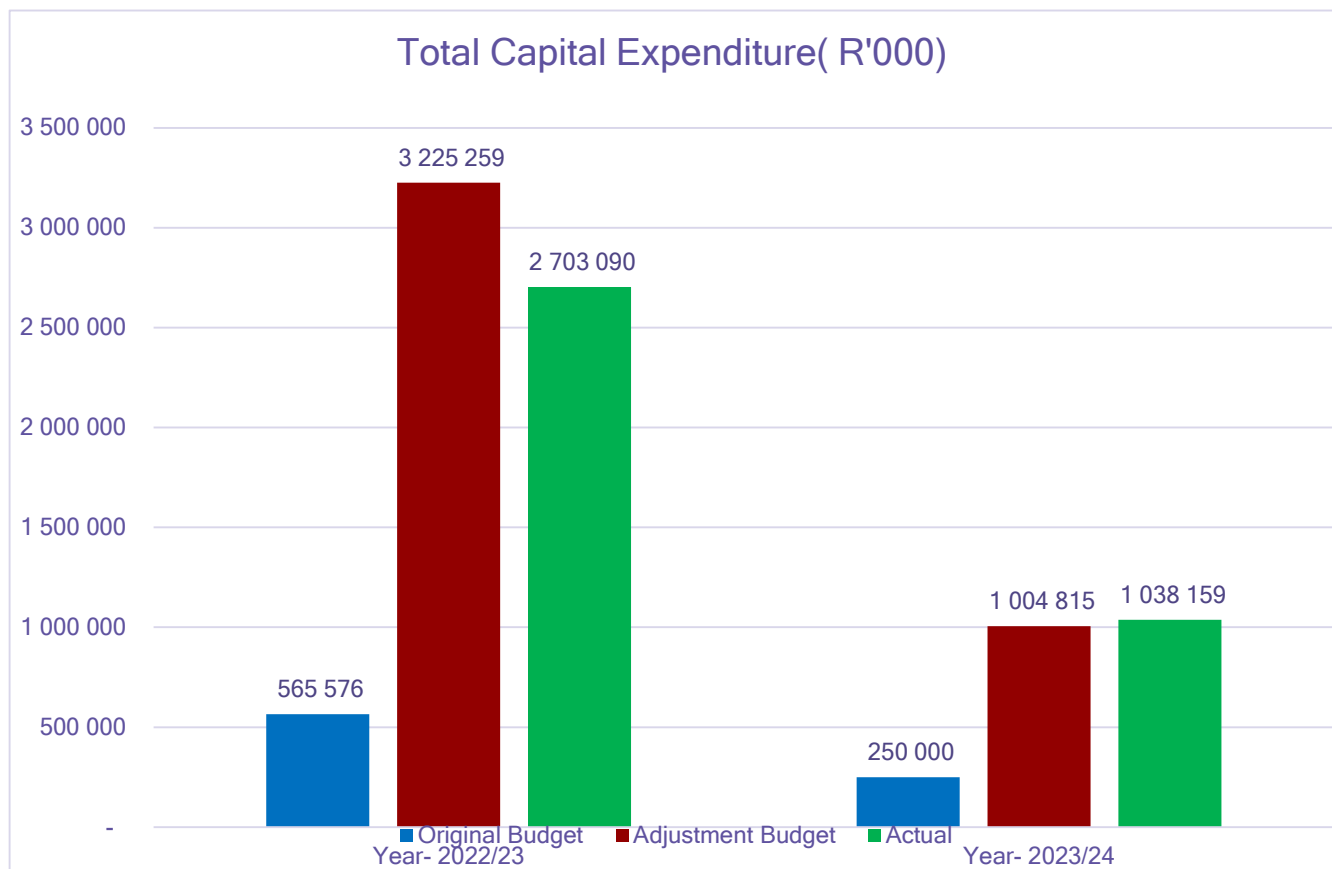
Employee costs including remunerations of councilors remain high at 66.5%. The high percentage is directly as a result of grant dependency and the inability to generate any additional revenue.

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 -2021/22 to Year 2023/24			
	R'000		
Detail	Year -2021/22	Year- 2022/23	Year- 2023/24
Original Budget	696,464	565,576	250,000
Adjustment Budget	3,000,611	3,225,259	1,004,815
Actual	1,538,216	2,703,090	1,038,159
	T 1.4.4		

For the 2023/24 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 2022/23. 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 2023/2024

The Municipality received an unqualified with findings opinion for the 2023/24 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)	August
8	Mayor tables the unaudited Annual Report	
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	September - October
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
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	December
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	January
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

### Comment on the Annual Report Process

It is important that the above timetabled is 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. P. Q. Mogatle



Speaker: Cllr. I. E. Aiseng

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

Councillor I Matebesi - Finance and Corporate Committee



Councillor KF Masiabele - Planning and Development Committee



Councillor O Kgopodithata - Community Development Services Committee



Councillor PM Kgosiengwang - Infrastructure and Basic Services Committee



**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			%	%	%
<b>Councillor PQ Mogatle</b>	FT	Executive Mayor	ANC	100	-	-
<b>Councillor IE Aiseng</b>	FT	Speaker	ANC	90	-	10
<b>Councillor KF Masiabele</b>	FT	Chairperson: Development & Planning Committee	ANC	60	-	40
<b>Councillor OH Kgopodithata</b>	FT	Chairperson: Community Development Services Committee	ANC	70	-	30
<b>Councillor I Matebesi</b>	PT	Chairperson: Finance and Corporate Committee	ANC	80	-	20
<b>Councillor GG Kaotsane</b>	PT	Infrastructure & Basic Services Committee	EFF	70	-	30
<b>Councillor PM Kgosiengwang</b>	FT	Chairperson: Infrastructure & Basic Services Committee	ANC	90	-	10
<b>Councillor PJ Ohentswe</b>	FT	Finance and Corporate Committee	EFF	50	-	50
<b>Councillor TC Kegakilwe</b>	FT	Community Development Services Committee	EFF	70	-	30
<b>Councillor OD Mathibe</b>	PT	Planning and Development Committee	DA	90	-	10
<b>Councillor AI Eilerd</b>	FT	Finance and Corporate Committee	DA	90	-	10
<b>Councillor NG Ngesi</b>	FT	Finance and Corporate Committee	ANC	90	-	10
<b>Councillor N Tswere</b>	PT	Planning and Development Committee	ANC	100	-	-
<b>Councillor M Filipo</b>	PT	Finance and Corporate Committee	ANC	90	-	10
<b>Councillor TG Mosegedi</b>	PT	Community Development Services Committee	ANC	80	-	20
<b>Councillor N Mereotlhe</b>	PT	Community Development Services Committee	ANC	90	-	10
<b>Councillor KR Paul</b>	FT	Community Development Services Committee	DA	90	-	10
<b>Councillor KS Setlhodi</b>	PT	Community Development Services Committee	EFF	90	-	10
<b>Councillor M Valela</b>	PT	Infrastructure & Basic Services Committee	ANC	90	-	10
<b>Councillor GM Chere</b>	PT	Infrastructure & Basic Services Committee	ANC	90	-	10
<b>Councillor TM Motsoare</b>	PT	Planning and Development Committee	ANC	80	-	20
<b>Councillor BI Sebego</b>	PT	Infrastructure & Basic Services Committee	DA	90	-	10
<b>Councillor OA Etshetshang</b>	PT	Infrastructure & Basic Services Committee	EFF	70	-	10
<b>Kgosi GE Thaganyane</b>	PT	N/A	N/A	40	-	60
<b>Kgosi PS Bareki</b>	PT	N/A	N/A	30	-	70

### 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 its either approve the reports or reject them after altering where it deems necessary to do so.

Upon decision by Council, the administration wing has to implement that decision and report back to Council in the form of 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. KK Teise
Corporate Services Department	Mrs. SP Mereyotlhe (Acting)
BTO Department	Ms. LL Shupu (Acting CFO)
Community Development Services Department	Mr. TH Matlhare (Acting Director: Community Development Services)
Economic Development Department	Mr. BG Segoje (Acting)
Basic Services & Infrastructure	Mr. MW Molusi (Director: Basic Services & Infrastructure)



## **Municipal Manager**

Mr. K. K. Teise

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## **Director: Basic Services and Infrastructure**

Mr. M. W. Motshabi

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## **Director: Corporate Services**

Vacant

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## **Director: Development and Planning**

Vacant

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## **Acting Director: Community Development Services**

Mr. T. H. Matlhare

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

Vacant

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## **COMPONENT B: CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS**

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

### **2.3 Intergovernmental Relations**

#### **National Intergovernmental Structures**

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

#### **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 this 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 and 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 table below depicts progress on the implementation of the 2023/24 procurement plan:

Bid Number	Bid Description	Date advertised	Closing Date	Date awarded	Awarded to	Bid Price Awarded (R)
001-2023/24 (RFP)	Professional services for transaction advisory and capital raising services including public private partnerships (PPP) for a period of 36 months	17 May 2023	23 Jun 2023	18 Sept 2023	<b>10 professional services</b> Skhunyana Consulting Lucus Macintyre Jele Engineering Services Ntiyiso Consulting (Pty)Ltd Engineerex (Pty) Ltd Utho capital (Pty)Ltd TM Consulting (Pty)Ltd Aseda Consulting Engineers (Pty) Ltd Tsela Tsweu Consulting Engineers (Pty) Ltd Paragon Debt Advisory Pholisani Capital (Pty) Ltd	Own funding
02-2023/24	Appointment of Panel of Attorneys for a period of 36 months	17 May 2023	19 Jun 2023	Re- advertisement	N/A	N/A
03-2023/24	Provision of Insurance Services of Properties and Liabilities	17 May 2023	19 Jun 2023	01 Sep 2023	All Diamond Risk Solution (PTY) LTD	R1 129 985,00
04-2023/24	Provision of a Banking services for a period of 5 years	17 May 2023	24 Jul 2023	05 Jun 2024	ABSA Bank (Pty) Ltd	Rate based
05-2023/24	Redesign and Maintenance of Municipal Websites for 36 months	17 May 2023	19 Jun 2023	Re- advertisement	N/A	N/A
06-2023/24	Provision of photocopying machines for a period of 36 months	17 May 2023	19 Jun 2023	Re- advertisement	N/A	N/A
07-2023/24	Supply and Delivery of Building Material for the Construction of two (2) Houses	17 May 2023	19 Jun 2023	Re- advertisement	N/A	N/A



08-2023/24	Appointment of service providers to design and place advertisements in local, provincial and national media for a period of 24 months (as and when required)	13 Jun 2023	24 Jul 2023	Re-advertisement	N/A	N/A
09-2023/24	provision of security services at John Taolo Gaetsewe District Municipality for a period 24 month	27 Oct 2023	27 Nov 2023	06 Feb 2024	Kagotsentle Security Services	R6 694 380,00
09-2023/24	Panel of auctioneers for a period of 24 months as and when needed	27 Oct 2023	27 Nov 2023	18 Mar 2024	Root-X Auctioneers	4.5% of the total auction sale
11-2023/24 RE-ADVERT	Appointment of Panel of Attorneys for a period of 36 months	08 Dec 2023	25 Jan 2024	Re-advertisement	N/A	N/A
12-2023/24 RE-ADVERT	Redesigh and Maintainance of Municipal Website for 36 months	08 Dec 2023	25 Jan 2024	Re-advertisement	N/A	N/A
13-2023/24 RE-ADVERT	Provision of photocopying machines for a period of 36 months	08 Dec 2023	25 Jan 2024	Re-advertisement	N/A	N/A
14-2023/24 RE-ADVERT	Supply and Delivery of Building for the Contruction of two (2) Houses	08 Dec 2023	25-Jan-2024	Re-advertisement	N/A	N/A
15-2023/24	Supply and Delivery of crusher dust and cements	13 Dec 2023	25 Jan 2024	06 Feb 2024	Bushie Holdings	R210 440.00
16-2023/24	Valuation of Properties of John Taolo Gaetsewe District Municipality for a period of 36 Months	12 April 2024	17 May 2024	11 Jun 2024	DDP Valuers (Pty)Ltd	R138 000.00
17-2023/24	Appointment of a Firm of Actuaries for a period of 36 Months	12 April 2024	17 May 2024	11 Jun 2024	ARCH Actuaries Consulting (Pty)Ltd	R76 935.00
18-2023/24	Procurement of Conference Facilities in Douglas Area,for Strategic Planning Session from 29 April 2024 to 30 April 2024	12 April 2024	19 April 2024	11 Jun 2024	Maikemisetso Transport and Projects	R523 469,65
19-2023/24	Supply and Delivery of Municipal Vehicle(Double Cab)	12 April 2024	10 May 2024	14 Jun 2024	Williams Hunt a Division of CFAO Mobility (Pty) Ltd	R504 659.00

From the table above, it is evident that 70% of planned procurement items were acquired during the 2023/24 financial year.

## **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 2023/24 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 PPR 2022, 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:

- Supply Chain Management Policy for 2023/24 FY (Incorporating Local Government Framework for Infrastructure Delivery and Procurement Management - Annexure A)

#### **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:

- Preferential Procurement Regulations 2022
- 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 SCM module on SAGE system is fully functional. The CCG Consultants continued to provide technical support as and when required.

#### **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.

### **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.

## 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.

## 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.

## 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. Next survey will be conducted within the next 5-year cycle due to costs of survey. The findings are summarized below.

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 of John Taolo Gaetsewe District Area, Local Municipalities and other stakeholder service outlets e.g., tribal offices. This covered the communities that are resident within the John Taolo Gaetsewe District Area. The survey had a sample size of 500.

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 becomes in place. The procurement processes had commenced in the financial year under review.

### 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 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 townships are equally 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**

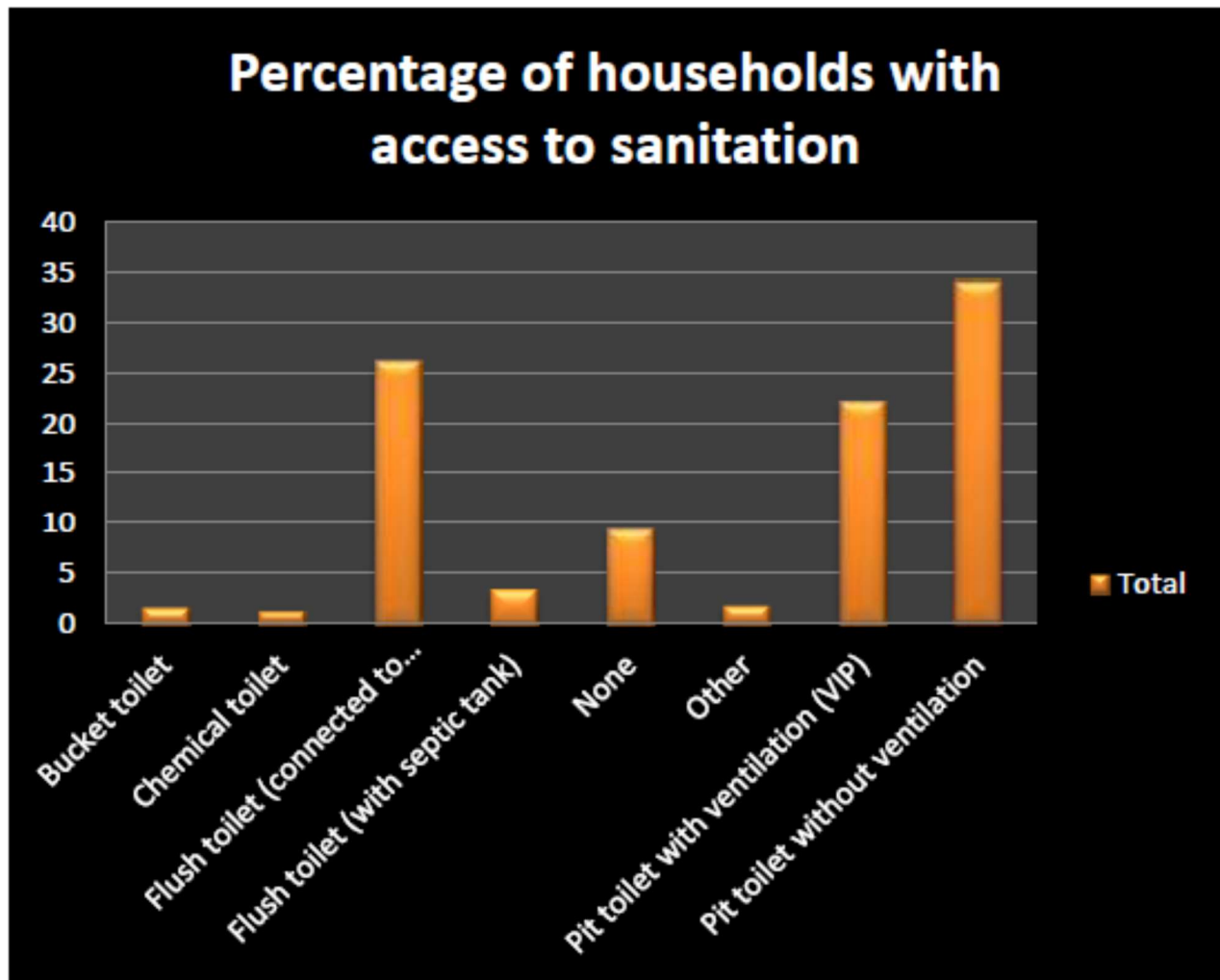
The Municipality targets to provide Bulk Water Services in a coordinated way and optimizing the district wide resources. The assessment can be attained within the approved budget. This outcome will assist in shedding light on how best the services can be performed in the district and this is being done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

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 JTGDMD monitor sanitation from an Environmental Health Perspective.

### 3.3 Electricity

The Services is 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 well. There supply challenges in some towns, Kuruman and Kathu, where

there is a need to augment the supply and in some instances the grant resources not adequate in the local municipalities.

#### **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. The project was funded by DEA. A waste management forum was established at district level for support to local municipalities in implementing their IWMP.

### **3.5 Housing**

The Integrated Human Settlement Plan (IHSP) is in place is reviewed annually. Council had approved a SDBIP which monitors the information update on an annual basis. There are projects reflected in the Human Settlement Plan and preparations of business cases are being 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, contract management challenges. The Local Municipalities had however, where there had been unsatisfactory progress terminated contracts where necessary.

### **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 NHBRC 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 human settlements construction sites in the district. Civil engineering services for 240 low-cost houses in Wrenchville which has been completed and 171 top structures had been completed. The construction of 177 houses in Bankhara/Bodulong has been completed. Both projects are in the Ga-Segonyana Local Municipal area. A project of 5700 houses mixed development has been completed and handed over to Municipality for beneficiary selection and identification. Bulk services is a serious challenge though and the construction of 142 housing units at Siyathemba. The contractor was appointed in May 2023, progress has been slow with only 10 houses completed and 17 at different milestones, 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 is 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, storage facilities and huge backlogs in communication. 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 and taxi ranks, weigh bridges to regulate freight - where in place, being too small for the holding capacities.

### 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). All the provincial roads are being planned for, constructed and maintained by the provincial Department of Roads and Public Works.

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.

The municipal roads network increased to 2773.11 km and this is attributed in the main to expansion of villages of the rural communities. The breakdown of of roads surfaces is as follows:

Paved roads = 324,76km

Block roads = 58,4 km

Unpaved roads = 2389, 95km

Of the total 2773.11 km, 339,44 km of the roads network is not yet assessed. 1 979,46km are in a very poor state, 189,6 km in a poor state, 118,84 km in a fair condition, 93.1km and 52,17km are in a very good condition.

### **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) was developed in the financial year to assist on municipal roads planning.

## **3.8 Transport (including vehicle licensing & public bus operation)**

The Reviewed Integrated Transport Plan which has been reviewed for 2023/24 financial year, 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 and maintaining a Transport forum to ensure the implementation of the District Integrated Transport Plan is a challenge. The municipalities and the Department of Roads and Public Works are embarking on capital and operational projects roads 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.

Major maintenance roads on the N14 on the eastern side of the district for a distance of 54,56km has commenced. A feasibility study of the N14/ R31 bypass road is completed by the Gasegonyana Local Municipality. The construction thereof will reduce mainly heavy traffic load off the Kuruman town streets.

### 3.9 Waste Water (storm water drainage)

The storm water function in towns is being executed by the local municipalities. There is however limited, roads associated, developments during construction of new roads but this 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 is 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

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 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

Accelerating the implementation of integrated development initiatives and providing support to local municipalities.

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.

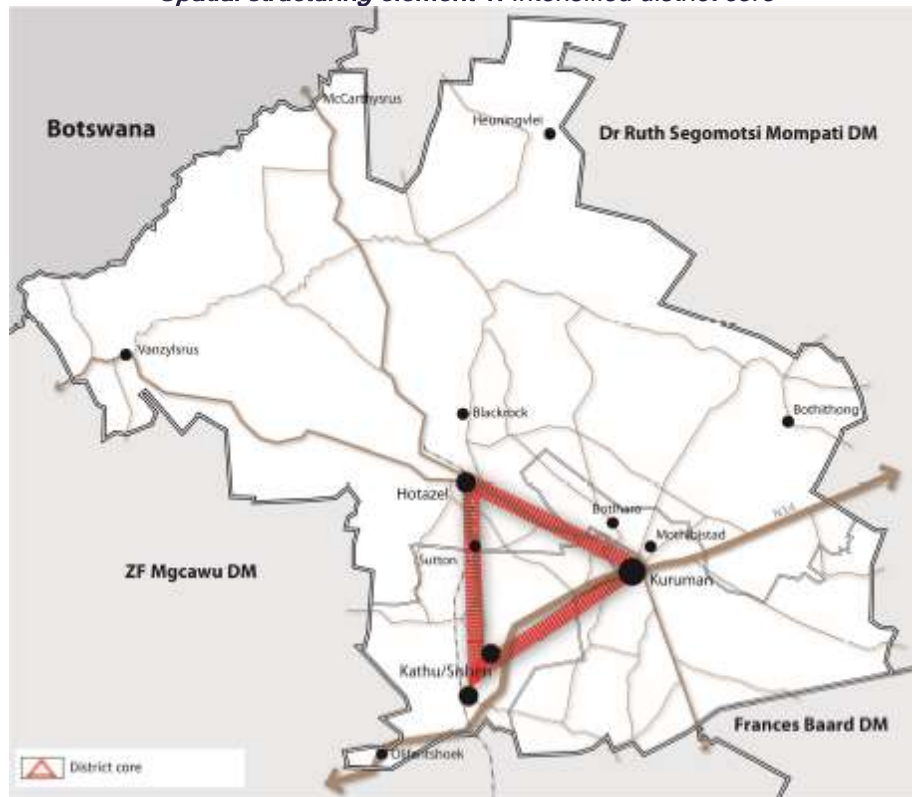
The reviewed SDF supports the SPLUMA principles and the incorporation thereof is indicated as follows:

SPLUMA Principles	Spatial Application in JTGDM SDF
<b>Spatial Justice</b>	Connectors between regional nodes, local nodes and human development hubs serve impoverished villages.
<b>Spatial Sustainability</b>	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.
<b>Spatial Efficiency</b>	Through the integration of mining, agricultural (both commercial and subsistence) and tourism activities in spatial planning, area-based strategies could be applied more efficiently.
<b>Spatial Resilience</b>	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.
<b>Good Administration</b>	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.

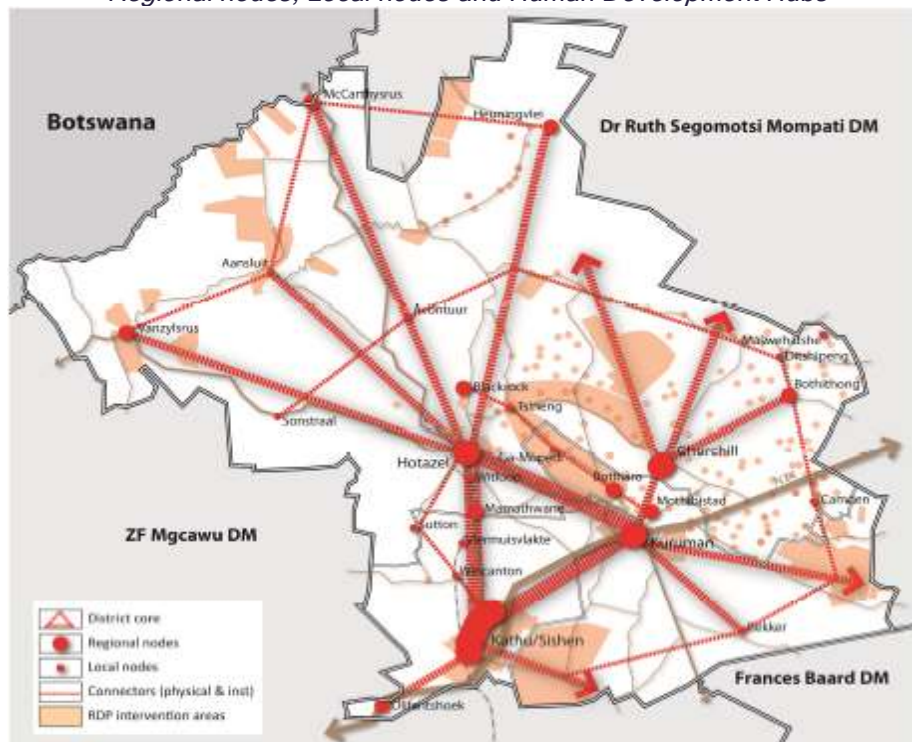


The following elements guide the spatial structure of the district and form the basis of the SDF:

***Spatial structuring element 1: Intensified district core***

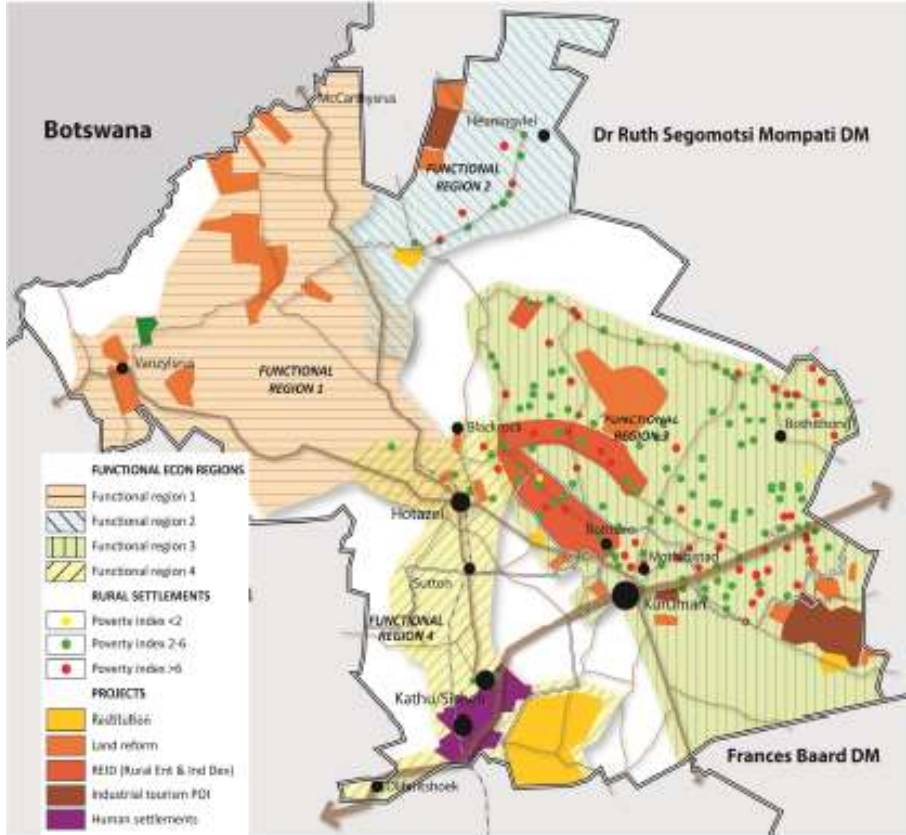


***Spatial structuring element 2: Polycentric network of nodes and (physical and institutional) connecting routes - Regional nodes, Local nodes and Human Development Hubs***

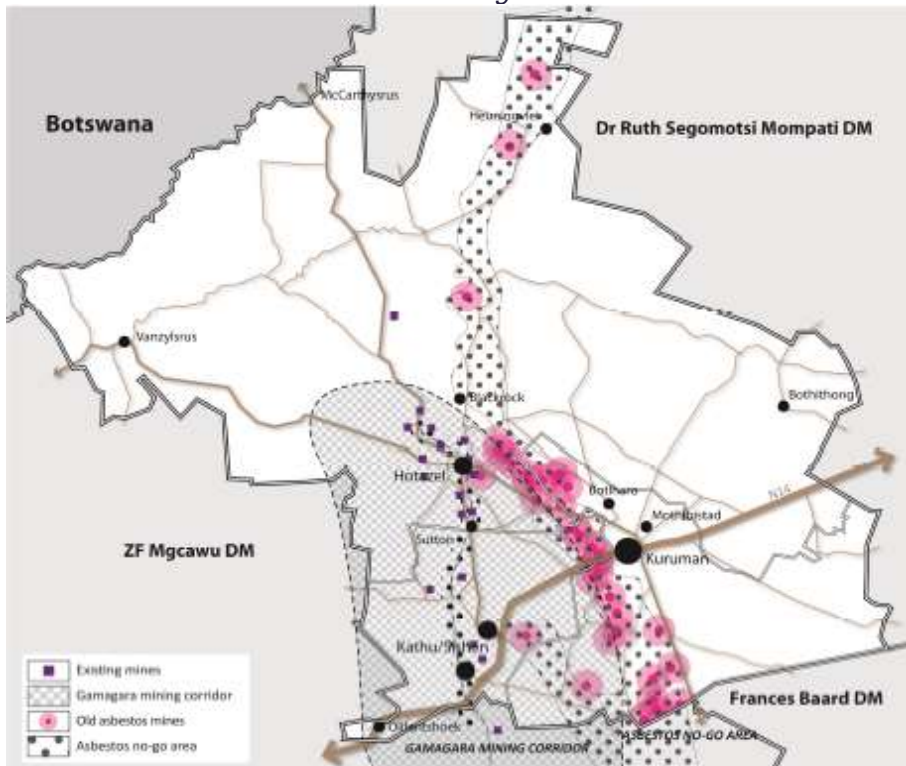




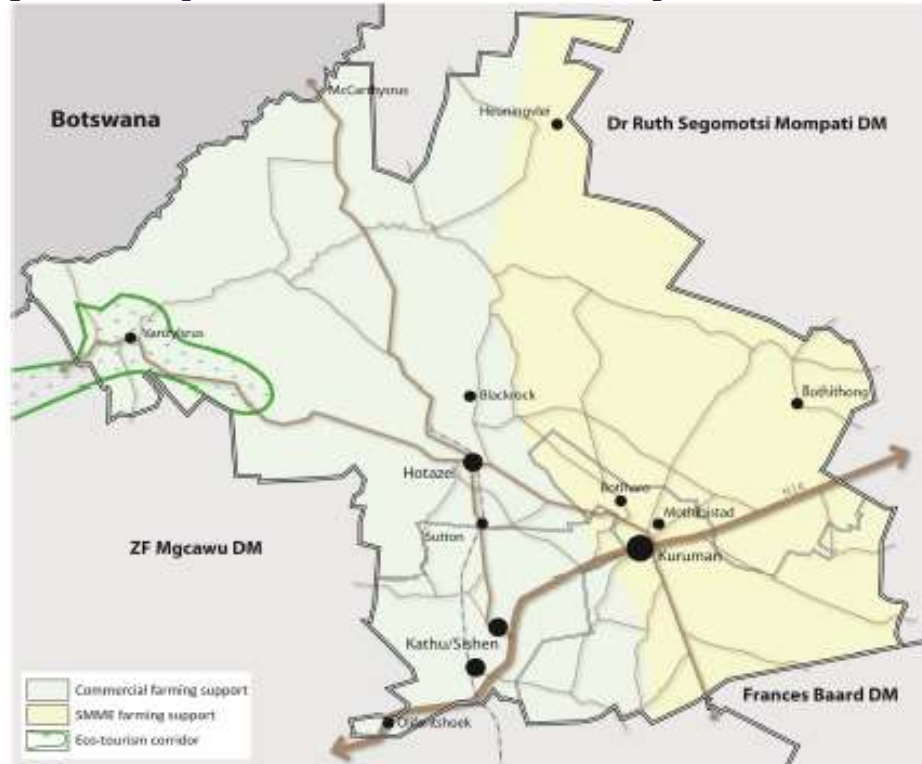
***Spatial structuring element 3: Functional economic regions - Functional Regions 1 - 4***



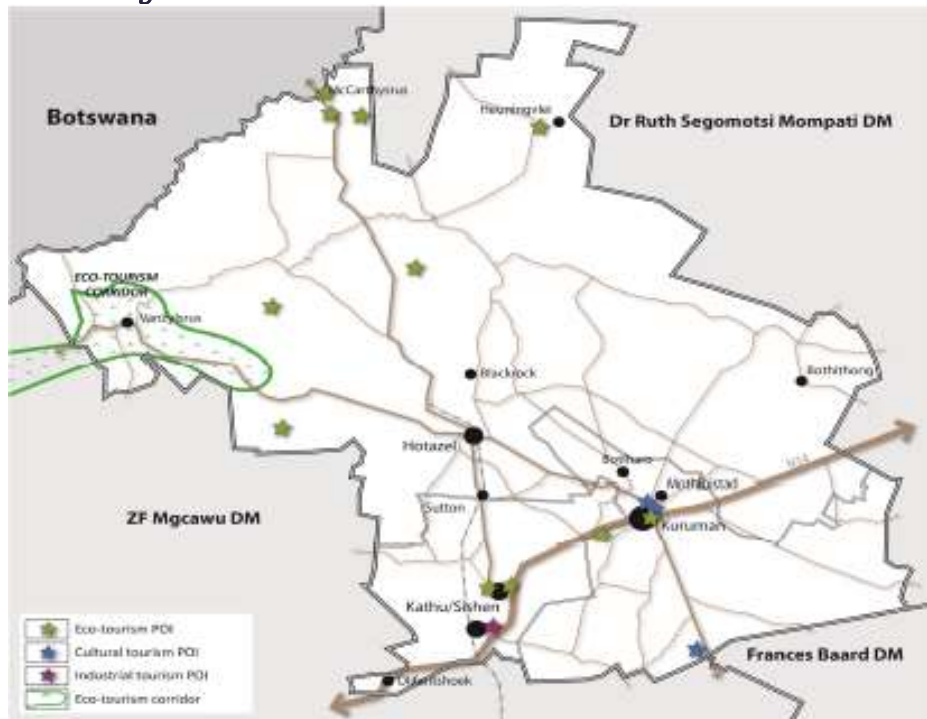
*Spatial structuring element 4: Mines and mining activities - Gamagara Mining Corridor, Active mines and Asbestos no-go area*



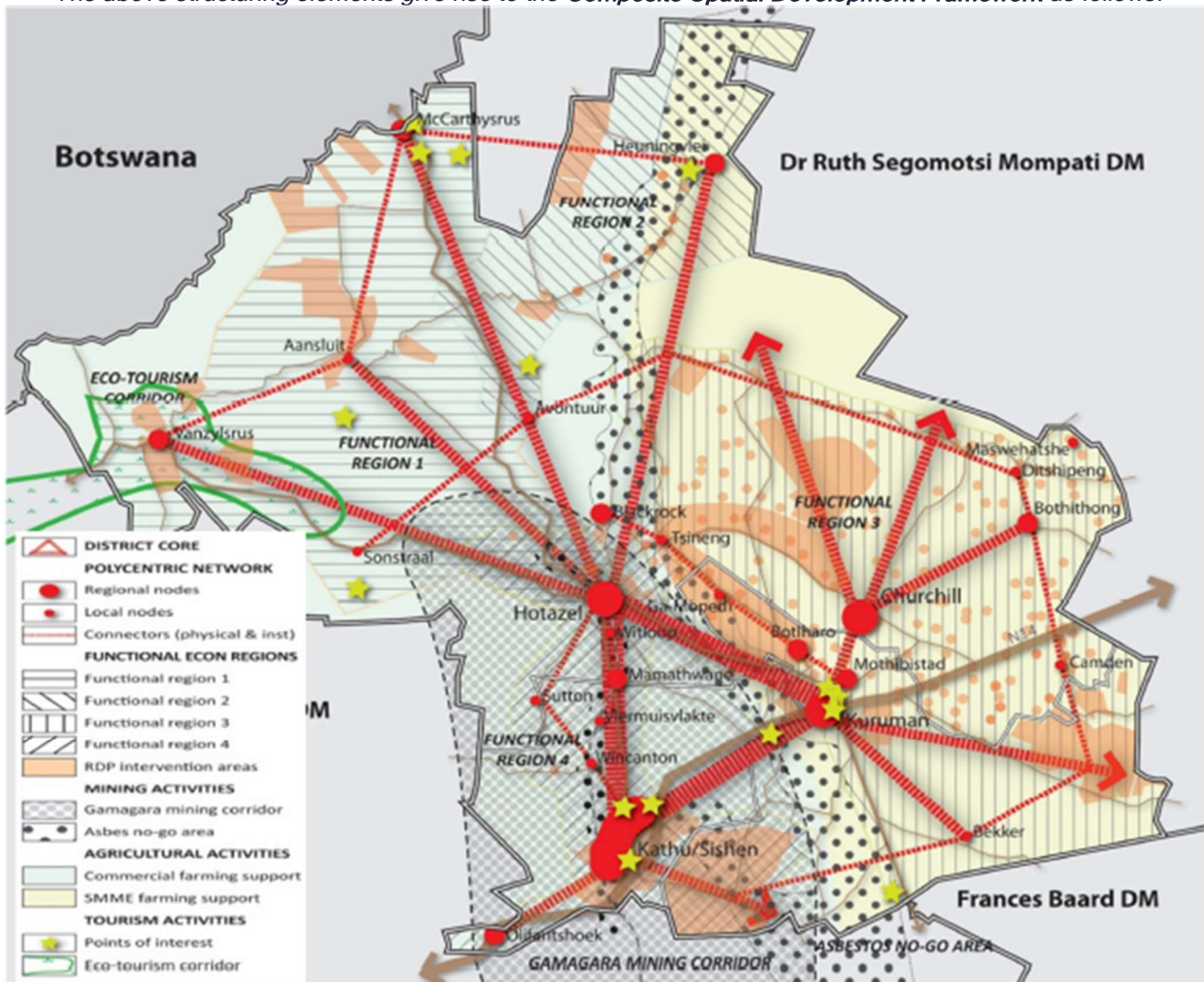
*Spatial structuring element 5: Agricultural activities - Commercial farming and rural extensive farming*



*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%
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0%</b>

T 3.10.4



## Comment on the performance of physical planning overall

The Municipality maintains the following physical planning projects:

- Human Settlement Plans - completed but needs in-depth review. Funding is dependent on grants and unfortunately limits the roll out of projects. Reviews are now taking place annually.
- Integrated Transport Plan - Funding is dependent on grants and unfortunately limits the roll out of projects. Reviews are now taking place annually but needs in-depth review.
- The Rural Roads Asset Management System project is a multi-year project is progressing well and is still unfolding.
- Integrated infrastructure plan - Reviews are now taking place annually. There is unfortunately limited information and the plan needs to be urgently overhauled.
- Air Quality Section 78 Assessment could not commence in 2017/18 and concluded in 2019/20 instead.

## 3.11 Local Economic Development (including tourism and market places)

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

- **Tourism**
  - Tourism Awareness Campaigns
  - Entrepreneurial support
  - Cleaning Campaign
  - Skills Development
  - Schools Tourism
  - Women in tourism
- **Comprehensive Rural Development Programme(CRDP)**
  - AGRI- Park project
  - Support Agriculture Cooperatives (Youth and Women)
  - Enterprise development
  - Support to local emerging farmers
  - Management of commonage farms
  - Agricultural Programs
  - 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 stand 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:

#### **Eight 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
- DPMT coordination
- 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 hopefully in September 2023. It must be noted that according to National Department, Heuningvlei Farmer Support Unit is one of the best in the Country and it is getting a necessary attention even in Parliament (FPSU) 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

## **Progress to date (With Heuningvlei FPSU)**

In 2018, through the services of Urban Econ Service Provider, we drafted the Heuningvlei Farmer Production Support Unit business plan together as a District. That business plan enabled us to establish the Heunngvlei FPSU as it currently is. However, it has now been 5 years and that business plan needs to be updated and more importantly there is a need for a business plan that will map an exit strategy of governmental support of the FPSU.

The Department has requested assistance from our sister Chief Directorate: Small Business Development, to assist with the update of the Heuningvlei Business Plan. They have requested for an active participation of key FPSU stakeholders in the drafting of the Business Plan. The plan is to offer a skills development training for three days on the drafting of a business plan (as a form of skills transfer) and to continue for the remaining two days with the actual drafting/

updating of the Heuningvlei FPSU Business Plan. This Business Plan is actually an exit Strategy for Department to allow/prepare farmers to run the FPSU effectively, efficiently and independently.

#### **Farmer Production Support Unit (Ga-Segonyana - Yale Farm)**

The Department of Rural Development has appointed a Service Provider to develop a Business Plan. The Department is currently mobilizing farmers that are within a 60KM radius including those in Gamagara. As soon as the mobilization is finalized, the Department will then formalize them into a Cooperative.

### **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. Eleven 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	<b>856</b>
<b>Break Down</b>	
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 both Disaster Management and Municipal Health Services. Therefore the Community Development Services Department would further like to engage organizations like 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 by 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. As part of employee wellness a service provider was appointed to develop an Integrated Employee Wellness policy and strategy. Sports and recreation is covered in the employee wellness activity program. This service is however not provided to communities.

## 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. Problems were however experienced in the Budget and Treasury Office, where interventions had to be made during the year. Certain processes in this regard is 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 Unaudited 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 reconsolidated 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 was changed from Sebata EMS to 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 minuted 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 2022/23, with quarterly progress reviews and reporting during the year;
- Risk Management Strategy and Implementation Plan that 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 2023/24 Financial Year; and
- Risk Management Strategy and Implementation Plan for 2023/24.

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

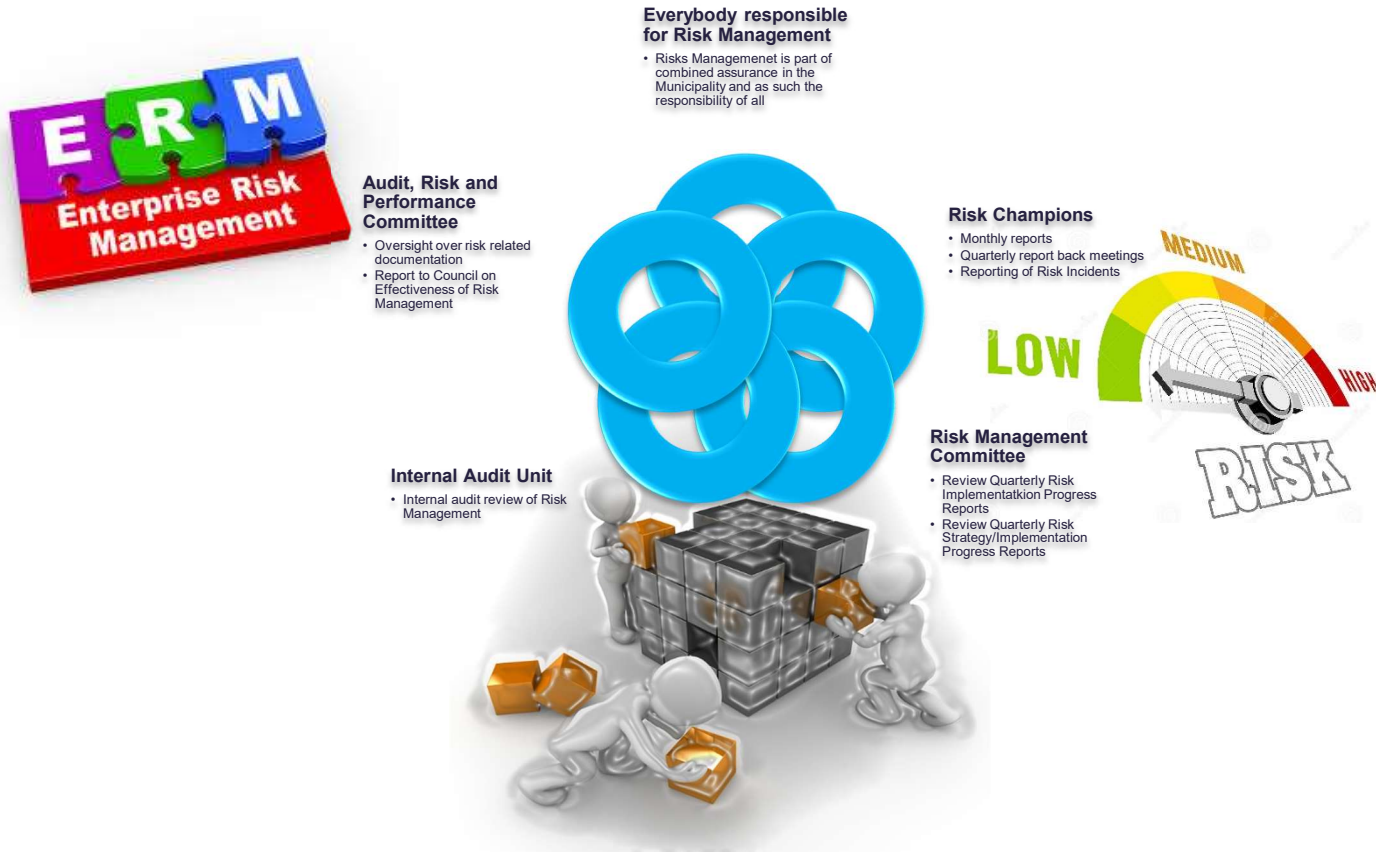
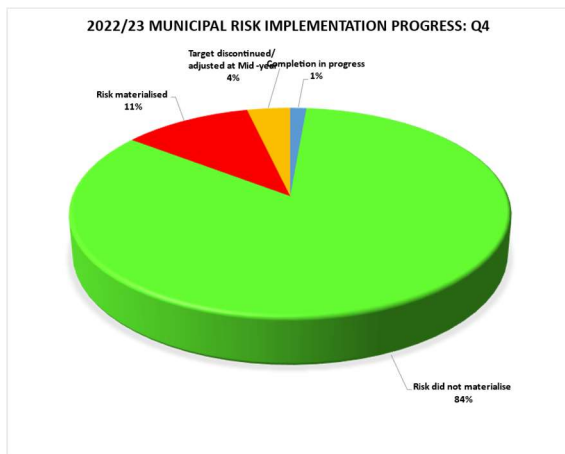


Figure 3: Integrated Risk Management

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 2022/23.

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% and reduced to 84% for 2022/23. Risk that materialized was 7% 2021/22 and increased to 11% for 2022/23.

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 2022/23, in terms of these indicators. The assessment is as follows:

IDP OBJECTIVE	IDP KPI	RMC KPI	OUTPUTS	FREQUENCY	PERFORMANCE ASSESSMENT
To manage risks to the Municipality	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.
To manage risks to the Municipality	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 2023/24 prior to submission to the Audit Risk and Performance Committee (ARPC)
To manage risks to the Municipality	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 2023/24 prior to submission to the ARPC
To manage risks to the Municipality	Number of quarterly risk register progress reports	4 Quarterly risk register updates (risk reports)	✓ Reviewed quarterly risk progress reports	✓ Quarterly	✓ The RMC reviewed four quarterly risk register updates

IDP OBJECTIVE	IDP KPI	RMC KPI	OUTPUTS	FREQUENCY	PERFORMANCE ASSESSMENT
To manage risks to the Municipality	submitted by 30 June	reviewed by 30 May.			and progress reports prior to submission to the ARPC
	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
To manage risks to the Municipality	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.
To manage risks to the Municipality	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 only amended in terms of the Vision and was reaffirmed by Council.
To manage risks to the Municipality	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.
	Number of quarterly Internal Risk Management Committee Meetings held by 30 June	RMC Performance Indicators Developed	✓ RMC Key Performance Indicators	✓ Triennially	✓ The RMC Charter was reviewed. KPIs remained unchanged.
To manage risks to the Municipality	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 2021/22, prior to submission to the ARPC and inclusion in the Annual Report.
	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.

<b>IDP OBJECTIVE</b>	<b>IDP KPI</b>	<b>RMC KPI</b>	<b>OUTPUTS</b>	<b>FREQUENCY</b>	<b>PERFORMANCE ASSESSMENT</b>
<i>To manage risks to the Municipality</i>	Number of quarterly Internal Risk Management Committee Meetings held by 30 June	Annual Report of risk management reviewed by 15 August	✓ Reviewed Annual Report risk management comment	✓ Annually	✓ The RMC reviewed the input to the 2021/22 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. This was repeated with the Risk Champions for the 2023/24 risk assessment process. 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.

### **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 completion, 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 20-21 was approved by Council in May 2020 for implementation from 1st July 2020.

## 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	2	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)	4	2	33.00
Senior management: Levels 13-15 (Finance posts)	4	4	100.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	22	7	37.00
Highly skilled supervision: levels 9-12 (Finance posts)	5	0	100.00
<b>Total</b>	<b>41</b>	<b>16</b>	<b>37.50</b>

<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>	T 4.1.2
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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	26	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>			T 4.1.3

### 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

Institutional Policies, Plans & Frameworks				
No.	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1.	Cash & Investment Policy	100	100	F11. 20/05/2024



2.	Expenditure Management Policy	100	100	F11. 20/05/2024
3.	Fund & Reserve Policy	100	100	F11. 20/05/2024
4.	Accounting Policy	100	100	F11. 20/05/2024
5.	Telephone Policy	100	100	F11. 20/05/2024
6.	Remuneration Policy	100	100	F11. 20/05/2024
7.	Housing Allowance Policy	100	100	F11. 20/05/2024
8.	Rental of Council Facilities Policy	100	100	F11. 20/05/2024
9.	Catering Policy	100	100	F11. 20/05/2024
10.	Attendance & Punctuality	100	100	F11. 20/05/2024
11.	Credit Control Policy	100	100	F11. 20/05/2024
12.	Fraud and Corruption Management, Promotion of Ethics and Professionalism Policy and Plan	100	100	F11. 20/05/2024
13.	National Environmental Health Policy	100	100	HR03.20/05/2024
14.	Expanded Public Works Policy	100	100	HR03.20/05/2024
15.	Information Technology Policy	100	100	HR03.20/05/2024
16.	Compassion & Bereavement Policy	100	100	HR03.20/05/2024
17.	Internship & Experiential Policy	100	100	HR03.20/05/2024
18.	Fleet Management Policy	100	100	HR03.20/05/2024
19.	Job Evaluation Policy	100	100	HR03.20/05/2024
20.	Corporate Governance of Information & Communication Technology Policy	100	100	HR03.20/05/2024
21.	Commonage Policy	100	100	HR03.20/05/2024
22.	Records Management Policy	100	100	HR03.20/05/2024
23.	Registry Manual	100	100	HR03.20/05/2024
24.	Recruitment & Selection Policy	100	100	HR03.20/05/2024
25.	Sexual Harassment Policy	100	100	HR03.20/05/2024
26.	Staff Retention Policy	100	100	HR03.20/05/2024
27.	Risk Management Policy	100	100	HR03.20/05/2024
28.	Transfer Policy	100	100	HR03.20/05/2024
29.	Training & Development Policy	100	100	HR03.20/05/2024
30.	Vehicle Allowance Policy	100	100	HR03.20/05/2024
31.	Individual Performance Management Policy	100	100	HR03.20/05/2024
32.	Dress Code Policy	100	100	HR03.20/05/2024
33.	Delegations Framework	100	100	

34.	Leave Management Policy	100	100	HR03.20/05/2024
35.	Acting & Secondment Policy	100	100	HR03.20/05/2024
36.	Long Term Financial Plan	100	100	F11. 20/05/2024
37.	Study Assistance Policy	100	100	HR03.20/05/2024
38.	Bursary Policy (non-employees)	100	100	HR03.20/05/2024
39.	Placement Policy	100	100	HR03.20/05/2024
40.	Employment Equity Plan	100	100	
41.	HRM Strategy	100	100	HR03.20/05/2024
42.	Assets Management Policy	100	100	F11. 20/05/2024
43.	Budget Policy	100	100	F11. 20/05/2024
44.	Travel & Subsistence Policy	100	100	F11. 20/05/2024
45.	Tariff Policy	100	100	F11. 20/05/2024
46.	Credit Control & Debt Collection Policy	100	100	F11. 20/05/2024
47.	Impairment Policy	100	100	F11. 20/05/2024
48.	Supply Chain Management Policy	100	100	F11. 20/05/2024
49.	Petty Cash Policy	100	100	F11. 20/05/2024
50.	3G Card Policy	100	100	F11. 20/05/2024
51.	Cost Containment Policy	100	100	F11. 20/05/2024
52.	Virement Policy	100	100	F11. 20/05/2024
53.	Infrastructure Procurement Policy	100	100	F11. 20/05/2024
54.	Unauthorised, Irregular, Fruitless & Wasteful Expenditure Policy	100	100	F11. 20/05/2024

### Comment on workforce policy development

Policies are annually reviewed and presented to Council. Revenue Enhancement Strategy will be developed for 2023/24 financial year.

### 4.3 Injuries, Sickness and Suspensions

#### Quarter 1 Report:-

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	283	n/a
<b>Sick leave</b>		
With sick note	301	n/a
Without sick note	24	n/a
Additional paid sick leave	0	n/a
<b>Special leave</b>		
<i>Study</i>	6	n/a
<i>Family responsibility</i>	21	n/a
<i>Court appearance</i>	0	n/a
<i>Maternity leave</i>	86	n/a
<i>Sports / cultural activities</i>	0	n/a
<i>Performance</i>	0	n/a
<i>Special</i>	0	n/a
Council resolutions/ Overtime	102	n/a
Unpaid	0	n/a
Long Service	31	n/a

#### Quarter 2 Report:-

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	784	n/a
<b>Sick leave</b>		
With sick note	222	n/a
Without sick note	10	n/a
Additional paid sick leave	0	n/a
<b>Special leave</b>		
<i>Study</i>	15	n/a
<i>Family responsibility</i>	17	n/a
<i>Court appearance</i>	0	n/a
<i>Maternity leave</i>	0	n/a
<i>Sports / cultural activities</i>	0	n/a
<i>Performance</i>	0	n/a
<i>Special</i>	0	n/a

Council resolutions/ Overtime	82	n/a
Unpaid	4	n/a
Long Service	17	n/a

#### Quarter 3 Report:-

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	598	n/a
<b>Sick leave</b>		
With sick note	251	n/a
Without sick note	11	n/a
Additional paid sick leave	0	n/a
<b>Special leave</b>		
<i>Study</i>	0	n/a
<i>Family responsibility</i>	15	n/a
<i>Court appearance</i>	0	n/a
<i>Maternity leave</i>	73	n/a
<i>Sports / cultural activities</i>	0	n/a
<i>Performance</i>	0	n/a
<i>Special</i>		n/a
Council resolutions/ Overtime	94	n/a
Unpaid	0	
Long Service	20	n/a

#### Quarter 4 Report:-

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	286	n/a
<b>Sick leave</b>		
With sick note	197	n/a
Without sick note	13	n/a
Additional paid sick leave	0	n/a
<b>Special leave</b>		
<i>Study</i>	21	n/a
<i>Family responsibility</i>	33	n/a
<i>Court appearance</i>	0	n/a
<i>Paternity</i>	0	n/a

<i>Maternity leave</i>	75	n/a
<i>Sports / cultural activities</i>	0	n/a
<i>Performance</i>	0	n/a
<i>Special (Union)</i>	2	n/a
Council resolutions/ Overtime	69	n/a
Unpaid	0	
Long Service	45	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

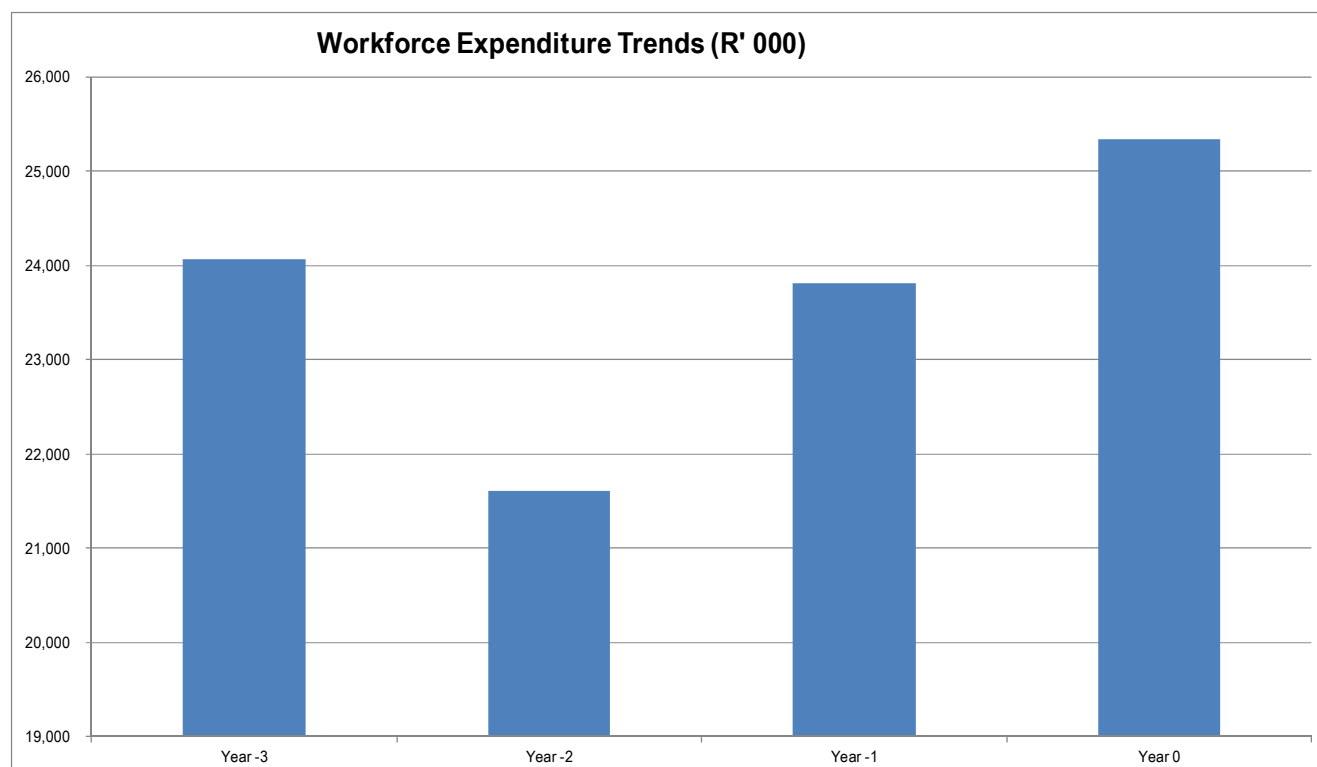
Management	Gender	Employ Employees in post as at 30 June Year 1	Learnerships		Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 0	Actual: End of Year 1	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target
MM and s57	Female	2	0	0	1	0	2	1	1	2	2	1	4
	Male	3	0	0	0	0	4	0	0	4	0	0	8
Councillors and middle managers	Female	11	0	0	7	5	10	4	1	6	7	6	13
	Male	12	0	0	4	4	12	1	0	1	5	4	14
Technician associate Professionals*	Female	7	0	0	6	2	10	2	1	7	5	2	15
	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	38	0	0	10	10	31	9	8	15	18	17	41
	Male	32	0	0	13	7	29	7	2	14	20	9	43
Total		70	0	0	23	17	60	16	10	29	38	26	84

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	7	3	2	2	7	6
	Male	5	0	0	5	3	1	1	5	3
Professionals	Female	20	0	0	4	1	2	2	4	4
	Male	10	0	0	7	4	0	3	3	6
Technicians and associate professionals	Female	13	0	0	14	4	0	2	13	6
	Male	18	0	0	17	4	0	3	18	8
Clerks	Female	28	0	2	27	1	9	9	37	12
	Male	8	0	1	8	0	1	1	9	2
Service and sales workers	Female	1	0	0	2	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	3	0	0	0	2	0
	Male	6	0	0	4	1	0	0	6	1
Elementary occupations	Female	4	0	0	4	0	0	0	4	0
	Male	9	0	0	10	0	0	0	10	0
Sub total	Female	82	0	0	61	12	14	16	70	31
	Male	60	0	0	51	11	2	10	55	20
Total		142	0	0	112	23	16	26	125	51
										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	0
	Male	0
Skilled (Levels 7-9)	Female	0
	Male	0
Highly skilled production (Levels 6)	Female	1
	Male	0
Highly skilled supervision (Levels 4)	Female	3
	Male	0
Middle management (Levels 3)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		4
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 2022/23 Annual Financial Statements and issued an unqualified with findings audit opinion.

The municipality has consistently received unqualified opinions on its financial statements and performance information. However, the continued material compliance findings on procurement and contract management and expenditure management remains unchanged from the previous year. 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.

Period	30-Jun-24		
Schedule	Going Concern assessment		
Key Financial Ratios	2023/24	2022/23	Commentary
<b>Current Ratio</b>	<b>0,80</b>	<b>1,15</b>	Current liabilities exceeds current assets, the municipality may not meet its short term obligations, due to cashflow.
Total Current assets	13 151 175	44 167 656	
Total Current liabilities	16 487 086	39 136 577	
<b>Acid test ratios</b>	<b>0,42</b>	<b>0,97</b>	The ratio is below 1 which is an indication that the municipality will not be able to pay its current liabilities as it becomes due.
Current assets	13 151 175	44 167 656	
Less inventory	6 220 967	6 245 596	
	6 930 208	37 922 060	
/Current liabilities	16 487 086	39 136 577	For the year under review as well as the budgeted 2023/24 financial years the total assets are above the municipality's debt. This is an indication of a solvent municipality.
<b>Debt ratio</b>	<b>5</b>	<b>3</b>	
Total assets	107 527 645	138 138 407	
Total current Assets	13 151 175	44 167 656	
Total non current Assets	94 376 470	93 970 751	
Total liabilities	22 682 838	44 774 577	
Total current liabilities	16 487 086	39 136 577	
Total non current liabilities	6 195 752	5 638 000	Municipality spent over the revenue generated. This is an indication of tough economic environment.
<b>Net Revenue to Net expenditure</b>			
<b>Revenue</b>	<b>129 950 549</b>	<b>162 848 244</b>	
Total revenue from exchange transaction	6 224 069	7 678 678	
Total revenue from non-exchange transaction	123 726 480	155 169 566	
<b>Expenditure</b>	<b>-141 254 486</b>	<b>-170 416 338</b>	
Employee related benefits	-87 240 890	-80 312 588	
Remunerations of Councillors	-6 626 785	-6 223 884	
Depreciation and amortisation	-6 474 246	-5 646 440	
Finance charges	-914 209	-1 434 301	
Debt impairment	-216 237	-76 476	
Contract costs	-	-39 353 102	
Bad debts written-off	-2 234 314	-778 026	The municipality has no loan obligations.
Transfers and subsidies	-	-	
Other Expenditure	-37 547 805	-36 591 521	
Other Financial liabilities	-	-	The Municipality is expecting 109 352 000 for the 2024/25 financial year from various departments including the national treasury.
Indications of financial support			
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			The CFO was appointed 1 July 2024.
<b>other issues</b>			
Pending legal or regulatory proceedings			Estimated costs on pending legal or regulatory proceedings against the municipality amount is R 12 650 000.
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.
<b>Conclusion</b>			
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 administration, therefore the municipality does not cease to exist due to financial problems.			

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The financial performance of the Municipality as at 30 June 2024 is reported in the audited Annual Financial Statements in Vol II.

### 5.1 Statements of Financial Performance

Description	2023/24										2022/23				
	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
R thousands	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Financial Performance</b>															
Property rates			–			–			–	0	–				–
Service charges			–			–			–	0	–				–
Investment revenue	1 317	2 237	3 555			3 555	2 743		(812)	77%	208%				5 038
Transfers recognised – operational	115 708	4 060	119 768			119 768	119 559		(210)	100%	103%				113 693
Contracted Revenue	–	–	–			–	–		–	–	–				39 353
Other own revenue	3 156	3 719	6 875			6 875	7 649		774	111%	242%				4 764
	120 182	10 017	130 198	–	–	130 198	129 951	–				–	–	–	162 848
<b>Total Revenue (excluding capital transfers and contributions)</b>									(248)	100%	108%				
Employee costs	91 167	4 472	86 695			86 695	87 241		546	101%	96%				80 313
Remuneration of councillors	5 714	(616)	6 330			6 330	6 627		296	105%	116%				6 224
Debt impairment	–	76	(76)			(76)	216		293	0%	0%				76
Depreciation & asset impairment	4 294	0	4 294			4 294	6 474		2 180	151%	151%				5646440
Finance charges	597	(582)	1 179			1 179	914		(265)	0%	0%				1 434
Materials and bulk purchases	693	(129)	564			564	–		(564)	0%	0%				–
Contracted Services	–	–	–	0		0	–		(0)	–	–				39 353
Transfers and grants	50	–	50			50	–		(50)	0%	0%				–
Other expenditure	17 417	12 638	30 055	(0)		30 055	39 782		9 728	132%	228%				36 661
<b>Total Expenditure</b>	119 932	15 859	129 090	–	–	129 090	141 254	–	12 164	0	0	–	–	–	169 708
<b>Surplus/(Deficit)</b>	250	(5 842)	1 108	–	–	1 108	(11 304)	–	(12 412)	-1020%	-4522%	–	–	–	(6 860)
Transfers recognised – capital	–	–	–			–	–		–	0%	0%				–
Contributions recognised – capital & contributed assets	–	4 168	4 168			4 168	4 168		–	0%	0%				–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	–	4 168	4 168			4 168	4 168		–	0%	0%				–
Share of surplus/ (deficit) of associate	–	–	–			–	–		–	0%	0%				–
<b>Surplus/(Deficit) for the year</b>	250	(1 674)	5 276	–	–	5 276	(7 136)	–	(12 412)	-135%	-2854%	–	–	–	(6 860)
<b>Capital expenditure &amp; funds sources</b>															
<b>Capital expenditure</b>	250	755	1 005			1 005	1 046		41	0%	0%				2 703
Transfers recognised – capital	–	–	–			–	–		–	0%	0%				–
Public contributions & donations	–	–	–			–	–		–	0%	0%				–
Borrowing	–	–	–			–	–		–	0%	0%				–
Internally generated funds	250	755	1 005			1 005	1 046		41	104%	419%				2 703
<b>Total sources of capital funds</b>	250	755	1 005	–	–	1 005	1 046	–	41	104%	419%	–	–	–	2 703
<b>Cash flows</b>															
Net cash from (used) operating	2 674	2 483	5 156			5 156	(28 805)		(33 961)	-559%	-1077%				13 303
Net cash from (used) investing	(288)	(868)	(1 156)			(1 156)	264		1 420	-23%	-92%				2 703
Net cash from (used) financing	–	–	–			–	19		19	#DIV/0!	0%				560
<b>Cash/cash equivalents at the year end</b>	2 386	1 615	4 001	–	–	4 001	(28 522)	–	(32 523)	-713%	-1195%	–	–	–	16 567

From the table above, it is clear that the budget as adopted by Council for the 2023/24 financial year, implemented and monitored, was credible. This due to the fact that 99.8% of the budgeted revenue was recognised for the year, with 109% 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
	2024	2023	
Total Revenue	129,950,549.00	162,848,244.00	20.20%
Grants	118,998,531.00	113,692,735.00	-4.67%
Contract Revenue	-	39,353,102.00	100.00%
Donations	4,727,949.00	2,123,729.00	-122.62%
<b>Grants as a % of revenue</b>	<b>91.57%</b>	<b>69.82%</b>	
<b>Contract revenue as a % of revenue</b>	<b>0.00%</b>	<b>24.17%</b>	
<b>Donation as a % of revenue</b>	<b>3.64%</b>	<b>1.30%</b>	
Total Expenditure	141,254,486.00	170,416,338.00	17.11%
Employee Related Costs	87,240,890.00	80,312,589.00	-8.63%
Councillors Remuneration	6,626,785.00	6,223,884.00	-6.47%
Generals Expenses	37,547,805.00	36,591,521.00	-2.61%
<b>%Employee Costs</b>	<b>66.45%</b>	<b>50.78%</b>	
<b>Expenses</b>	<b>26.58%</b>	<b>21.47%</b>	
<b>Surplus/( Deficit)</b>	<b>-13,108,750.00</b>	<b>-5,022,498.00</b>	<b>-161.00%</b>

### Revenue Management

As per the analysis above, the municipal revenue decreased by 20.20% as compared to the prior year. It is evident that for the period under review, 91.57% of the total municipal revenue is from grants and subsidies, 3.64% related to donation received 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

Employee related costs continued to be one of the two key cost drivers at 66.45% (2023: 50.78%), with an 8.63% increase employee related costs and 6.47% increase in the remuneration of councilors respectively for 2023/24.

The second highest cost driver is the operational costs/general expenses at 26.58% (2023: 21.47%), with a minor increase of 2.61% during the year under review.

### Surplus/Deficit

The municipality recorded a deficit of R13 760 066 for the year under review.

## 5.2 Grants

Grant Performance						
Description	R' 000					
	2022/23	2023/24		2023/24		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>113,022</b>	<b>115,708</b>	<b>117,546</b>	<b>118,387</b>	<b>511%</b>	<b>644%</b>
Equitable share	102,257	106,128	106,128	106,128	100%	100%
Finance Management Grant	1,000	1,000	1,000	1,000	100%	100%
Infrastructure Skills Development Grant	5,500	5,500	5,000	5,000	91%	100%
Rural Road Asset Management Grant	2,122	2,130	2,559	2,559	120%	100%
Extended Public Works Programme Grant	1,073	950	950	950	100%	100%
Municipal disaster Relief Grant	–	–	–	–	0%	0%
LG SETA	1,070	–	1,909	2,750	0%	144%
Municipal Housing Emergency Grant	–	–	–	–	0%	0%
<b>Provincial Government:</b>	<b>670</b>	<b>–</b>	<b>1,663</b>	<b>612</b>	<b>–</b>	<b>0</b>
HIV and AIDS Council	370	–	500	250	0%	50%
Housing	300	–	300	158	0%	53%
COGHSTA	–	–	863	204	0%	0%
NEAR Grant	–	–	–	–	0%	0%
Khotso Pula Nala Grant	–	–	–	–	0%	0%
FIRE Grant	0	–	0	0	0%	100%
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		
<i>[insert description]</i>						
<b>Other grant providers:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0%</b>	<b>0%</b>
<i>Municipal disaster Grant</i>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0%</b>	<b>0%</b>
<b>Total Operating Transfers and Grants</b>	<b>113,693</b>	<b>115,708</b>	<b>119,208</b>	<b>118,999</b>	<b>103%</b>	<b>100%</b>
Variances 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 99.8% of its budgeted grants revenue for the 2023/24 financial year. This constitutes 92% (2023: 70%) 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 furniture and office equipment, computer equipment and vehicle aimed at enabling and improving the 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 979 021 assets, with the largest asset procured being a transport asset.

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 2023/24				
Asset 1				
Name	Vehicle			
Description	Mahindra 2.2 HAWK S6 4 X 4 A/T P/U D/C			
Asset Type	Transport Asset			
Key Staff Involved	MW Molusi			
Staff Responsibilities	Key Performance area			
Asset Value				
	504 659,00			
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policies			
Asset 2				
Name	Laptop			
Description	Dell			
Asset Type	Computer Equipment			
Key Staff Involved	Dichabe KB			
Staff Responsibilities	Key Performance area			
Asset Value				
	39 456,00			
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	IT and Asset Management Policies			
Asset 3				
Name	Air Conditioner			
Description	Jet Air			
Asset Type	Office Equipment			
Key Staff Involved	L Burger			
Staff Responsibilities	Key Performance area			
Asset Value				
	8 730,45			
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	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. The functionality of this structure was effective in the 2023/24 financial year and the same will be ensured fully in the 2024/25 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's investment property appreciated in value to R 8 420 000.00 for the 2023/24 financial year, as per the valuation done by an independent valuer.

The municipality recorded a loss of R 2 230 254.00 on biological assets.

#### Comment on repair and maintenance expenditure

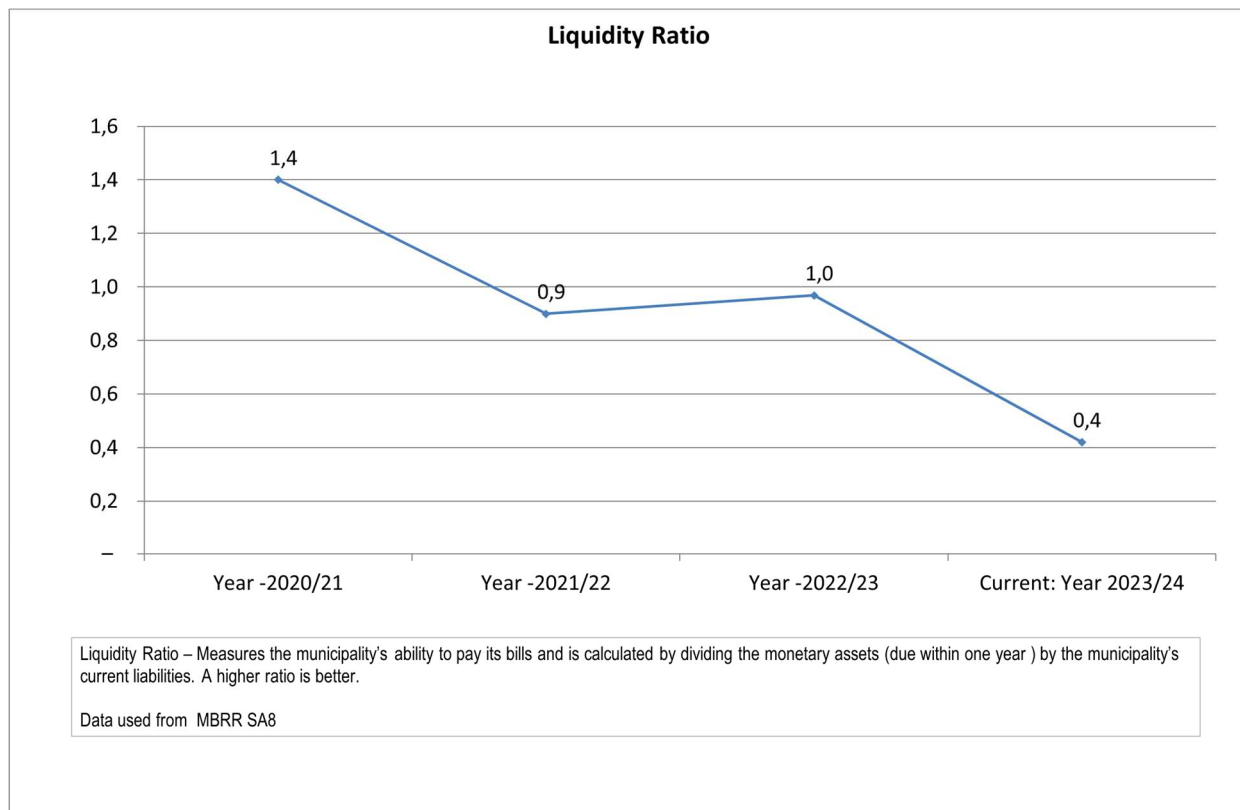
Repairs and maintenance were mostly related to the maintenance of buildings, vehicles and equipment. A high percentage rate is an indication that municipal assets are aged and may soon require renewal/replenishment/replacement.

Repair and Maintenance Expenditure: Year 2023/24				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget %
Repairs and Maintenance Expenditure	119	47	732	1556%
				T 5.3.4

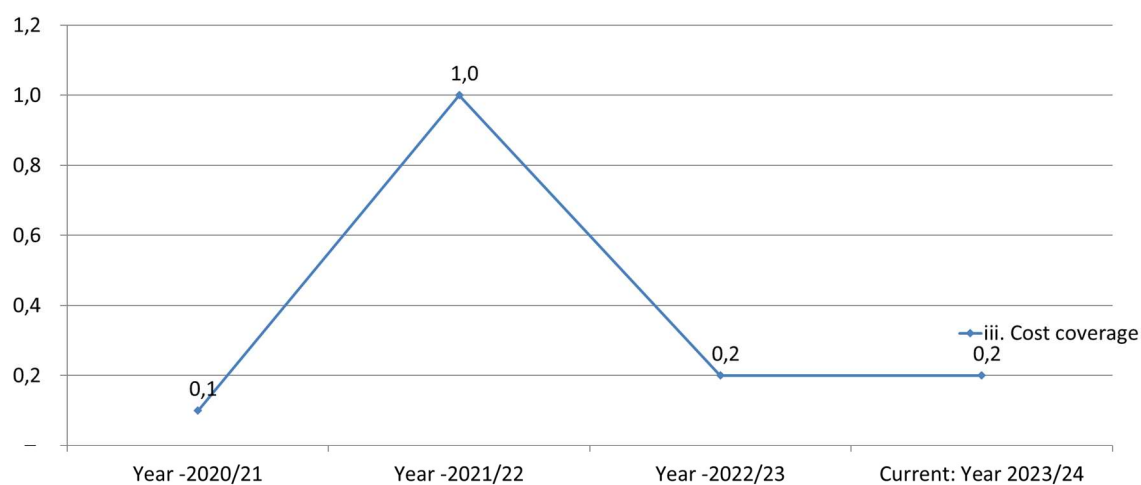


## 5.4 Financial Ratios based on Key Performance Indicators

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



### Cost Coverage

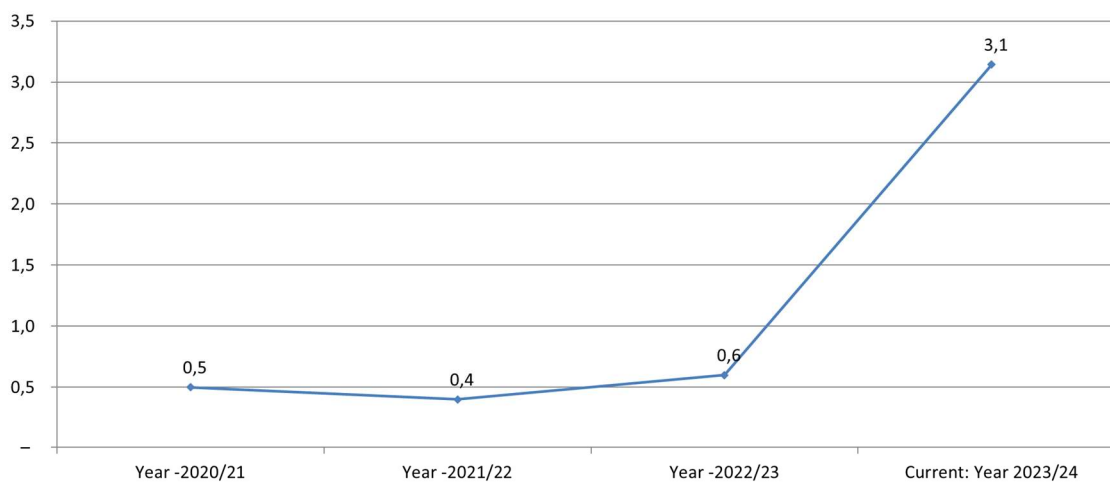


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

The Municipality did not have any service debtors in 2023/24 or the prior years.

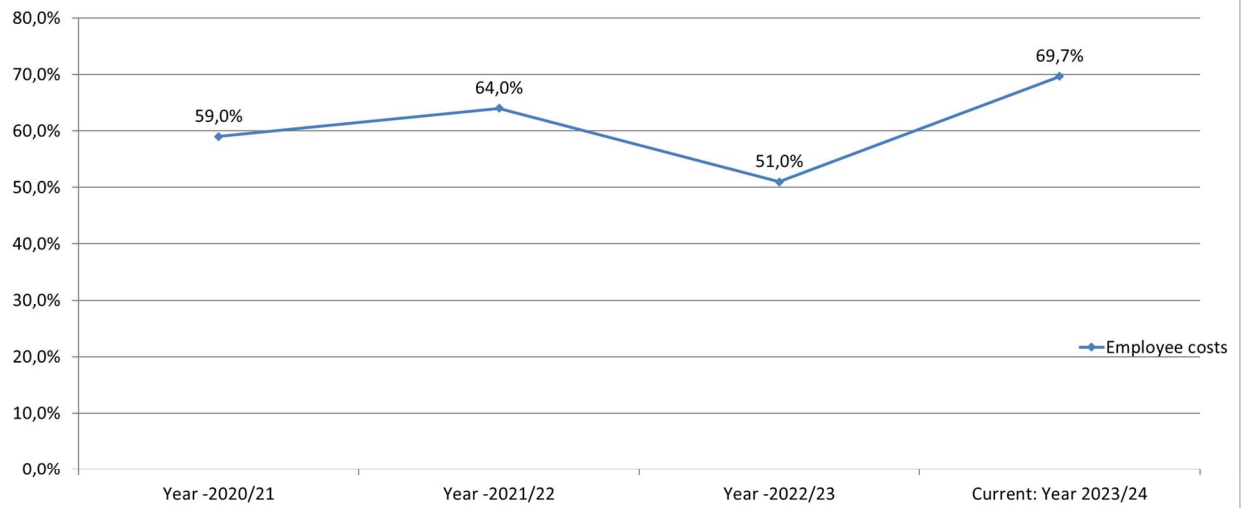
### Debt Coverage



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

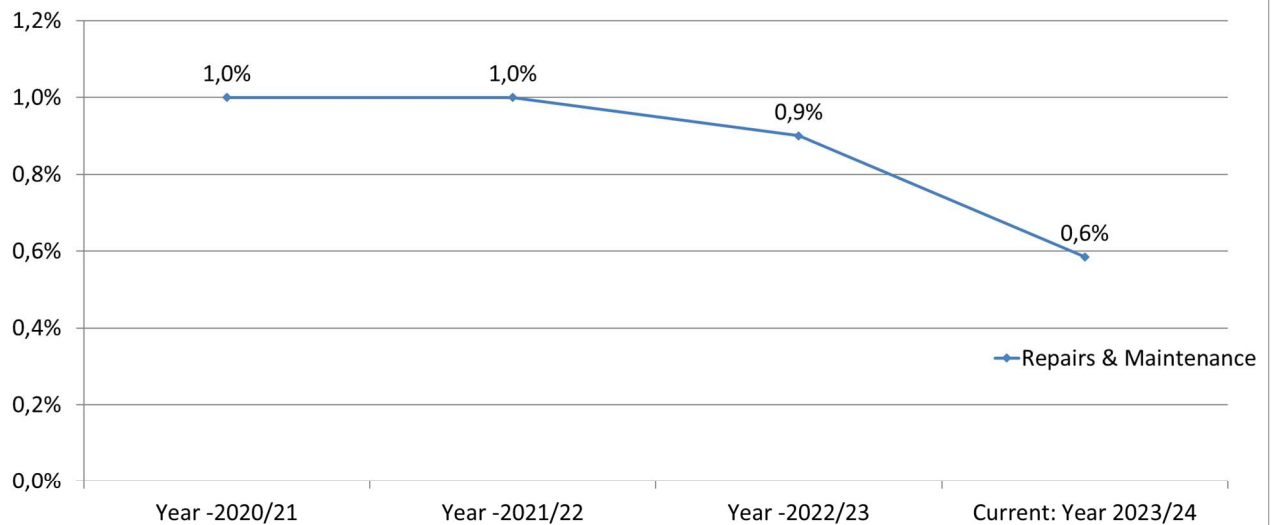
Data used from MBRR SA8

### 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

Data used from MBRR SA8

### Comment on financial ratios

1. **The liquidity ratio** is below 1 which is an indication that the municipality will not be able to pay its current liabilities as it becomes due.
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 the utilisation of grants. The ratio is below 1 which is an indication that the municipality can not cover its costs without the utilization of grants as expected from a district municipality.
3. **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.
4. **Employee Costs ratio** - The employee costs relative to operating revenue has increased as compared to the prior years. The increase is largely attributable to

- a. the review and change in approach on management of the organizational structure.
  - b. the economic changes and increase in the post-retirement medical aid benefit obligation (based on the valuation by an independent actuary).
5. **Creditor Payment Period** - Creditor payments were monitored during the year so as to minimize instances of non-compliance. The municipality has improved in this area with a creditor payment period of 30 days in the 2023/24 financial year, compared to the 256 days in the 2022/23 financial year.

## 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 furniture and office equipment, computer equipment and transport assets.

### 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 majority of the budgeted expenses are operational.

### 5.6 Sources of finance

Capital Expenditure - Funding Sources: Year - 2022/23 to Year 2023/24						
R' 000						
Details	Year 2022/23	Year 2021/22				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>						
External loans						
Public contributions and donations						
Grants and subsidies						
Other	2,703,090.00	575,815.00	1,004,815.00	1,038,159.00	174.5%	180.3%
<b>Total</b>	<b>2,703,090.00</b>	<b>575,815.00</b>	<b>1,004,815.00</b>	<b>1,038,159.00</b>	<b>174.50%</b>	<b>180.29%</b>
<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%
<b>Capital expenditure</b>						
Water and sanitation						
Electricity						
Housing						
Roads and storm water						
Other	2,703,090.00	575,815.00	1,004,815.00	1,038,159.00	174.5%	180.3%
<b>Total</b>	<b>2,703,090.00</b>	<b>575,815.00</b>	<b>1,004,815.00</b>	<b>1,038,159.00</b>	<b>174.50%</b>	<b>180.29%</b>
<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%
T 5.6.1						

#### **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. We acquired furniture and office equipment, computer equipments and transport assets 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

### John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

#### Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		3,958,780	3,905,925
Grants		118,938,474	113,822,256
Interest income		2,742,573	5,038,457
		<u>125,639,827</u>	<u>122,766,638</u>
<b>Payments</b>			
Employee costs		(91,825,960)	(86,661,036)
Suppliers		(61,704,289)	(48,666,664)
Finance costs		(914,199)	(742,301)
		<u>(154,444,448)</u>	<u>(136,070,001)</u>
<b>Net cash flows from operating activities</b>	34	<b><u>(28,804,621)</u></b>	<b><u>(13,303,363)</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(970,921)	(2,611,590)
Proceeds from sale of property, plant and equipment	9	889,759	-
Purchase of other intangible assets	10	(67,238)	(91,500)
Proceeds from sale of biological assets	7	412,400	-
<b>Net cash flows from investing activities</b>		<b><u>264,000</u></b>	<b><u>(2,703,090)</u></b>
<b>Cash flows from financing activities</b>			
Finance lease payments		<u>18,554</u>	<u>(560,063)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>(28,522,067)</u></b>	<b><u>(16,566,516)</u></b>
Cash and cash equivalents at the beginning of the year		29,219,005	45,785,521
<b>Cash and cash equivalents at the end of the year</b>	3	<b><u>696,938</u></b>	<b><u>29,219,005</u></b>

As indicated above, on an extract of the audited 2023/24 Annual Financial Statements i.e. the Cash Flow Statement, the municipality recorded a 98% decrease in terms of the cash and cash equivalents for the 2023/24 financial year.



Cash Flow Outcomes				
R'000				
Description	Year - 2022/23	Current: Year 2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	3,906	2,582	2,907	3,959
Government - operating	113,822	115,837	119,930	118,938
Government - capital			–	–
Interest	5,038	1,317	3,555	2,743
Dividends	–	–		
<b>Payments</b>				
Suppliers and employees	(135,328)	(116,416)	(120,766)	(153,530)
Finance charges	(748)	(597)	(419)	(914)
Transfers and Grants		(50)	(50)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(13,309)</b>	<b>2,674</b>	<b>5,156</b>	<b>(28,805)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE		–	–	890
Proceeds on sale of biological assets	–			412
Purchase of property, plant and equipment	(2,612)	–	–	(971)
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables		–		
Decrease (increase) in non-current investments		–	–	
purchase of other intangible assets	(92)	–	–	(67)
<b>Payments</b>				
Capital assets	–	(288)	(1,156)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(2,703)</b>	<b>(288)</b>	<b>(1,156)</b>	<b>264</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	–			
Borrowing long term/refinancing	–	–		
Increase (decrease) in consumer deposits	–			
<b>Payments</b>				
Repayment of borrowing	–	–	–	–
Finance lease payments	(560)	–	–	19
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(560)</b>	<b>–</b>	<b>–</b>	<b>19</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(16,573)</b>	<b>2,386</b>	<b>4,001</b>	<b>(28,522)</b>
Cash/cash equivalents at the year begin:	45,786	47,349	47,349	29,219
Cash/cash equivalents at the year end:	29,219	49,735	51,350	697
Source: MBRR A7				T 5.9.1

### Comment on cash flow outcomes

There is a significant decrease in the 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 will be employed in the 2024/25 financial year, to improve the 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 -20 to Year 2023/24			
	R' 000		
Instrument	Year -2021/22	Year 2022/23	Year 2023/24
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)			
Financial Leases			
<b>Municipality Total</b>	0	0	0
<b>Municipal Entities</b>			
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			
<b>Entities Total</b>	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	970	1,141
Short-term deposits	39,343	22,844,846
Bank balance	656,619	6,373,018
	<b>696,932</b>	<b>29,219,005</b>

## John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

### Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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The municipality had the following bank accounts and cash on hand:

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2024	June 30, 2023	June 30, 2022
STD BANK - Main Account - 240923804	656,619	6,373,018	3,139,802	656,619	6,373,018	3,139,802
Cash on Hand	970	1,141	8	970	1,141	8
ABSA BANK - Fixed Account - 9370995821	-	-	2,798,359	-	-	2,798,359
ABSA BANK - Fixed Account - 9370194405	39,342	22,387,095	39,847,353	39,342	22,387,095	39,847,353
ABSA BANK - Fixed Account - 9372758744	-	345,426	-	-	345,426	-
NEDBANK - Call Account - 037881102918/000064	-	112,325	-	-	112,325	-
<b>Total</b>	<b>696,931</b>	<b>29,219,005</b>	<b>45,785,522</b>	<b>696,931</b>	<b>29,219,005</b>	<b>45,785,522</b>

### 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 is fully accounted for.

## 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.

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2022/23

#### 6.1 AUDITOR GENERAL REPORTS YEAR – 2022/23 (PREVIOUS YEAR)

The Municipality received an unqualified with findings audit opinion for the 2022/23 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 2023/24 CURRENT YEAR)

#### 6.2 AUDITOR GENERAL REPORT YEAR 2022/23

The Municipality received an unqualified with findings audit opinion for the 2022/23 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

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	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.
<b>Activities</b>	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> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	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.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	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.
<b>Basic municipal service</b>	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.
<b>Budget year</b>	The financial year for which an annual budget is to be approved - means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.

<b>Financial Statements</b>	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.
<b>General performance indicators</b>	<b>Key</b> After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	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.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National performance areas</b>	<b>Key</b> <ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	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".
<b>Outputs</b>	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.
<b>Performance Indicator</b>	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)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.

<b>Performance Standards:</b>	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.
<b>Performance Targets:</b>	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.
<b>Service Delivery Budget Implementation Plan</b>	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.
<b>Vote:</b>	<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"> <li>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</li> <li>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</li> </ul>



## 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 2023.

## APPENDIX H - LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

The long-term contracts were entered into during 2023/24. There are no public private partnerships

NO	SERVICE PROVIDER	TYPE OF SERVICE	EFFECTIVE DATE	COMPLETION DATE	DURATION	SLA signed (YES/NO)
1	Reneilwe Consulting & Planners	Professional Services for RRAMS & ISDG	2020/12/01	2023/11/30	Extended until the 30th June 2024	Yes
2	Multichoice	DSTV	2014/03/14	Can be terminated any time if not needed	Continuous Contract	Yes
3	ABC Laboratories	Laboratories Analysis	2021/07/01	2023/06/30	Extended until the 30th June 2024	Yes
4	DDP (Pty) Ltd	Valuation of municipal properties for the period of 24 months – DDP Ltd	2020/07/21	2023/07/23	Extended until the 30th June 2024	Yes
5	Arch Actuaries Consulting	Actuaries for a period of 24 months	2020/07/21	2023/07/23	Extended until the 30th June 2024	Yes
6	Standard Bank	Provision of Banking	2012/08/01	2017/07/31	Extended until the 30th June 2024	Yes
7	Maxprof (Pty) Ltd	Professional Services for VAT recovery	2021/06/30	2023/05/31	Extended until the 30th June 2024	Yes
8	CCG Systems (Pty) Ltd	Provision of ERP Financial Systems that is mSCOA Compliant	2022/05/31	2025/05/30	3 years	Yes
9	CCG Systems (Pty) Ltd	The appointment of consultants for audit support and quality reviews for a period of 12 months	2023/06/01	2024/05/31	12 months	Yes
10	Kunene Makopo Risk Solution	Provision of Insurance Services of Properties and Liabilities	2020/03/25	2023/08/31	36 months	Yes

11	All Diamond Risk Solutions (Pty) Ltd	Provision of Insurance Services of Properties and Liabilities	2023/09/01	2026/06/30	36 months	Yes
12	EMS Solutions (Pty) Ltd	Verification And Valuation Of Municipal Owned Biological Assets (Game Species) At Thwane Farm	2023/09/01	2026/08/31	36 months	Yes
13	Root - X Auctioneers	Panel of Auctioneers for a period of 24 months (as and when needed)	2024/03/18	2026/03/17	24 months	Yes
14	Koikanyang Incorporated	Attorneys	2020/02/10	2023/02/09	Extended on a month to month until the appointment of a new sp is made	yes
15	Telkom	PBX Rental Term Service Agreement	2018/10/29	2021/11/21	Extended on a month to month until the appointment of a new sp is made	Yes
16	Telkom	ISDN PRA Service agreement	2018/10/29	2021/11/21	Extended on a month to month until the appointment of a new sp is made	Yes
17	JTG Development Trust	Lease of a building	2023/09/01	Extended up until 2024/07/31	12 months	Yes
18	Lefetlho Trading (Pty)Ltd	Provision of Cleaning materials	2023/07/31	2025/07/30	36 months	Yes
19	PAPKRAST Group	Maintenance of Municipal Websites	2020/07/01	2022/06/30	Extended on a month to month until the appointment of a new sp is made	Yes
20	Vysyem Traders C.C	Provision of photocopying machines	2021/05/17	2023/05/16	Extended on a month to month until the appointment of a new sp is made	Yes
21	Kathu Technical College	Lease of a building	2023/09/01	2024/09/30	12 months	Yes
22	Vuyani and Monwabisi Investment holdings	Security Services	2021/07/01	2023/06/30	Extended on a month to month until the 28/02/2024	Yes
23	Kagotsentle Security Services	Security Services	2024/03/01	2026/02/28	24 months	Yes
24	Pioneer Business Consulting	Learnership: Environmental Practice	2021/07/12	2023/07/11	Extended on a month to month until the 28/02/2024	Yes
25	Bushie Holdings	ICT Equipment	2023/02/23	2025/02/22	24 months	Yes

26	Skhunyana Consulting	Transactional advisory and capital raising services including public private partnerships	2023/09/18	2026/09/17	36 months	Yes
27	Lucus Macintyre Jele Engineering Services	Transactional advisory and capital raising services including public private partnerships	2023/09/18	2026/09/17	36 months	Yes
28	Ntiyiso Consulting (Pty)Ltd	Transactional advisory and capital raising services including public private partnerships	2023/09/18	2026/09/17	36 months	Yes
29	Engineerex (Pty) Ltd	Transactional advisory and capital raising services including public private partnerships	2023/09/18	2026/09/17	36 months	Yes
30	Utho capital (Pty)Ltd	Transactional advisory and capital raising services including public private partnerships	2023/09/18	2026/09/17	36 months	Yes
31	TM Consulting (Pty)Ltd	Transactional advisory and capital raising services including public private partnerships	2023/09/18	2026/09/17	36 months	Yes
32	Aseda Consulting Engineers (Pty) Ltd	Transactional advisory and capital raising services including public private partnerships	2023/09/18	2026/09/17	36 months	Yes
33	Tsela Tsweu Consulting Engineers (Pty) Ltd	Transactional advisory and capital raising services including public private partnerships	2023/09/18	2026/09/17	36 months	Yes
34	Paragon Debt Advisory	Transactional advisory and capital raising services including public private partnerships	2023/09/18	2026/09/17	36 months	Yes
35	Pholisani Capital (Pty) Ltd	Transactional advisory and capital raising services including public private partnerships	2023/09/18	2026/09/17	36 months	Yes

## 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)
1	Reneilwe Consulting & Projects	Professional Services for RRAMS & ISDG	2023/11/30	Extended until the 30 <sup>th</sup> June 2024	Acceptable	Satisfactory	Satisfactory
2	Multichoice	DSTV	2014/03/14	Can be terminated any time if not needed	Acceptable	Satisfactory	Satisfactory
3	ABC Laboratories	Laboratories Analysis	2023/06/30	Extended until the 30 <sup>th</sup> June 2024	Acceptable	Satisfactory	Satisfactory
4	DDP (Pty) Ltd	Valuation of municipal properties for the period of 24 months – DDP Ltd	23/07/2023	Extended until the 30 <sup>th</sup> June 2024	Acceptable	Satisfactory	Satisfactory
5	Arch Actuaries Consulting	Actuaries for a period of 24 months	23/07/2023	Extended until the 30 <sup>th</sup> June 2024	Acceptable	Satisfactory	Satisfactory
6	Standard Bank	Provision of Banking	31/07/2017	Extended until the 30 <sup>th</sup> June 2024	Acceptable	Satisfactory	Satisfactory
7	Maxprof (Pty) Ltd	Professional Services for VAT recovery	31/05/2023	Extended until the 30 <sup>th</sup> June 2024	Acceptable	Satisfactory	Satisfactory
8	CCG Systems (Pty) Ltd	Provision of ERP Financial Systems that is mSCOA Compliant	31/05/2022	30/05/2025	Acceptable	Satisfactory	Satisfactory

9	CCG Systems (Pty) Ltd	The appointment of consultants for audit support and quality reviews for a period of 12 months	31/05/2024	31/05/2024	Acceptable	Satisfactory	Satisfactory
10	Kunene Makopo Risk Solution	Provision of Insurance Services of Properties and Liabilities	25/03/2020	31/08/2023	Acceptable	Satisfactory	Satisfactory
11	All Diamond Risk Solutions (Pty) Ltd	Provision of Insurance Services of Properties and Liabilities	01/09/2023	30/06/2026	Acceptable	Satisfactory	Satisfactory
12	EMS Solutions (Pty) Ltd	Verification And Valuation Of Municipal Owned Biological Assets (Game Species) At Thwane Farm	01/09/2023	31/08/2026	Acceptable	Satisfactory	Satisfactory
13	Root - X Auctioneers	Panel of Auctioneers for a period of 24 months (as and when needed)	18/03/2024	17/03/2026	Acceptable	Satisfactory	Satisfactory
14	Koikanyang Incorporated	Attorneys	2023/02/09	Extended on a month to month until the appointment of a new sp is made	Acceptable	Satisfactory	Satisfactory
15	Telkom	PBX Rental Term Service Agreement	2021/11/21	Extended on a month-to-month basis	Acceptable	Satisfactory	Satisfactory
16	Telkom	ISDN PRA Service agreement	2021/11/21	Extended on a month-to-month basis	Acceptable	Satisfactory	Satisfactory



17	JTG Development Trust	Lease of a building	2023/09/01	2024/07/31	Acceptable	Satisfactory	Satisfactory
18	Lefetlho Trading (Pty)Ltd	Provision of Cleaning materials	2023/07/31	2025/07/30	Acceptable	Satisfactory	Satisfactory
19	PAPKRAST Group	Maintenance of Municipal Websites	2020/07/01	Extended on a month-to-month basis	Acceptable	Satisfactory	Satisfactory
20	Vysyem Traders C.C	Provision of photocopying machines	2021/05/17	Extended on a month-to month basis	Acceptable	Satisfactory	Satisfactory
21	Kathu Technical College	Lease of a building	2023/09/1	2024/09/30	Acceptable	Satisfactory	Satisfactory
22	Vuyani and Monwabisi Investment holdings	Security Services	2021/07/01	Extended on a month to month until the 28/02/2024	Acceptable	Satisfactory	Satisfactory
23	Kagotsentle Security Services	Security Services	2024/03/01	2026/02/28	Acceptable	Satisfactory	Satisfactory
24	Pioneer Business Consulting	Learnership: Environmental Practice	2021/07/12	Extended on a month to month until the 30/06/2024	Acceptable	Satisfactory	Satisfactory
25	Bushie Holdings	ICT Equipment	2023/02/23	2025/02/22	Acceptable	Satisfactory	Satisfactory
26	Skhunyana Consulting	Transactional advisory and capital raising services including public private partnerships	18/09/2023	17/09/2026	Acceptable	Satisfactory	Satisfactory
27	Lucus Macintyre Jele Engineering Services	Transactional advisory and capital raising services including public private partnerships	18/09/2023	17/09/2026	Acceptable		

						Satisfactory	Satisfactory
28	Ntiyiso Consulting (PTY) Ltd	Transactional advisory and capital raising services including public private partnerships	18/09/2023	17/09/2026	Acceptable	Satisfactory	Satisfactory
29	Engineerex (PTY) Ltd	Transactional advisory and capital raising services including public private partnerships	18/09/2023	17/09/2026	Acceptable	Satisfactory	Satisfactory
30	Utho Capital (PTY) Ltd	Transactional advisory and capital raising services including public private partnerships	18/09/2023	17/09/2026	Acceptable	Satisfactory	Satisfactory
31	TM Consulting (PTY) Ltd	Transactional advisory and capital raising services including public private partnerships	18/09/2023	17/09/2026	Acceptable	Satisfactory	Satisfactory
32	Aseda Consulting Engineers (PTY) Ltd	Transactional advisory and capital raising services including public private partnerships	18/09/2023	17/09/2026	Acceptable	Satisfactory	Satisfactory
33	Tsela Tsweu Consulting Engineers (PTY) Ltd	Transactional advisory and capital raising services including public private partnerships	18/09/2023	17/09/2026	Marginal	Average	Average
34	Paragon Debt Advisory	Transactional advisory and capital raising services including public private partnerships	18/09/2023	17/09/2026	Marginal	Average	Average
35	Pholisani Capital (PTY) Ltd	Transactional advisory and capital raising services including public private partnerships	18/09/2023	17/09/2026	Acceptable	Satisfactory	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 July 2023 to June 2024		
Position	Name	Description of Financial Interests (Nil / Or Details)
<b>Executive Mayor</b>	PQ Mogatle	Bomme-Sejo Services and Supply Co-Operative Limited Annex Langdon Commodities Smelters Adonia Kuruman Mall Blesbok Coal Mine Queen Mogatle Foundation
	IE Aiseng	Nil
<b>JTG Councillors</b>	KF Masilabele	Nil
	OH Kgopodithata	Faraway Agricultural Refemele Multi Purpose Primary Co-Operative
	NG Ngesi	Bokone Mining Primary C-Operative Limited Ditukus Projects
	PM Kgosiengewang	Kgosiengewang Civil and General Construction
	KR Paul	Nil
	AI Eilerd	Nil
	PJ Ohentswe	Letso Investment Josbil Protection Services JTG Trucking Group Kgalagadi Freights
	TC Moolwe	Ashelwang Trading Enterprise
<b>Seconded Councillors (Joe Morolong)</b>	I Matebese	Nil
	N. Tswere	Batho Phuthanang Sand Mining Tsela Kgopo Primary Co-Operative Limited
	M Filipo	Nil

	T Mosegedi	Nil
	G Kaotsane	Hiddekil Mining and Logistics SABA Logistics
	O Etshetshang	Nil
<b>Seconded Councillors (Ga-Segonyana)</b>	G Chere	Nil
	N Mereotlhe	Nil
	M Elliot Valela	Nil
	O Mathibe	Nil
	K. Setlhodi	Nil
<b>Seconded Councillors (Gamagara)</b>	B Sebegu	Mapoteng Community Forum
	T Motsoare	Pharaphama Multi Business Gamagara Business Forum Tsantsabane Social and Labour Development Forum
<b>Municipal Manager</b>	K Teise	Kagisano Motlhaping Manganese Mine Kagisano Manganese and Iron Ore Mine KM Manganese and Iron Ore Mine
<b>Chief Financial Officer</b>	GP Moroane	Envision Forthtoo
	LL Shupu	Nil
	TS Motlhanke	Maita General Trading CC
<b>Director Corporate Services</b>	E. Tshabaemang	Nil
	SP Mereotlhe	Sey Mining and Projects
<b>Director: Community Development Services</b>	TH Matlhare	Maremane Mining and Projects Moremolemo Trading
<b>Director: Local Economic Development</b>	B Segoje	Nil

<b>Director: Basic Services &amp; Infrastructure</b>	M Molusi	Nil
--	----------	-----

## **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	-	-	-	-
<b>Total</b>	<b>1,193,780</b>	<b>242,264</b>	<b>84,201</b>	<b>104,408</b>	<b>53,656</b>

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)

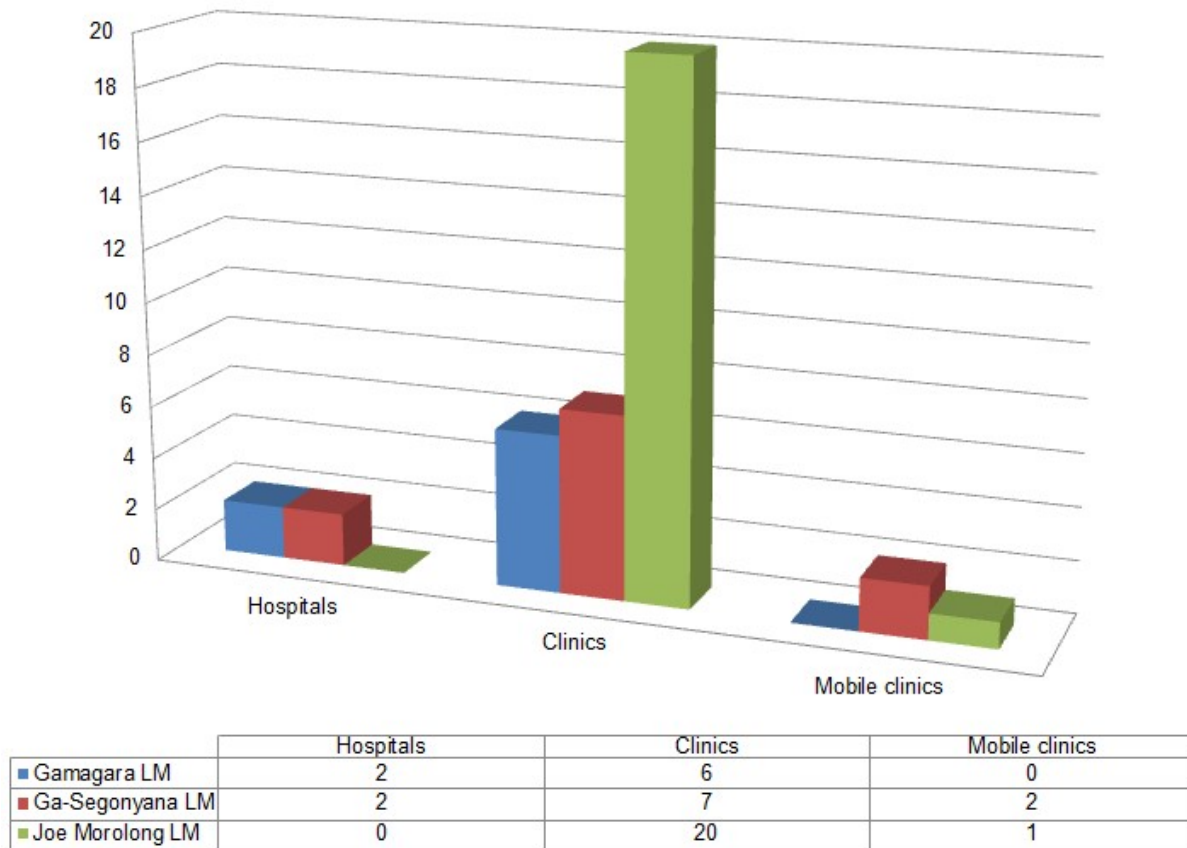
Access to sanitation within JTGDM				
	NC451: Joe Morolong	NC452: Ga-Segonyana	NC453: Gamagara	DC45: John Taolo Gaetsewe
Flush toilet connected to a public sewerage system	3 345	18 682	46 505	68 533
Flush toilet connected to a septic tank or conservancy tank	623	4 903	1 766	7 292
Chemical toilet	632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





### 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 2022/23 Financial Year is enclosed hereto.

## **VOLUME III: ANNUAL PERFORMANCE REPORT**

The Audited Annual Performance Report for the 2023/24 Financial Year is enclosed hereto.

## **VOLUME IV: AUDIT AND PERFORMANCE COMMITTEE REPORT**

The Audit and Performance Committee Report for the 2023/24 Financial Year is enclosed hereto.

## **VOLUME V: AUDITOR-GENERAL'S REPORT**

The Auditor-General's Report for the 2023/24 Financial Year is enclosed hereto.



# AUDITED AFS 2023/2024 VOL.2

**John Taolo Gaetsewe District Municipality**

Email: [mmsec@taologaetsewe.gov.za](mailto:mmsec@taologaetsewe.gov.za)

Website: [www.taologaetsewe.gov.za](http://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 June 30, 2024

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## General Information

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<b>Legal form of entity</b>	The entity is a category C Municipality (District Municipality) as defined by the Municipal Structures Act (Act 117 of 1998)
<b>Nature of business and principal activities</b>	John Taolo Gaetsewe Municipality is a district municipality performing the functions as set out in the Constitution (Act no 108 of 1996).
<b>Jurisdiction</b>	The John Taolo Gaetsewe Municipality includes the municipality areas of Gamagara Municipality, Ga-Segonyana Municipality and Joe Morolong Municipality. Demarcation Code - DC45 John Taolo Gaetsewe
<b>Mayoral committee</b>	
Executive Mayor	Mogatle-Thoane P.Q
Executive Councillors	Masilabele K.F. Matebese I. Kgopodithata O.H Kgosienewang P.M.
Councillors	Ngesi N. Moiwe T.C. Tswere K.N. Etshetsang O.A. Sebego B.I. Motsoare T.M Kaotsane G.G Chere G.M Mereyotlhe N. Valela M.E Setlhodi K.S Mathibe O.D Mosegedi T.G Filipo M.P Ohetswe P.J Paul K.R Eilerd A.I.
<b>Grading of local authority</b>	3
<b>Speaker</b>	Aiseng I.
<b>Accounting Officer</b>	Teise K.K
<b>Chief Financial Officer</b>	Moroane G.P Presiding CFO up to 31/07/2023 Shupu L.L Acting CFO 01/08/2023 to 31/05/2024 Motlhanke T.S Acting CFO 01/06/2024 to 30/06/2024
<b>Business address</b>	4 Federale Mynbou Street Kuruman 8460
<b>Postal address</b>	P.O. Box 1480

**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

**General Information**

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	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 June 30, 2024**

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**Abbreviations used:**

GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act



# **John Taolo Gaetsewe District Municipality**

Annual Financial Statements for the year ended June 30, 2024

## **Accounting Officer's Responsibilities and Approval**

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

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the municipality 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 for the year to June 30, 2025 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.

The accounting officer is primarily responsible for the financial affairs of the municipality,

The annual financial statements have been prepared on the going concern basis and were approved by the Accounting Officer on 31 August 2024 and were signed on its behalf by:

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**Accounting Officer**  
**K.K Teise**

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Audit Committee Report

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We are pleased to present our draft report for the financial year ended 30 June as required in terms of section 166 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003, as amended) (MFMA), read with circular 65 published by the National Treasury.

### Audit, Performance and Risk committee (APRC) members and attendance

The Audit, Risk and Performance committee (APRC) has been appointed by the District Municipality John Taolo Gaetsewe. Service level agreements between the District and Gamagara, Ga-Segonyana and Joe Morolong Local Municipalities provide for a shared APRC within the District.

The APRC is governed by formal terms of reference, which are regularly reviewed and approved by the council. The APRC consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year, 5 meetings were held:

Name of member	Number of meetings
Snyders J. (Chairperson)	5
Nkoe K.	5
Mathibela B (Appointed 1 April 2024)	2

### Audit committee responsibility

The APRC has complied with its responsibilities arising from section 166(2)(a) of the MFMA read with MFMA Circular 65, and 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 APRC has:

- Reviewed and discussed the final unaudited annual financial statements to be included in the annual report with the Accounting Officer for submission to AGSA on 31 August 2024. The draft unaudited annual financial statements was work in progress, however management committed to finalise and consider the review by internal audit, Provincial Treasury and the APRC. On this basis the APRC support the submission to AGSA.
- Reviewed the progress on the audit action plan.

The following will be reviewed in the APRC meeting of November 2024:

- the Auditor-General of South Africa's audit report, management report and management's the response thereto, and organisation's compliance with legal and regulatory provisions.

From the above the concurrence and acceptance of the Auditor-General of South Africa's report on the annual financial statements will be assessed.

### Internal audit

The APRC is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits. The quality assurance improvement program and combined assurance will be implemented in the next financial year.

### Auditor-General of South Africa

The APRC will meet with the Auditor-General of South Africa to ensure that there are no unresolved issues.

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**Chairperson of the Audit Committee**

**Date:** \_\_\_\_\_

## Annual Financial Statements for the year ended June 30, 2024

The accounting officer submits his report for the year ended June 30, 2024.

## 1. Review of activities

## Main business and operations

The operating results and state of affairs of the Municipality are fully set out in the attached Annual Financial Statements and do not in our opinion require any further comment

## 2. Going concern

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer will continue to procure funding for the ongoing operations of the municipality.

### 3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

#### 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 prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as 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:

## 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, Nedbank 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 June 30, 2024

## Statement of Financial Position as at June 30, 2024

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	696,932	29,219,005
Receivables from exchange transactions	4	5,156,474	7,667,131
Statutory receivables	5	1,076,802	1,035,924
Inventories	6	6,220,967	6,245,596
		<b>13,151,175</b>	<b>44,167,656</b>
<b>Non-Current Assets</b>			
Biological assets	7	2,081,632	4,817,749
Investment property	8	8,420,000	8,230,000
Property, plant and equipment	9	83,535,345	80,021,509
Intangible assets	10	319,743	881,743
Heritage assets	11	19,750	19,750
		<b>94,376,470</b>	<b>93,970,751</b>
<b>Total Assets</b>		<b>107,527,645</b>	<b>138,138,407</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	12	13,802	-
Payables from exchange transactions	13	14,459,697	36,779,933
Employee benefit obligation	14	817,000	1,100,000
Unspent conditional grants and receipts	15	1,166,405	1,226,462
Construction contracts	16	30,182	30,182
		<b>16,487,086</b>	<b>39,136,577</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	12	4,752	-
Employee benefit obligation	14	6,191,000	5,638,000
		<b>6,195,752</b>	<b>5,638,000</b>
<b>Total Liabilities</b>		<b>22,682,838</b>	<b>44,774,577</b>
<b>Net Assets</b>		<b>84,844,807</b>	<b>93,363,830</b>
Reserves			
Revaluation reserve	17	67,265,761	62,024,719
Accumulated surplus		17,579,046	31,339,111
<b>Total Net Assets</b>		<b>84,844,807</b>	<b>93,363,830</b>

\* See Note 47

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Rental of facilities and equipment	18	449,178	212,195
Other income	19	192,722	119,660
Administration and management fees	20	2,839,596	2,308,366
Interest income	21	2,742,573	5,038,457
<b>Total revenue from exchange transactions</b>		<b>6,224,069</b>	<b>7,678,678</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies	22	118,998,531	113,692,735
Contract revenue	16	-	39,353,102
Donations received	23	4,727,949	2,123,729
<b>Total revenue from non-exchange transactions</b>		<b>123,726,480</b>	<b>155,169,566</b>
<b>Total revenue</b>		<b>129,950,549</b>	<b>162,848,244</b>
<b>Expenditure</b>			
Employee related costs	24	(87,240,890)	(80,312,588)
Remuneration of councillors	25	(6,626,785)	(6,223,884)
Depreciation and amortisation	26	(6,474,246)	(5,646,440)
Finance costs	27	(914,209)	(1,434,301)
Debt Impairment	28	(216,237)	(76,476)
Bad debts written off	29	(2,234,314)	(778,026)
Contract costs	16	-	(39,353,102)
Operational costs	30	(37,547,805)	(36,591,521)
<b>Total expenditure</b>		<b>(141,254,486)</b>	<b>(170,416,338)</b>
<b>Operating deficit</b>		<b>(11,303,937)</b>	<b>(7,568,094)</b>
Loss on disposal of assets and liabilities	31	(139,412)	(721,414)
Fair value adjustments	32	96,537	1,116,433
Actuarial gains/losses	14	(183,000)	448,000
(Loss) gain on biological assets and agricultural produce	33	(2,230,254)	1,264,499
Loss on non-current assets held for sale or disposal groups		-	(270,396)
		<b>(2,456,129)</b>	<b>1,837,122</b>
<b>Deficit for the year</b>		<b>(13,760,066)</b>	<b>(5,730,972)</b>

\* See Note 47

**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

**Statement of Changes in Net Assets**

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
<b>Restated* Balance at July 1, 2022</b>	<b>62,024,719</b>	<b>37,070,083</b>	<b>99,094,802</b>
Deficit for the year	-	(5,730,972)	(5,730,972)
Total changes	-	(5,730,972)	(5,730,972)
<b>Balance at July 1, 2023</b>	<b>62,024,719</b>	<b>31,339,112</b>	<b>93,363,831</b>
Changes in net assets			
Revaluation of property, plant and equipment	5,241,042	-	5,241,042
Net income recognised directly in net assets	5,241,042	-	5,241,042
Deficit for the year	-	(13,760,066)	(13,760,066)
Total changes	5,241,042	(13,760,066)	(8,519,024)
<b>Balance at June 30, 2024</b>	<b>67,265,761</b>	<b>17,579,046</b>	<b>84,844,807</b>
Note(s)	17		

\* See Note 47

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		3,958,780	3,905,925
Grants		118,938,474	113,822,256
Interest income		2,742,573	5,038,457
		<u>125,639,827</u>	<u>122,766,638</u>
<b>Payments</b>			
Employee costs		(91,825,960)	(86,661,036)
Suppliers		(61,704,289)	(48,666,664)
Finance costs		(914,199)	(742,301)
		<u>(154,444,448)</u>	<u>(136,070,001)</u>
<b>Net cash flows from operating activities</b>	34	<b><u>(28,804,621)</u></b>	<b><u>(13,303,363)</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(970,921)	(2,611,590)
Proceeds from sale of property, plant and equipment	9	889,759	-
Purchase of other intangible assets	10	(67,238)	(91,500)
Proceeds from sale of biological assets	7	412,400	-
<b>Net cash flows from investing activities</b>		<b><u>264,000</u></b>	<b><u>(2,703,090)</u></b>
<b>Cash flows from financing activities</b>			
Finance lease payments		18,554	(560,063)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>(28,522,067)</u></b>	<b><u>(16,566,516)</u></b>
Cash and cash equivalents at the beginning of the year		29,219,005	45,785,521
<b>Cash and cash equivalents at the end of the year</b>	3	<b><u>696,938</u></b>	<b><u>29,219,005</u></b>

The accounting policies on pages 13 to 38 and the notes on pages 39 to 80 form an integral part of the annual financial statements.

\* See Note 47

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## 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	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Rental of facilities and equipment	1,033,338	(557,938)	<b>475,400</b>	449,178	<b>(26,222)</b>	
Other income	-	136,548	<b>136,548</b>	192,722	<b>56,174</b>	
Administration and management fees	2,122,869	91,011	<b>2,213,880</b>	2,839,596	<b>625,716</b>	1
Interest received	1,317,378	5,393,948	<b>6,711,326</b>	2,742,573	<b>(3,968,753)</b>	2
<b>Total revenue from exchange transactions</b>	<b>4,473,585</b>	<b>5,063,569</b>	<b>9,537,154</b>	<b>6,224,069</b>	<b>(3,313,085)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	115,708,001	3,500,400	<b>119,208,401</b>	118,998,531	<b>(209,870)</b>	
Donations received	-	4,727,949	<b>4,727,949</b>	4,727,949	-	
<b>Total revenue from non-exchange transactions</b>	<b>115,708,001</b>	<b>8,228,349</b>	<b>123,936,350</b>	<b>123,726,480</b>	<b>(209,870)</b>	
<b>Total revenue</b>	<b>120,181,586</b>	<b>13,291,918</b>	<b>133,473,504</b>	<b>129,950,549</b>	<b>(3,522,955)</b>	
<b>Expenditure</b>						
Employee related costs	(91,950,955)	4,498,570	<b>(87,452,385)</b>	(87,240,890)	<b>211,495</b>	
Remuneration of councillors	(6,091,743)	(830,181)	<b>(6,921,924)</b>	(6,626,785)	<b>295,139</b>	
Depreciation and amortisation	(4,294,224)	-	<b>(4,294,224)</b>	(6,474,246)	<b>(2,180,022)</b>	3
Finance costs	(597,000)	(582,078)	<b>(1,179,078)</b>	(914,209)	<b>264,869</b>	4
Debt Impairment	-	76,476	<b>76,476</b>	(216,237)	<b>(292,713)</b>	5
Bad debts written off	(110,757)	(2,193,109)	<b>(2,303,866)</b>	(2,234,314)	<b>69,552</b>	6
Transfers and Subsidies	(50,000)	50,000	-	-	-	
General Expenses	(16,836,907)	(9,235,712)	<b>(26,072,619)</b>	(37,547,805)	<b>(11,475,186)</b>	8
Operational costs	-	-	-	-	-	
<b>Total expenditure</b>	<b>(119,931,586)</b>	<b>(8,216,034)</b>	<b>(128,147,620)</b>	<b>(141,254,486)</b>	<b>(13,106,866)</b>	
<b>Operating (deficit)</b>	<b>250,000</b>	<b>5,075,884</b>	<b>5,325,884</b>	<b>(11,303,937)</b>	<b>(16,629,821)</b>	
Loss on disposal of assets and liabilities	-	(892,860)	<b>(892,860)</b>	(139,412)	<b>753,448</b>	
Fair value adjustments	-	-	-	96,537	<b>96,537</b>	
Actuarial gains/losses	-	-	-	(183,000)	<b>(183,000)</b>	
Gain on biological assets	-	892,860	<b>892,860</b>	(2,230,254)	<b>(3,123,114)</b>	
	-	-	-	<b>(2,456,129)</b>	<b>(2,456,129)</b>	
<b>Deficit</b>	<b>250,000</b>	<b>5,075,884</b>	<b>5,325,884</b>	<b>(13,760,066)</b>	<b>(19,085,950)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>250,000</b>	<b>5,075,884</b>	<b>5,325,884</b>	<b>(13,760,066)</b>	<b>(19,085,950)</b>	



# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## 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	Reference
Figures in Rand						
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Inventories	6,408,911	836,422	<b>7,245,333</b>	6,220,967	<b>(1,024,366)</b>	1
Receivables from exchange transactions	9,093,317	181,677	<b>9,274,994</b>	5,156,474	<b>(4,118,520)</b>	2
Statutory receivable	2,266,778	1,558,557	<b>3,825,335</b>	1,076,802	<b>(2,748,533)</b>	3
Cash and cash equivalents	49,734,962	(1,186,706)	<b>48,548,256</b>	696,932	<b>(47,851,324)</b>	4
	<b>67,503,968</b>	<b>1,389,950</b>	<b>68,893,918</b>	<b>13,151,175</b>	<b>(55,742,743)</b>	
<b>Non-Current Assets</b>						
Biological assets	5,264,916	892,860	<b>6,157,776</b>	2,081,632	<b>(4,076,144)</b>	5
Investment property	7,110,000	1,120,000	<b>8,230,000</b>	8,420,000	<b>190,000</b>	
Property, plant and equipment	89,292,402	(3,563,708)	<b>85,728,694</b>	83,535,345	<b>(2,193,349)</b>	6
Intangible assets	1,913,611	(513,526)	<b>1,400,085</b>	319,743	<b>(1,080,342)</b>	7
Heritage assets	19,750	-	<b>19,750</b>	19,750	-	
	<b>103,600,679</b>	<b>(2,064,374)</b>	<b>101,536,305</b>	<b>94,376,470</b>	<b>(7,159,835)</b>	
<b>Total Assets</b>	<b>171,104,647</b>	<b>(674,424)</b>	<b>170,430,223</b>	<b>107,527,645</b>	<b>(62,902,578)</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Finance lease obligation	-	-	-	13,802	<b>13,802</b>	8
Payables from exchange transactions	906,396	1,250,394	<b>2,156,790</b>	14,459,697	<b>12,302,907</b>	9
Employee benefit obligation	1,000,000	-	<b>1,000,000</b>	817,000	<b>(183,000)</b>	10
Unspent conditional grants and receipts	-	-	-	1,166,405	<b>1,166,405</b>	11
Construction contracts	-	-	-	30,182	<b>30,182</b>	12
VAT	336,773	62,920	<b>399,693</b>	-	<b>(399,693)</b>	
	<b>2,243,169</b>	<b>1,313,314</b>	<b>3,556,483</b>	<b>16,487,086</b>	<b>12,930,603</b>	
<b>Non-Current Liabilities</b>						
Finance lease obligation	-	-	-	4,752	<b>4,752</b>	
Employee benefit obligation	-	-	-	6,191,000	<b>6,191,000</b>	13
	-	-	-	<b>6,195,752</b>	<b>6,195,752</b>	
<b>Total Liabilities</b>	<b>2,243,169</b>	<b>1,313,314</b>	<b>3,556,483</b>	<b>22,682,838</b>	<b>19,126,355</b>	
<b>Net Assets</b>	<b>168,861,478</b>	<b>(1,987,738)</b>	<b>166,873,740</b>	<b>84,844,807</b>	<b>(82,028,933)</b>	
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
Revaluation reserve	62,024,719	-	<b>62,024,719</b>	67,265,761	<b>5,241,042</b>	
Accumulated surplus	106,836,759	(1,987,738)	<b>104,849,021</b>	17,579,045	<b>(87,269,976)</b>	
<b>Total Net Assets</b>	<b>168,861,478</b>	<b>(1,987,738)</b>	<b>166,873,740</b>	<b>84,844,806</b>	<b>(82,028,934)</b>	

## Significant Accounting Policies

Figures in Rand	Note(s)	2024	2023
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### 1. Presentation of Annual Financial Statements

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

#### 1.1 Basis of preparation

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

These accounting policies are consistent with the previous period.

#### 1.2 Going concern assumption

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

#### 1.3 Materiality

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

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

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

#### 1.4 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.

The municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

##### Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

## **Significant Accounting Policies**

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### **1.4 Significant judgements and sources of estimation uncertainty (continued)**

#### **Fair value estimation**

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) 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.

#### **Impairment testing**

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

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. 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 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.

#### **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 - 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.

## **Significant Accounting Policies**

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### **1.4 Significant judgements and sources of estimation uncertainty (continued)**

#### **Post-retirement benefits**

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

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

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 14.

#### **Effective interest rate**

The municipality used the prime interest rate to discount future cash flow except for long term borrowings or finance leases, where the contractually agreed or implied interest rate is used.

#### **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.

### **1.5 Biological assets**

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

- the entity 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.

### **1.6 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

## **Significant Accounting Policies**

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### **1.6 Investment property (continued)**

- 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.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

#### **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.

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.

### **1.7 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.

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### 1.7 Property, plant and equipment (continued)

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 entity 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 are 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.

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
Land	Straight-line	Indefinite
Buildings	Straight-line	20-30 years
Furniture and fittings	Straight-line	5 -30 years
Motor vehicles	Straight-line	5 -15 years
Office equipment	Straight-line	5 -30 years
IT equipment	Straight-line	5 -30 years
Community assets- Land	Straight-line	Indefinite
Other property, plant and equipment	Straight-line	2 -25 years
Community assets - building	Straight-line	5 -30 years
Disaster unit - buildings	Straight-line	5 -30 years
Leased Assets	Straight-line	3 -8 years

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### 1.7 Property, plant and equipment (continued)

The municipality has re-assessed the useful lives of property, plant and equipment at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors.

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 9).

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

### 1.8 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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 initially measured at cost

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, on a straight-line basis, 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:

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

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## **Significant Accounting Policies**

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### **1.8 Intangible assets (continued)**

Intangible assets are derecognised:

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

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

### **1.9 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.

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 11 - 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.

### **Recognition**

The municipality recognises a heritage asset 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 of the asset can be measured reliably.

### **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.



**Significant Accounting Policies**

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**1.10 Financial instruments (continued)**

**Classification**

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

<b>Class</b>	<b>Category</b>
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 or in the notes thereto:

<b>Class</b>	<b>Category</b>
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

## **Significant Accounting Policies**

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### **1.10 Financial instruments (continued)**

#### **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.

#### **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

## **Significant Accounting Policies**

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### **1.10 Financial instruments (continued)**

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.

#### **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; or  
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 nonexchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Nonexchange Transactions (Taxes and Transfers).

### **1.11 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 a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

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### **1.11 Statutory receivables (continued)**

#### **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**

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 is recognised in surplus or deficit.

## **Significant Accounting Policies**

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### **1.11 Statutory receivables (continued)**

In estimating the future cash flows, an municipality 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;
- 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.

### **1.12 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. Additional text

### **1.13 Leases**

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

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

### **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.

## **Significant Accounting Policies**

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### **1.13 Leases (continued)**

#### **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 interest rate implicit in the lease.

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.

### **1.14 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 municipality incurs to acquire the asset on the reporting date.

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

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

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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### **1.14 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.

### **1.15 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.

### **1.16 Impairment of cash-generating assets**

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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.

## **Significant Accounting Policies**

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### **1.16 Impairment of cash-generating assets (continued)**

#### **Identification**

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

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

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

#### **Value in use**

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.

#### **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.



## **Significant Accounting Policies**

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### **1.16 Impairment of cash-generating assets (continued)**

#### **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 entity 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.

## **Significant Accounting Policies**

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### **1.16 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 entity estimates the recoverable amount of that asset.

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

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

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

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

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

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

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

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

#### **Redesignation**

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

### **1.17 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.

## **Significant Accounting Policies**

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### **1.17 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 overdesigned or overcapacity asset. Overdesigned 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.

## **Significant Accounting Policies**

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### **1.17 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.

### **1.18 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.

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Significant Accounting Policies

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### 1.18 Employee benefits (continued)

#### Post-employment benefits: Defined benefit plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

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.

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;

## **Significant Accounting Policies**

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 35.

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.

### **1.20 Commitments**

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

Disclosures are required in respect of unrecognised contractual commitments.

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

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and

## **Significant Accounting Policies**

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### **1.20 Commitments (continued)**

- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### **1.21 Revenue from exchange transactions**

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

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.

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

### **Measurement**

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

### **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 municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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 entity 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 municipality, and
- The amount of the revenue can be measured reliably.

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

### **1.22 Revenue from non-exchange transactions**

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

## **Significant Accounting Policies**

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### **1.22 Revenue from non-exchange transactions (continued)**

#### **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 municipality 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.

#### **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.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

#### **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.



## **Significant Accounting Policies**

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### **1.22 Revenue from non-exchange transactions (continued)**

#### **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.

### **1.23 Borrowing costs**

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

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

### **1.24 Accounting by principals and agents**

#### **Identification**

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

#### **Identifying whether an entity is a principal or an agent**

The assessment of whether a 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 entity 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.

## **Significant Accounting Policies**

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### **1.25 Comparative figures**

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

### **1.26 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.

### **1.27 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.

### **1.28 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 entity's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### **1.29 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.

### **1.30 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 7/1/2023 to 6/30/2024

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.

### **1.31 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.

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.

## **Significant Accounting Policies**

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### **1.31 Related parties (continued)**

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

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

### **1.32 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.

### **1.33 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.

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• iGRAP 21: The Effect of Past Decisions on Materiality	April 1, 2023	The impact of the is not material.
• GRAP 25 (as revised): Employee Benefits	April 1, 2023	The impact of the is not material.
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	April 1, 2023	The impact of the is not material.
• GRAP 2020: Improvements to the Standards of GRAP 2020	April 1, 2023	The impact of the is not material.
• GRAP 1 (amended): Presentation of Financial Statements (Materiality)	April 1, 2023	The impact of the is not material.

#### 2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after July 1, 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline (The application of materiality to financial statements)	To be determined	Unlikely there will be a material impact
• GRAP 107 Mergers	To be determined	Unlikely there will be a material impact
• GRAP 106 Transfer of Functions Between Entities Not Under Common Control	To be determined	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	To be determined	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	To be determined	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	To be determined	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	April 1, 2025	Unlikely there will be a material impact

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	970	1,141
Short-term deposits	39,343	22,844,846
Bank balance	656,619	6,373,018
	<b>696,932</b>	<b>29,219,005</b>

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

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2024

2023

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

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2024	June 30, 2023	June 30, 2022
STD BANK - Main Account - 240923804	656,619	6,373,018	3,139,802	656,619	6,373,018	3,139,802
Cash on Hand	970	1,141	8	970	1,141	8
ABSA BANK - Fixed Account - 9370995821	-	-	2,798,359	-	-	2,798,359
ABSA BANK - Fixed Account - 9370194405	39,342	22,387,095	39,847,353	39,342	22,387,095	39,847,353
ABSA BANK - Fixed Account - 9372758744	-	345,426	-	-	345,426	-
NEDBANK - Call Account - 037881102918/000064	-	112,325	-	-	112,325	-
<b>Total</b>	<b>696,931</b>	<b>29,219,005</b>	<b>45,785,522</b>	<b>696,931</b>	<b>29,219,005</b>	<b>45,785,522</b>

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

ABSA	Fixed deposit	9372758744
ABSA	Fixed deposit	208157806
ABSA	Fixed deposit	2081157791
ABSA	Fixed deposit	2081157628
ABSA	Fixed deposit	2081349809
ABSA	Fixed deposit	2081349752
ABSA	Fixed deposit	2081508952
ABSA	Fixed deposit	2081509013
ABSA	Fixed deposit	41-1430-2716
ABSA	Fixed deposit	41-1430-2724
Standard Bank	Fixed deposit	048463353-048
Standard Bank	Fixed deposit	048463353-049
Standard Bank	Fixed deposit	048463353-050
Standard Bank	Fixed deposit	048463353-051
Standard Bank	48 Hour notice deposit	048463353-052
Standard Bank	Fixed deposit	048463353-053
Standard Bank	call account	048463353-054
Nedbank	call account	037881102918/000045
Nedbank	call account	037881102918/000046
Nedbank	call account	037881102918/000060
Nedbank	call account	037881102918/000061
Nedbank	call account	037881102918/000063
Nedbank	call account	037881102918/000064
Nedbank	call account	037881102918/000066
Nedbank	call account	037881102918/000068
Nedbank	call account	037881102918/000069

**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

**Notes to the Annual Financial Statements**

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**4. Receivables from exchange transactions**

Trade debtors	4,681,170	6,934,833
Accrued Interest - Investments	288	291,868
Bursary repayment	1,280	2,480
Other debtors	437,950	437,950
Overpayment of councillors	35,786	-
	<b>5,156,474</b>	<b>7,667,131</b>

Trade and other receivables were not pledged as security.

Current (0 - 30 days)	1,283,086	1,659,172
31 - 60 Days	91,937	82,067
61 - 90 Days	588,191	637,960
+ 90 Days	3,848,619	5,727,050
Allowance for impairment	(655,355)	(439,118)
	<b>5,156,478</b>	<b>7,667,131</b>

**Summary of receivables by customer classification**

	Other	Organs of state	Total
30 June 2024			
Current (0 - 30 days)	467,833	815,253	1,283,086
31 - 60 Days	32,430	59,507	91,937
61 - 90 Days	22,668	565,523	588,191
+ 90 Days	1,095,017	2,753,602	3,848,619
Allowance for impairment	(655,355)	-	(655,355)
	<b>962,593</b>	<b>4,193,885</b>	<b>5,156,478</b>

**Summary of receivables by customer classification**

	Other	Organs of state	Total
30 June 2023			
Current (0 - 30 days)	816,135	843,037	1,659,172
31 - 60 Days	5,714	76,352	82,066
61 - 90 Days	17,477	620,482	637,959
+ 90 Days	481,843	5,245,209	5,727,052
Allowance for impairment	(439,118)	-	(439,118)
	<b>882,051</b>	<b>6,785,080</b>	<b>7,667,131</b>

**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 (if available) 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.

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

1 month past due	59,507	76,352
2 months past due	565,523	620,482
3 months past due	2,753,602	5,953,683

**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

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**Trade and other receivables impaired**

The amount of the allowance for impairment was R 655 355 as of 30 June 2024 (June 2023: R439 117).

**5. Statutory receivables**

VAT	1,076,802	1,035,924
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**6. Inventories**

Bricks	1,556	203,176
Crusher dust and Cement	259,279	20,724
Consumable stores	42,086	103,650
Properties to be transferred	5,918,046	5,918,046
	<b>6,220,967</b>	<b>6,245,596</b>

**Inventory pledged as security**

Inventory was not pledged as security.

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

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### 7. Biological assets

	2024		2023	
	Cost / Valuation	Carrying value	Cost / Valuation	Carrying value
Biological assets - game	2,081,632	-	4,817,749	-
		2,081,632		4,817,749

### Reconciliation of biological assets - 2024

	Opening balance	Additions	Disposals	Gains or losses arising from changes in fair value	Total
Biological assets - game	4,817,749	42,573	(2,685,227)	(93,463)	2,081,632

### Reconciliation of biological assets - 2023

	Opening balance	Additions	Disposals	Gains or losses arising from changes in fair value	Total
Biological assets - game	4,185,653	1,264,499	(628,836)	(3,567)	4,817,749



# John Taolo Gaetsewe District Municipality

## Annual Financial Statements for the year ended June 30, 2024

### Notes to the Annual Financial Statements

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#### Non-financial information

##### Quantities of each biological asset

Blesbok	2	6
Blue wildebeest	70	155
Eland	1	18
Gemsbok	61	209
Greater Kudu	4	-
Ostrich	41	53
Red hartebeest	8	14
Springbuck	204	269
Zebra	15	22
	<b>406</b>	<b>746</b>

The biological assets for the 2024 financial year were valued by EMS Solutions (PTY) Ltd an independent professional valuer..

The decrease in biological assets was due to the sale and stray animals as a result of a fence not being in a good condition.

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

#### Non-Biological assets with no commercial value

Black backed jackal	3	3
Vultures	5	9
Domestic cattle	42	27
Domestic horses	9	14
Warthog	2	6
Steenbok (Ibex)	11	7
Duiker	23	-
	<b>95</b>	<b>66</b>

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 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 environment 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.

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

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### 8. Investment property

2024			2023		
Cost / Valuation		Carrying value	Cost / Valuation		Carrying value
8,420,000	-	8,420,000	8,230,000	-	8,230,000

#### Reconciliation of investment property - 2024

	Opening balance	Fair value adjustments	Total
Investment property	8,230,000	190,000	8,420,000

#### Reconciliation of investment property - 2023

	Opening balance	Fair value adjustments	Total
Investment property	7,110,000	1,120,000	8,230,000

#### Pledged as security

Investment properties are not pledged as security.

# John Taolo Gaetsewe District Municipality

## Annual Financial Statements for the year ended June 30, 2024

### Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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#### 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

3,080,000	2,980,000
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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 1190m<sup>2</sup>  
- Valuation

2,610,000	2,520,000
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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

2,730,000	2,730,000
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The last date of the revaluations of investment property was 30 June 2024. 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 municipality.

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

Figures in Rand

### 9. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	48,290,000	-	48,290,000	45,560,000	-	45,560,000
Buildings	26,057,608	(5,267,588)	20,790,020	23,477,229	(3,966,490)	19,510,739
Furniture and office equipment	5,943,167	(4,736,149)	1,207,018	6,059,226	(4,399,098)	1,660,128
Transport assets	17,226,668	(8,024,749)	9,201,919	16,412,750	(8,331,630)	8,081,120
Computer equipment	7,983,077	(6,433,075)	1,550,002	8,748,581	(6,710,452)	2,038,129
Community assets	552,663	(131,157)	421,506	622,000	(98,510)	523,490
Other property, plant and equipment	3,788,143	(1,713,263)	2,074,880	3,788,143	(1,140,240)	2,647,903
<b>Total</b>	<b>109,841,326</b>	<b>(26,305,981)</b>	<b>83,535,345</b>	<b>104,667,929</b>	<b>(24,646,420)</b>	<b>80,021,509</b>

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

Figures in Rand

### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers received	Revaluations	Depreciation	Total
Land	45,560,000	-	-	-	2,730,000	-	48,290,000
Buildings	19,510,739	-	-	-	2,663,355	(1,297,135)	20,790,020
Furniture and office equipment	1,660,128	8,730	(16,307)	-	-	(446,469)	1,207,018
Transport assets	8,081,120	504,659	(625,775)	4,167,949	-	(2,926,035)	9,201,919
Computer equipment	2,038,129	465,632	(64,760)	-	-	(633,205)	1,805,796
Community assets	523,490	-	-	-	(152,297)	(36,755)	421,506
Other property, plant and equipment	2,647,903	-	-	-	-	(572,878)	2,074,880
	<b>80,021,509</b>	<b>979,021</b>	<b>(706,842)</b>	<b>4,167,949</b>	<b>5,241,058</b>	<b>(5,912,477)</b>	<b>83,791,139</b>

### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Land	45,560,000	-	-	-	45,560,000
Buildings	20,808,836	-	-	(1,297,442)	19,510,739
Furniture and office equipment	1,759,376	354,015	(25,320)	(427,938)	1,660,128
Transport assets	6,606,355	3,309,392	(11,435)	(1,823,192)	8,081,120
Computer equipment	2,475,201	490,353	(55,218)	(872,206)	2,038,129
Community assets	556,208	-	-	(32,718)	523,490
Other property, plant and equipment	2,626,257	581,559	-	(560,575)	2,647,903
	<b>80,392,233</b>	<b>4,735,319</b>	<b>(91,973)</b>	<b>(5,014,071)</b>	<b>80,021,509</b>

### Assets subject to finance lease (net carrying amount)

IT equipment	15,553	-
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## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### Revaluations

The effective date of the revaluations of land and buildings was 30 June 2024. 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

Assets purchased for cash amounted to R 979 021 ( June 2023: R 2 703 090)

### Expenditure incurred to repair and maintain property, plant and equipment

#### Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Repairs of community owned properties	630,622	864,373
Maintenance of equipment	682,664	369,068
	<b>1,313,286</b>	<b>1,233,441</b>

None of the Property, Plant and Equipment has been pledged as security.

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

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

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### 10. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	3,432,940	(3,113,197)	319,743	3,834,976	(2,953,233)	881,743

#### Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	881,743	67,238	(67,469)	(561,769)	319,743

#### Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	1,423,217	91,500	(639)	(632,335)	881,743

#### Pledged as security

Intangible assets are not pledged as security.

# John Taolo Gaetsewe District Municipality

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### 11. Heritage assets

	2024			2023		
	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 2024

	Opening balance	Total
Mayoral chain	19,750	19,750

#### Reconciliation of heritage assets 2023

	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



**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

**Notes to the Annual Financial Statements**

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<b>12. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	14,400	-
- in second to fifth year inclusive	4,800	-
	19,200	-
less: future finance charges	(646)	-
<b>Present value of minimum lease payments</b>	<b>18,554</b>	<b>-</b>
<b>Present value of minimum lease payments due</b>		
- within one year	13,802	-
- in second to fifth year inclusive	4,752	-
	<b>18,554</b>	<b>-</b>
Non-current liabilities	4,752	-
Current liabilities	13,802	-
	<b>18,554</b>	<b>-</b>
<b>13. Payables from exchange transactions</b>		
Trade payables	3,020,288	25,659,625
Payroll related liabilities	54,853	109,770
Leave accrual	8,733,454	6,918,846
Bonus accrual	2,254,822	2,074,047
Retentions	345,440	1,967,655
Debtors with credit balances	50,840	49,990
	<b>14,459,697</b>	<b>36,779,933</b>

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

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### 14. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

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.

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 2024 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	6,738,000	7,114,000
Net actuarial (gains)/ losses	183,000	(448,000)
Difference between expected and actual current service costs	(601,000)	(620,000)
Interest cost	688,000	692,000
	<b>7,008,000</b>	<b>6,738,000</b>
Non-current liabilities	6,191,000	5,638,000
Current liabilities	817,000	1,100,000
	<b>7,008,000</b>	<b>6,738,000</b>

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

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### 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 2023 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 rates used	10.60 %	10.84 %
CPI inflation rate	4.86 %	5.34 %
Health care cost inflation rate	6.36 %	6.84 %
Net effective discount rate	3.99 %	3.74 %
Present value of unfunded obligation at the beginning of the year	2,696,000	3,030,000
Actuarial gains/losses	194,000	(306,000)
Difference between expected and actual current service costs	(313,000)	(325,000)
Interest cost	276,000	297,000
	<b>2,853,000</b>	<b>2,696,000</b>
Non-current liabilities	2,505,000	2,383,000
Current liabilities	348,000	313,000
	<b>2,853,000</b>	<b>2,696,000</b>

### Long Service Awards- Key Assumptions

Discount rates	11.21 %	11.26 %
CPI inflation rate	5.35 %	5.54 %
General earnings inflation rate	6.35 %	6.54 %
Net effective discount rate	4.57 %	4.43 %

### Long service awards

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.

The actuarial valuation of the present value of the obligation at 30 June 2024 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.

Present value of unfunded obligation at the beginning of the year	4,042,000	4,084,000
Actuarial gains/losses	(11,000)	(142,000)
Difference between expected and actual current service costs	(288,000)	(295,000)
Interest cost	412,000	395,000
	<b>4,155,000</b>	<b>4,042,000</b>
Non-current liabilities	3,686,000	3,255,000
Current liabilities	469,000	787,000
	<b>4,155,000</b>	<b>4,042,000</b>

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

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### Sensitivity Analysis - Medical Aid

#### Introduction

The results presented in Section 6 of the valuation report are based on a number of assumptions. The extent to which the actual DBO faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made.

The assumption which tends to have the greatest impact on the results is the medical aid contribution inflation rate relative to the discount rate.

#### Sensitivity Analysis Results

The DBO at this valuation was recalculated to show the effect of:

- (i) a one percentage point increase and decrease in the assumed medical aid contribution inflation rate;
- (ii) a one percentage point increase and decrease in the discount rate; and
- (iii) a one-year age increase and decrease in the assumed rates of post-employment mortality.

Sensitivity analysis on the defined benefit obligation (R Millions)	Change	Total DBO	% Change
Central assumptions		2.853	
Medical aid contribution inflation	+1%	3.042	7%
	+1%	2.681	-6%
Discount rate	+1%	2.689	-6%
	-1%	3.036	6%
Post-employment mortality	+1 yr	2.737	-4%
	-1 yr	2.971	4%

Note to the table above: The post-employment mortality adjustment “-1 yr”, for example, assumes that someone aged 70 will experience the mortality of someone aged 69. The DBO is expected to increase under this scenario because members are expected to live longer.

The table above indicates, for example, that if the medical inflation rate is one percentage point greater than the long-term assumption made, the DBO will be 7% higher than that shown

Sensitivity analysis on interest cost for year ending 30/06/2024	Change	Interest Cost	% Change
Central assumptions		276,000	
Medical aid contribution inflation rate	+1%	296,000	7%
	-1%	258,000	-7%
Discount rate	+1%	282,000	2%
	-1%	268,000	-3%
Post-employment mortality	+1 yr	264,000	-4%
	-1 yr	288,000	4%

Sensitivity analysis on interest cost for year ending 30/06/2025	Change	Interest Cost	% Change
Central assumptions		284,000	
Medical aid contribution inflation rate	+1%	304,000	7%
	-1%	266,000	-6%
Discount rate	+1%	292,000	3%
	-1%	275,000	-3%
Post-employment mortality	+1 yr	272,000	-4%
	-1 yr	297,000	5%

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### Sensitivity Analysis - Long Service

#### Introduction

The results presented in Section 6 of the valuation report are based on a number of assumptions. The extent to which the actual DBO faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made.

The assumptions which tend to have the greatest impact on the results are:

- (i) the general earnings inflation rate assumption;
- (ii) the discount rate assumption;
- (iii) the average retirement age of employees; and
- (iv) assumed service termination rates.

#### Sensitivity Analysis Results

The DBO at this valuation was recalculated to show the effect of:

- (i) a one percentage point increase and decrease in the assumed general earnings inflation rate;
- (ii) a one percentage point increase and decrease in the assumed discount rate;
- (iii) a two-year increase and decrease in the assumed average retirement age of eligible employees; and
- (iv) a two-fold increase and a 50% decrease in the assumed rates of termination of service

# John Taolo Gaetsewe District Municipality

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## Notes to the Annual Financial Statements

Figures in Rand		2024	2023			
<b>Sensitivity analysis on the DBO</b>		<b>Change</b>	<b>DBO</b>	<b>% Change</b>		
Central assumptions			4,155,000			
General earnings inflation rate		+1%	4,398,000	6%		
		-1%	3,932,000	-5%		
Discount rate		+1%	3,934,000	-5%		
		-1%	4,399,000	6%		
Average retirement age		+2 yrs	4,487,000	8%		
		-2 yrs	3,815,000	-8%		
Rates of termination of service		x2	33,324,000	-20%		
		x0.5	4,707,000	13%		
<b>Sensitivity analysis on current service and interest costs for year ending 30/06/2024</b>		<b>Change</b>	<b>Current Svc. Cost</b>	<b>Interest Cost</b>	<b>Total</b>	<b>% Change</b>
Central assumptions			499,000	412,000	911,000	
General earnings inflation rate		+1%	534,000	437,000	971,000	7%
		-1%	468,000	389,000	857,000	-6%
Discount rate		+1%	472,000	424,000	869,000	-2%
		-1%	529,000	398,000	927,000	2%
Average retirement age		+2 yrs	528,000	452,000	980,000	8%
		-2 yrs	470,000	375,000	845,000	-7%
Rates of termination of service		x2	370,000	327,000	697,000	-23%
		x0.5	591,000	469,000	1,060,000	16%
<b>Sensitivity analysis on current service and interest costs for year ending 30/06/2025</b>		<b>Change</b>	<b>Current Svc. Cos</b>	<b>Interest Cost</b>	<b>Total</b>	<b>% Change</b>
Central assumptions			536,000	440,000	976,000	
General earnings inflation rate		+1%	574,000	467,000	1,041,000	7%
		-1%	501,000	415,000	916,000	-6%
Discount rate		+1%	506,000	453,000	959,000	-2%
		-1%	569,000	426,000	995,000	2%
Average retirement age		+2 yrs	564,000	477,000	1,041,000	7%
		-2 yrs	503,000	404,000	907,000	-7%
Rates of termination of service		x2	394,000	347,000	741,000	-24%
		x0.5	637,000	502,000	1,139,000	17%

### Past and Future Changes in the Net Defined Benefit Liability - Medical Aid

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023	
<b>Past year and future projected defined benefit obligation</b>	<b>Year Ending 30/06/2024</b>	<b>Year Ending 30/06/2025</b>	<b>Year Ending 30/06/2026</b>
Opening DBO	2,696,000	2,853,000	2,789,000
Interest cost	276,000	284,000	278,000
Expected subsidy (benefit) payments	(313,000)	(348,000)	(350,000)
Projected closing DBO	2,659,000	2,789,000	2,717,000
Actuarial loss / (gain)	194,000	-	-
Actual closing DBO	2,853,000	2,789,000	2,717,000
Current portion (due in next 12 months)	348,000	350,000	352,000
Non-current portion	2,505,000	2,439,000	2,365,000

Notes on the table above:

- These projections assume that the Municipality's subsidy policy will remain as outlined in Section 3 of the valuation report, and that all the actuarial assumptions made are borne out in practice.
- Benefits paid refer to medical scheme contributions made by the Municipality with respect to its subsidy of current continuation members.
- There are no curtailments or settlements to reflect.
- The service cost is equal to the current service cost of the DBO as there are no past service costs or settlement gains / losses to consider.
- With no plan asset in place there is no interest revenue, and thus the net interest is equal to the interest cost of the DBO.
- Similarly, without a plan asset present, there is no return on plan asset nor change in the effect of the asset ceiling to consider, and as such the remeasurements component of the net defined benefit liability is equal to the actuarial loss / (gain) in respect of the DBO.

Expected subsidy (benefit) payments: This is an estimate of subsidies (benefits) paid in respect of continuation members, based on the data at the previous valuation date. If the actual amount of subsidies paid is used instead of this estimate, then the actuarial loss / (gain) must change to exactly offset the impact, such that the closing defined benefit obligation remains unchanged. For example, if the actual amount of subsidies paid is R100,000 less than the estimate, then the actuarial loss / (gain) would have to reduce by R100,000 to leave the closing defined benefit obligation as is.

### 15. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

<b>Unspent conditional grants and receipts</b>		
Khotso Pula Nala Grant	30,197	30,197
LG Seta	205,500	204,000
Housing Accreditation	142,033	-
HIV & AIDS	129,521	129,521
CoGHSTA Housing Grant	659,155	862,744
	<b>1,166,406</b>	<b>1,226,462</b>

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited

**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
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**16. Construction contracts**

At June 30, 2024, retention of contracts in progress are 345,440 (2023: 1,967,655).

**Agreements that meet all the criteria in paragraph .29 of GRAP9**

The entity determines which agreements meet all the criteria in paragraph .29 of the Standard of GRAP on Revenue from Exchange Transactions continuously as construction progresses in the following manner:

The amount of revenue arising from such agreements in the period	-	39,383,285
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The methods used to determine the stage of completion of agreements in progress is as follows:

The aggregate amount of costs incurred for agreements in progress	-	39,353,102
Amount of advances received for agreements in progress	30,182	30,182

**17. Revaluation reserve**

Opening balance	62,024,719	62,024,719
Change during the year	5,241,042	-
	<b>67,265,761</b>	<b>62,024,719</b>

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 2024.

**18. Rental of facilities and equipment**

Premises	449,178	212,195
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**19. Other income**

Insurance claims	136,548	119,660
Discount received	56,174	-
	<b>192,722</b>	<b>119,660</b>

**20. Administration and management fees**

Product related services	2,689,186	2,177,182
Training (LGSETA)	150,410	131,184
	<b>2,839,596</b>	<b>2,308,366</b>

**21. Interest received**

<b>Interest revenue</b>		
Interest charged on receivables from exchange transaction	439,334	799,866
Bank	2,303,239	4,238,591
	<b>2,742,573</b>	<b>5,038,457</b>



**John Taolo Gaetsewe District Municipality**  
**Annual Financial Statements for the year ended June 30, 2024**

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>22. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	106,128,000	102,257,000
LG SETA	2,749,973	1,070,256
Financial management grant	1,000,000	1,000,000
Expanded public works program	950,000	1,073,000
Rural roads asset management grant	2,559,000	2,122,000
HIV/AIDS grant	250,000	370,479
Infrastructure skills development grant	5,000,001	5,500,000
Housing accreditation grant	157,967	300,000
CoGHSTA - Housing development project	203,590	-
	<b>118,998,531</b>	<b>113,692,735</b>

**John Taolo Gaetsewe District Municipality**  
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**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>Equitable share</b>		
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	106,128,000	102,257,000
Conditions met - transferred to revenue	(106,128,000)	(102,257,000)
<b>Net grant receivable</b>	<b>-</b>	<b>-</b>
<b>Financial management grant</b>		
Current-year receipts	1,000,000	1,000,000
Conditions met - transferred to revenue	(1,000,000)	(1,000,000)
<b>Net of unspent grants</b>	<b>-</b>	<b>-</b>
The Financial management grant is paid by National Treasury to municipalities to help implement the financial reforms required by the MFMA.		
<b>Housing accreditation grant</b>		
Current-year receipts	300,000	300,000
Conditions met - transferred to revenue	(157,967)	(300,000)
<b>Net of unspent grants</b>	<b>142,033</b>	<b>-</b>
The housing grant was utilised for the development of erven and the erection of top structures.		
<b>Khotso Pula Nala</b>		
Balance unspent at beginning of year	30,197	30,197
The grant related to disaster relief projects at the local municipalities in the district.		
<b>Expanded public works programme - incentive grant</b>		
Current-year receipts	950,000	1,073,000
Conditions met - transferred to revenue	(950,000)	(1,073,000)
<b>Net of unspent grants</b>	<b>-</b>	<b>-</b>
The grant was used for debushing, fencing of graveyards as well as to address issues of unemployment as it is labour intensive.		
<b>HIV and AIDS council</b>		
Balance unspent at beginning of year	129,521	-
Current-year receipts	250,000	500,000
Conditions met - transferred to revenue	(250,000)	(370,479)
<b>Net of unspent grants</b>	<b>129,521</b>	<b>129,521</b>
The grant was used for HIV and AIDS awareness programmes		
<b>Infrastructure skill development grant</b>		
Current-year receipts	5,000,000	5,500,000
Conditions met - transferred to revenue	(5,000,000)	(5,500,000)

**John Taolo Gaetsewe District Municipality**  
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**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>Net of unspent grants</b>	-	-

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	2,559,000	2,122,000
Conditions met - transferred to revenue	(2,559,000)	(2,122,000)
<b>Net of unspent grants</b>	-	-

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.

**LG SETA**

Balance unspent at beginning of year	204,000	204,000
Current-year receipts	2,751,473	1,070,256
Conditions met - transferred to revenue	(2,749,973)	(1,070,256)
	<b>205,500</b>	<b>204,000</b>

The grant is used for learning interventions within the district

**CoGHSTA - Housing development project**

Balance unspent at beginning of year	862,744	862,744
Conditions met - transferred to revenue	(203,589)	-
	<b>659,155</b>	<b>862,744</b>

**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.

**23. Donations in kind**

Assmang Black Rock Mine	4,227,949	2,123,729
Northern Cape Economic Development	500,000	-
	<b>4,727,949</b>	<b>2,123,729</b>

**John Taolo Gaetsewe District Municipality**  
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**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>24. Employee related costs</b>		
Basic salary	57,466,855	51,955,976
Bonus	4,047,374	5,172,295
Medical aid - company contributions	4,572,720	3,997,132
Unemployment insurance fund	294,989	277,820
Skills development levy	704,030	653,851
Leave	3,432,236	3,717,899
Remote allowance	356,687	368,900
Non-Pension allowance	101,700	101,700
Nightshift allowance	745,029	561,425
Long-service awards	318,082	353,107
Acting allowances	1,591,817	898,806
Travel allowance	2,545,325	2,364,107
Housing benefits and allowances	2,053,178	1,896,412
Contribution provident fund	1,030,788	969,538
Contribution pension fund	8,372,548	7,402,547
Contribution industrial council	14,851	13,144
Change in valuation of employee benefit obligations	(601,000)	(620,000)
Cellular phone allowance	193,681	227,929
	<b>87,240,890</b>	<b>80,312,588</b>

The senior manager remuneration is in line with the upper limits as per the Government Gazette.

**Remuneration of Municipal Manager; K.K Teise**

Annual Remuneration	1,218,069	95,426
Travel Allowance	140,964	11,747
Additional transport allowance	28,800	2,400
Cellular phone allowance	19,200	1,600
Remote Allowance	94,984	7,502
Normal leave payout	31,561	-
Acting Allowance	9,416	-
Non Pensionable Gratuity allowance	20,340	-
	<b>1,563,334</b>	<b>118,675</b>

**Remuneration of Former Municipal Manager: DH Molaole**

Terminated on the 31st of July 2022	-	-
Annual Remuneration	-	105,589
Travel Allowance	-	2,400
Remote Allowance	-	7,391
Cellular phone allowance	-	1,600
Performance Bonuses	-	177,389
	<b>-</b>	<b>294,369</b>

**Remuneration of Director of Infrastructure: MW Molusi**

Annual remuneration	1,001,413	951,535
Travel allowance	120,000	120,000
Additional transport allowance	28,800	28,800
Cellular phone allowance	19,200	19,200
Remote Allowance	78,351	75,008
Performance Bonus	-	295,661
Leave Payout	21,752	42,237
Acting Allowance	6,277	209,244
Non Pensionable Gratuity allowance	20,340	20,340
	<b>1,296,133</b>	<b>1,762,025</b>

# John Taolo Gaetsewe District Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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Mr M. Molusi was acting in the position of municipal manager from 01 February 2023 until 31 May 2023.

### Remuneration of Director Community Service: TH Matlhare

Annual Remuneration	1,018,571	901,598
Travel Allowance	100,800	100,800
Additional Transport allowance	28,800	28,800
Performance Bonuses	-	270,248
Remote Allowance	78,207	70,678
Cellular phone allowance	19,200	19,200
Leave Payout	22,789	181,453
Non Pensionable Gratuity allowance	20,340	20,340
	<b>1,288,707</b>	<b>1,593,117</b>

### Remuneration of Director LED: K.K Teise

Terminated on the 31st of May 2023		
Annual Remuneration	-	854,324
Travel Allowance	-	129,217
Additional Transport allowance	-	26,400
Performance Bonuses	-	295,661
Remote Allowance	-	68,848
Cellular phone allowance	-	17,600
Leave Payout	-	211,186
Acting Allowance	-	314,344
Non Pensionable Gratuity allowance	-	20,340
	-	<b>1,937,920</b>

### Remuneration of Chief Financial Officer: GP Moroane

Annual Remuneration	115,666	987,535
Travel Allowance	7,000	84,000
Additional Transport allowance	2,400	28,800
Performance Bonuses	-	295,661
Remote Allowance	8,563	75,008
Cellular phone allowance	1,600	19,200
Leave Payout	35,818	198,515
Non Pensionable Gratuity allowance	20,340	20,340
	<b>191,387</b>	<b>1,709,059</b>

GP Moroane resigned on the 31 July 2023.

# John Taolo Gaetsewe District Municipality

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<b>Remuneration of Director Corporate Services: EM Tshabaemang</b>		
Annual Remuneration	435,734	750,929
Travel Allowance	50,000	170,000
Additional Transport allowance	12,000	28,800
Performance Bonuses	-	268,091
Remote Allowance	33,940	64,465
Cellular phone allowance	8,000	19,200
Leave payout	469,848	34,360
Settlement Out Of Court Order	1,025,904	-
Non Pensionable Gratuity allowance	20,340	20,340
	<b>2,055,766</b>	<b>1,356,185</b>
EM Tshabaemang contract expired on the 30 November 2023.		
<b>Acting allowances of CFO : LL Shupu</b>		
Basic Salary	442,386	-
Cellphone Allowance	16,000	-
Additional Transport Allowance	24,000	-
	<b>482,386</b>	<b>-</b>
<b>Acting allowances of CFO : TS Motlhanke</b>		
Basic Salary	44,238	-
<b>Acting allowances of director LED: BG Segoje</b>		
Basic Salary	485,336	-
Additional Transport Allowance	24,000	-
	<b>509,336</b>	<b>-</b>
<b>Acting allowances of director LED: G Van Der Westhuizen</b>		
Basic Salary	44,238	-
<b>Acting allowances of director corporate : SP Mereyotlhe</b>		
Basic Salary	265,432	-
Cellphone Allowance	9,600	-
Additional Transport Allowance	14,400	-
	<b>289,432</b>	<b>-</b>
<b>Acting allowances of director corporate : LAN Morris</b>		
Basic Salary	44,238	-
Additional Transport Allowance	2,400	-
	<b>46,638</b>	<b>-</b>

**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

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**25. Remuneration of councillors**

Mayor, Speaker and Councillors	6,626,785	6,223,884
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**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 remuneration of councillors is in line with the 2024 upper limits as per the Government Gazette.

**Executive Mayor: PQ Mogatle-Thoane**

Annual remuneration	886,533	840,326
Pension fund contributions	67,540	64,564
Skills development levy	8,438	7,980
Cell phone allowance	45,600	40,800
Mobile data	4,008	3,600
	<b>1,012,119</b>	<b>957,270</b>

**Speaker: IE Aiseng**

Annual remuneration	763,259	718,577
Skills development levy	7,881	7,408
Cell phone allowance	45,600	40,800
Mobile data	4,008	3,600
	<b>820,748</b>	<b>770,385</b>

**Member of mayoral committee: KF Masilabele**

Annual remuneration	664,903	630,906
Pension fund contributions	50,655	48,423
Skills development levy	6,391	6,047
Cell phone allowance	45,600	40,800
Mobile data	4,008	3,600
	<b>771,557</b>	<b>729,776</b>

**Member of Mayoral Committee: OH Kgotlithata**

Annual remuneration	664,903	627,747
Pension fund contributions	50,655	48,423
Skills development levy	6,391	6,015
Cell phone allowance	45,600	40,800
Mobile data	4,008	3,600
	<b>771,557</b>	<b>726,585</b>

**Member of Mayoral Committee: I Matebese**

Annual remuneration	362,352	339,600
Mobile data	4,008	3,600
Skills development levy	4,334	3,948
Cell phone allowance	22,800	20,400
Transport allowance	72,000	54,000
	<b>465,494</b>	<b>421,548</b>

**Member of Mayoral Committee: PM Kgosiengewang**

Annual remuneration	640,744	606,641
Transport allowance	99,752	66,502
Skills development levy	7,453	6,820
Cell phone allowance	45,600	40,800
Mobile data	4,008	3,600

# John Taolo Gaetsewe District Municipality

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	<b>797,557</b>	<b>724,363</b>
<b>MPAC Chairperson: TM Motsoare</b>		
Annual remuneration	85,546	80,662
Skills development levy	990	927
Mobile data	4,008	3,600
Cell phone allowance	22,800	20,400
	<b>113,344</b>	<b>105,589</b>
<b>Councillor: NG Ngesi</b>		
Annual remuneration	280,555	262,700
Pension fund contributions	21,374	20,432
Skills development levy	2,840	2,645
Cell phone allowance	45,600	40,800
Mobile data	4,008	3,600
	<b>354,377</b>	<b>330,177</b>
<b>Councillor: KR Paul</b>		
Annual remuneration	271,281	243,610
Transport allowance	40,865	40,865
Skills development levy	3,288	2,985
Cell phone allowance	45,600	40,800
Mobile data	4,008	3,600
	<b>365,042</b>	<b>331,860</b>
<b>Councillor: TC Moilwe/Kegakilwe</b>		
<b>Heading</b>		
Annual remuneration	280,555	262,700
Pension fund contributions	21,374	20,432
Skills development levy	2,840	2,645
Cell phone allowance	45,600	40,800
Mobile data	4,008	3,600
	<b>354,377</b>	<b>330,177</b>
<b>Councillor: AI Eilerd</b>		
Annual remuneration	301,929	283,132
Skills development levy	3,267	3,053
Cell phone allowance	45,600	40,800
Mobile data	4,008	3,600
	<b>354,804</b>	<b>330,585</b>
<b>Chief Whip: TG Mosegedi</b>		
Annual remuneration	116,482	108,252
Skills development levy	1,299	1,203
Cell phone allowance	22,800	20,400
Mobile data	4,008	3,600
	<b>144,589</b>	<b>133,455</b>
<b>Councillor (MPAC committee member): PJ Ohentswe</b>		
Annual remuneration	280,555	264,618
Pension fund contributions	21,374	20,432
Skills development levy	2,840	2,664
Cell phone allowance	45,600	40,800
Mobile data	4,008	3,600
	<b>354,377</b>	<b>332,114</b>



**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>26. Depreciation and amortisation</b>		
Property, plant and equipment	5,912,477	5,014,071
Intangible assets	561,769	632,369
	<b>6,474,246</b>	<b>5,646,440</b>
<b>27. Finance costs</b>		
Interest on overdue accounts	225,445	373,668
Finance leases	764	368,633
Interest on employee benefit obligations	688,000	692,000
	<b>914,209</b>	<b>1,434,301</b>
<b>28. Debt impairment</b>		
Debt impairment	216,237	76,476
<b>29. Bad debts written-off</b>		
<b>Gross balances</b>		
Bad debts written off	2,234,314	778,026

During 2024 financial year the council approved write-off of local municipality old debt owed of trade receivables. The R 2 234 314 that had been long standing and included interest was written off to this regard.

**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>30. Operational costs</b>		
Advertising	341,429	212,355
Auditors remuneration	3,024,467	3,234,015
Bank charges	251,862	223,083
Business Advisory Services	2,826,939	5,495,550
Maintenance of Equipment	682,664	369,068
Donations	203,176	-
Catering	691,679	572,842
Hire	1,021,216	454,301
Insurance premiums	1,101,984	1,501,111
Community development and training	2,749,973	1,702,690
Conferences and seminars	649,905	324,774
Maintenance of buildings and facilities	49,500	306,090
IT expenses	1,939,197	854,563
Legal fees	1,462,494	864,246
Call centre - disaster management	18,620	85,780
Municipal services	2,061,279	1,618,165
Postage and courier	145	7,472
Printing and stationery	166,557	387,356
Inventory Consumed	399,568	1,027,605
Repairs of community owned properties	630,622	864,373
Security services	3,011,009	2,990,314
Staff welfare	60,667	26,102
Membership fees	1,934,868	733,052
Telephone	651,031	473,597
Travel, subsistence and accommodation	6,661,820	6,240,210
Water quality monitoring	70,250	135,740
Uniforms	88,414	128,442
Study assistance	93,941	64,296
Training and Professional fees	2,523,126	3,551,828
Imbizo events	1,890	67,493
Cleaning Services	2,175,357	2,075,008
Communication	2,156	-
	<b>37,547,805</b>	<b>36,591,521</b>
<b>31. Gain/(Loss) on disposal of asset</b>		
Gain or loss on disposal of assets and liabilities	(139,412)	(721,414)
<b>32. Fair value adjustments</b>		
Investment property (Fair value model)	190,000	1,120,000
Biological assets - (Fair value model)	(93,463)	(3,567)
	<b>96,537</b>	<b>1,116,433</b>
<b>33. Gain/(Loss) on biological assets</b>		
Gains or losses arising from a change in fair value less point of sale costs	(2,230,254)	1,264,499

**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>34. Cash used in operations</b>		
Deficit	(13,760,066)	(5,730,972)
<b>Adjustments for:</b>		
Depreciation and amortisation	6,474,246	5,646,440
Donations	-	-
Gain/Loss on disposal of assets	-	-
Fair value adjustments	(96,537)	(1,116,433)
Gain/(Loss) on biological assets	2,230,254	628,836
Interest income	-	560,063
Actuarial gains/losses	183,000	-
Asset write offs & disposals	67,469	-
Finance costs	688,000	-
Debt impairment	216,237	76,476
Bad debts written off	2,234,311	778,026
Movements in retirement benefit assets and liabilities	(601,000)	-
Asset write-offs	-	92,576
Non-cash donations and other in-kind benefits	(4,167,949)	(3,388,228)
Gains/losses on disposal of assets	139,412	-
<b>Changes in working capital:</b>		
Inventories	24,629	856,197
Receivables from exchange transactions	60,106	(108,482)
Payables from exchange transactions	(22,395,802)	27,213,723
VAT	(40,878)	1,494,089
Unspent conditional grants and receipts	(60,057)	129,521
	<b>(28,804,621)</b>	<b>(13,303,363)</b>

# John Taolo Gaetsewe District Municipality

## Annual Financial Statements for the year ended June 30, 2024

### Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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#### 35. Contingencies

Figures in Rand

Zitshunele Trading & contracting CC VS John Taolo Gaetsewe District Municipality litigation claim. The matter is still at a preliminary stage but there is a possibility that the matter may go to court.

John Taolo Gaetsewe District Municipality VS Edith Tshabaemang labour litigation claim. The first respondent (Ms Tshabaemang) has filed her answering affidavit. The municipality has filed the answering affidavit together with the application for condonation. However there were discussions of settlement between the municipality and Ms Tshabaemang which have not been concluded as of yet.

John Taolo Gaetsewe District Municipality VS T Mathabethe litigation claim. To file Appeal record, and application to reinstate the Appeal and to prepare an answering affidavit on the Ex parte Contempt application

John Taolo Gaetsewe District Municipality VS Public protector litigation claim. The applicant brought an application intention to tax bill of costs. We have perused the judgement the municipality succeeded with the review application, however we ordered to pay the costs of the late filing of the condonation application in the sum of R 158 792.71.

IMATU obo Rossouw and Van der westhuizen VS John Taolo Gaetsewe District Municipality litigation claim. The file is not part of our records. We noted the matter has been set down for hearing at the Labour Court on 02 March 2023. We appeared on 2nd of March 2023, the matter was postponed to 11 September 2023. The municipality was ordered to pay costs occasioned by the postponement. The next step is providing the municipality with a legal opinion on the prospects of success on the matter and to schedule a meeting with the MM once the legal opinion been submitted.

John Taolo district Municipality and Growthink Investments (Pty) Ltd

JTG V Tshabaemang - Ms. Tshabaemang has initiated proceedings at the High Court in Kimberly to declare certain appointments of senior managers unlawful. The matters have been opposed by the municipality, we have filed our answering affidavit. The next step is to apply for a date of hearing.

Matters disclosed	
2024	2023
2 000 000 + 200 000 legal costs	2 300 000 + 200 000 legal costs
-	3 000 000 + 300 000 legal costs
3 500 000 + 500 000 legal costs	3 000 000 + 300 000 legal costs
50 000.00 to 150 000.00	300 000 + 50 000 legal costs
1 500 000 + 700 000 legal costs	800 000 + 500 000 legal costs
50 000 to 100 000 legal costs	-
3 000 000 + 1 000 000 legal costs	-

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 36. Related parties

#### Relationships

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 Developmental Trust	29,900	21,723
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##### Irregular expenditure, interest and other amounts recoverable from councillors

Kgosienewang PM	16,625	-
Matebese I	12,000	-
Paul KR	6,811	-

All councillors and senior managers are required to declare their business interest annually. Such business interest are listed below.

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

Figures in Rand

2024

2023

### Councillors:

PQ Mogatle-Thoane

Bomme-Sejo Services and Supply Co-Operative Limited

Annex Langdon Commodities Smelters

Adonia Kuruman Mall

Blesbok Coal Mine

Queen Mogatle Foundation

NG Ngesi

Bokone Mining Primary C-Operative Limited

Ditukus Projects

PJ Ohentswe

Letso Investment

Josbil Protection Services

JTG Trucking Group

Kgalagadi Freights

PM Kgosiengewang

Kgosiengewang Civil and General Construction

TC Moilwe

Ashelwang Trading Enterprise

OH Kgopodithata

Faraway Agricultural

Refemele Multi Purpose Primary Co-Operative

### Senior Management:

K Teise

Kagisano Motlhaping Manganese Mine

Kagisano Manganese and Iron Ore Mine

KM Manganese and Iron Ore Mine

GP Moroane

Envision Forthtoo

SP Mereotlhe

Sey Mining and Projects

TH Matlhare

Maremane Mining and Projects

TS Motlhanke

Moremolemo Trading

Maitsa General Trading CC

### Seconded from local municipalities

#### Joe Morolong Local Municipality

N. Tswere

Batho Phuthanang Sand Mining

Tsela Kgopo Primary Co-Operative Limited

G Kaotsane

Hiddekil Mining and Logistics

SABA Logistics

#### Gamagara Local Municipalities

B Sebego

Mapoteng Community Forum

T Motsoare

Pharaphama Multi Business

Gamagara Business Forum

Tsantsabane Social and Labour Development Forum

Other councillors and senior managers( Including those who acted for the period) not disclosed, do not have any active business interest.

### Key management information

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 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, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality 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 municipality'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.

	Less than 1 year	Between 1 and 2 years
<b>At 30 June 2024</b>		
Trade and other payables	3,416,569	-
<b>At 30 June 2023</b>		
Trade and other payables	27,677,270	-
	<b>31,093,839</b>	<b>-</b>

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality 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. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	30 June 2024	30 June 2023
Trade Receivables from exchange transactions	5,156,474	7,667,131

#### Market risk

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### Interest rate risk

The entity's interest rate risk arises from long-term borrowings. Borrowings arise 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 2023 and 2022, 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.

	At Fair Value through Surplus/Deficit t 2024	At Amortised Cost 2024	At Fair Value Through Surplus/deficit t 2023	At Amortised Cost 2023
<b>Financial Assets</b>				
<b>2024/2023</b>				
Receivables from exchange	-	4,681,170	-	6,934,833
Cash and Cash Equivalents	-	696,932	-	29,219,005
<b>Financial Liabilities</b>				
<b>2024/2023</b>				
Contract advance	30,182	-	30,182	-
Payables from exchange	-	3,416,568	-	27,677,270
Unspent conditional grants	1,166,405	-	1,226,462	-
Finance Lease obligations	-	18,554	-	-
	-	-	-	-

### Price risk

The municipality is exposed to equity securities price risk because of investments held by the municipality and classified on the consolidated statement of financial position either as available-for-sale or at fair value through surplus or deficit. The municipality is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the municipality diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the municipality.

### 38. 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 municipality is technically insolvent, based on the fact that the municipality realised deficits in both current and prior year (2024: R13 760 066; 2023: R5 730 972), and a significant decrease in cash and cash equivalents (2024: R696 932; 2023: R29 219 005). The net current liability (liquidity) ratio is 0,8 (2023: 1,1).

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.



**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>Government Grants</b>		2025
Equitable Share		109,352,000
infrastructure Skills Development Grant		5,000,000
Rural Roads and Asset Management Grant		2,226,000
		<b>116,578,000</b>

**39. Unauthorised expenditure**

Opening balance as previously reported	-	12,523,188
Add: Unauthorised expenditure - current	11,228,515	1,651,263
Less: Amount written-off - current	(11,228,515)	(1,651,263)
Less: Amount written-off - prior period	-	(12,523,188)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

**Analysed as follows (per vote)**

Vote 1 - Executive & Council	-	1,305,007
Vote 2 - Finance & Administration	10,723,823	-
Vote 3 - Internal Audit	263,259	-
Vote 6 - Community & Social Services	41,041	346,255
Vote 7 - Housing	200,392	-
	<b>11,228,515</b>	<b>1,651,262</b>

**40. Fruitless and wasteful expenditure**

Opening balance as previously reported	-	2,638
Add: Fruitless and wasteful expenditure identified - current	225,508	373,668
Less: Amount written off - current	(225,508)	(373,668)
Less: Amount written off - prior period	-	(2,638)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

The amounts disclosed for fruitless and wasteful expenditure are exclusive of VAT.

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

Figures in Rand

2024

2023

### Details of fruitless and wasteful expenditure

Interest and penalties

225,508

373,668

### 41. Irregular expenditure

Opening balance as previously reported

1,203,573

-

Add: Irregular expenditure - current

349,485

45,368

Add: Irregular expenditure - prior period

-

217,764

Non Compliance with PPR2022

-

1,203,573

Less: Amount written off - current

-

(45,368)

Less: Amount written off - prior period

(1,203,573)

(217,764)

**Closing balance**

**349,485**

**1,203,573**

### Incidents/cases identified in the current year include those listed below

The incident below related to non-compliance with procurement process requirements. The amounts below are inclusive of VAT.

Non Compliance with SCM requirements

349,485

-

Non Compliance with PPR2022

-

1,203,573

Competitive bid not advertised for 30 days

-

45,368

**349,485**

**1,248,941**

### 42. Additional disclosure in terms of Municipal Finance Management Act

#### Contributions to organised local government

Current year subscription / fee

1,850,339

712,844

Amount paid - current year

(931,372)

(712,844)

**918,967**

**-**

**John Taolo Gaetsewe District Municipality**  
Annual Financial Statements for the year ended June 30, 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>Audit fees</b>		
Opening balance	40,197	-
Current year subscription / fee	3,024,550	3,234,015
Amount paid - current year	(3,024,550)	(3,193,818)
Amount paid - previous years	(40,197)	-
	<b>-</b>	<b>40,197</b>

**SDL and UIF**

Current year subscription / fee	995,424	926,712
Amount paid - current year	(995,424)	(926,712)
	<b>-</b>	<b>-</b>

**Pension and Medical Aid Deductions**

Current year subscription / fee	12,625,589	11,101,689
Amount paid - current year	(12,625,589)	(11,101,689)
	<b>-</b>	<b>-</b>

**VAT**

VAT receivable	1,076,802	1,035,924
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All VAT returns have been submitted by the due date throughout the year.

**43. 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:

<b>Reason for deviation</b>		
Emergency	-	18,105
Sole supplier	292,295	141,841
Impractical or impossible to follow procurement process/exceptional case	675,510	1,176,154
	<b>967,805</b>	<b>1,336,100</b>

**44. Segment information**

**General information**

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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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.

### 45. Budget differences

#### Material differences between budget and actual amounts

##### STATEMENT OF FINANCIAL PERFORMANCE

- 1.A new audit committee member was appointed after the adjustment budget,his travelling costs are higher than budgeted
2. The municipality expected debtors to pay within time, and avoid increase on interest on debtors.
3. Municipality reassessed remaining useful lives and received donated assets in the current year
4. The printing machine contract changed from finance lease to operating lease, thereby resulting in a decrease in finance lease.
5. Interest on finance lease decreased. The printing machine contract changed from finance lease to operating lease..
6. There was a council resolution to write off interest on amounts owed by municipalities and Gamagara Municipality old debt was written off.
7. General increase in prices of commodities.One of the key cost drivers, being operational cost which includes accommodation, subsistence and traveling etc

##### STATEMENT OF FINANCIAL POSITION

1. Municipality has donated Bricks to Joe Morolong Local Municipality.
2. The municipality wrote off interest on Gamagara Municipality old debt.
- 3.VAT receivable/ payables is the consequential effect of the transactions in income and expenses account.
- 4.The budget was based on the historic information or performance of the municipality.
- 5 The nature of this transaction requires the valuation and expert advice. The valuation is only done once a year
- 6.The municipality disposed computer equipments in the current year.
7. Given the number of cases relating to veld fires, a computer equipment was a need to record and communicate the information.
- 8.The major contribution is leave accrual due to the fact that the leave encashment days were less than provided for.
- 9.The nature of this transaction requires the valuation and expert advice. The valuation is only done once a year and its based on economic assumptions.
- 10.The municipality anticipated to spent the grants by 30 June, whilst other grants the municipality is still waiting for rollover approvals.
- 11.The municipality anticipated to spent the grant by 30 June 2024, however the municipality is still waiting for rollover approval

# John Taolo Gaetsewe District Municipality

Annual Financial Statements for the year ended June 30, 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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12.VAT receivable/ payables is the consequential effect of the transactions in income and expenses account

13.The nature of this transaction requires the valuation and expert advice. The valuation is only done once a year and its based on economic assumptions.

### 46. Change in estimate

#### Property, plant and equipment

The useful lives of assets were reviewed in the current year, resulting in a change in the depreciation for the current year. This resulted in the increase in current year depreciation of R 177 276. There will be a decrease in the future depreciation of these assets of R 177 276 in the future periods.

Asset class	Depreciation before change in estimate	Depreciation after change in estimate	(Increase)/ Decrease in depreciation
Transport assets	2,976,722	(2,926,035)	50,687
Computer equipment	960,578	(888,303)	72,275
Furniture & Office Equipment	493,734	(446,469)	47,265
Other PPE	580,072	(573,023)	7,049
	<b>5,011,106</b>	<b>(4,833,830)</b>	<b>177,276</b>

### 47. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

#### Statement of financial position

##### 2024

	Note	As previously reported	Correction of error	Restated
Receivables from exchange transactions		8,375,605	(708,474)	7,667,131

#### Statement of financial performance

##### 2024

	Note	As previously reported	Correction of error	Restated
Bad debts		69,552	708,474	778,026

#### Errors

No prior period errors occurred during the year under review.

Receivables on exchanges transctaions was decreased as a result of approved interest write off not recorded in the previous year.

Bad debts written off was increased as a result of approved interest write off not recorded in the previous year.



# AUDITED APR 2023/2024 VOL.3

**John Taolo Gaetsewe District Municipality**

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Website: [www.taologaetsewe.gov.za](http://www.taologaetsewe.gov.za)

Tel: 053-712-8700

4 Federale Mynbou, Kuruman, NC, 8460

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 (2022/2023)	Motivation for Adjustment (2022/2023)	Proposed Performance Adjustment (2022/2023)	Actual Annual Performance (2023-2024)				Corrective Measures to be Taken (2023-2024)	Motivation for Adjustment (2023-2024)	Proposed Performance Adjustment (2023-2024)						
									Q1	Q2	Q3	Q4				Variance	Achieved / Not Achieved (2023-2024)	If Not Achieved, Reasons for Not Achieving and/or Variance (2023-2024)										
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To mobilise, target, align and manage infrastructure investments sustainably	1	Development an alternative energy plan for the District submitted to the Municipal Manager by 30 June	Development an alternative energy plan for the District submitted to the Municipal Manager by 30 June	Date	PLAN	Annually	Q1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to lack of resources to implement KPI target to be discontinued for the FY	Target Discontinued							
									Q2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to lack of resources to implement KPI target to be discontinued for the FY	Target Discontinued		
									Q3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to lack of resources to implement KPI target to be discontinued for the FY	Target Discontinued	
									Q4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to lack of resources to implement KPI target to be discontinued for the FY	Target Discontinued	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To mobilise, target, align and manage infrastructure investments sustainably	2	Annual progress report on the implementation of the alternative energy plan submitted to the Municipal Manager by 30 June	Annual progress report on the implementation of the alternative energy plan submitted to the Municipal Manager by 30 June	N/A	N/A	N/A	Q1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to lack of resources to implement KPI target to be discontinued for the FY	Target Discontinued								
									Q2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to lack of resources to implement KPI target to be discontinued for the FY	Target Discontinued		
									Q3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to lack of resources to implement KPI target to be discontinued for the FY	Target Discontinued	
									Q4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to lack of resources to implement KPI target to be discontinued for the FY	Target Discontinued	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To improve the quality of life and over all well-being of the people	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	Q1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made								
									Q2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made		
									Q3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made	
									Q4	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To improve the quality of life and over all well-being of the people	4	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	Q1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made								
									Q2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made	
									Q3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made	
									Q4	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To build a resilient and transformed economy	5	Number of quarterly progress reports on the planning of the construction of a satellite university and mining college submitted to the Municipal Manager by 30 June	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	Number	REPORT	Quarterly	Q1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made								
									Q2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made	
									Q3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made
									Q4	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	No adjustment motivated	No adjustment made

KPA	IDP Programme (IDP Priority Area)	Strategic Objective	KPI NR	Performance Indicator Title	Target (Output)	Unit of Measurement	Portfolio of Evidence	Reporting Cycle	Target Breakdown				Audited Annual Performance (2022/2023)	Motivation for Adjustment (2022/2023)	Proposed Performance Adjustment (2022/2023)	If Not Achieved, Reasons for Not Achieving and/or Variance (2023-2024)	Corrective Measures to be Taken (2023-2024)	Motivation for Adjustment (2023-2024)	Proposed Performance Adjustment (2023-2024)
									Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To build a resilient and transformed economy	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	Q1	1	1	1	1	N/A	ACHIEVED	N/A	No adjustment motivated	No adjustment made	
									Q2	1	1	1	1						
									Q3	1	1	1	1						
									Q4	1	1	1	1						
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To build a resilient and transformed economy	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	Q1	1	1	1	1	N/A	ACHIEVED	N/A	No adjustment motivated	No adjustment made	
									Q2	1	1	1	1						
									Q3	1	1	1	1						
									Q4	1	1	1	1						
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To mobilise, target, align and manage infrastructure investments sustainably	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	Q1	1	1	1	1	N/A	ACHIEVED	N/A	No adjustment motivated	No adjustment made	
									Q2	1	1	1	1						
									Q3	1	1	1	1						
									Q4	1	1	1	1						
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	Q1	1	1	1	1	N/A	ACHIEVED	N/A	No adjustment motivated	No adjustment made	
									Q2	1	1	1	1						
									Q3	1	1	1	1						
									Q4	1	1	1	1						
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	Q1	1	N/A	1	1	N/A	ACHIEVED	N/A	No adjustment motivated	No adjustment made	
									Q2										
									Q3										
									Q4										
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	Q1	N/A	N/A	N/A	N/A	ACHIEVED	N/A	No adjustment motivated	No adjustment made		
									Q2										
									Q3										
									Q4										



KPA	IDP Programme (IDP Priority Area)	Strategic Objective	KPI NR	Performance Indicator Title	Key	Target (Output)	Unit of Measurement	Portfolio of Evidence	Reporting Cycle	Q1	Q2	Q3	Q4	Actual Quarterly Performance	Actual Annual Performance (2023-2024)	Variance	Achieved / Not Achieved (2023-2024)	If Not Achieved, Reasons for Not Achieving and/or Variance (2023-2024)	Corrective Measures to be Taken (2023-2024)	Motivation for Adjustment (2023-2024)	Proposed Performance Adjustment (2023-2024)
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	3	12	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	13	Annual IRRAMS Business Plan submitted to Department of Transport by 31 May	Annual IRRAMS Business Plan submitted to Department of Transport by 31 May		Date	BUSINESS PLAN	Annually	N/A	N/A	N/A	N/A	N/A	31-May	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
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 30-Jun	Service Provider appointed to provide support with the updating of the RRAMS by 30-Jun		Date	SLA	N/A	N/A	N/A	N/A	N/A	N/A	30-Jun	0	ACHIEVED	N/A	N/A	New SLA to be signed by the end of June, target was initially not applicable for 2023/24	Adjust date from 15 December to 30 June and KPI is now applicable for 2023/24
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	1	4	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
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	N/A	N/A	N/A	N/A	N/A	31-Aug	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
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	3	12	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
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	1	4	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI N/R	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	Q1	Q2	Q3	Q4	TARGET BREAKDOWN	AUDITED ANNUAL PERFORMANCE (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACTUAL ANNUAL PERFORMANCE (2023-2024)	VARIANCE	ACHIEVED / NOT ACHIEVED (2023-2024)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
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	Tri-annually	N/A	1	N/A	1	1	3	N/A	N/A	3	0	ACHIEVED	N/A	N/A	No adjustment made	
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	N/A	N/A	N/A	31-May	31-May	31-May	N/A	N/A	31-May	0	ACHIEVED	N/A	N/A	No adjustment made	
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	N/A	N/A	N/A	31-Mar	31-Mar	31-Mar	N/A	N/A	31-Mar	0	ACHIEVED	N/A	N/A	No adjustment made	
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	PLAN	Annually	N/A	N/A	N/A	30-Jun	30-Jun	30-Jun	N/A	N/A	30-Jun	0	ACHIEVED	N/A	N/A	No adjustment made	
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	N/A	N/A	N/A	30-Jun	30-Jun	30-Jun	N/A	N/A	30-Jun	0	ACHIEVED	N/A	N/A	Target 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	N/A	1	1	1	1	4	N/A	N/A	4	0	ACHIEVED	N/A	N/A	No adjustment made	
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	N/A	1	1	1	1	4	N/A	N/A	4	0	ACHIEVED	N/A	N/A	No adjustment made	

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 (2022/2023)	Motivation for Adjustment (2022/2023)	Proposed Performance Adjustment (2022/2023)	Actual Annual Performance (2023-2024)				Corrective Measures to be Taken (2023-2024)	Motivation for Adjustment (2023-2024)	Proposed Performance Adjustment (2023-2024)
									Q1	Q2	Q3	Q4				Actual Quarterly Performance	Variance	Achieved / Not Achieved (2023-2024)	If Not Achieved, Reasons for Not Achieving and/or Variance (2023-2024)			
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	N/A	N/A	N/A	4	0	ACHIEVED	N/A	No adjustment motivated	No adjustment made	
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	N/A	N/A	N/A	4	0	ACHIEVED	N/A	No adjustment motivated	No adjustment made	
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	N/A	N/A	N/A	31-Oct	N/A	N/A	N/A	31-Oct	0	ACHIEVED	No adjustment motivated	No adjustment made	No adjustment made	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	29	Number of quarterly progress reports on brickmaking submitted to Public Works by 30 June	4 quarterly progress reports on brickmaking to Public Works by 30 June	Number	REPORT	Quarterly	1	1	1	1	N/A	N/A	N/A	4	0	ACHIEVED	New KPI introduced as a reporting requirement from Council	Add new KPI		
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To provide bulk water and sanitation services	30	Water Services Development Plan (WSDP) developed by 30 June	Water Services Development Plan (WSDP) developed by 30 June	Date	PLAN	N/A	30-Jun	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	Due to lack of resources to implement KPI target to be discontinued for the FY	Target Discontinued		
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To provide bulk water and sanitation services	31	Water Resource Management Strategy developed by 30 June	Water Resource Management Strategy developed by 30 June	Date	STRATEGY	N/A	30-Jun	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	Due to lack of resources to implement KPI target to be discontinued for the FY	Target Discontinued		
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated human settlements	To promote integrated human settlement planning	32	Integrated Infrastructure plan developed by 31 May	Integrated Infrastructure plan developed by 31 May	Date	PLAN	N/A	31-May	N/A	N/A	31-May	N/A	N/A	N/A	31-May	0	ACHIEVED	No adjustment motivated	No adjustment made	No adjustment made	

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI N/R	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2023-2024)	VARIANCE	ACHIEVED / NOT ACHIEVED (2023-2024)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
									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	33	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	N/A	N/A	1	1	1	1	4	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	34	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	N/A	N/A	30-Sept	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Council resolved that KPI should be removed	Target Removed	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	35	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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Council resolved that KPI should be removed	Target Removed	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	36	2 cemetery upgrade projects completed in Gasegonyana LM by 30 June	2 cemetery upgrade projects completed in Gasegonyana LM by 30 June	Date	REPORT	Annually	N/A	N/A	30-Jun	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Council resolved that KPI should be removed	Target Removed	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	37	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	N/A	N/A	30-Jun	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Council resolved that KPI should be removed	Target Removed	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	38	36 cemetery upgrade jobs created in Gasegonyana LM by 30 June	36 cemetery upgrade jobs created in Gasegonyana LM by 30 June	Date	REPORT	Annually	N/A	N/A	30-Jun	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Council resolved that KPI should be removed	Target Removed	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	39	36 cemetery upgrade jobs created in Joe Morolong LM by 30 June	36 cemetery upgrade jobs created in Joe Morolong LM by 30 June	Date	REPORT	Annually	N/A	N/A	30-Jun	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Council resolved that KPI should be removed	Target Removed	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	40	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	N/A	N/A	1	1	1	1	4	0	ACHIEVED	N/A	N/A	New KPI introduced as a reporting requirement from Dept. of Public Works	Add new KPI
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	41	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	N/A	N/A	31-Oct	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made

KPA	IDP Programme (IDP Priority Area)	Strategic Objective	KPI NR	Performance Indicator Title	Target (Output)	Unit of Measurement	Portfolio of Evidence	Reporting Cycle	Target Breakdown				Audited Annual Performance (2022/2023)	Motivation for Adjustment (2022/2023)	Proposed Performance Adjustment (2022/2023)	Actual Quarterly Performance				Actual Annual Performance (2023-2024)	Variance	Achieved / Not Achieved (2023-2024)	If Not Achieved, Reasons for Not Achieving and/or Variance (2023-2024)	Corrective Measures to be Taken (2023-2024)	Motivation for Adjustment (2023-2024)	Proposed Performance Adjustment (2023-2024)
									Q1	Q2	Q3	Q4														
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	42	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	Q1	3	Q2	3	Q3	3	Q4	3	12	0	ACHIEVED	N/A	N/A	No adjustment made				
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	43	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	Q1	1	Q2	1	Q3	1	Q4	1	4	0	ACHIEVED	N/A	N/A	No adjustment made				
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	44	Human Settlements Sector Plan annually reviewed by 31 May	Human Settlements Sector Plan annually reviewed by 31 May	Date	PLAN	Annually	Q1	N/A	Q2	N/A	Q3	N/A	Q4	N/A	31-May	0	ACHIEVED	N/A	N/A	No adjustment made				
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	45	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	Q1	30-Sept	Q2	N/A	Q3	N/A	Q4	N/A	30-Sept	0	ACHIEVED	N/A	N/A	No adjustment made				
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	46	Number of monthly human settlement progress reports submitted to the COGHSTA by 30 June	12 monthly human settlement progress reports submitted to the COGHSTA by 30 June	Number	REPORT	Monthly	Q1	3	Q2	3	Q3	3	Q4	3	12	0	ACHIEVED	N/A	N/A	No adjustment made				
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	47	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	Q1	1	Q2	1	Q3	1	Q4	1	4	0	ACHIEVED	N/A	N/A	No adjustment made				
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	48	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 PLAN	Annually	Q1	N/A	Q2	N/A	Q3	N/A	Q4	N/A	31-May	0	ACHIEVED	N/A	N/A	No adjustment made				

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI N/R	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
									Q4	Q3	Q2	Q1						
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	49	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	N/A	N/A	N/A	No adjustment motivated	No adjustment made	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	50	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	N/A	N/A	N/A	No adjustment motivated	No adjustment made	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	51	Human Settlements Register annually updated report by 30 June	Human Settlements Register annually updated report by 30 June	Date	REPORT	Annually	30-Jun	N/A	N/A	30-Jun	N/A	N/A	N/A	No adjustment motivated	No adjustment made	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	52	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	N/A	N/A	1	N/A	N/A	N/A	No adjustment motivated	No adjustment made	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	53	Mandela Day House annually constructed by 30 June	Mandela Day House annually constructed by 30 June	Date	REPORT	Annually	30-Jun	N/A	N/A	0	N/A	N/A	Project to be implemented in the next financial year	No adjustment motivated	No adjustment made	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	54	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	N/A	N/A	N/A	No adjustment motivated	No adjustment made	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	55	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	N/A	N/A	31-Oct	N/A	N/A	N/A	N/A	No adjustment motivated	No adjustment made	

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI N/R	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACTUAL QUARTERLY PERFORMANCE				VARIANCE	ACHIEVED / NOT ACHIEVED (2023-2024)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)					
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	56	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	Q4	1			N/A	N/A	N/A	1	N/A	0	ACHIEVED	N/A	N/A	N/A	No adjustment motivated	No adjustment made						
									Q3	N/A				N/A	N/A															
									Q2	1				N/A	N/A															
									Q1	N/A				N/A	N/A					N/A	N/A									
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	57	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			N/A	N/A	N/A		N/A		N/A		N/A	N/A	Due to lack of resources to implement KPI target to be discontinued for the FY	Target Discontinued						
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	58	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			N/A	N/A	N/A	1	N/A	0	ACHIEVED	N/A	N/A	N/A	No adjustment motivated	No adjustment made						
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	59	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			N/A	N/A	N/A	1	N/A	0	ACHIEVED	N/A	N/A	N/A	No adjustment motivated	No adjustment made						
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Promotion of Health in the District	To provide municipal health services to the communities of the District	60	Municipal Health Services Strategy reviewed by 30 June	Municipal Health Services Strategy reviewed by 30 June	Date	STRATEGY	Annually		30-Jun			N/A	N/A	N/A	30-Jun	N/A	0	ACHIEVED	N/A	N/A	N/A	No adjustment motivated	No adjustment made						
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Promotion of Health in the District	To provide municipal health services to the communities of the District	61	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			N/A	Change annually to quinquennially		30-Jun	N/A	0	ACHIEVED	N/A	N/A	N/A	No adjustment motivated	No adjustment made						
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Promotion of Health in the District	To provide municipal health services to the communities of the District	62	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			N/A	N/A	N/A	N/A	N/A	0	ACHIEVED	N/A	N/A	N/A	No adjustment motivated	No adjustment made						





KPA	IDP Programme (IDP Priority Area)	Strategic Objective	KPI NR	Performance Indicator Title	Target (Output)	Unit of Measurement	Portfolio of Evidence	Reporting Cycle	Target Breakdown				Audited Annual Performance (2022/2023)	Motivation for Adjustment (2022/2023)	Proposed Performance Adjustment (2022/2023)
									Q1	Q2	Q3	Q4			
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	1	N/A	N/A	No adjustment made
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	70	Number of quarterly Disaster Management Advisory Forum meetings held by 30 June	4 quarterly Disaster Management Advisory Forum meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	1	N/A	N/A	No adjustment made
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	N/A	N/A	N/A	N/A	N/A	N/A	No adjustment made
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	N/A	N/A	No adjustment made
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	N/A	N/A	N/A	N/A	N/A	N/A	No adjustment made
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	N/A	N/A	N/A	N/A	N/A	N/A	No adjustment made
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Disaster Management	To provide Disaster Management Services	75	Percentage of Disaster Management Volunteers trained by 30 June	100% of Disaster Management Volunteers trained by 30 June	Percentage	REPORT	Annually	N/A	N/A	N/A	N/A	N/A	N/A	Target Discontinued
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	N/A	N/A	No adjustment made

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 (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2023-2024)	VARIANCE	ACHIEVED / NOT ACHIEVED (2023-2024)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
									Q4	Q3	Q2	Q1				Q4	Q3	Q2	Q1							
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 report 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	N/A	N/A	N/A	30-Jun	N/A	N/A	N/A	N/A	N/A	30-Jun	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To provide resources for the daily operations and maintenance of the Municipality	78	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	N/A	N/A	N/A	21-May	N/A	N/A	Target achieved at an earlier date	N/A	N/A	21-May	10	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To provide auxiliary services	79	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	4	1	1	1	1	N/A	N/A	N/A	N/A	1	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made		
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To provide auxiliary services	80	Building Alterations (Strongroom) completed by 30 June	Building Alterations (Strongroom) completed by 30 June	Date	REPORT	Quinquennially	30-Jun	N/A	N/A	N/A	30-Jun	N/A	N/A	N/A	N/A	30-Jun	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made		
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To provide auxiliary services	81	Building renovations completed (Phase 1) by 30 June	Building renovations completed (Phase 1) by 30 June	Date	REPORT	Quinquennially	30-Jun	N/A	N/A	N/A	30-Jun	N/A	N/A	N/A	N/A	30-Jun	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made		
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To provide auxiliary services	82	Building renovations completed (Phase 2, including of Tourism Office) by 30 June	Building renovations completed (Phase 2, including of Tourism Office) by 30 June	Date	REPORT	Quinquennially	30-Jun	N/A	N/A	N/A	30-Jun	N/A	N/A	N/A	N/A	30-Jun	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made		
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To govern municipal affairs	83	Number of quarterly ordinary Council meetings held by 30 June	4 quarterly ordinary Council meetings held by 30 June	Number	MINUTES	Quarterly	4	1	1	1	1	N/A	N/A	N/A	N/A	1	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made		
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To govern municipal affairs	84	Number of monthly Senior Management meetings held by 30 June	12 monthly Senior Management meetings held by 30 June	Number	MINUTES	Monthly	12	3	3	3	3	N/A	N/A	N/A	N/A	3	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made		

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 (2022/2023)	Motivation for Adjustment (2022/2023)	Proposed Performance Adjustment (2022/2023)	Actual Quarterly Performance	Achieved / Not Achieved (2023-2024)	Variance	Actual Annual Performance (2023-2024)	Actual Quarterly Performance	Q1	Q2	Q3	Q4	Actual Quarterly Performance	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
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	85	Annual Audit Plan submitted to the Municipal Manager by 31 January	Annual Audit Action Plan submitted to the Municipal Manager by 31 January	Date	PLAN	Annually	N/A	31-Jan	N/A	N/A	N/A	ACHIEVED	0	31-Jan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental tal-relation in the District	86	Number of quarterly District IGR Forum meetings held by 30 June	4 quarterly District IGR Forum meetings held by 30 June	Number	MINUTES	Quarterly	1	1	N/A	N/A	0	NOT ACHIEVED	2	2	0	1	1	1	0	0	Unavailability of key stakeholders	Stakeholders to prioritize itinerary	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental tal-relation in the District	87	Number of quarterly MM's Forum meetings held by 30 June	4 quarterly MM's Forum meetings held by 30 June	Number	MINUTES	Quarterly	1	1	N/A	N/A	2	ACHIEVED	0	4	0	1	1	1	2	1	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental tal-relation in the District	88	Number of quarterly District Financial Viability Forum meetings held by 30 June	4 quarterly District Financial Viability Forum meetings held by 30 June	Number	MINUTES	Quarterly	1	1	N/A	N/A	1	ACHIEVED	0	4	1	1	1	1	1	1	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental tal-relation in the District	89	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	MINUTES	Quarterly	1	1	N/A	N/A	1	ACHIEVED	0	4	1	1	1	1	1	1	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental tal-relation in the District	90	Number of quarterly District Health Council meetings held by 30 June	4 quarterly District Health Council meetings held by 30 June	Number	MINUTES	Quarterly	1	1	N/A	N/A	1	NOT ACHIEVED	2	2	2	1	1	1	1	1	Due to unavailability of key stakeholder and distributed to stakeholders	Itinerary to be reviewed and distributed to stakeholders	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental tal-relation in the District	91	Number of quarterly Integrated Infrastructure Forum meetings held by 30 June	4 quarterly Integrated Infrastructure Forum meetings held by 30 June	Number	MINUTES	Quarterly	1	1	N/A	N/A	1	ACHIEVED	0	4	1	1	1	1	1	1	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental tal-relation in the District	92	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	MINUTES	Biannually	1	2	N/A	N/A	0	NOT ACHIEVED	2	0	0	0	0	N/A	0	0	Meeting was not held	Ensure adherence to itinerary	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the rights of targeted groups – women, children, youth, disabled, elderly	93	Number of bi-annual District AIDS Council meetings held by 30 June	2 bi-annual District AIDS Council meetings held by 30 June	Number	MINUTES	Quarterly	1	2	N/A	N/A	1	NOT ACHIEVED	1	1	1	1	0	N/A	0	0	Due to unavailability of key stakeholder	Itinerary to be reviewed and distributed to stakeholders	No adjustment motivated	No adjustment made

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 (2022/2023)	Motivation for Adjustment (2022/2023)	Proposed Performance Adjustment (2022/2023)	Actual Quarterly Performance (2023-2024)				Actual Annual Performance (2023-2024)	Variance	Achieved / Not Achieved (2023-2024)	If Not Achieved, Reasons for Not Achieving and/or Variance (2023-2024)	Corrective Measures to be Taken (2023-2024)	Motivation for Adjustment (2023-2024)	Proposed Performance Adjustment (2023-2024)
									Q4	Q3	Q2	Q1														
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure legal compliance	94	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	N/A	N/A	N/A	3	3	3	3	12	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote oversight and public accountability	95	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	N/A	N/A	N/A	3	3	3	3	12	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote oversight and public accountability	96	Number of quarterly MPAC meetings held by 30 June	4 quarterly MPAC meetings held by 30 June	Number	REPORT	Quarterly	1	1	1	1	N/A	N/A	N/A	1	1	1	1	4	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
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	97	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	N/A	N/A	N/A	1	1	1	1	4	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
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	98	Annual Internal Audit Methodology approved by Audit and Performance Committee by 30 June	Annual Internal Audit Methodology approved by Audit and Performance Committee by 30 June	Date	METHODOLOGY	Annually	30-Jun	30-Jun	30-Jun	30-Jun	N/A	N/A	N/A	30-Jun	N/A	N/A	N/A	30-Jun	0	ACHIEVED	N/A	N/A	KPI description adjusted to align with POE submission	From Plan to Methodology
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	99	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	30-Jun	30-Jun	30-Jun	N/A	N/A	N/A	30-Jun	N/A	N/A	N/A	30-Jun	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
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	100	One year audit plan approved by Audit and Performance Committee by 30 June	One year audit plan approved by Audit and Performance Committee by 30 June	Date	PLAN	Annually	30-Jun	30-Jun	30-Jun	30-Jun	N/A	N/A	N/A	30-Jun	N/A	N/A	N/A	30-Jun	0	ACHIEVED	N/A	N/A	KPI description plan adjusted to align with POE submission	From Plans to Plan

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 (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACHIEVED / NOT ACHIEVED (2023-2024)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
									Q4	Q3	Q2	Q1								
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	Three-year plans approved by Audit and Performance Committee by 30 June	Three-year plans approved by Audit and Performance Committee by 30 June	Date	ITEM AND PLAN	Annually	Q4	30-Jun	1	30-Jun	27-Jun	N/A	Remove the word rolling					
									Q3	N/A	1	N/A	N/A	N/A	No adjustment made					
									Q2	N/A	1	N/A	N/A	N/A	No adjustment made					
									Q1	N/A	1	N/A	N/A	N/A	No adjustment made					
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	4 quarterly Audit Committee meetings held by 30 June	Number of quarterly Audit Committee meetings held by 30 June	Number	REPORT	Quarterly	Q4	30-Jun	N/A	30-Jun	4	N/A	No adjustment made					
									Q3	N/A	1	N/A	N/A	N/A	No adjustment motivated					
									Q2	N/A	1	N/A	N/A	N/A	No adjustment motivated					
									Q1	N/A	1	N/A	N/A	N/A	No adjustment motivated					
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 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	Q4	30-Jun	N/A	30-Jun	27-Jun	N/A	No adjustment made					
									Q3	N/A	1	N/A	N/A	N/A	No adjustment motivated					
									Q2	N/A	1	N/A	N/A	N/A	No adjustment motivated					
									Q1	N/A	1	N/A	N/A	N/A	No adjustment motivated					
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	Annual Internal Audit Awareness Campaign held by 31 May	Annual Internal Audit Awareness Campaign held by 31 May	Date	REPORT	Annually	Q4	31-May	N/A	31-May	31-May	N/A	No adjustment made					
									Q3	N/A	1	N/A	N/A	N/A	No adjustment motivated					
									Q2	N/A	1	N/A	N/A	N/A	No adjustment motivated					
									Q1	N/A	1	N/A	N/A	N/A	No adjustment motivated					
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental tal-relation in the District	105	2 bi-annual Mayor's Forum meetings held by 30 June	2 bi-annual Mayor's Forum meetings held by 30 June	Number	MINUTES	Quarterly	Q4	1	1	1	2	N/A	No adjustment made					
									Q3	N/A	1	N/A	N/A	N/A	No adjustment motivated					
									Q2	1	1	1	1	N/A	No adjustment motivated					
									Q1	N/A	1	N/A	N/A	N/A	No adjustment motivated					
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental tal-relation in the District	106	2 bi-annual Speaker's Forum meetings held by 30 June	2 bi-annual Speaker's Forum meetings held by 30 June	Number	MINUTES	Bi-annually	Q4	1	1	1	2	N/A	No adjustment made					
									Q3	N/A	1	N/A	N/A	N/A	No adjustment motivated					
									Q2	1	1	1	1	N/A	No adjustment motivated					
									Q1	N/A	1	N/A	N/A	N/A	No adjustment motivated					
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental tal-relation in the District	107	2 bi-annual Traditional Leaders' Forum meetings held by 30 June	2 bi-annual Traditional Leaders' Forum meetings held by 30 June	Number	MINUTES	Biannually	Q4	1	1	1	1	N/A	No adjustment made					
									Q3	N/A	1	N/A	N/A	N/A	No adjustment motivated					
									Q2	1	1	1	1	N/A	No adjustment motivated					
									Q1	N/A	1	N/A	N/A	N/A	No adjustment motivated					
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	108	4 quarterly District Communications Forum meetings held by 30 June	4 quarterly District Communications Forum meetings held by 30 June	Number	REPORT	Quarterly	Q4	1	1	1	4	N/A	No adjustment made					
									Q3	N/A	1	N/A	N/A	N/A	No adjustment motivated					
									Q2	1	1	1	1	N/A	No adjustment motivated					
									Q1	N/A	1	N/A	N/A	N/A	No adjustment motivated					
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	109	4 quarterly external newsletters published by 30 June	4 quarterly external newsletters published by 30 June	Number	NEWSLETTER	Quarterly	Q4	1	1	1	4	N/A	No adjustment made					
									Q3	N/A	1	N/A	N/A	N/A	No adjustment motivated					
									Q2	1	1	1	1	N/A	No adjustment motivated					
									Q1	N/A	1	N/A	N/A	N/A	No adjustment motivated					

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 (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
									Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	110	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	N/A	N/A	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	111	Stakeholder register annually updated by 31 July	Stakeholder register annually updated by 31 July	Date	REPORT	Annually	31-Jul	N/A	N/A	N/A	31-Jul	N/A	N/A	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	112	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	N/A	N/A	N/A	N/A	0	N/A	N/A	Meeting postponed by SALGA	Target to be achieved in the new financial year	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	113	Public Participation and Communication Strategy annually reviewed by 31 March	Public Participation Strategy annually reviewed by 31 March	Date	STRATEGY	Annually	N/A	N/A	N/A	N/A	0	N/A	N/A	Strategy still in draft format and slow submission of inputs	Target to be achieved in the new financial year	KPI split for accountability and focus purposes	Split KPI
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	114	Communication Strategy annually reviewed by 31 March	Communication Strategy annually reviewed by 31 March	Date	STRATEGY	Annually	N/A	N/A	N/A	N/A	0	N/A	N/A	Items referred to the July 2024 Council meeting	Target to be achieved in the new financial year	KPI split for accountability and focus purposes	Split KPI
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	115	Number of triannual Mayoral engagements with key stakeholders by 30 June	3 triannual Mayoral engagements with key stakeholders by 30 June	Number	REPORT	Quarterly	1	1	1	1	3	N/A	N/A	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	116	Number of council outreach programmes to communities by 30 June	2 council outreach programmes to communities by 30 June	Number	REPORT	Quarterly	N/A	N/A	1	N/A	2	N/A	N/A	N/A	N/A	Corrected target breakdown	From 1 per quarter to 2 bi-annually
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	117	Annual racial diversity awareness event held by 30 June	Annual racial diversity awareness event held by 30 June	Date	REPORT	Annually	30-Jun	N/A	N/A	N/A	N/A	Target discontinued	N/A	Dept of Sports, Arts and Culture to coordinate the provincial programme	No adjustment motivated	No adjustment made	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	118	2024 Promotional materials developed by 30 June	2024 Promotional materials developed by 30 June	Date	CALENDAR	Annually	30-Jun	N/A	N/A	N/A	12-Mar	N/A	N/A	Lack of funding	Proposal to remove KPI	Amended KPI description for validation purposes	Include promotional material year

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 (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2023-2024)	VARIANCE	ACHIEVED / NOT ACHIEVED (2023-2024)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	119	Community satisfaction survey concluded by 30 June	Community satisfaction survey concluded by 30 June	Date	SURVEY	Annually	Q4	30-Jun	31-May	1	1	1	0	0	NOT ACHIEVED	The survey was not conducted due to limited funding	Ensure the survey is achieved	No adjustment motivated	No adjustment made					
									Q3	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q2	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q1	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	120	District Service Delivery Charter annually reviewed by 31 May	District Service Delivery Charter annually reviewed by 31 May	Date	CHARTER	Annually	Q4	31-May	30-Jun	1	1	1	0	0	NOT ACHIEVED	The charter was not reviewed	Ensure the charter is reviewed	No adjustment motivated	No adjustment made					
									Q3	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q2	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q1	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	121	Number of quarterly targeted group forum meetings held by 30 June	4 quarterly targeted group forum meetings held by 30 June	Number	REPORT	Quarterly	Q4	30-Jun	31-May	1	1	1	0	0	NOT ACHIEVED									
									Q3	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q2	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q1	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	122	Number of quarterly targeted group campaigns conducted by 30 June	4 quarterly targeted group campaigns conducted by 30 June	Number	REPORT	Quarterly	Q4	30-Jun	31-May	1	1	1	0	0	NOT ACHIEVED									
									Q3	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q2	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q1	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	123	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	Q4	30-Jun	31-May	1	1	1	0	0	NOT ACHIEVED									
									Q3	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q2	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q1	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	124	Percentage of students annually supported by 30 June	100% of students annually supported by 30 June	Percentage	REPORT	Annually	Q4	30-Jun	31-May	1	1	1	0	0	NOT ACHIEVED									
									Q3	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q2	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q1	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	125	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	Q4	30-Jun	31-May	1	1	1	0	0	NOT ACHIEVED									
									Q3	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q2	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q1	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	126	Risk assessment annually completed by 30 June	Risk assessment annually completed by 30 June	Date	REPORT	Annually	Q4	30-Jun	31-May	1	1	1	0	0	NOT ACHIEVED									
									Q3	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q2	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								
									Q1	N/A	N/A	1	1	N/A	N/A	0	0	NOT ACHIEVED								

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 (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACTUAL QUARTERLY PERFORMANCE (2023-2024)				ACTUAL ANNUAL PERFORMANCE (2023-2024)	VARIANCE	ACHIEVED / NOT ACHIEVED (2023-2024)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
									Q1	Q2	Q3	Q4														
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	127	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	N/A	N/A	No adjustment made	1	1	1	4	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	128	Number of quarterly risk strategy/implementaion plan progress reports submitted to the Municipal Manager by 30 June	4 quarterly risk strategy/implementaion plan progress reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	1	1	1	1	N/A	N/A	No adjustment made	1	1	1	4	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	129	Risk management policy annually reviewed by 31 May	Risk management policy annually reviewed by 31 May	Date	ITEM AND POLICY	Annually	31-May	N/A	N/A	N/A	N/A	N/A	No adjustment made	N/A	N/A	The council referred most items to be submitted in June	30-Jun	31	NOT ACHIEVED	The council referred most items to be submitted in June	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote ethical behaviour	130	Fraud Prevention Policy Annually reviewed by 31 May	Fraud Prevention Policy Annually reviewed by 31 May	Date	ITEM AND POLICY	Annually	31-May	N/A	N/A	N/A	N/A	N/A	No adjustment made	N/A	N/A	The council referred most items to be submitted in June	30-Jun	31	NOT ACHIEVED	The council referred most items to be submitted in June	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	131	Annual Council approved IDP Framework by 31 August	Annual Council approved IDP Framework by 31 August	Date	ITEM AND FRAMEWORK	Annually	31-Aug	N/A	N/A	N/A	N/A	N/A	No adjustment made	N/A	N/A	Target achieved on an earlier date	22-Aug	9	ACHIEVED	Target achieved on an earlier date	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	132	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	N/A	N/A	N/A	N/A	N/A	No adjustment made	N/A	N/A	Target achieved on an earlier date	15-Mar	16	ACHIEVED	Target achieved on an earlier date	N/A	N/A	No adjustment motivated	No adjustment made
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	133	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	N/A	N/A	N/A	N/A	N/A	No adjustment made	N/A	N/A	Target achieved on an earlier date	15-Mar	16	ACHIEVED	Target achieved on an earlier date	N/A	N/A	No adjustment motivated	No adjustment made



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 (2022/2023)	Motivation for Adjustment (2022/2023)	Proposed Performance Adjustment (2022/2023)	Actual Quarterly Performance (2023-2024)				Actual Annual Performance (2023-2024)	Variance	Achieved / Not Achieved (2023-2024)	If Not Achieved, Reasons for Not Achieving and/or Variance (2023-2024)	Corrective Measures to be Taken (2023-2024)	Motivation for Adjustment (2023-2024)	Proposed Performance Adjustment (2023-2024)
									Q4	Q3	Q2	Q1				Q4	Q3	Q2	Q1							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	134	IDP Lekgotla annually held by 30 June	IDP Lekgotla annually held by 30 June	Date	REPORT	Annually	N/A	30-Jun	4	N/A	N/A	N/A	0	NOT ACHIEVED	Due to the availability of key stakeholders and elections	N/A	No adjustment motivated	No adjustment made						
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	135	Number of IDP and Budget Roadshows annually held by 31 May	4 IDP and Budget Roadshows annually held by 31 May	Number	REPORT	Annually	N/A	N/A	N/A	N/A	N/A	26	ACHIEVED	Higher number achieved due to effectiveness and efficiency of the department	N/A	No adjustment motivated	No adjustment made							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	136	Final IDP annually adopted by Council by 31 May	Final IDP annually adopted by Council by 31 May	Date	ITEM AND PLAN	Annually	N/A	31-May	N/A	N/A	N/A	7-May	ACHIEVED	Target achieved on an earlier date	N/A	No adjustment motivated	No adjustment made							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	137	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	N/A	31-May	N/A	N/A	N/A	7-May	ACHIEVED	Target achieved on an earlier date	N/A	No adjustment motivated	No adjustment made							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementation progress against predetermined objectives	138	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	N/A	31-May	N/A	N/A	N/A	7-May	ACHIEVED	Target achieved on an earlier date	N/A	No adjustment motivated	No adjustment made							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementation progress against predetermined objectives	139	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	N/A	N/A	N/A	N/A	N/A	27-Nov	ACHIEVED	Target achieved on an earlier date	N/A	No adjustment motivated	No adjustment made							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementation progress against predetermined objectives	140	Mid-year performance review annually submitted to Council by 31 January	Mid-year performance review annually submitted to Council by 31 January	Date	ITEM AND REPORT	Annually	N/A	31-Jan	N/A	N/A	N/A	24-Jan	ACHIEVED	Target achieved on an earlier date	N/A	No adjustment motivated	No adjustment made							

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 (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACHIEVED / NOT ACHIEVED (2023-2024)	VARIANCE	ACTUAL ANNUAL PERFORMANCE (2023-2024)	ACTUAL QUARTERLY PERFORMANCE				IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
									Q1	Q2	Q3	Q4														
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementation progress against predetermined objectives	141	3rd Quarter Performance Review Report submitted annually by 31 May Council by 31 May	3rd Quarter Performance Review Report submitted annually by 31 May Council by 31 May	Date	ITEM AND REPORT	Annually	N/A	N/A	31-May	Q4	0	N/A	0	NOT ACHIEVED	30	0	N/A	N/A	N/A	Outstanding performance information	Management to ensure adherence to key deadlines	No adjustment motivated	No adjustment made	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementation progress against predetermined objectives	142	Annual report submitted to Auditor General by 31 August	Annual report submitted to Auditor General by 31 August	Date	REPORT	Annually	N/A	N/A	31-Aug	Q4	N/A	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	N/A	N/A	No adjustment motivated	No adjustment made		
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To implement the Spatial Planning and Land Use Management Act (SPLUMA)	143	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	Q4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No adjustment motivated	No adjustment made		
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	144	DGDS triennially reviewed by 30 June	DGDS triennially reviewed by 30 June	Date	STRATEGY	Triennially	N/A	N/A	30-Jun	Q4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to limited resources, target to be discontinued and achieved in a different FY	Target Discontinued		
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	145	Number of quarterly DGDS Implementation monitoring reports submitted to the Municipal Manager by 30 June	Number of quarterly DGDS Implementation monitoring reports submitted to the Municipal Manager by 30 June	Number	REPORT	Quarterly	N/A	N/A	4	Q4	1	N/A	1	ACHIEVED	0	4	N/A	N/A	N/A	N/A	No adjustment motivated	No adjustment made		
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	146	LED Strategy triennially reviewed by 31 May	LED Strategy triennially reviewed by 31 May	Date	STRATEGY	Triennially	N/A	N/A	31-May	Q4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to limited resources, target to be discontinued and achieved in a different FY	Target Discontinued		
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	147	SMME Strategy triennially reviewed by 30 June	SMME Strategy triennially reviewed by 30 June	Date	STRATEGY	Triennially	N/A	N/A	30-Jun	Q4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to limited resources, target to be discontinued and achieved in a different FY	Target Discontinued		
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	148	SLP Coordination Strategy triennially reviewed by 30 June	SLP Coordination Strategy triennially reviewed by 30 June	Date	STRATEGY	Triennially	N/A	N/A	30-Jun	Q4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Due to limited resources, target to be discontinued and achieved in a different FY	Target Discontinued		





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 (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2023-2024)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)								
									Q4	Q3	Q2	Q1				Q4	Q3	Q2	Q1													
									LOCAL ECONOMIC DEVELOPMENT	Land Development and Reform	To facilitate availability of land for Economic Development	164	Commonage Management policy annually reviewed by 31 May	Commonage Management policy annually reviewed by 31 May	Date	POLICY	Annually	31-May	31-May	1	1	31-May	N/A	N/A	31-May	31-May	1	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									LOCAL ECONOMIC DEVELOPMENT	Land Development and Reform	To facilitate availability of land for Economic Development	165	Commonage tariff structure annually reviewed by 31 May	Commonage tariff structure annually reviewed by 31 May	Date	TARIFFS	Annually	31-May	31-May	1	1	31-May	N/A	N/A	31-May	31-May	1	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									LOCAL ECONOMIC DEVELOPMENT	Land Development and Reform	To facilitate availability of land for Economic Development	166	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	Date	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	N/A	N/A	4	4	1	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To facilitate the co-ordination of CRDP	167	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	Date	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	N/A	N/A	4	4	1	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made									
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	168	Number of quarterly Budget and IDP Steering Committee meetings held by 30 June	4 quarterly Budget and IDP Steering Committee meetings held by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	Portfolio of evidence to be adjusted to align with current submission	Change minutes to report	4	4	1	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made									
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	169	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	ITEM AND PLAN	Annually	3	3	3	3	12	N/A	N/A	12	12	3	ACHIEVED	N/A	N/A	Adjust POE to be aligned with actual submission	Item with plan to validation report									
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	170	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	12	N/A	N/A	12	12	3	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made									

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI N/R	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACHIEVED / NOT ACHIEVED (2023-2024)				IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)						
									Q4	Q3	Q2	Q1				ACHIEVED (2023-2024)	VARIANCE	ACTUAL ANNUAL PERFORMANCE (2023-2024)	ACTUAL QUARTERLY PERFORMANCE										
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	171	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	REPORT	Quarterly	Q4	1	3	N/A	1	N/A	N/A	ACHIEVED	0	4	Q4	1	3	N/A	1	No adjustment made					
									Q3	1	3	N/A	1	N/A	N/A	ACHIEVED	0	12	3	3	N/A	1	1	Q3	1	3	N/A	1	No adjustment motivated
									Q2	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	ACHIEVED	0	31-Aug	N/A	1	3	N/A	1	No adjustment motivated
									Q1	1	3	31-Aug	1	N/A	N/A	ACHIEVED	0	31-Aug	1	1	30-Nov	1	1	Q1	1	3	31-Aug	1	1
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	172	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	Monthly	Q4	1	3	N/A	1	N/A	N/A	ACHIEVED	0	12	Q4	1	3	N/A	1	No adjustment made					
									Q3	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	ACHIEVED	0	31-Aug	N/A	1	3	N/A	1	No adjustment motivated
									Q2	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	ACHIEVED	0	31-Aug	N/A	1	3	N/A	1	No adjustment motivated
									Q1	1	3	31-Aug	1	N/A	N/A	ACHIEVED	0	31-Aug	1	1	30-Nov	1	1	Q1	1	3	31-Aug	1	1
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	173	Annual Financial Statements submitted to Auditor General by 31 August	Annual Financial Statements submitted to Auditor General by 31 August	Date	AFS	Annually	Q4	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	Q4	1	3	N/A	1	No adjustment made					
									Q3	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	ACHIEVED	0	31-Aug	N/A	1	3	N/A	1	No adjustment motivated
									Q2	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	ACHIEVED	0	31-Aug	N/A	1	3	N/A	1	No adjustment motivated
									Q1	1	3	31-Aug	1	N/A	N/A	ACHIEVED	0	31-Aug	1	1	30-Nov	1	1	Q1	1	3	31-Aug	1	1
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	174	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	Q4	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	Q4	1	3	N/A	1	No adjustment made					
									Q3	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	ACHIEVED	0	31-Aug	N/A	1	3	N/A	1	No adjustment motivated
									Q2	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	ACHIEVED	0	31-Aug	N/A	1	3	N/A	1	No adjustment motivated
									Q1	1	3	31-Aug	1	N/A	N/A	ACHIEVED	0	31-Aug	1	1	30-Nov	1	1	Q1	1	3	31-Aug	1	1
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	175	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	Q4	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	Q4	1	3	N/A	1	No adjustment made					
									Q3	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	ACHIEVED	0	31-Aug	N/A	1	3	N/A	1	No adjustment motivated
									Q2	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	ACHIEVED	0	31-Aug	N/A	1	3	N/A	1	No adjustment motivated
									Q1	1	3	31-Aug	1	N/A	N/A	ACHIEVED	0	31-Aug	1	1	30-Nov	1	1	Q1	1	3	31-Aug	1	1
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	176	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	Q4	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	Q4	1	3	N/A	1	No adjustment made					
									Q3	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	ACHIEVED	0	31-Aug	N/A	1	3	N/A	1	No adjustment motivated
									Q2	1	3	N/A	1	N/A	N/A	ACHIEVED	0	31-Aug	N/A	N/A	ACHIEVED	0	31-Aug	N/A	1	3	N/A	1	No adjustment motivated
									Q1	1	3	31-Aug	1	N/A	N/A	ACHIEVED	0	31-Aug	1	1	30-Nov	1	1	Q1	1	3	31-Aug	1	1

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 (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACTUAL QUARTERLY PERFORMANCE				ACHIEVED / NOT ACHIEVED (2023-2024)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
									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	177	Post-audit data strings to the Annual Financial Statements uploaded to the LG Portal by 30 November	Post-audit data strings to the Annual Financial Statements uploaded to the LG Portal by 30 November	Date	VALIDATION REPORT	Annually	N/A	N/A	N/A	30-Nov	N/A	N/A	N/A	N/A	N/A	N/A	ACHIEVED	N/A	N/A	Adjust date of target to align with actual submission, initial date was adjusted according to Treasury circular during COVID19	From 31 March to 30 November	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	178	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	REPORT	Annually	N/A	N/A	N/A	25-Jan	N/A	N/A	N/A	N/A	N/A	N/A	ACHIEVED	N/A	N/A	Correct quarterly breakdown to align with key deadlines	From 31 January to 25 January	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	179	Adjustment Budget submitted to Council by 28 February	Adjustment Budget submitted to Council by 28 February	Date	BUDGET	Annually	N/A	N/A	N/A	28-Feb	N/A	N/A	N/A	N/A	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	180	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	N/A	N/A	N/A	31-Mar	N/A	N/A	N/A	N/A	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	181	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	FRAMEWORK	Annually	N/A	31-May	N/A	31-May	N/A	N/A	N/A	N/A	N/A	N/A	ACHIEVED	N/A	N/A	Adjust POE to be aligned with actual submission	From framework to A-Schedule	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	182	Number of procedure manuals annually reviewed by 31 May	3 procedure manuals annually reviewed by 31 May	Number	MANUALS	Annually	N/A	3	N/A	3	N/A	N/A	N/A	N/A	N/A	N/A	ACHIEVED	N/A	N/A	Adjust unit of measurement from number to date	From 3 to 31 May	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	183	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	N/A	30-Jun	N/A	30-Jun	N/A	N/A	N/A	N/A	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made	
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	184	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	FINANCIAL STATEMENTS	Biannually	N/A	1	N/A	2	N/A	N/A	N/A	N/A	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made	

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MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	185	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	Monthly	Q4	2	30-Jun	30-Jun	8	N/A	N/A	N/A	Q4	2	6	2	ACHIEVED	N/A	N/A	No adjustment made		
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	186	Revenue enhancement strategy developed and annually reviewed by 30 June	Revenue enhancement strategy developed and annually reviewed by 30 June	Date	STRATEGY	Annually	Q3	2	N/A	N/A	0	N/A	N/A	N/A	Q3	2	9	9	ACHIEVED	Target achieved in an earlier date	N/A	No adjustment made		
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	187	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	Q2	2	N/A	N/A	30-Jun	N/A	N/A	N/A	Q2	2	30-Jun	0	ACHIEVED	N/A	N/A	No adjustment made		
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	188	Number of quarterly progress reports on implementation of the procurement plan submitted to the Office of the Municipal Manager and Treasuries by 30 June	4 quarterly progress reports on implementation of the procurement plan submitted to the Office of the Municipal Manager and Treasuries by 30 June	Number	REPORT	Quarterly	Q1	2	N/A	N/A	4	N/A	N/A	N/A	Q1	2	4	0	ACHIEVED	N/A	N/A	No adjustment made		
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	189	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			4	N/A	N/A	N/A		1	4	0	ACHIEVED	N/A	N/A	No adjustment made		
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	190	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	N/A	N/A	N/A		30-Jun	30-Jun	0	ACHIEVED	N/A	N/A	No adjustment made		
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To ensure that the municipal assets are properly safeguarded	191	Percentage of assets insured by 30 June	Percentage of assets insured by 30 June	Percentage	REPORT	Quarterly		100%			100%	N/A	N/A	N/A		100%	100%	0	ACHIEVED	N/A	N/A	No adjustment made		



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 (2022/2023)	MOTIVATION FOR ADJUSTMENT (2022/2023)	PROPOSED PERFORMANCE ADJUSTMENT (2022/2023)	ACHIEVED / NOT ACHIEVED (2023-2024)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2023-2024)	CORRECTIVE MEASURES TO BE TAKEN (2023-2024)	MOTIVATION FOR ADJUSTMENT (2023-2024)	PROPOSED PERFORMANCE ADJUSTMENT (2023-2024)
									Q4	Q3	Q2	Q1								
									1	1	1	1	4	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									1	1	1	1	4	N/A	N/A	NOT ACHIEVED	The availability of committee members	Committee member to keep attendance	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									2				2	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									4				4	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									N/A				N/A	N/A	N/A	N/A	N/A	N/A	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To ensure that the municipal assets are properly safeguarded	192	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	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									1	1	1	1	4	N/A	N/A	NOT ACHIEVED	The availability of committee members	Committee member to keep attendance	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									2				2	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
MUNICIPAL FINANCIAL MANAGEMENT & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	193	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	N/A	N/A	NOT ACHIEVED	The availability of committee members	Committee member to keep attendance	No adjustment motivated	No adjustment made
									1	1	1	1	4	N/A	N/A	NOT ACHIEVED	The availability of committee members	Committee member to keep attendance	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									2				2	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	194	Number of bi-annual HR Strategy implementing monitoring reports submitted to Council by 30 June	2 bi-annual HR Strategy implementing monitoring reports submitted to Council by 30 June	Number	REPORT	Biannually	1	1	1	1	2	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									1	1	1	1	2	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									4				4	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									N/A				N/A	N/A	N/A	N/A	N/A	N/A	No adjustment motivated	No adjustment made
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	195	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	Date	ORGANOGRAM	Annually	1	1	1	1	30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									1	1	1	1	30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									4				4	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									N/A				N/A	N/A	N/A	N/A	N/A	N/A	No adjustment motivated	No adjustment made
MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	Sustainable Development Orientated Municipality	To provide integrated human resource service	196	Quinquennially reviewed Employment Equity Plan by 31 May	Quinquennially reviewed Employment Equity Plan by 31 May	Number	REPORT	Quarterly	1	1	1	1	4	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									1	1	1	1	4	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									2				2	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	197	Quinquennially reviewed Employment Equity Plan by 31 May	Quinquennially reviewed Employment Equity Plan by 31 May	Date	POLICIES	Annually	1	1	1	1	4	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									1	1	1	1	4	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									2				2	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
									30-Jun				30-Jun	N/A	N/A	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made

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 (2022/2023)	Motivation for Adjustment (2022/2023)	Proposed Performance Adjustment (2022/2023)	Actual Quarterly Performance	Achieved / Not Achieved (2023-2024)	If Not Achieved, Reasons for Not Achieving and/or Variance (2023-2024)	Corrective Measures to be Taken (2023-2024)	Motivation for Adjustment (2023-2024)	Proposed Performance Adjustment (2023-2024)
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	200	Senior Management annual performance assessment panel facilitated by 30 September	Senior Management annual performance assessment panel facilitated by 30 September	Date	REPORT	Annually	Q4 Q3 Q2 Q1	30-Sept	N/A	N/A	24-Jun 0 0 0	NOT ACHIEVED	Due to availability of key stakeholders	Assessments to be conducted in Q3	No adjustment motivated	No adjustment made
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	201	Number of bi-annual individual Performance Committee meetings held by 30 June	2 bi-annual individual Performance Committee meetings held by 30 June	Number	MINUTES	Biannually		2	N/A	N/A	2	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	202	Electronic Performance Management System implemented by 30 June	Electronic Performance Management System implemented by 30 June	Date	REPORT	Annually		30-Jun	N/A	N/A	0	NOT ACHIEVED	The system has not been implemented due to ineffective module	N/A	No adjustment motivated	No adjustment made
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide adequate opportunities for the development of employees and councillors	203	Annually reviewed WSP submitted to LGSETA by 30 April	Annually reviewed WSP submitted to LGSETA by 30 April	Date	ITEM AND PLAN	Annually		30-Apr	N/A	N/A	30-Apr	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide adequate opportunities for the development of employees and councillors	204	Annual training report submitted to LGSETA by 30 April	Annual training report submitted to LGSETA by 30 April	Date	REPORT	Annually		30-Apr	N/A	N/A	30-Apr	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide adequate opportunities for the development of employees and councillors	205	Number of bi-annual Training Committee meetings held by 30 June	2 bi-annual Training Committee meetings held by 30 June	Number	MINUTES	Biannually		2	N/A	N/A	1	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	206	IT Strategy biennially reviewed by 31 May	IT Strategy biennially reviewed by 31 May	Date	STRATEGY	Annually		30-May	N/A	N/A	21-May	ACHIEVED	Target achieved at an earlier date	N/A	No adjustment motivated	No adjustment made
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	207	IT Policy annually reviewed by 31 May	IT Policy annually reviewed by 31 May	Date	POLICY	Annually		30-May	N/A	N/A	21-May	ACHIEVED	Target achieved at an earlier date	N/A	No adjustment motivated	No adjustment made

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 (2022/2023)	Motivation for Adjustment (2022/2023)	Proposed Performance Adjustment (2022/2023)	Actual Quarterly Performance				Actual Annual Performance (2023-2024)	Variance	Achieved / Not Achieved (2023-2024)	If Not Achieved, Reasons for Not Achieving and/or Variance (2023-2024)	Corrective Measures to be Taken (2023-2024)	Motivation for Adjustment (2023-2024)	Proposed Performance Adjustment (2023-2024)
									Q4	Q3	Q2	Q1														
																Q4	Q3	Q2	Q1							
Municipal Transformation & Institutional Development	Sustainable Development Orientated Municipality	To provide IT services	208	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	MINUTES	Biannually	N/A	1	N/A	3	1	N/A	0	2	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made				
Municipal Transformation & Institutional Development	Sustainable Development Orientated Municipality	To provide IT services	209	Number of monthly 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	N/A	3	N/A	3	1	N/A	0	12	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made				
Municipal Transformation & Institutional Development	Sustainable Development Orientated Municipality	To provide IT services	210	Disaster Recovery and Business Continuity Plan reviewed by 31 March	Disaster Recovery and Business Continuity Plan reviewed by 31 March	Date	PLAN	Annually	N/A	1	31-Mar	N/A	1	N/A	0	31-Mar	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made				
Municipal Transformation & Institutional Development	Sustainable Development Orientated Municipality	To provide IT services	211	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	N/A	1	31-Mar	N/A	1	N/A	0	4	4	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made				
Municipal Transformation & Institutional Development	Sustainable Development Orientated Municipality	To provide IT services	212	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	N/A	3	12	N/A	3	N/A	0	12	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made				
Municipal Transformation & Institutional Development	Sustainable Development Orientated Municipality	To provide record management services	213	Record Management Policy annually reviewed by 30 June	Record Management Policy annually reviewed by 30 June	Date	POLICY	Annually	N/A	30-Jun	30-Jun	N/A	30-Jun	N/A	-	30-Jun	0	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made				
Municipal Transformation & Institutional Development	Sustainable Development Orientated Municipality	To provide record management services	214	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	N/A	1	4	N/A	1	N/A	0	4	4	ACHIEVED	N/A	N/A	No adjustment motivated	No adjustment made				

**JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY**  
**AUDIT, RISK AND PERFORMANCE COMMITTEE REPORT FOR THE YEAR ENDED**  
**30 JUNE 2024**

**1. Legislative requirements**

The purpose of this report is to communicate to the Council the Audit, Risk and Performance Committee's (ARPC) assessment in carrying out its oversight responsibilities in terms of section 166 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003, as amended) (MFMA), read with circulars 65 and 127 published by the National Treasury for the year ended 30 June 2024.

The MFMA obliges every municipality to establish an independent audit committee, which must advise the municipal council, political office-bearers, accounting officer and management staff of the municipality, on matters relating to internal financial controls and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation, and any other issues referred to it by the municipality.

The ARPC is governed by formal terms of reference, which are reviewed annually and approved by Council. The ARPC is pleased to present its report for the financial year ended 30 June 2024.

**2. Audit committee members and attendance**

The ARPC has been appointed by the John Taolo Gaetsewe District Municipality. Service level agreements between the District and Gamagara, Ga-Segonyana and Joe Morolong Local Municipalities provide for a shared ARPC within the District.

The ARPC is governed by formal terms of reference, which are regularly reviewed and approved by council. The ARPC consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year, 5 meetings were held:

Name of member	Number of meetings
Snyders J. (Chairperson)	5
Nkoe K.	5
Mathibela B (Appointed 1 April 2024)	2

The members of the ARPC held meetings with the municipal manager as the accounting officer, senior management of the municipality, the internal audit function and the external auditors, collectively and individually, on matters related to governance, internal control and risk in the municipality, throughout the reporting period.

The ARPC presented quarterly reports to Council on governance, internal control, risk, performance and financial information and other relevant matters concerning the municipality.

### **3. Audit committee's responsibility**

The ARPC has complied with its responsibilities arising from section 166 of the MFMA read with MFMA Circulars 65 and 127, and reports that it operated in terms of the audit committee charter read in conjunction with the internal audit charter.

### **4. Effectiveness of internal control**

The ARPC relies on the Auditor General of South Africa (AGSA) and internal audit for the assessment of internal control. The ARPC acknowledges management's efforts to strengthen internal controls in the municipality.

The roles and responsibilities for business continuity, ethics and fraud prevention still need to be defined in the municipality which will be attended to in the new financial year.

### **5. The quality reports submitted in terms of the MFMA and DORA**

The ARPC is satisfied with the content and quality of monthly, quarterly and mid-year reports prepared and issued during the period under review. The reporting included unauthorised, irregular, fruitless and wasteful expenditure, deviations as well as DoRA funding and expenditure. Interim financial statements were also provided for review. The Acting CFO/CFO is to be commended for establishing an ongoing financial reporting framework.

The ARPC has reviewed and commented on the municipality's annual financial statements and report on performance information and their timely submission to the external auditors by 31 August.

### **6. Internal audit function**

The accounting officer is obliged, in terms of section 165 of the MFMA, to ensure that the entity has a system of internal audit under the control and direction of the audit committee.

An in-house internal audit unit was established and is fully capacitated. The current audit manager has been in the position since October 2022. The internal audit unit reports to the Municipal Manager administratively and functionally to the ARPC.

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

Internal audit has commenced with the implementation of the quality assurance improvement program and combined assurance plan. This will be rolled-out in the next financial year.

The internal audit manager is not at a senior manager level and does not attend all senior management and Council meetings. It was recommended that the internal audit manager attend senior management and Council meetings, ex officio, to be kept abreast of processes and decisions impacting the risk profile of the municipality. This will enforce the role of the internal audit function in providing assurance on governance, risk management and controls in the municipality. Management has committed to address it in the new financial year.

The internal audit function also provides the secretariat function for the ARPC.

## **7. Risk management function**

The ARPC is responsible for the oversight of the risk management function. Risk management submitted reports to the ARPC on the municipality's management of risk. The ARPC has reviewed the risk register and the reports. However, the functionality of the internal risk committee is to be enhanced. This was deliberated at the ARPC meetings and will be the focus for the next financial year.

## **8. Evaluation of the finance function**

The previous CFO resigned on 31 July 2023, which created a critical vacancy in the Budget and Treasury Office for 11 months. However, an acting CFO was appointed for the period until the appointment of the current CFO on 1 July 2024.

Consultants were appointed to assist with the quality review of the annual financial statements.

The ARPC is satisfied with the district municipality's finance function during the year under review.

## **9. Performance management**

Part of the responsibilities of the ARPC includes the review of organizational performance management. In general, the audit committee is satisfied that the performance report has been prepared in terms of the prescripts.

## **10. Evaluation of the annual financial statements**

The ARPC has reviewed the AFS. Except for the matters identified by the external auditors in the auditor's report, the audit ARPC is comfortable that the annual financial statements have been prepared in terms of General Recognised Accounting Practice (GRAP) and the MFMA.

## **12. External auditor's report**

The external audit function, performed by the AGSA is independent of the entity.

The ARPC confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

The ARPC concurs with and accepts the conclusion and unqualified audit opinion of the external auditors on the AFS. The committee is of the view that the AFS be accepted and read together with the report of the external auditors. No material findings were reported on performance information.

ARPC also concurs with findings raised regarding compliance with legislation. The ARPC is comfortable that given the implementation of effective and efficient controls, these matters should be adequately dealt with in future periods.

The ARPC has met with the external auditors to ensure that there are no unresolved issues and acknowledges the diligence and cooperation of the external audit team.

On behalf of the audit, risk and performance committee:



Johann Snyders  
ARPC Chairperson  
23 January 2025



# AGSA REPORT 2023/2024 VOL.4

**John Taolo Gaetsewe District Municipality**

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4 Federale Mynbou, Kuruman, NC, 8460



# Report of the auditor-general to the Northern Cape Provincial Legislature and the council on John Taolo Gaetsewe District Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the John Taolo Gaetsewe District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the John Taolo Gaetsewe District Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (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 responsibilities of the auditor-general 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.

### Going concern

7. I draw attention to note 38 in the financial statements, which deals with the possible effects of the future implications of continuing deterioration in operational results on the municipality's



prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances.

### **Other matter**

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

### **Unaudited disclosure notes**

9. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed 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 the Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
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.

### **Responsibilities of the auditor-general 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. This description, which is located at page 8 - 9, forms part of our auditor's report.

### **Report on the annual performance report**

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material

performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

15. I selected the following material performance indicators related to KPA 1 – Basic Infrastructure Delivery and Infrastructure Development presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of quarterly progress reports on the eradication of mud houses submitted to the Municipal Manager by 30 June.
- Provision of emergency housing report submitted to the Municipal Manager by 30 June.
- Number of monthly RRAMS expenditure reports submitted to Department of Transport by 30 June.
- Annual RRAMS Business Plan submitted to Department of Transport by 31 May.
- Service provider appointed to provide support with the updating of the RRAMS by 30 June.
- Number of quarterly RRAMS progress reports submitted to Department of Transport by 30 June.
- Number of quarterly Joe Morolong LM internal road monitoring reports submitted to the Municipal Manager by 30 June.
- Number of quarterly Gamagara LM internal road monitoring reports submitted to the Municipal Manager by 30 June.
- Number of quarterly Ga-Segonyana LM internal road monitoring reports submitted to the Municipal Manager by 30 June.
- 3 revised Internal Roads Paving EPWP Business Plans submitted to the Provincial Department by 31 October.
- Number of quarterly progress reports on water service authority Municipal Systems Act section 78 assessment submitted to the municipal manager by 30 June.
- Number of biannual progress reports on the Vaal Gamagara water pipe outlet for neighbouring villages submitted to the Municipal Manager by 30 June.
- Water services Development Plan (WSDP) developed by 30 June.
- Water Resource Management Strategy developed by 30 June.

16. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared

using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

17. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives.
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- the reported performance information presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for measures taken to improve performance.

18. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

19. I did not identify any material findings on the reported performance information for the selected indicators.

### **Report on compliance with legislation**

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently



detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

23. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

#### **Expenditure management**

24. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R11 228 515, as disclosed in note 39 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

#### **Utilisation of conditional grants**

25. Performance in respect of programmes funded by the Infrastructure Skills Development Grant and Rural Roads Asset Management Grant were not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act.

### **Other information in the annual report**

26. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected indicators presented in the annual performance report that have been specifically reported on in this auditor's report.
27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected indicators presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. 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**

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

31. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
32. Management did not monitor implementation of internal controls regarding compliance within the district municipality which resulted in material non-compliance with laws and regulations.

### Material irregularities

33. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

### Status of previously reported material irregularities

#### The appointment of consultants to prepare Annual Financial Statements (AFS) was not effective, efficient and economical as required by section 62(1)(a) of the MFMA.

34. The municipality has been making use of consultants for the preparation of annual financial statements without developing the municipality's internal capacity to prepare financial statements, which resulted in a non-compliance with section 62(1)(a) of the MFMA, as the resources of the municipality were not used effectively, effectively and economically.
35. The accounting officer was notified of the material irregularity on 15 February 2023 and made written submission of the actions to be taken to address the matter.
36. The accounting officer has re-configured the organizational structure to incorporate a unit in the Budget and Treasury office, responsible for the preparation of financial statements. A manager for Financial Reporting and Support was appointed effective from 01 May 2024. Furthermore, training courses on GRAP and financial statements preparation were conducted for the internal staff during the 2023 financial year.
37. The consultancy costs have reduced significantly over the last three years as consultants were appointed on a reduced scope of reviewing the financial statements; the contract ended on 31 May 2024 and was not renewed or extended.
38. The Municipal Public Accounts Committee (MPAC) also conducted an investigation into the identified material irregularity.
39. Based on the above actions taken by the accounting officer, the material irregularity has been resolved.

### Other reports

40. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. 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.

41. The municipality is still undergoing investigations which are conducted by the Directorate for Priority Crime Investigation (Hawks). The investigations are relating to fraud and money laundering regarding the procurement processes of the temporary residential units and the appointing service providers without following tender procurement processes.

*Auditor General*

Kimberley

30 November 2024



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## **Annexure to the auditor's report**

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### **Auditor-general's responsibility for the audit**

#### **Professional judgement and professional scepticism**

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 indicators and on the municipality's compliance with selected requirements in key legislation.

#### **Financial statements**

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
- conclude on the appropriateness of the 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 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

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and 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.



## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	<p>Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii),</p> <p>Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f),</p> <p>Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a),</p> <p>Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)</p>
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	<p>Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e),</p> <p>Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i),</p> <p>Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)</p>
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	<p>Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2),</p> <p>Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)</p>
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)

Legislation	Sections or regulations
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

Finding	Amount	Finding Details	No. of Years Repeated	Responsibility	Department	Due Date	Action Plan	Implementation Status
ISS.50 Unauthorised expenditure	11 228 515	<p>Requirement: Section 62(1)(d) states-62. (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure-(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented.</p> <p>Contrary to the above, the municipality incurred the following during the year under review: - Unauthorised expenditure of R 11 228 515</p>	3	Manager: Budget, Reporting & Compliance	Budget and Treasury Office (BTO)	30-Jun-25	<p>The most effective processes are inclusive, transparent, and efficient. Management will improve on the budgeting processes:</p> <ol style="list-style-type: none"> <li>1. Ensuring that the budget controls are effectively implemented.</li> <li>2. Ensure that the officials responsible for budget get proper training on budgeting realistically for non-cash items .</li> <li>3. Review the appropriation tool to ensure that unauthorized expenditure is calculated correctly.</li> <li>4. Approval of a deficit budget.</li> </ol>	In Progress
ISS.59 Utilisation of conditional grants- Evaluation reports not prepared within two months after financial year end	N/A	<p>Requirement: DoRA 12(5)- states the duties of receiving officer in respect of Schedule 5, 6 or 8 allocation 12. (1) The receiving officer of a Schedule 5, 6 or 8 allocations must ensure compliance with the requirements of the relevant framework. (5) here relevant, the municipal financial year, evaluate its performance in respect of programmes or functions funded or partially funded by an allocation and submit such evaluation to the transferring national officer.</p> <p>Section 62(1) (b) of MFMA states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable stem to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.</p> <p>Contrary to the above, ISDG evaluation report was prepared and submitted to Treasury on the 30th of September 2024. The evaluation report was not prepared and submitted within 2(two) months after year end.</p>	0	<p>Manager: Revenue &amp; Assets</p> <p>Manager: Financial Reporting &amp; Support</p>	Budget and Treasury Office (BTO)	29-Aug-25	<p>Reminders and follow-ups to be sent out at the end of June and July, and proof of submissions to be obtained a week before the end of August.</p>	Not Yet Started