

GREATER GIYANI MUNICIPALITY ANNUAL REPORT 2020-21



Taking the lead in service delivery





Vision

A Municipality where environmental sustainability, tourism and agriculture thrive for economic growth.

Mission

A democratic and accountable municipality that ensures the provision of **quality and sustainable** services through sound environmental management practices, local economic development and community participation.

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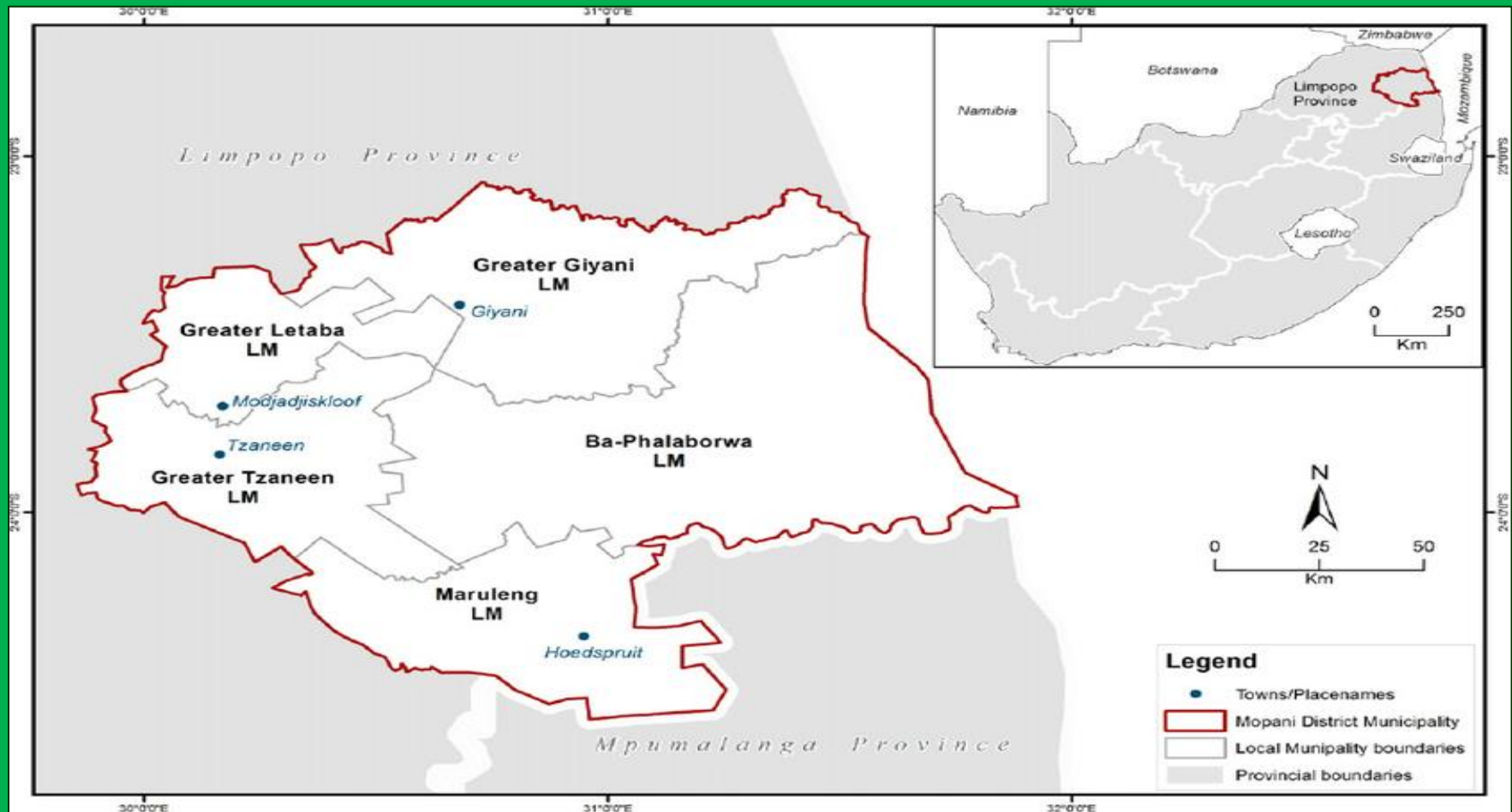
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TABLE OF ACRONYMS

AG	Auditor-General
GGM	Grater Giyani Municipality
MDM	Mopani District Municipality
COMM	Communications Division
CWP	Community Works Programme
DMP	Disaster Management Plan
DoE	Department of Energy
DoHS	Department of Human Settlement
Strats	Strategic Planning and Local Economic Development
EMP	Environmental Management Plan
EPWP	Expanded Public Works Programme
FBW	Free Basic Water
FY	Financial Year
IDP	Integrated Development Plan
IGR	Intergovernmental Relation
LED	Local Economic Development
MFMA	Municipal Finance Management Act, No, 56 of 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPAC	Municipal Public Account Committee
MSIG	Municipal Systems Improvement Grant
MW	Municipal Wide
N/A	Not applicable
SLA	Service Level Agreement
PIA	Project Implementing Agent
PMS	Performance Management System
PMU	Project Management Unit
SCM	Supply Chain Management
SLP	Social and Labour Plan
SDBIP	Service Delivery and Budget Implementation Plan

GENERAL INFORMATION	
NAME OF ORGANIZATION	GREATER GIYANI MUNICIPALITY
TYPE OF ORGANAZATION	LOCAL GOVERNMENT/MUNICIPALITY CATEGORY B
PROVINCE	LIMPOPO
DISTRICT	MOPANI
REGISTERED ADDRESS	CIVIC CENTRE GIYANI MAIN ROAD GIYANI 0826
POSTALADDRSS	PRIVATE BAG X 9559 GIYANI 0826
TELEPHONE	015 811 5500
FAX	015 812 2068
EMAIL	INFO@GREATERGIYANI.GOV.ZA
WEBSITE	www.greatergiyani.gov.za
BANKERS	ABSA BANK LIMITED
AUDITORS	AUDITOR-GENERAL OF SOUTH AFRICA
MAYOR	CLR SHIVAMBU BA
ACCOUNTING OFFICER \MUNICIPAL MANAGER	CHAUKE MM

LOCATIONAL MAP



CHAPTER ONE: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

The Greater Giyani Municipality (GGM) hereby, in terms of Section 46 of Municipal System Act No. 56 of 2003 (MFMA), present to Council the draft 2020/21 Annual Report which outlines achievements and challenges for the year under review.

Vision

A Municipality where environmental sustainability, tourism and agriculture thrive for economic growth

Mission

A democratic and accountable municipality that ensures the provision of quality and sustainable services through sound environmental management practices, local economic development and community participation.

GGM is fully aware and committed to the fact that it needs to continuously search for mechanisms to identify its priorities, issues and problems in the quest for efficient and effective alternatives towards maximum and sustainable fulfilment of Council mandate as enshrined in the Constitution of the Republic of South Africa, Act 108 of 1996. The Municipality has engaged in a strategic planning session, as part of the Integrated Development Plan (IDP) review processes, and the current vision, mission and strategic objectives were reviewed and retained. This process of planning is guided by the following two (2) key national objectives:

- a) The need to set out the core principles, mechanisms and processes that give meaning to development, local governance and to empower the municipality to move progressively towards the social and economic upliftment of communities and the provision of basic services to all communities.
- b) The democratic imperative for local government to actively involve and engage communities.

This process, which in a way facilitates planning and delivery, should arrive at decisions on such issues as Municipal Budgets, Local Economic development and institutional transformation in a consultative, systematic and strategic manner. Noting that the IDP does not only inform municipal management, but also supposed to guide the activities of any agency from the other spheres of government, corporate service providers, NGO's and the private sector within the municipal area, the municipality embarked on a consultative process within very stringent timeframes to elicit the necessary input from various communities, to inform the compilation of this annual report. Emanating from this consultative engagement, the municipality was able to pick a basket of developmental issues which remain endowed to our communities ranging from roads, water, electricity, sanitation, housing, access to health facilities, sporting amenities, crime, and unemployment amongst others.

These issues also find expression in the National Development Plan (NDP), the diagnostic document which points out that "while we have made some progress in reducing poverty, poverty is still pervasive. Millions of people remain unemployed and many working households live below the poverty line".

Critical to the legislated parameters, is the Local Government Municipal Systems Act 32 of 2000, in particular, Chapter 5 which states that a municipality must undertake developmentally-oriented planning so as to ensure that it-

- a) Strives to achieve the objectives of local government set out in Section 152 of the Constitution;
- b) Give effect to its developmental duties as required by Section 152 of the Constitution.

For the municipality to monitor its performance for the realisation of projects and programmes outlined in the IDP, Chapter 6 of the Local Government Municipal Systems Act requires that all municipalities must develop a Performance Management System (PMS) which will monitor the implementation of the IDP. The municipality in line with this legislated imperative has developed an Annual Report which gives account of municipal performance in terms of its own set predetermined objectives which set targets that need to be achieved at the end of that Financial Year. The Annual Report also indicates challenges for targets that were not achieved and the reasons for such non-achievement.

These are some of the achievements for 2020/21 Financial Year:

- Electricity

The following villages have been electrified:

- Nkuri Zamani
- Jim-Ghalalume
- Mashavela
- Noblohoek
- Mapuve
- Shimange

- Paving / tarring of streets

The following streets have been paved:

- Makosha paving of Access Road
- Homu 14B to 14A Upgrading from Gravel to Tar
- Giyani Section E Upgrading from Gravel to Tar Phase 02
- Giyani Section F Paving of Streets
- Giyani Waste Disposal

These were just few development highlights that the municipality is proud of delivering to our communities for the year under review. There were many projects which were also under-taken by other sectors which also contributed to the upliftment of the lives of our communities.

In conclusion the municipality is calling all the stakeholders to assist the municipality in ensuring that they form part of the planning and development of the municipality by taking part in all the initiatives the municipality is coming up with, by paying for services and participation in the IDP process.

While taking over the baton it is of high importance to note that the audit was finalized on the 28 February 2022 with the new that started on the 22 November 2021





CLLR. ZITHA T
MAYOR

18/03/2022
DATE

Chapter One: Overview by the Municipal Manager

Component B: Executive Summary

1.1 OVERVIEW BY THE MUNICIPAL MANAGER

Greater Giyani Municipality is an organization that derives its pride on environmental sustainability, tourism and agriculture for economic growth.

The 2020/21 Financial Year came with a lot of hard work from the municipal workforce and the collective commitments which resulted in significant achievement recorded in the period under reporting. The Municipality has been able to improve the lives of the Greater Giyani communities through infrastructure development such as electricity connections and paved roads. The provision of electricity will assist in reduction of crime and facilitate economic development to the affected communities. It is highly encouraging that our core business department, Basic Service Delivery and Infrastructure Development, was able to achieve 64% on the planned targets. Local Economic Development achieved 0% on the LED targets. Delayed appointment of service providers contributed to non- achievement of the missed targets and we have rectified the root causes thereof. Our bid specification, evaluation and adjudication committees sit regularly to ensure timeous appointment of service providers, regardless of the overwhelming number of bids we attract.

Significantly, the institutional capacity of Greater Giyani Municipality remains the central pillar of service delivery enabler, thus we managed to complete the third phase of the Municipal Administration building to accommodate all our departments in one roof for efficient coordination of administration. In the main, this development offers us practical opportunity to conveniently deliver services to the citizenry of Greater Giyani.

However, high vacancy rate is a challenge due to limited financial resources and high personnel turnover. Importantly though, the institution has filled only Director Community service position vacant in the 2020/21 financial year. We also developed policies that guided the municipality's day to day functions and the policies are reviewed at least once per year.

None payment of services by residents remains our biggest challenge, and we accordingly appeal to all the residents of Greater Giyani to pay for their municipal services and to participate in the IDP and Public Participation Programs.

In conclusion, the municipality has obtained an Unqualified audit outcome during 2019/20 financial year. In the 2020/21 financial year, the municipality obtained the Qualified audit opinion with improvements in asset management, revenue management, expenditure management and reduced the number of paragraphs raised by Auditor General. We acknowledge that there are still strategic risks which

are embedded on the institution which must be mitigated. The Municipality needs to further improve on its project implementation and management strategy so that project expenditure can increase to 100% in 201/22 financial year and can therefore realise its objectives.

ACKNOWLEDGEMENT

I would like to extend my appreciation to the Honorable Mayor, Executive Committee and Councilors for strategic direction and leadership demonstrated during the financial year. The guidance and vision of the Acting Chief Financial Officers, Heads of Departments and other staff are acknowledged with gratitude. A special word of appreciation is extended to all my colleagues for their loyalty and support.



A stylized, handwritten signature in black ink, consisting of a large, looped 'C' followed by several vertical strokes and a final flourish.

CHAUKE MM
MUNICIPAL MANAGER

18/03/2022
DATE

1.2 Municipal Functions, Population and Environmental Overview

1.2.1 Municipal Functions

FUNCTION	RESPONSIBLE DEPARTMENT	DEFINITION
Municipal Planning	Strategic Planning & LED	Development of the integrated development plan in terms of the municipal Systems Act, 32 of 2000.
Local Tourism	Strategic Planning & LED	The promotion, marketing and, if applicable, the development of any tourism attraction within the area of the municipality with a view to attract Tourist; to ensure access, and municipal services to such attraction, and to regulate structure and control
Markets	Community Services and Strategic planning and LED	The establishment , operations, management , conduct, regulations and / or control of markets other than fresh produce markets including market permits, location, times, conduct, etc.
Trading Regulations	Strategic Planning &LED	To regulate of any facility and /or activity related to the trading of goods and services within the municipal area not already regulated by National and provincial legislation
Municipal Parks	Technical Services and Community Services	The provision, management, control and maintenance of any land, garden or facility set aside for recreation, sightseeing and / or tourism and including playground, but exclude sport facilities.
Open places	Community Services	The management, maintenance and control of any or facility owned by the municipality for public use.
Noise pollution	Community Services	The control and monitoring of noise that adversely affects the well-being of human health or the eco-system that is useful to maintain, now or in the future.
Control of public nuisance	Community Services	The regulation, control and monitoring of any facility or activity.
Municipal Airport	Technical Services	A demarcation area on land or water or a building which is used or intended to be used, either completely or in part, for the arrival or departure of air craft which includes the establishment and maintenance of such a facility, including all infrastructure and services
Municipal Public Transport	Technical Services	The regulation and control and where applicable, the provision of: services for the carriage of passengers, whether scheduled, operated on demand along a specific route or routes or, where applicable, within a particular area.
Storm Water drainage	Technical Services	The Management Systems to deal with storm water in building-up areas.
Portable Water	Technical Services	The establishment, operation, management and regulation of a potable water supply system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution; bulk supply to local supply.
Sanitation District function	Technical Services	The establishment, operation, management and maintenance and regulation of a system, including infrastructure, for the collection of human excreta and domestic waste-water to ensure minimum standard of service.

Refuse Removals, refuse dumps, solid waste disposable	Community Services	Removal of any household or other waste and the disposal of such waste in an area, space or facility established for such purpose, and include the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment.
Street Trading	Community Services	The control, regulation and monitoring of the selling of goods and services along a public pavement or road reserve.
Bill boards and the display of advertisements in public places	LED	The display of written or descriptive material, any sign or symbol or light that is not intended solely for illumination or as a warning against danger which: promotes the sale and / or encourages the used of goods and services found on the streets.
Amusement facilities/beaches	Community Services	A public place for entertainment. The area for recreational opportunities and facilities along the sea shore available for public use and any other aspect in this regard which falls outside the competency of the National and provincial government.
Cemeteries, Funeral Palour a and crematoria	Community Services	The establishment, conduct, control facilities for the purpose of disposing of human and animal remains
Municipal Roads	Technical Services	The construction, maintenance and control of all public roads
Street Lighting	Technical Service	The provision and maintenance of lighting for the illumination of streets.
Local Amenities	Technical services	The provision, management, preservation and maintenance of any municipal place, land and building reserved for the protection of places or objects of scenic, natural, historical and cultural value or interest and the provision and control of any of such amenities.
Traffic and parking	Community Services	The management and regulation of traffic and parking within the area of the municipality including but not limited to the control over the operating speed of vehicles on municipal roads.
Municipal Public works	Technical Services	Any supporting infrastructure or services to empower a municipality to perform its functions
Building regulations	Technical Services	The regulation, through by-laws, of any temporary or permanent structure attached to, or to be attached to, the soil within the area of Jurisdiction of a municipality, which must at least provide for approval of building plans, building inspections.

1.2.2 Population

According to SATSSA of 2016, the total population is **256, 153 with** a total number of households of **70535**.The municipality have **31 wards** grouped into 5 clusters. In most wards, the population exceeds 5000 people. In the past few years, the population has shown a slight increase. In the 2007 survey, the population was counted at **247 565** but according to the 2011 census, it has declined by almost **3000** people. The decline may be attributed to migration to other urban centers, such as Polokwane, Gauteng and Tzaneen in which the migrants search for better working conditions. But in 2016 community population survey has shown a slight increase by 0.14%.

Population by Wards

Ward	Male	Female	Total
1	3636	4636	8272
2	4531	5798	10329
3	4607	6123	10730
4	4411	5537	9948
5	4482	5652	10134
6	4663	5922	10585
7	3487	4468	7955
8	4704	5882	10586
9	3113	3934	7047
10	6363	7027	13390
11	8829	11119	19948
12	2432	3029	5461
13	4122	5161	9283
14	4172	5359	9531
15	4057	5390	9447
16	4487	5572	10059
17	3512	4419	7931
18	2045	2755	4800
19	4362	5494	9856
20	4583	5799	10382

21	3682	4761	8443
22	4464	5698	10162
23	3313	4072	7385
24	3305	4114	7419
25	3732	4605	8337
26	4326	6322	10648
27	5111	7384	12495
28	6214	8347	14561
29	10100	14200	24300
30	9432	13110	22542
31	5434	8123	13465
TOTAL	111094	148473	256300

1.2.3 Environmental Overview

The Greater Giyani municipality subscribe to the national environmental management act which means when we conduct our business as a municipality we are conscious of the fact that we need to adhere to the provision of the act. The vision of the municipality also makes specific reference to environmental sustainability as the core of our business.

(Section 152 of the constitution objects of local government) also prescribe to municipalities that they must ensure that communities lives in a safe and healthy environment. Our environment is characterized by different environmental factors e.g. climate, geomorphology, terrain and soil suitability.

There are some environmental challenges that the municipality is having which needs strong intervention from all stakeholders' e.g. illegal occupation of land (sensitive areas) deforestation, overstocking, veld fires and water pollution. GGM has appointed the attorney to deal with issues of the illegal occupations. This environmental challenge has serious impact in terms of sound environmental management practices that will ensure environmental sustainability as enshrined in our vision. GGM is currently implementing various projects that are in line with sustainable development and fight against phenomenon of global warming.

1.3 Service Delivery Overview

Great Giyani Municipality has the responsibility to provide services to the communities. For the year under review the municipality met the target on MIG projects within SDBIP. However the completion was at the planned targets not final completion since the projects are Multi- Year Projects. The municipality is working hard to ensure that extra High mast lights are provided to communities where there is high crime rate in order to fight crime. Gravel Roads were upgraded to tar and Culvert bridges were also refurbished and other new culvert bridges were constructed. The following are the list of projects and expenditure completed in the 2020/21 financial year:

project name	Expenditure
Makosha Access Road	R40 500 637.79

Homu 14B to 14A Upgrading from Gravel to Tar	R19 308 003.11
Giyani Section E Upgrading from Gravel to Tar Phase 02	R8 747 848.48
Giyani Section F Paving of Streets	R52 659 610.25
Giyani Waste Disposal	R27 836 427.19
Electrification of Nkuri Zamani	R3 692 948.01
Electrification of Jim-Ghalalume	R 6 108 164.47
Electrification of Mapuve	R 7 144 462.06
Electrification of Shimange	R 3 673 189.33
Electrification of Noblohoek	R 4 151 820.62
Electrification of Mashavela	R2 582 296.18

1.4 Financial Health Overview

Greater Giyani municipality has in the year under review enjoyed healthy financial status . This is evident by the positive bank balance that the municipality has maintained throughout the financial year. This is also supported by the fact that in the year 2020/21 the municipality was amongst the best in the province in terms of spending of municipal infrastructure grants even though we did not spend 100% but 95% was spent on MIG, but however in the year under review the Municipality managed to spend 100% on all the grants allocated. . The municipality has developed the revenue enhancement strategy that will improve the revenue generation in the municipality, the issue of revenue is one challenge that the municipality is currently facing. Special focus will be placed on arrears for business as a priority measures on credit control. The municipality managed to implement the cost containment measures as per the approved policy and this assisted the municipality to maintain it's positive bank balance during financial year.

1.5 Organizational Development Overview

The Municipality approved its Organizational Structure and the structure is aligned with the IDP and the powers and functions to be conducted by the municipality, however there is a high vacancy rate of 42 % and 58 % of the positions have been filled (359 positions were vacant and 256 positions were filled). Most of the vacancies were not funded. The municipality is in the process of reviewing its organizational structure to make sure that the structure is realistic to the financial resources of the municipality and that critical positions are funded. The organizational structure will be reviewed with the 2020/21 IDP.

1.6 Auditor General Report

Legislation mandates that upon closure of the financial year the municipality must prepare Annual Performance Report in terms of section 46 of the MSA and Annual Financial statements in terms of section 122 of the MFMA and submit to the Auditor General of South Africa for auditing. For the Financial Years 2019/20 the municipality obtained an unqualified Audit Opinion. For Financial year 2020/21 the Municipality prepared and submitted the Annual Financial Statement and Annual Performance Report to the Auditor General of South Africa and the Municipality obtain Qualified Audit Opinion.

CHAPTER 2: GOVERNANCE

Component A: Political and Administrative Governance

2.1 Political Governance (PUBLIC PARTICIPATION)

Greater Giyani Council constitutes of 62 Councillors of which 40 are males and 22 are females, 31 Ward councillors and 31 Propotional Representatives. It is comprised of 7 full time councilors that are the Mayor, the Chief whip, the Speaker, MPAC Chairperson, Head of Infrastructure Development, Head of Budget and Treasury and Head of Corporate and Shared Services. Ward councilors' represents communities in wards they are voted in ensuring that service delivery is brought to the people. Propotional Representative play political roles in wards they are deployed together with respective ward councillors. Ward councillors and Propotional Representative Councilors both form council committees. They all attend quarterly arranged council meetings and monthly portfolio committee meetings and special meetings if arranged. The Municipality had 308 ward committee members

Political decision taking

Political decisions are taken from the submissions of portfolio committee based on administration report generated by management led by the accounting officer. The municipality consist of six directorates namely; Office of the Municipal Manager; Community Services; Technical Services; Corporate Services; Budget and Treasury and Planning and Economic Development. Each of the six directorates is linked to portfolio committees which are chaired by councillors. Community Services Directorate is linked with Health & Social Development Portfolio Committee, Sports Recreation Arts & Culture and part of Public Transport and Roads.

Technical Services Directorate is linked with Water, Sanitation and Energy Portfolio Committee, Infrastructure Development Portfolio Committee and Public Transport and Roads. Corporate Services Directorate is linked with Portfolio Committee of Corporate and Shared Services. Budget and Treasury Directorate is linked with Finance Portfolio Committee. Planning and Economic Development directorate is linked with Portfolio Committee of Planning and Economic Development. All reports of portfolio committees originate from administration and after the portfolio committee has interrogated the report, such reports are recommended to Executive committee which with delegated powers the Executive Committee took decisions and other matters are referred to council as the council is the highest decision making body. The council appointed the Audit Committee which assist, advice and alerting the municipality on issues of compliance. The council established the MPAC committee which plays an oversight role on the functions of council as well as compliance to all applicable legislations. The MPAC is comprised of 7 councillors namely: Cllr Mabasa Rhulani Oral (Chairperson), Cllr Mhlongo Mashau Calvin, Cllr Khandlela Nomsa Rachel, Cllr Maluleke TinyikoRose, Cllr Shivambu Hasani Richard, Cllr Mashimbye DC, Cllr Mazibuko Patrick and Cllr Gaveni Bridget.

POLITICAL MANAGEMENT TEAM



Cllr Shibambu B A: Mayor

Powers and functions of the Mayor

- Promote the image of the municipality
- To ensure that the executive committee meetings performs its functions properly
- To lead and promotes social and economic development in the municipality
- To preside over public meetings and hearings
- To promote inter- governmental and inter institutional relations
- To ensure in consultation with the municipal manager, that a proper committee service responsible for:
 - The agendas minutes is in place for the executive and other committees and that they meet regularly.
 - Submit reports to the executive committee
 - To take responsibility for the quality and speed of decision making in the executive committee



Cllr Hlungwani M P: Speaker

The speaker of Municipal Council Must

- Preside at meetings of council
- Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of The local Government: Municipal system Act, 2000 (Act 32 of 2000) :
- Must ensure that the council meets at least quarterly
- Must ensure compliance in the council and council committee with the code of conduct set out In schedule 1 to the local Government: Municipal system Act, 2000 (Act 32 of 2000) ; and must ensure that council meetings are conducted in accordance with the rules and orders of the council

Duties of the Chief Whip to Municipal Council:

- Political Management of Council meetings and Committee Meetings
- Maintains discipline of Councillors
- Advices the Speaker on the amount of time to be allocated to the speaker and the order of such speakers addressing the council



Cllr Mashale M R:Chiefwhip

EXECUTIVE COMMITTEE



Cllr Manganyi K A
Head : Finance



Cllr Mathebula S S
Head :Public Roads & Transport



Cllr Makhubele H W
Head :Sports, Recreation,Arts & Culture



Cllr Baloyi T E
Head :Infrastructure Development



Cllr Mthombeni A M
Head : Water, Sanitation & Energy



Cllr Mabunda E N
Head :Planning &Economic Development



Cllr Ndaba NHP
Head :Corporate & Shared Services



Cllr Mboweni A E
Head : Health & Social Development



Cllr Mabulana P S
EXCO Member

2.2 ADMINISTRATIVE GOVERNANCE

	TOP ADMINISTRATIVE STRUCTURE Chauke M.M. MUNICIPAL MANAGER
	Chief Financial Officer: Mr Mhangwana D. Budget and Treasury Directorate
	DIRECTOR: Mr Shiviti M.T. CORPORATE SERVICES DEPARTMENT
	DIRECTOR: Mr Mashamba R.H. Technical Services
	DIRECTOR: Ms Sithole K.V. PLANNING AND ECONOMIC DEVELOPMENT
	DIRECTOR: Community Services

For the period under review of 2020/21 financial year ,the following positions of section 54 and 56 managers were filled: Chief Financial Officer, Director Corporate Services, Director Planning and Economic Development and Director Technical Services . The following employees acted on the mentioned above positions before they were filled:

No	Initials and Surname	Position	Duration
1.	M.M. Chauke	Municipal Manager	02/01/2018 - 31/12/2023
2.	D. Mhamgwana	CFO	01/12/2019 - 20/11/2024
3.	M.T. Shiviti	Director Corporate Services	01/05/2017 - 30/04/2022
4.	R.H. Mashamba	Director Technical Services	01/09/2019 - 31/08/2024
5.	K.V. Sithole	Director Planning and Local Economic Development	02/01/2020 - 31/12/2025
6.	K.R. Baloyi	Acting Director Community Services	01/08/2020 to date
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

COMPONENT B: INTERGOVERNMENTAL RELATIONS

For the period under review the municipality participated in various Co- Operative Governance and Intergovernmental structures at all levels from the local sphere, district sphere, provincial and national sphere. Participation in such forums and IGR structures assisted service delivery in the sense that integration and alignment of various role players is realized to avoid the silo mentality existing in the public sector. Greater Giyani Municipality has benefitted in the IGR structure in the sense of best practice. While remarkable progress has been realized in IGR structures challenges still existed in the 2020/21 year with regard to the provision of reliable and accurate information from other public sector players and this affected the municipality 's planning especially the accuracy of the information in the IDP. Provision of progress in the implementation of sector departments within municipal boundaries is also still a challenge.

2.3 Intergovernmental Relations

NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality participates in national intergovernmental structures such as the following:

- National municipal manager's forum
 - South African Local Government Association sessions including working groups
 - Parliamentary Projects oversight visit (1 visit)
-

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The municipality participates in the following provincial intergovernmental structures:

- Premier-mayors' forum (1x Meeting)
- monitoring and evaluation forum (4 x meetings)
- provincial planning forum (3 x meetings)
- provincial municipal manager's forum

DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality participated in the following District IGR structures during the period under review:

- District and Provincial Speakers Forum (2 x meeting)
- District and Provincial Mayors' Forum (2x meeting)
- District and Provincial Chief whips Forum (2x meeting)
- District and Provincial Municipal Manager's Forum
- District and Provincial CFOs Forum
- District and Provincial Planning Forum (3x meeting)
- District and Provincial Monitoring and Evaluation Forum (x4 meeting)

The existence of the above IGR structures has assisted in the sharing of challenges, best practices and resource mobilization. Alignment of programs and standardization of activities were also achieved from the district IGR structures.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality also used its local IGR structures such as sector forums to ensure sector specific programs are aligned with those of other role players in the sectors. All forums were functional and holding their meetings.

COMPONET C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The Municipality established six clusters for public participation. Council meetings are held in public venues that are accessible to members of the public. Other forms of communication and public participation during the 2020\21 financial years include the usage of ward public meetings for the 31 wards wherein ward councilors provide feedback and progress report to ward members.

Apart from ward public meetings, the mayor is having Quarterly Mayoral Imbizos where issues raised by communities were captured and report compiled. Those that were related to the municipality were attended to and those related to sector departments were referred to relevant sector departments.

The municipal website, social media(whatsapp & facebook) as well as media houses are also useful tools which the municipality employed to communicate with its stakeholders to cover the cyberspace community.

The Municipal Newsletter RITO is published quarterly to communicate municipal programs.

ISSUES RAISED DURING THE MAYORAL IMBIZOS Maswanganyi s

VENUE	DATE	EVENT DESCRIPTION	ISSUES RAISED	PROGRESS
1. Ximawusa	28 July 2020	Mayoral imbizo	Shortage of water Grading of internal streets Support of Arts and culture groups Sports recreation centres	Our technical services division took the matter up with the district. Project is currently underway but not without challenges which we are dealing with. Our technical services attended to the streets on a cluster to cluster basis. GGM Arts and Culture unit attended to the matter To be considered during IDP Public Participation
2. Giyani Section F	02 November 2020	Public Participation	Shortage of water, streets maintenance unemployment, high mast lights not enough.	Our technical services division took the matter up with the district. Technical services performed maintenance duties on regular basis Its national challenge no instant answers to it except to encourage them to apply when they see jobs advert. We acknowledge this fact but we can only provide one at a time due to budgetary constraints
3. Giyani Community Radio Station	24 May 2021	Draft IDP and Budget	Water, Roads, Clinics, schools, culvert bridges, employment, Electricity @ Extensions,	Culvert bridges and Electricity Extensions attended by GGM where budget was provided for. Roads, water, Clinics and school were referred to relevant departments.

WARD COMMITTEE	FORUM

WARD COMMITTEES

The municipality has a fully functional ward committee system. All the 31 wards have functioning ward committees with a total of 308 members (Due to Two (02) outstanding Ward Committee Members from Ward 23 who were never elected to make the total of 310, community members disrupted the Ward Committee election process) participants translating into 10 ward committee members for the 31 wards.

2.5 IDP PARTICIPATION AND ALIGNMENT

The IDP is reviewed annually and in-house. The IDP is reviewed in line with required standard and template and it is aligned to the budget. The IDP Process plan is developed and approved by council as the road map for the review of the IDP/Budget. The IDP Steering committee is responsible for the review of the IDP and Budget. The draft IDP/Budget is tabled before the council for public participation process to unfold to wards and the municipality established six clusters for the purpose of the community accessibility and inputs. The IDP representative's forum where all the stake holders are represented is also conducted to interrogate the IDP document.

The other stakeholders that are consulted are the Traditional Authorities, NGO's, Businesses, Traditional Healers and Pastors' Fraternity. Inputs to the IDP are also submitted physically to the office of the accounting officer.

All the inputs and comments are consolidated and the report is developed based on the inputs. The process of prioritization takes place taking into account the available resources and capacity of the municipality.

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes

Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 54/56 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

COMPONENT D: OVERVIEW OF CORPORATE GOVERNANCE

For the 2020\21 financial year Greater Giyani Municipality took leaf from the King IV report on good governance by including in its operations the functionality of risk function as well as the development and implementation of corruption and anti-fraud strategies. Risk register was developed and its focus was on Strategic Risks, Operational Risks and Human Resources risks.

Through IGR the municipality used the Premier and Presidential hotlines to track areas of non-compliance to its corporate governance matters.

2.6 RISK MANAGEMENT

The Municipality regards risk management as one of the pillars required for the sustainability and corporate management. In compliance with the MFMA which S62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. For financial year 2020/21 the municipality had a dedicated risk unit to deal with risk matters. Risk assessment sessions were conducted with the assistance of the provincial Treasury and COGHSTA to help the municipal management with the identification and profiling of risks within the municipality.

Risk Management committee meetings are held on a quarterly basis

Risk	Action Plan	Progress
Slow implementation of Project	Develop a completion plan on all stalled projects (Appointments of Quantity surveyors, Assessing the cost estimates by quantity surveyors, Allocation of budget from own funding to complete the projects, Appointment of contractors) Completion of Section E sports centre Progress on Homu 14B to 14A upgrading from gravel to tar Giyani waste disposal site development	*Progress on Giyani Section E Sports Centre: The project under litigation. *Progress on Homu 14B to 14A upgrading from gravel to tar: The project has reached practical completion on the 15th of December 2020. *Progress on Giyani waste disposal site development: Road intersection is in progress, cell lining, backfilling and lining of leachate is in progress. Drainage channel is in progress awaiting energising. *Refurbishment of Giyani Stadium & Section A Tennis Court: Withdrawal letter has been

	Completion of Homu sports centre	drafted for submission to council to decide on the matter by end of July.
	Development of Mageva Sport centre	*Refurbishment of Sporting Facilities (Gawula): The previous service provider is yet to fix the defects from the previous work done.
	Refurbishment of giyani stadium and section A tennis court	
	Refurbishment of Gawula sports centre	*Refurbishment of Shivulani Sports Centre: Awaiting appointment of service provider to finish the outstanding work.
	Refurbishment of Shivulani sports centre	*Giyani Section F Paving of streets:The project has reached practical completion.
	Progress on Giyani waste disposal site development.	
	Giyani Section F Paving of streets	
Dilapidated/ageing infrastructure	mplementation of infrastructure (roads ,building and water infrastructure) maintainance plan	Draft roads and stormwater master plan has been developed and the training on roads and stormwater master plan has been conducted

Environmental degradation	Completion of landfill site development (phase 1)	Road intersection is in progress, cell lining, backfilling and lining of leachate is in progress. Drainage channel is in progress awaiting energising.
	Rehabilitation of the existing dumping site.	<u>Rehabilitation of the dumping site will be conducted after completion of landfill site.</u>
	<u>Adoption of the By-Law</u> Directors to develop a strategy on enforcement of by laws	By law enforcers not appointed
Loss of potential investors.	Implementation of council resolution to demolishing/removal of illegal structures	Implementation of demolishing of illegal structure has been deferred by council due to COVID 19
	<u>Directors to develop a strategy on enforcement of by laws</u>	By-law enforcement strategy not developed
Under collection of revenue	Implementation of revenue enhancement strategy.	Revenue enhancement strategy is currently under implementation

	<u>To Gazette credit control by-law.</u> Enforcement of by-laws.	Credit control Bi-law has been approved and gazetted and is being implemented. Bi-laws enforcement strategy not developed
Fraud and Corruption	Conducting fraud awareness workshop to all officials	Fraud awareness has been conducted
Insufficient land ownership	Continous engagement with the Traditional Leaders with the view of releasing land for development. Submission of SDF (Spatial development framework) to council for approval Submission of LUS (Land use scheme) to council for approval <u>Feasibility and research on town expansion.</u>	Engagements with the Traditional Leaders are on going (engagement was conducted with Mahumani Traditional council) Comments on SDF and LUS has been incorporated and documents to be submitted to council for adoption end of July. Draft report on feasibility activity has been done

	(Ngove town expansion, Application for township establishment)	
Inadequate design of IT security management process	Review of disaster recovery plan Implementation of disaster recovery plan	Proposed MOU has been prepared awaiting for Municipal Manager's approval
Lack of Business continuity plan	Development of business continuity plan	BCP draft has been developed, awaiting for inputs from audit committee members

2.7 Anti-Corruption and Anti-Fraud AND ANTI-CORRUPTION STRATEGY

The municipality has a Fraud and corruption policy as well as Risk Management Policy in place. Risk Management Unit has been established and is has two personnel, Risk Manager and Senior Risk Officer.

Fraud and Corruption awareness campaigns are conducted

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

During the 2020\21 financial year the Supply Chain Management policy was tabled to council for revision alongside other budget related policies. The revision took into account the BBBEEE codes and changing supply chain regime

SCM has two policies in place.

They have been reviewed together with other budget related policies.

1. Supply Chain management Policy
2. Inventory management policy

Supply Chain Management Policy

The following list entails the deficiencies or limitations regarding the current policy:

1. Definitions

1. Added definitions for the following words which are used frequently in the SCM Policy namely:

- Accounting Officer
- CFO
- Delegation
- Emergency
- Financial Interest
- Single Provider
- CSD

2. Changed year 2011 to 2017 on the Preferential Procurement Regulations as the latest regulations were promulgated now in year 2017.

3. "Long term contract" means a contract with a duration period exceeding one year changed to exceeding 3 years.
4. ""The Act" means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) has been changed to ""Act" or "MFMA" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
5. Added the following acts/regulations under 'Other applicable regulations namely.
 - (a) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
 - (b) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998
 - (c)

2. Supply Chain Management Policy

1. Paragraph 2(7) (a) states that the Policy states that the municipality is exempt from requesting three formal written quotations when procuring repairs and maintenance of Property, Plant and Equipment. Not all instances of the repairs and maintenance of Property, Plant and Equipment will be an emergency or the municipality cant source three quotations.
2. Added the following on paragraph 2(6) on instances of procurement for goods and services which are exempt from the SCM policy
 - (a) Periodic or quarterly security assessments of political office bearers and key officials (as per paragraph 13(6) of the Municipal Cost Containment Regulations 2019)

3. AMENDMENT AND ADOPTION OF THE SUPPLY CHAIN MANAGEMENT POLICY

1. Changed the following words from
 - (b) Reviewed the policy as and when required but within a cycle of 5 years to 'Review at least annually the implementation of this policy.

4. Sub delegations

1. Paragraph 5(4) (b) (i) refers to paragraph 5(2) (c) (iii) of the policy and the policy does not have such paragraph. It should be amended to the correct paragraph. (Paragraph 5(2) (c)).
2. On paragraph 4.2 and paragraph 5.1 the words Sections 79 and 106 of the Act have been changed to Section 79 of the Act because Sec 106 relates to Municipal Entities of which Greater Giyani Local Municipality does not have hence the Section is not applicable.

5. Range of procurement process

1. Paragraph 12(4) was incomplete and below were the additions.

2The following wording has been changed from

‘The Accounting Officer may, after consulting with the municipal council and Heads of Departments, in writing change the different threshold values’
have been changed to

“The accounting officer may, in writing –

- a) Lower, but not increase, the different threshold values specified in sub-clause (1); or
- b) direct that – i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000 (VAT included);
- ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000 (VAT included); or
- iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000 (VAT included).

2.The following paragraph has been added on panel appointments

-The Municipality reserves the rights to appoint a panel of Service Providers or Contractors for period not more than 36 months and allocation of work must be done on rotational basis taking into account the final ranking and the satisfactory performance of the service provider.

6. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS
1. On Paragraph 13(1), the following items to be furnished by the prospective bidders when submitted quotations or bids: (i) Tax Pin (ii) CSD Registration Number 2. On Paragraph 13(1)b, the following items to be furnished by the prospective bidders when submitted quotations or bids: - whether any Municipal staff member is a close family member of an owner, his/her partner serves on the board of directors, or are members or trustees, of the tendering enterprise. The above changes have also been effected under item 6 of the General Preconditions to be aligned with legislation.
7. CENTRAL SUPPLIER DATABASE
1. On Paragraph 14(1) d, the following words have been added 'which are currently not validated by the CSD'.
8. PETTY CASH
1. The following sentence has been added on paragraph 15 Petty cash purchases with threshold value from an amount of R1.00 up to an amount of R2 000 (VAT included) to be authorised by the Chief Financial Officer or his delegate.
9. VERBAL QUOTATIONS PROHIBITED
1. The following has been documented under paragraph 16: The conditions for the procurement of goods or services through written quotations for amounts under the threshold for formal quotations as stated in clause 12(1)(c) & (d) are as follows: a) quotations for transactions up to a value of R 2 000 (VAT Included) must be obtained from at least two different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the

Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in clause 14(1) (b), c) and (d) of this Policy;

b) providers must be requested to submit such quotations in writing;

c) if it is not possible to obtain at least two quotations, the reasons must be recorded and reported quarterly to the Supply Chain Manager

d) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider;

e) any other conditions determined by the Accounting Officer.

2) No orders may be placed based on verbal price quotations.

3) No quotation, written or verbal, may be made available by an official to a prospective bidder.

10.THE PROCEDURE FOR THE PROCUREMENT OF GOODS OR SERVICES THROUGH INFORMAL AND FORMAL WRITTEN QUOTATIONS,

1. Paragraph 18 (i) added and deals with the composition of the quotation committee as follows

“procurement requirements exceeding a value of R 30 000 (VAT Inclusive) must be submitted to the Quotations Evaluation Committee which comprises of Supply Chain Manager or his delegate, End User Representative and Secretary. The Quotations Evaluation Committee must make recommendation to the Chief Financial Officer or delegated official for approval”.

11.PROCESS FOR COMPETITIVE BIDDING

1. Paragraph 20 (i) added and deals with the need for Cost Containment Measures before any procurement is done as follows

a. “ Cost containment determination (Needs analysis reports which necessitated the tender to be advertised).

b. The CFO to formally confirm in writing the availability of budget for adverts above R10m

12. Bid documentation for competitive bids

1. Paragraph 21(5) does not state that the winning bidder’s account for municipal rates and taxes and municipal service charges must not be in arrears for more than 3 months at the time of awarding.

2. Column headings for the 80/20 points system have been corrected from (<R30->R50m) to (R30K-<R50m)

3. Column headings for the 90/10 points system have been corrected from (<R50m) to (>R50m)

4. The following paragraphs have been added to paragraph 21

10. Pre-qualification criteria for preferential procurement

If the municipality decides to apply pre-qualifying criteria to advance certain designated groups, the municipality must a. advertise the tender with a specific tendering condition that only one or more of the following tenderers may respond
b. specify tenderer having a stipulated minimum B-BBEE status level of contributor;

11. Subcontracting as condition of tender

If feasible to subcontract for a contract above R30 million, the municipality must apply subcontracting to advance designated groups. (2) If the municipality applies subcontracting as contemplated in sub-regulation the municipality must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract to(a) an EME or QSE;

1.

13. PUBLIC INVITATION FOR COMPETITIVE BIDS

1. Added the following on paragraph 22(1) on public invitation of bids

- Whether the briefing session/site inspection session is compulsory or not
- Municipality reserves the right to accept or reject any bid or part thereof and is not obliged to accept the lowest bid.
- No bid will be accepted from the person in the service of the state.
- Municipality reserves the right to accept a bid in part.
- The tender validity period
- Council reserve the right to appoint more than one bidders;

2. On paragraph 22.1.1, the words newspapers commonly circulating locally have been removed as it is not applicable anymore. The municipality advertises on the website and on e-portal as well as the CIDB.

3. Advertising on the CIDB website has been included as well.

14. NEGOTIATIONS WITH PREFERRED BIDDERS AND COMMUNICATION WITH PROSPECTIVE PROVIDERS AND BIDDERS

1. Paragraph 24(1) (e) (ii) Should be rephrased as it is still referring to the tenderer who scored the highest points. It should refer to a bidder that scored second highest points.
2. Paragraph 24(4) (C) refers to paragraph 25(3) (b) of the policy and the policy does not have that paragraph. It should be amended to the correct paragraph. (Paragraph 24(4)(b))
4. Paragraph 24(4) (d) refers to paragraph 25(3) (C) of the policy and the policy does not have that paragraph. It should be amended to the correct paragraph. (Paragraph 24(4) (C).
5. The last paragraph 24 (e) iv which reads that " If a market related price is not agreed as envisaged in paragraph (e) (iii), the accounting officer must re-advertise the tender", the words re-advertise must be replaced by the words 'CANCEL'.
6. The following has been added on paragraph 24 (1) "does not lead to a lower price in respect of sale of land / goods".

15.COMMITTEE SYSTEM FOR COMPETITIVE BIDS

1. Paragraph 26(4)(A) should be amended to paragraph 27,28 and 29 of the SCM policy, and

16. BID SPECIFICATION COMMITTEE

1. The composition of the bid specification committee added to include
 - Composition of Bid Specification Committee ;
 - A Bid Specification Committee must be composed of the following
 - a) Chairperson
 - b) At least 2 members one of which is a Manager or delegated official from the user department requesting goods or services.
 - c) One official from SCM Unit providing also secretarial duties

17. Bid Evaluation Committee

1. The policy did not indicate the minimum number of members that the committee must have.

The policy was added as follows: The evaluation committee shall comprise not less than three people. The chairperson shall be an employee of Greater Giyani Municipality with requisite skills. Other members shall include a supply chain management practitioner and where relevant, include an official from the department requiring the goods and services.

2. Paragraph 28(a) (ii) makes reference to paragraph 28(2) (F) which is not in the policy. The correct paragraph should be quoted (Paragraph 21(9)(h))
3. A paragraph should be added on the policy to provide more details on administrative requirements which will lead to disqualification such as, initialling of all pages by an authorised signatory, signing of all places where the signature is required, proof of purchase of bid document.

18. Locality

1. The following wording has been removed from paragraph 34 as it refers to locality which is now outlawed:
 - (a) Firstly, suppliers and businesses within the municipality/municipal district;
 - (b) Secondly, suppliers and businesses within the relevant province; and
 - (c) Thirdly, suppliers and businesses within the Republic of South Africa.
- (2) These principles are to be embodied in the points allocated in terms of the Preferential Procurement Policy of the municipality.

19. APPOINTMENT OF PANEL OF CONSULTANTS

1. The following has been added on paragraph 35 (9) on remuneration of consultants

The Accounting Officer must follow a fair and reasonable remuneration framework for consultants taking into account the rates:

- (a) Determined in the Guideline on fees for audits undertaken on behalf of the Auditor General of South Africa, issued by the South African Institute of Chartered Accountants
- (b) Set out in the 'Guide for Hourly fees for Consultants, issued by the Department of Public Service and Administration
- (c) Where the consultant belongs to a professional body, the rate of remuneration as stipulated by that body; and
- (d) In any other case, the rate stipulated as per competitive process.

2. The following has been added on the minimum clauses of service level agreements with consultants

The service level agreement between the municipality and the consultant must include as a minimum the following clauses namely

- a) How the consultant will transfer skills to the officials of the municipality
- b) objective for transfer of skills, including the nature, scope and goals of the training programme.
- c) The list of employees to be trained
- d) Contents of the skills to be transferred
- e) Fee retention or penalty clause for poor performance

20. Procurement of goods and services under contracts secured by other organs of state

1. Consideration is given to regulation 32 once there has been update from National Treasury from time to time in line with Circulars.

21. Deviation from, and ratification of minor breaches of, procurement processes

1. Paragraph 36(2) refers to paragraph 37(1) (a) and (b) of the policy and the policy does not have such paragraph. The correct paragraph was corrected to be quoted as follows.. (Paragraph 36(1)(a) and (b))
2. Paragraph 36(3) refers to paragraph 37(2) of the policy and it does not relate to the matter on paragraph 36(3). The correct paragraph should be quoted. (Paragraph 36(2).
3. On paragraph 36 (a)i, details of emergency examples have been added as follows

Circumstances that warrant emergency dispensation, includes but are not limited to

- a) the possibility of human injury or death;
- b) the prevalence of human suffering or deprivation of rights;
- c) the possibility of damage to property, or suffering and death of livestock and animals;
- d) the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;
- e) the possibility of serious damage occurring to the natural environment;
- f) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;
- g) the possibility that the security of the state could be compromised.

b) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.

22.UNSOLICITED BIDS

1. Paragraph 37(3)refers to paragraph 38(2) for unsolicited bid which was incorrect, The correct paragraph should be 37(2)
2. Paragraph 37(4)refers to paragraph 38(3) for unsolicited bid which is incorrect, The correct paragraph should be 37(3)
3. The following has been added on paragraph 37

(1) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer depending on its delegations

- (2) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- (3) When considering the matter, the adjudication committee must take into account –
 - a) any comments submitted by the public; and
 - b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- (4) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (5) Closed bids shall only be accepted after the municipality failed to attract potential service providers through normal competitive bidding processes

23.PAYMENT OF SUB-CONTRACTORS OR JOINT VENTURE PARTNERS

- 1. The following has been added on paragraph 55
- 2. Payment of sub-contractors or joint venture partners

The Chief Financial Officer or an official designated by the Chief Financial Officer may consent to the direct payment of sub-contractors or joint venture partners by way of -

- (a) an approved cession; or
- (b) an agreement for direct payment.

- 3. Cessionary payment

The municipality shall accept cessionary payment under the following conditions:

- a) Signed agreement between the parties involved.
- b) Provided that the cedee submit original and valid tax clearance certificate and pin.
- c) The cedee is not blacklisted in the National Treasury database
- d) The cedee is listed on the Central Supplier Database
- e) The cedee signs the MDB 4' Independence Declaration'

Cessionary payments shall be approved by delegated officials in terms of approved delegations.
3. Cession can only entered into if it is for purchase of the material or stock by the appointed service provider or financing cession to the appointment service provider.
4. No official other than the Accounting Officer shall enter into cession on behalf of the municipality
24. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM
1. Paragraph 38(2) refers to paragraph 39(1) (b) (ii), (e), or F of the policy and the policy does not have that paragraph. The correct paragraph should be quoted. (Paragraph 38(1)(b)(ii),(e)or F
25.DISPOSAL MANAGEMENT
1. Paragraph 40(5) (b) (ii) refers to paragraph (41) (4) (b) (ii) for property development which is in incorrect section. The correct paragraph to be quoted is paragraph 40(5) (b) (i).
26..Risk Management
1. The municipality should have a fraud helpline or suggestion box to report fraud. This has been added as point no 41.3.9
27.PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER
1. The policy should also include that the tax status of a bidder should be verified at the time of appointment.
28. ETHICAL STANDARDS
1. Paragraph 46(2) (d) refers to paragraph 47(2) (C) regarding rewards, gift, favour, hospitality or other benefits which is an incorrect paragraph. The correct paragraph should be quoted. (Paragraph 46(2) (c).
2. Paragraph 46(3) refers to paragraph 47(2) (d) and (e) of the policy. The paragraph quoted is incorrect. The correct paragraph to be quoted is paragraph 46(2)(d) and (e)
28.INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS
1. Paragraph 47(2) and (3) refers to paragraph 48(1) which is an incorrect paragraph. The correct paragraph should be quoted. (Paragraph 47(1)).

No new By –Laws were introduced during 2020/21 Financial Year however animal control by-laws is under development

2.10 WEBSITES (ICT)

Municipal website: content and currency of material	Publishing date
Approved budget	07-07-2020
Approved IDP 2020\2021	07-07-2020
Budget related policies	07-07-2020
Council resolution and quality certificate	09-07-2020
1 st Special adjustment budget	09-07-2020
2 nd special adjustment budget	09-07-2020
Budget related policies for 2019/2020	09-07-2020
Tender advert	16-07-2020
Budget related policies for 2019/2020	17-07-2020
2 nd special adjustment budget	17-07-2020
1 st Special adjustment budget	17-07-2020
Council resolution and quality certificate	17-07-2020
Vacancies BASA2020-1243	26-08-2020
Bid Documents	10-09-2020
Tender Validity period extension letter	30-09-2020
Performance Agreements of Directors	01-10-2020
Extension of Tender Validity Period	06-11-2020
List of tenders awarded	14-12-2020
Tender Advert	28-12-2020
Tender Documents	30-12-2020
Request for quotation	26-01-2021
Request for ICT support	23-02-2021
Advert	22-07-2020
Request for Quotation	04-08-2020
C Schedule Report ver1 July 2019 Final	04-08-2020

C Schedule Report ver1 July 2019 Final	04-08-2020
Request for quotation	04-08-2020
Website update	04-08-2020
Tender advert	08-10-2020
Tender advert	08-10-2020
Tender documents	12-10-2020
Tender documents	12-10-2020
Special adjustment budget 2019/2020	10-11-2020
Correction on the website	11-11-2020
Audit report 19/20 financial year	11-04-2021
Budget related Policies	12-04-2021
Adjusted SDBIP	12-04-2021
07 Days tender advert	13-04-2021
Tender Advert	15-04-2021
Annual Performance Report	05-05-2021
2019-2020 Action Audit Plan Final	06-05-2021
Application form for employment	12-05-2021
Tender pools re advert	17-05-2021
Tender Documents	24-05-2021
Replacement of Tender Document	25-05-2021
Special adjusted budget	02-06-2021
SDBIP 2021/2022	28-06-2021

MUNICIPAL WEBSITE CONTENT AND ACCESS

Most of prescribed key website content material were placed on the municipal website and the publishing dates are indicated on the table above such as IDP , Budget , Annual Report , Performance Agreements, Budget related policies, Adverts for tenders and Adverts for Vacancies as indicated

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

Public Participation surveys were conducted during the period under review. Forms were distributed at various municipal strategic points such as Giyani Library, testing grounds and Civic centre. We received relatively balanced responses from the public. The municipality further relied on public participation as well as the usage of the Premier and Presidential Hotlines to gauge the level of satisfaction and \ dissatisfaction with municipal services.

Key general areas of satisfaction/ dissatisfaction include:

- State of roads conditions (Tarred Roads)
- water
- health and education services (Clinics, Hospitals and Schools)
- unemployment
- RDP houses
- Revenue services
- Long ques at the testing ground

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

COMPONENT A: BASIC SERVICES DELIVERY

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

3.1 WATER PROVISION

3.1.1 INTRODUCTION TO WATER PROVISION

The Water Services Act 108 of 1997 provides that all residents have a right to access of Water. Mopani District Municipality has been issued with a Licence to become the Water Services Authority for all its Local municipalities, in terms of the National Water Act 36 of 1998. It has appointed such Local Municipalities to become its Water Services Provider whereby a Budget for Operations and Maintenance is allocated to ensure that the Water Infrastructure is well functional. MDM is responsible for distributing water to the main pipeline. New Water Infrastructure projects remain the responsibility of the District Municipality. The report below provides information in terms of Households with water services and those that still remain with the backlog the municipality.

Employees: Water Services									
Job Level	2019/20				2020/21				
	Posts No.	Employees No.	Vacancies fulltime equivalence) No.	Vacancies (as a % of total posts) %	Post No.	Employees No	Vacancies Fulltime Equivalence No.	Vacancies (as at % of total posts %)	
0-3	0	0	0	0%	0	0	0	0%	
4-6	2	2		0%	2	2	0	0%	
7-9	0	0	0	0%	0	0	0	0%	
10-12	0	0	0	0%					
13 - 15									
19-20						N/A	N/A	N/A	
Total	2	2	0	0%	2	2	0	0%	

3.2 WASTE WATER

Sanitation Service Delivery Levels Households			
Description	2017/18	2018/19	2020/21
	Outcome No.	Actual No.	Outcome No.
Sanitation/sewerage; (above minimum level)	6430	6430	6430
Flush toilet (connected to sewerage)			
Flush toilet (with septic tank)	6430	6430	6430
Chemical toilet			
Pit toilet (ventilated)			
Other toilet provisions (above min. service level)			
Minimum service level and above sub-total			
Minimum service level and above percentage			
Sanitation/sewerage; (below minimum level)			
Bucket toilet			
Other toilet provisions (below min service level)			
No toilet provisions			
Below Minimum service level sub-total			
Below Minimum service level percentage			
Total Households			

Households; Sanitation service delivery levels below the minimum Households

Description	2018/19	2019/20			2020/21		
	Original Budget No.	Adjustment Budget No.	Actual No.	Original Budget No.	Adjustment Budget No.	Actual No.	
Formal Settlements	55922	55922	55922	55922			
Total Households							
Households below minimum service level							
Proportion of households below minimum Service level							
Informal Settlements							
Total Households							
Households below minimum service level							
Proportion of households below Minimum service level							

Employees: Electricity Services									
Job Level	2019/20				2020/21				
	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	
0-3	1	0	1	100%	1	0	1	100%	
4-6	1	1	0	0%	1	1	0	0%	
7-9	4	2	1	75%	2	2	0	0%	
10-12	0	0	0	0%	0	0	0	0%	
13-15	4	4	0	0%	4	4	0	0%	
16-18	0	0	0	0%					
19-20	0	0	0	0%	0	0	0	0%	
Total	10	7	3	30%	8	7	1	12.5%	

Financial performance 2018/19,2019/20and 2020/21 Electricity Services								
R`000								
Details	2018/19		2019/20			2020/21		
	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Total operational revenue (excluding tariffs)								
Expenditure	9630	9 309	10532	24060	27088	33,419,657.83	27,168,764	42,590,545
Employees	1599	1811	2951	2927	2962	895,676.97	3,461,094	2,117,269
Repairs and Maintenance	2000	1987	1225	2000	1400	697,583.49	1,500,000	1,500,000
Other								
Total operational Expenditure						35,012,918.29	32,129,858	46,207,814
Net Operational (service) expenditure								

WASTE MANAGEMENT (THIS SECTION INCLUDES: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Greater Giyani Municipality Collect refuses from residential units in all townships, Businesses, Schools, Churches and industrial. Litter picking is conducted in all main roads, internal streets and CBD. The municipality currently has one waste disposal site in use.

Solid waste service delivery levels			
			households
Description	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
Solid waste removal: (minimum level)	7609	7609	households in townships in rural areas
Removed at least once a week			Total: 6548
Minimum service level and above sub-total			
Minimum service level and above percentage	48 weeks per annum(once per week)	48 weeks per annum(once per week)	48 weeks per annum(once per week)
Solid waste removal: (below minimum level)			
Refuse collected once per week using	Refuse collected once per week using	Refuse collected once per week	Refuse collected once per week
Removed less frequently than once a week	All General Waste Disposed at a municipal disposal site Refuse is collected on a daily basis in the CBD	All General Waste Disposed at a municipal disposal site Refuse is collected on a daily basis in the CBD	All General Waste Disposed at a municipal disposal site Refuse is collected on a daily basis in the CBD
Using communal refuse dump			10955 Household in rural area
Using own refuse dump			Backyard refuse collection in rural area
Other rubbish disposal			
No rubbish disposal	Backyard refuse collection in rural area	Backyard refuse collection in rural area 1	
Below minimum service level sub-total			
Below minimum service level percentage			
Total number of households			

Employees; solid waste management services

Job Level	2019/20					2020/21			
	Posts No.	Employees No.	Vacancies equivalent) No.	(fulltime	Vacancies (as a % of total posts) %	Posts No.	Employees No.	Vacancies (fulltime equivalent) No.	Vacancies (as a % of total posts) %
0-3	1	1	0		0%	1	1	0	0%
4-6	3	2	1		33.3%	3	2	1	33,33%
7-9	0	0	0		0%	0	0	0	0%
10-12	12	7	5		42%	12	7	5	42%
13-15	30	28	2		66.6%	30	28	2	66,66%
16-18	0	0	0		0%	0	0	0	0%
19-20	0	0	0		0%	0	0	0	0%
Total	46	38	8		17.39%	46	38	8	17,39%

Financial performance 2018/19, 2019/20,2020/21 Refuse solid waste management services (COMMUNITY SERVICES)									
Details	2018/19		2019/20			2020/21			
	Actual	Original Budget	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	Original Budget	Adjustment Budget
Total operational revenue	3962	3905	4435	4310	4437				
Expenditure;	3251	4180	359	620	580	16,935,114.14		14,654,229	13,693,691.94
Employees	3807	4574	7096	8122	7595	44,668,716.97		43,722,755.43	41,330,047.96
Repairs and maintenance	109	250	300	300	250	148,211.04		500,00	500,000
Other									
Total operational expenditure	7167	9004	7755	9042	8425	61,752,042.15		58,876,984.43	55,523,739.90

ROLL OUT AND BACKLOGS

WARD	AVAILABLE	BACKLOG
1	Unstructured services	Blinkwater, Ximausa, Noblehoek
2	0	Phikela, Rivala, Maxavela, Mavhuza
3	0	Babangu, Ndengeza RDP, Ntshunxi
4	0	Basani, N'wamankena, Maswanganyi
5	0	Sifasonke, Zamani, Tomu
6	0	Gon'on'o, Hlaneki, Khani
7	0	Siyandhani, Bode
8	0	Silawa, Shimange, Dingamazi, Skhiming, Botshabelo
9	0	Homu 14A, Homu 14B
10	0	Glja-Ngove, Nkomo C, Nkomo B
11	Giyani E, D1	0
12	Giyani A	Homu 14 C
13	Giyani D2 and Giyani F	B9
14	Unstructured services	Makosha, Shikukwani
15	Unstructured services	Nwadzekudzeku and Shivulani
16	Unstructured services	Mninginisi B2, B3, Mhlava Willem
17	Unstructured services	Thomo
18	Unstructured services	Gawula, Khakhala, Muyexe
19	Mahlathi unstructured services	Hlomela, Ndindani, Mahlathi, Shingwedzi Camp
20	0	Bonwani, Mavalani, Mbatlo
21	Krematart, Ngove unstructured service	Ngove, Kremetart, Dzingi-Dzingi
22	0	Shawela, Shikhumba
23	0	Mbhedle, Guwela, Kheyi, Mushiyani, Nsavulani
24	0	Mnghonghoma, Loloka, Mageva
25	0	Daniel Rabalelo, Mageva township, Dzumeri
26	0	Maphata, Sikhunyani, Nkomo A, Bambeni
27	0	Mayephu, Mzilela, Matsotsosela, Xitlakati, Khaxani
28	0	Mphagani, Zava
29	0	Makhuva, Mbaula, Phalaubeni

30	0	Mapuve, Jim Nghalalume
31	0	Mapayeni, N'wakhuwani, Vuhehli, Mnyangani
TOTAL		

3.4.1 CHALLENGES

There is a huge backlog of the refuse removal service as the service is yet to be extended to rural communities. Lack of proper waste management infrastructure is also a challenge as waste disposal is not meeting the minimum requirements for safe disposal of waste. The municipality also does not have sufficient funds to can initiate recycling initiate. There is also ageing staff and shortage of employees as a result the municipality relies on contract workers to render the waste management service.

3.4.2 INTERVENTIONS

Site acquired for the development of new landfill site. Buyback Centre constructed to support recycling initiatives. Budget set aside under the EPWP Programme to appoint personnel on a contract basis to work on waste the report include only sport centers build by the municipality.

THE TABLE BELOW REFLECTS AVAILABILITY AND BACKLOG OF STANDARD SPORTS FACILITIES WITHIN WARDS

WARD	AVAILABLE	BACKLOG
1	0	Blinkwater, Ximawusa, Noblehoek
2	Mavhuza	Rivala, Phikela, Mashavela
3	0	Babangu, Nden'eza, RDP, Ntshuxi
4	0	Basani, Nwamankena, Maswanganyi
5	0	Sifasonke, Zamani, Tomu
6	Khani	Gon'on'o, Hlaneki
7	0	Siyandhani, Bode
8	0	Dingamazi, Shimange, Silawa, Sekhimini, Botshabelo
9	Homu 14B	Homu 14 A
10	0	Nkomo B, Nkomo C, Gija-Ngove

11	Section E	Giyani D1
12	Giyani A	Homu 14C
13	0	Giyani D2,Giyani F, B9
14	0	Makosha, Shikukwani
15	Shivulani	Nwadzekudzeku
16	0	Mninginisi B3,Mninginisi B2,Mhlava Willem
17	0	Thomo
18	Gawula, Muyexe	Khakhala
19	0	Hlomela, Ndindani, Mahlathi,Shingwedzi Camp
20	0	Bonwani, Mavalani, Mbatlo
21	0	Ngove, Kremetart,Dzingi-Dzingi
22	Shawela	Shawela RDP, Shikhumba
23	0	Mbhedle, Guwela, Kheyi, Mushiyani, Nsavulani
24	Mageva	Mnghonghoma, Loloka
25	0	Daniel Rabalelo,Mageva Township, Dzumeri
26	0	Maphata, Sikhunyani,Bambeni, Nkomo A
27	Mzilela	Mayephu, Matsotsosela, Khaxani, Xitlakati
28	0	Mphagani, Zava
29	0	Makhuva, Mbaula, Phalaubeni
30	0	Mapuve, Nghalalume
31	0	Mapayeni, N'wakhuwani, Vuhehli, Mnyangani
TOTAL		

The report reflects only halls build by the municipality. Excluded are privately owned halls and those built by other sector departments.

THE TABLE BELOW REFLECTS THE AVAILABILITY AND BACKLOG OF COMMUNITY HALLS WITHIN WARDS

WARD COMMUNITY HALLS

WARD	AVAILABLE	BACKLOG
1	0	Blinkwater, Ximawusa, Noblehoek
2	0	Rivala, Phikela, Mashavela, Mavhuza
3	0	Babangu, Nden'eza, RDP, Ntshuxi
4	0	Basani, Nwamankena, Maswanganyi
5	0	Sifasonke,Zamani,Tomu
6	0	Gon'on'o, Hlaneki, Khani
7	0	Siyandhani, Bode
8	0	Dingamazi, Shimange, Silawa,Sekhimini, Botshabelo
9	0	Homu 14 A, Homu 14B
10	0	Gija-Ngove,Nkomo B, Nkomo C
11	Giyani Community Hall	Giyani E, Giyani D1
12	0	Giyani A, Homu 14C
13	0	Giyani D2,Giyani F
14	0	Makosha, Shikukwani
15	0	Shivulani, Nwadzekudzeku
16	0	Mninginisi B2,Mninginisi B3, Mhlava Willem
17	Thomo Community Hall	N/A
18	0	Gawula, Muyexe, Khakhala
19	0	Hlomela, Ndindani, Mahlathi, Shingwedzi Camp
20	0	Bonwani, Mavalani, Mbatlo
21	0	Ngove, Kremetart,Dzingi-Dzingi
22	0	Shawela, Shikhumba
23	0	Mbhedle, Guwela, Kheyi, Mushiyani, Nsavulani
24	0	Mnghonghoma, Loloka, Mageva
25	0	Daniel Rabalelo, Dzumeri, Mageva Township
26	0	Maphata, Sikhunyani, Nkomo A, Bambeni

27	0	Mzilela, Mayephu, Matsotsosela, Khaxani, Xitlakati
28	0	Mphagani, Zava
29	0	Makhuva, Mbaula, Phalaubeni
30	0	Mapuve, Jim Nghalalume
31	0	Mapayeni, N'wakhuwani, Vuhehli, Mnyangani
Total		

3.5 Housing

The powers and functions for the provision and construction of housing lies with the provincial government under the Department of Co-operative Governance, Human Settlements and Traditional Affairs. The role of the municipality is to identify housing demands needs through the development of the Housing Chapter and identification of beneficiaries. For the 2020/21 financial year a total of 339 houses were allocated to Greater Giyani Municipality and the Construction is ongoing. The implementing agent was the Department of Co-operative Governance, Human Settlements and Traditional Affairs.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

- 18039 households received free basic electricity

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic services to low income households									
	Number of households								
	Total	Households earnings less than R2000 per month							
		Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse	
		Total	Access	%	Access	%	Access	%	Access
2018/19		123					15500	86.88%	
2019/20		371					16000		
2020/21		171			171		1809		

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The municipality is faced with numerous applications of indigents, however municipality is doing everything in its powers to support local communities with the need of free basic services.

COMPONENT B: ROADS AND TRANSPORT

3.7 INTRODUCTION TO ROADS

Gravel road infrastructure Kilometers				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2018/19	608	None	14.2 KM	2332
2019/20	608	None	7.04 KM	2332
2020/21	608	None	16.95 KM	2640

Asphalted Road Infrastructure					
	Total Asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2020/21	10.47KM	2.5KM	79.97KM	0KM	0KM

	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	2	1	1	0%	1	1	0	0%
4-6	0	0	0	0%	0	0	0	0%
7-9	0	0	0	0%	1	1	0	0%
10-12	20	15	5	60%	20	13	7	35%
13-15	19	18	1	26%	33	4	29	87,87%
16-18	0	0	0	0%	0	0	0	0%
19-20	0	0	0	0%	0	0	0	0%
Total	41	34	7	17%	55	19	36	65,45%

Financial performance 2018/19,2019/20 and 2020/21: road services
R`000

Details	2018/19		2019/20			2020/21		
	Actual	Original budget	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment budget
Total operational revenue (excluding tariffs)								
Expenditure:	260		260	350	230	3,701,481.69	7,894,434	10,338,632
Employees	83		83	7244	5835	12,393,408.22	10,234,458	7,945,765
Repairs & Maintenance	4918		4918	11000	7100	604,002.72	1,500,000	3,000,000
Other								
Total operational expenditure	12658		5261	18594	13165	16,698,892.63	19,628,892	21,284,397
Net operational (service) expenditure	12658		5261	18594	13165	16,698,892.63	19,628,892	21,284,397

Financial performance 2018/19,2019/20 and 2020/21: road services R`000								
Details	2018/19		2019/20			2020/21		
	Actual	Original budget	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment budget
Total operational revenue (excluding tariffs)								
Expenditure:	260		260	350	230	3,701,481.69	7,894,434	10,338,632
Employees	83		83	7244	5835	12,393,408.22	10,234,458	7,945,765
Repairs & Maintenance	4918		4918	11000	7100	604,002.72	1,500,000	3,000,000
Other								
Total operational expenditure	12658		5261	18594	13165	16,698,892.63	19,628,892	21,284,397
Net operational (service) expenditure	12658		5261	18594	13165	16,698,892.63	19,628,892	21,284,397

Capital expenditure 2019/20 and 2020/21 Road Services R`000										
Capital Projects	2019/20					2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Giyani waste disposal site						29,258693	33,509.714	31,471,479.43		
Waste Management	Operational	Operational								
Civic Centre Building ,Phase						12,500,000	6,000,000	0,00		
Upgrading of roads from gravel to tar	2,940,2821	2,9402,821								
Electrification of Vuhehli, Ndindani, Gawula,	2,9402821	29402821				0,00	0	0,00		

Waste Disposal site to be constructed	12,500.00	12, 500.000			
Electrification of Shimange Village 17			1,800,000	2,700,000	0,00
Civic Centre Building ,Phase 3	20,000,000	15000,000,			
Electrification of Nkuri Zamani Village (200)			2,250,000	3,211,259	3,211,259.15
	Operational	Operational			
Electrification of Jim Ngalalume 335			2,250,000	5,300,000	5,311,447.08
MIG Spending	79 115 000	79 115 000			
Electrification of Mapuve Village 400			2,250,000	6,350,000	6,212,575.70
Electrification of Mbaula, Mushiyani,,Xitlakati & Khaxani villages(1060) units)	8,000,000	8,000,000			
Electrification of Noblehoek Village 230			1,800,000	3,650,000	0,00
Electrification of Shikhumba,Nkomo B, Nkomo C, Village	6,000,000	6,000,000			
To connect 140 units/stands at Mashavela Village			2,250,000	1,800,000	0,00
Electrification of Mhlava-Willem and Mbatlo Village(300units)	4,000,000	4,000,000			
Upgrading Of Giyani Trafic Lights & R81 Lighting			3,800,000	3,800,000	3,697,168.02
Installation of High Mast Lights in 3 Villages (CBD)			500,000	500,000	40,456
High Mast Light Energizing	0	0			

To enrgise 25 High Mast lights by 30 June 2021			500,000	1,053,000	0,00
Dumping Site Development	12,500,000	12,500,000			
Giyani Se ction E Upgrading From Gravel to tar Phase 2			1,650,834	1,650,834	80,309.33
Giyani Se ction E Upgrading From Gravel to tar Phase 2	7,043,627	7,043,627			
Homu 14B to 14A upgrading from gravel to tar			5,731,059	6,700,000	2,919,311.30
Homu 14B to 14A upgrading from gravel to tar	8,948,477	8,948,477			
Upgrading of Giyani Section F Streets Phase 4			1,9340,390	1,6000,000	11,511,331.91
Nkomo A upgrading form gravel to tar	2,500,000	2,500,000			
Alternative road to Giyani from R81			1,500,000	1,500,000	620,391.33
Upgrading of Giyani Section F Streets	13,410,717	13,410,717			
Xikukwane gravel to tar(RAL) (D3804 & D3805)			1,000,000	424,000	367,922.65
Alternative road to Giyani from R81	2,000,000	2,000,000			
Nkomo B to A (D3837)upgrading form gravel to tar			16,400,000	17,000,000	17,327,255.20
Xikukwane gravel to tar(RAL) (D3804 & D3805)	3,000,000	3,000,000			
Upgrading of packing lot			2,000,000	2,000,000	0,00
Construction of Sports Center at Mageva	15,75,0780	15,750,780			
Blinkwater upgrading of internal streets			500,000	1,200,000	3,708,974.17
Thomo upgrading of internal streets			1,500,000	2,500,000	5,263,522.36

EPWP Social	4,364 000	4,364 000			
Nkuri Zamani upgrading of internal streets			500,000	1,200,000	3,923,785.03
EPWP Enviromental and Culture	2,500,000	2,500,000			
Shimange upgrading from gravel to paving			1,000,000	4,500,000	4,500,529.52
Environmental Awareness Campaign	Operational	Operational			
Civic Centre Building ,Phase 3			2,500,000	432,000	0,00
Environmental Awareness Campaign	Operational	Operational			
Homu 14B Sports centre			2,000.000	2,000.000	0,00
Indigent Burial Support and Pauper Burial Policy	Operational	Operational			
Mageva Sport Centre			250,000	250,000	0,00
Scholar Patrol	Operational	Operational			
Refurbishment of sport centre			2,00,000	2,500,000	
Speed Checks	Operational	Operational			
Warrant of arrests	Operational	Operational			
Traffic summonses issued	Operational	Operational			
Pound Station Operationalisation	Operational	Operational			
Drivers Licence Card Agency	Operational	Operational			

Road Traffic Management Corporation fees	Operational	Operational
Vehicle Testing Station Calibration	Operational	Operational
SABS levy	Operational	Operational
80% Agency fees	Operational	Operational
Road blocks	Operational	Operational

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

The municipality has a fully established licensing unit with the vehicle testing station, driver's license testing center and registering authority. However these functions belong the Department of Transport , therefore the municipality operates under a Service Level Agreement. The municipality also has a law enforcement and traffic services unit responsible for public transport management and community safety. The key activities under this function are vehicle roadworthy compliance, vehicle speed control, scholar patrols, traffic escorts and pound services amongst others.

Majority of the Greater Giyani Municipality residents rely on public transport, this evidenced by the number of buses and taxis on our roads. The municipality usually experiences road congestion during peak hours and in festive seasons. This is due to the lack of bus rank facilities, heavily congested Giyani taxi rank and public road infrastructure such as offloading and loading zones. To resolve this, the municipality needs secure land from Public Works or traditional leaders to develop taxi rank holding facility and bus rank facility. The matter has been submitted to Planning and LED department to facilitate the process of land negotiation.

**PUBLIC TRANSPORT
STATUS OF TAXI RANK FACILITIES**

LOCATION	STATUS	DESTINATIONS
Old Spar	Operational	Bushbuckridge, Polokwane, Tzaneen and Phalaborwa,Witbank
Shoprite	Operational	Malamulele
New Boxer Supermarket	Operational	Mooketsi, Vuhehli, Gawula
OBC(Main Taxi Rank)	Operational	Phalaborwa,Acornhoek,Tzaneen,Polokwane,Pretoria,Rusturnburg,Johannesburg

PUBLIC TRANSPORT CHALLENGES

The major challenge experienced by the municipality is the lack of space for loading of passengers. The municipality currently does not have integrated transport plan which would then be used for management of Public Transport within area of municipal's jurisdiction.

3.9 WASTE WATER (STOMWATER DRAINAGE)

ACTIONS THAT HAVE BEEN TAKEN

- 133 storm water inlet replaced
- 459 stormwater infrastructure inlet cleaned
- 3.7 km of pavement milling constructed
- 7477 m² pavement milling constructed at taxi rank
- 6778 m² of potholes patched

PLANS IN PLACE TO DEVELOP THE TOWN

The Municipality will prioritize the development of Stormwater Master Plan

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

Financial performance 2018/19,2019/20 and 2020/21: Planning services							
R'000							
Details	2018/19		2019/20		2020/21		
	Actual	Variance	Actual	Original Budget	Actual	Original budget	ADJUSTMENT BUDGET
Total Operational Revenue	511	75		656			
Expenditure:	1045	-765		240	-	14,041,036	6,175,151
					3,540,014.04		
Employees	6068	49		7273	6,845,473.54	8,814,977	3,780,725
Repairs & Maintenance			0	0			
Other	0	1000	0	0			
Total Operational Expenditure	7113	284	2813	7513	4,729,821.31	22,856,013	9,955,876
Net operational (service) expenditure	-6602	-5423	- 2377	7513			

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Employees: Local Economic Development Services								
Job level	2019/20				2020/21			
	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	2	1	1	100%	1	1	0	0%
4-6	2	0	2	100%	1	0	1	100%
7-9	0	0	0	100%	0	0	0	0%
10-12	8	4	4	20%	7	4	3	42,85%
13-15	0	0	0	0%	0	0	0	0%
16-18	0	0	0	0%	0	0	0	0%
19-20	0	0	0	0%	0	0	0	0%
Total	12	5	7	58.3%	9	5	4	44.9%

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The was no SMMEs exposed in the 2020/21 financial year due to covid 19 restrictions

COMPONENT D: COMMUNITY & SOCIAL SERVICES

Capital expenditure 2019/20 and 2020/21: community Services R'000									
Capital Projects	2019/20				2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Total project value	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
MAGEVA SPORTS CENTRE	10065240	4'000'000	8044919,22	10065240	-	250,000.00	215,366		
SECTION E SPORTS CENTRE	2000000	0,00	00,00	2000000	3,000,000	0,00	0,00		
REFURBISHMENT OF SHIVULANI SPORTS CENTRE	100,000	0,00	0,00	100,000	2,000,000	2,500,000	0,00		
REFURBISHMENT OF SPORTING FACILITY (GAWULA)	100,000	0,00	0,00	100,000	2,000,000	2,500,000	0,00		
REFURBISHMENT OF GIYANI STADIUM AND SECTION A TENNIS COURT	100,000	0,00	0,00	100,000	0,00	0,00	0,00		
REFURBISHMENT OF GIYANI ARTS AND CULTURE CENTRE	1000000	0,00	0,00	1000000	0,00	0,00	0,00		
REHABILITATION OF DUMPING SITE	4000,000	1000,000	0,00	4000,000	1,000,000	0,00	0,00		

3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATERS, ZOOS, ETC)

The municipality has five functional community libraries. One library is under construction at Mavalani village.

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETERIES & CREMATORIUMS

The municipality has one cemetery under its control; the number of cemeteries under the control of the traditional authorities is yet to be audited. There is also no crematorium within the jurisdiction of the municipality.

Employees: Cemeteries and Crematoriums						
Job level	2019/20			2020/21		
	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	0	0	0%	0	0	0%
4-6	1	1	0%	1	1	0%
7-9	0	0	0%	0	0	0%%
10-12	2	2	0%	2	2	0
13-15	14	14	63.15%	14	24	63,15%
16-18	0	0	0%	0	0	0%%
19-20	0	0	0%	0	0	0%%
Total	17	27	79.41%	17	27	79,41%

Capital expenditure 2019/20 and 2020/21 Cemeteries and Crematoriums										
Capital Projects		2019/20				2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all										
REFURBISHMENT OF GIYANI CEMENTRY						-	-	-	-	-
Project D										

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

The municipality is experiencing a challenge of space for the development of future cemetery site since most of the available land is under the control of the traditional leadership. Cemetery By-laws are currently under review to include clauses which will help the municipality to save space. There are no security personnel deployed and vandalism is taking place. There is no provision of water in the cemetery the jojo tank has been damaged due to vandalism.

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE AND SOCIAL PROGRAMMES

The municipality has coordinators who focus on social programs such as HIV and AIDS, Women and Children, Youth, Old age, Gender and Disability. There are also several forums such as the Aids council and technical committee, Men's forum, Disability's forum and gender forum which champion the interest of these social sectors. At the core of it is that the oversight monitoring is done through the Health and Social Development Portfolio Committee. The municipality works closely with provincial and district departments that deal with social issues such as the Department of Social Development, Department of Health, South African Police Services and Chapter Nine institutions such as Human Rights and Gender Commissions as well as non-governmental organisations.

COMPONENT E: ENVIROMENTAL PROTECTION

The municipality is working together with DEA and LEDET to raise awareness on the need for Environmental Protection.

3.15 POLLUTION CONTROL

The municipality has a functional waste management services, providing refuse removal services to the Giyani township households once per week and daily in the CBD. Due to capacity challenges, the municipality is yet to extend waste management services to rural villages. The municipality is currently developing a landfill site and rehabilitating the current waste disposal site in compliance to the National Environmental Management: Waste Act and the GN No.636 National Norms and Standards for Disposal of Waste to landfill.

3.16 BIO-DIVERSITY; LANDSCAPE; (INCL.OPEN SPACES)

GGM works jointly with DEA and LEDET to ensure biodiversity conversation construction in line with the climate change response strategy of the Province. There are also municipal community parks that are well maintained, though there is a challenge of vandalism in the parks.

COMPONENT F: HEALTH

The clinics and ambulance services are rendered by the provincial department of Health and Social Development.

COMPONENT G: SECURITY AND SAFETY POLICE, FIRE AND OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

The Police and Fire services are rendered by the provincial department and National Department. And fire rendered by the District Municipality. **The municipality has animal pound station to be used for impoundment of animals. The development of by-laws for keeping of animals to deal with licensing and control of animals is in progress.**

Financial performance 2017/18, 2018/19 and 2020/21: Traffic R`000							
Details	2018/19		2019/20		2020/21		
	Actual	Original budget	Actual	Original Budget	Actual	Original budget	Variance Adjustment Budget
Total operational revenue	4937	5605	3755	5 547			
Expenditure:	1235		87	130	12,298,768.35	2,514,680	1,861,055.94
Police Officers							
Other Employees	10897	104	9708	10385	20,548,283.84	17,720,473.43	19,395,313.96
Repairs & Maintenance	25	422					
Other							
Total operational expenditure	10714		12157	14463	32,847,052.19	20,235,153.43	21,256,369.90
aNet operational (service) expenditure	-5879	746	-7220	14463			

COMPONENT H: SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

The municipality currently has 10 sports centers and 3 developed parks to be used for sporting and recreational purposes. The Municipality promotes sporting in local communities through the sport development programmed by providing identified beneficiaries with sports equipment. e.g. kits, balls and funds. The municipality also runs an annual mayor's cup to assess the progress with regard to sports development with the assistance of the local sports confederation .The report include only sport centers build by the municipality.

3.17 SPORT.

THE TABLE BELOW REFLECTS AVAILABILITY AND BACKLOG OF STANDARD SPORTS FACILITIES WITHIN WARDS

WARD	AVAILABLE	BACKLOG
1	0	1
2	1	0
3	0	1
4	0	1
5	0	1
6	1	0
7	0	1
8	0	1
9	1	0
10	0	1
11	1	0
12	1	0
13	0	1
14	0	1
15	1	0
16	0	1
17	0	1
18	1	0
19	0	1
20	0	1
21	0	1
22	1	0
23	0	1
24	1	0
25	0	1
25	0	1
26	0	1

27	1	0
28	0	1
29	0	1
30	0	1
31	0	1
TOTAL		

3.18 RECREATION

The report reflects only halls build by the municipality. Excluded are privately owned halls and those build by other sector departments.

THE TABLE BELOW REFLECTS THE AVAILABILITY AND BACKLOG OF COMMUNITY HALLS WITHIN WARDS WARD COMMUNITY HALLS

WARD	AVAILABLE	BACKLOG
1	0	1
2	0	1
3	0	1
4	0	1
5	0	1
6	0	1
7	0	1
8	0	1
9	0	1
10	0	1
11	1	0
12	0	1
13	0	1
14	0	1
15	0	1
16	0	1
17	1	0
18	0	1

19	0	1
20	0	1
21	0	1
22	0	1
23	0	1
24	0	1
25	0	1
26	0	1
27	0	1
28	0	1
29	0	1
30	0	1
31	0	1
Total	2	29

Employees: Sport and Recreation										
Job level	2019/20					2020/21				
Job Level	Posts No.	Employee s No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %		Posts No.	Employee s No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	
0-3	1	1	0	100%		1	1	0	0%	
0	0	0	0	0%						
1	0	0	0	0%						
1	0	0	0	0%						
1	0	0	0	0%						
50	0	0	0	0%						
0	0	0	0	0%						
0	0	0	0	0%						

3.18.1 CHALLENGES

There is underutilization of most sport centers that are situated in rural villages. This is an indication that more still need to be done in terms of receiving and developing various sporting codes within the municipality. The municipality is experiencing challenge of vandalism on its infrastructure in particular sporting facilities. There is also no adequate budget for maintenance of these facilities, as a result some of this facilities are getting dilapidated. Another challenge is that of shortage of personnel to maintain and monitor these facilities.

3.18.2 INTERVENTIONS

The municipality to appropriately develop a program of sporting codes and engage all Ward Councillors and Traditional leaders with regards to sport development to maximize the utilization of sport centers. The municipality increases the budget for personnel.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services

3.19 INTRODUCTION TO CORPORATE POLICY OFFICES, EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

Financial performance 2017/18,2018/19 and 2020/21 The Executive and Council R`000								
Details	2018/19		2019/20			2020/21		
	Actual	Variance to budget	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Total operational revenue	N/A	N/A		N/A	N/A	N/A	N/A	N/A
Expenditure:	10127	-8209	7554	9596	10127	1,400,367.48	8,466,237	7,444,248
Other Employees	19580	117	22171	22 189	19580	21,942,750.76	25,022,991	23,667,857
Repairs & Maintenance								
Other								
Total operational expenditure	29707	-8092	29725	31785	29707	23343118.24	33,489,228	31,112,105
Net operational (service) expenditure	-31677	-1200	-29707	-25985	-24885			

3.20 FINANCIAL SERVICES

Debt recovery					
Details of the types of account raised and recovered	2019/20			2020/21	
	Billed in year	Estimated outturn for accounts billed in year	Estimated proportion of accounts billed that were collected %	Billed in year	Estimated outturn for accounts billed in year

Property Rates	40.659.276.00	3821	53%	72.744.162.16	6369
Electricity – B	N/A	N/A	N/A	N/A	N/A
Water – B	N/A	N/A	N/A	N/A	N/A
Water – C	N/A	N/A	N/A	N/A	N/A
Sanitation	N/A	N/A	N/A	N/A	N/A
Refuse	4.477.863.00	5155	11%	8.636.349.77	6695
B-Basic, C-Consumption. See chapter 6 for the Auditor] General's rating of the quality of the financial Accounts and the systems behind them					

Job level		2019/20				2020/21			
Job Level	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	
0-3	1	1	0	0%	1	1	0	0%	
4-6	8	6	2	60%	8	7	1	12,5%	
7-9	0	0	0	0%	0	0	0	0%	
10-12	4	2	2	50%	4	2	2	50%	
13-15	0	0	0	0%	0	0	0	0%	
16-18	0	0	0	0%	0	0	0	0%	
19-20	0	0	0	0%	0	0	0	0%	
Total	13	9	2	%	13	10	3	24%	

Details	2019/20				2020/21			
	Actual	Original budget	Variance to budget	Adjustment budget	Actual	Original budget	Variance to budget	Adjustment budget
Total operational revenue	370529	432558	301396					
Expenditure:	66873	74131	11772		744,494,941	140,476,840		
Other Employees	22077	20068	16575		21,332,170.97	28,914,899		
Repairs & Maintenance	3800	3900						
Other	3800	3900	-30360					
Total operational expenditure	92750	98099	-2013					
Net operational (service) expenditure	277822	292303	299383					

3.21 HUMAN RESOURCE SERVICES

3.22 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICE

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Human Resource Services Policy objectives taken from IDP									
Service Objectives To develop and retain best human capital, effective and efficient administrative and operational support system Service indicators To submit the Employment equity report to Dept. of Labor by 31 October 2019	Outline service targets Submit Employment equity report.	2018/19		2019/20		2020/21			
		Target	Actual	Target	Actual	Target	Actual		
		Equity report submitted	Equity report submitted	Equity report submitted	Equity report submitted	Equity report submitted	Equity report submitted		

Service objective

Employees: Human Resource Services									
Job level		2019/20				2020/21			
Job Level	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	
0-3	1	1	0	0%	1	1	0	0%	
4-6	8	6	2	60%	8	7	1	12,5%	
7-9	0	0	0	0%	0	0	0	0%	
10-12	4	2	2	50%	4	2	2	50%	
13-15	0	0	0	0%	0	0	0	0%	
16-18	0	0	0	0%	0	0	0	0%	
19-20	0	0	0	0%	0	0	0	0%	
Total	13	9	2	%	13	10	3	23,07%	

COMMENTS ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The municipality did not manage to fill 3 critical positions of CFO, Director Technical Services and Director Planning and Economic Development however this has been set as a priority to fill this positions in the 1st quarter of the next financial year of 2020/2120.

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information and Communication Technology ensure provision of services such as Network connectivity, information management, Email messaging for communicating with the internal stakeholders and the outside world, enhancing service delivery by providing reliable systems. Enabling the integration of systems within the municipality to achieve Municipal objectives. ICT operate under the guidance of ICT policies and frameworks as mandated by corporate governance of ICT. There's also an ICT committees that ensure good governance

SERVICE STATISTICS FOR ICT SERVICES

For period under review 2020/21, Information and Communication Technology provided and supplied ICT equipment's e.g. computers, printers, 3Gs and Memory Sticks. The Unit also updated of Municipal website on a continuous basis and maintained network infrastructure for ease of communication. The Unit provided IT systems, user maintenance and support.

ICT Services Policy objectives taken from IDP							
Service Objectives	Outline service target	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
To develop and retain best human capital, effective and	12 payments for leased desk top and lap top computers and Procurement of IT equipment.	12 payments for leased desk top and lap top computers and	12 payments of leased desk top and lap top computers and	12 payments for leased desk top and lap top computers and	12 payments of leased desk top and lap top computers and	7 payments for leased desk top and lap top computers and Procurement of IT	7 payments of leased desk top and lap top computers and Procurement of IT equipmen
efficient administrative and operational support system	Maintenance, support and provide connectivity to network (LAN and WAN). 12 payments for 3Gs	Procurement of IT equipment.	IT equipments procured	Procurement of IT equipment.	IT equipments procured	Procurement of IT equipment.	IT equipments procured

Number of IT Steering Committee meetings coordinated	4 x IT Steering Committee meetings coordinated	Co-ordinate 4x IT steering committee	4 x IT Steering Committee meetings coordinated	Co-ordinate 4x IT steering committee	4 x IT Steering Committee meetings coordinated	Co-ordinate 4x IT steering committee	4 x IT Steering Committee meetings coordinated
% of network infrastructure maintenance	Network infrastructure maintenance	100 % of Network infrastructure maintenance	Network infrastructure maintained	100% Network infrastructure maintenance	Network infrastructure maintained	100% Network infrastructure maintenance	Network infrastructure maintained
% update of municipal website	100% municipal website update	100% municipal website update	Municipal website updated	100% municipal website update	Municipal website updated	100% municipal website update	

OVERALL PERFORMANCE OF ICT SERVICES OVERALL

The unit maintained and supported LAN/WAN connectivity within the Municipality and its remote sites
The municipality appointed a Service Provider to assist with its ICT Security and Support.

The municipality further uploaded the following documents in the website:

- Adverts for Tenders
- Performance Agreements
- Adverts for Vacancies
- Annual Budget and related policies
- SPLUMA By Laws

Job level	2019/20				2020/21			
	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	1	0	0%	1	1	0	0%
4-6	3	1	2	50%	2	1	1	50%
7-9	1	0	0	100%	1	1	1	0%
10-12	n/a	n/a	n/a	n/a	0	0	0	0%
13-15	n/a	n/a	n/a	n/a	0	0	0	0%
16-18	n/a	n/a	n/a	n/a	0	0	0	0%
19-20	n/a	n/a	n/a	n/a	0	0	0	0%
Total	5	2	3	60%	4	3	1	25%

THE PERFORMANCE OF ICT SERVICES OVERALL:

The user support turnaround for the year under review 2020/21 was satisfactory even though the Unit was unable to meet all their planned targets due to shortage of staff.

3.22 LEGAL; RISK MANAGEMENT

Employees: legal and Risk Management								
Job level	2019/20				2020/21			
	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	2	2	0	0%	2	2	0	0%
4-6	2	1	1	50%	2	1	1	50%
7-9	N/A				N/A			
10-12								
13-15	n/a	n/a	n/a	n/a	n/a			
16-18	n/a	n/a	n/a	n/a	n/a			
19-20	n/a	n/a	n/a	n/a	n/a			

ANNUAL PERFORMANCE INFORMATION

SUMMARY OF PERFORMANCE FOR THE 2020/21 FINANCIAL YEAR

1. INTRODUCTION

The Greater Giyani Municipality 2020/21 annual performance report reflects the institution's service delivery and developmental achievements, as well as challenges, in recognition of the municipality's obligation to be an accountable, transparent and efficient organization. The compilation of this annual performance reports is done in compliance to various pieces of legislation. Key amongst such legislation are local Government: municipal system Act No. 32 of 2000, local Government: municipal finance management Act No 56 of 2003, and National Treasury circulars (especially circular 11 and 63.) The MSA and MFMA state that every municipality and entity must prepare an annual performance report which must form part of the annual report for each financial year in terms of the Act. This annual performance report is a reflection of the municipality's actual performance in relation to what was planned for in the IDP and SDBIP. It is therefore a post-reflection of planned targets and their actual with a provision for reasons for variance as well as mitigating\corrective measures taken. The annual performance report of the Greater Giyani municipality is aligned to the municipal IDP and Budget for the 2019\20 financial year and that it is aligned to the service delivery and Budget implementation plan and in-year reports.

2. PURPOSE

This annual performance report seeks to attain the following purpose:

- The provision of a report on performance in service delivery and budget implementation plan for the 2020/21 financial year
- To promote transparency and accountability for the activities and programmers of the municipality vis-a –vis the six key performance areas
- To provide a record of activities of the municipality for the 2020/21 financial year to which this report relates

3. THE ROAD MAP

The attached APR of GGM is a product of in-year reports which have been consistently submitted to Council Committees and Council. Upon the signing of the SDBIP 2020/21 on the 23 of July 2020, the Municipality facilitated the signing of performance agreements by the Senior Managers led by the Accounting Officer. Reports on the implementation of the SDBIP were sent to the Executive Committee on a monthly basis and to Council on quarterly basis.

The Greater Giyani Municipality was responsible for a total number of 116 Key Performance Indicators inclusive of projects for 2020/2021 financial year. The institution managed to achieve 68 indicators inclusive of projects ,45 targets were not achieved, while 3 were achieved in the previous financial year out of the planned 116 targets.

The overall institutional performance for 2020/2021 is at **59%** as compared to the **59%** for 2019/2020 financial year, which shows that we maintained same performance as previous financial year

The table below indicates progress per KPA

Key Performance Area	Annual Indicators Assessed	Total Achieved	Total Not Achieved	Percentages per KPA
KPA-1: Spatial Rational	16	04	12	25%
KPA-2: Institutional Development and Transformation	16	12	04	75%
KPA-3: Infrastructure Development And Basic Services	47	30	14	64%
KPA-4: Local Economic Development	03	00	03	0%
KPA-5: Financial Viability	10	10	00	100%
KPA-6: Public Participation And Good Governance	24	12	12	50%
TOTAL	116	68	45	59%

CHAPTER 4– ORGANISATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION

The municipal Organizational structure was aligned to IDP and budget. The structure was also adopted by the council. All skills gaps that were crucial in work performance were identified and training interventions were made to address skills gap. The institution comply with the national legislations

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees			
	19/20		20/21	
	No. Employees	% of vacancies	No. of employees	% of vacancies
Water	8	0%	7	46,66%
Waste Water (sanitation)	10	71%	5	33,335
Electricity	06	67%	5	50%
Waste Management	32	80%	37	13,95%
Housing	0	0%	2	0%
Waste Water (Storm water Drainage)	0	0%	10	20%
Roads	19	73%	19	56,81
Transport	0	0%	4	0%
Planning	6	100%	3	40%
Local Economic Development	4	80%	4	33,33%
Planning (Strategic & Regulatory)	0	0%	1	50%
Community & social services	38	79%	0	
Environmental protection	0	0%	0	
Health	0	0%	0	
Security & safety	52	98%	0	
Sport & recreation	16	59%	0	
Corporate Policy offices & other	129	90%	0	
Totals	325		92	

Vacancy Rate: 2020/21			
Designation	*Total approved posts No.	*Variances (Total time that vacancies exist using fulltime equivalents) No.	*Variances (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	0	0	33,33%
Other S57 Managers (Finance posts)			
Municipal Police	N/A	N/A	
Fire Fighters	0	0	
Senior Management: Levels 13-15 (excluding Finance Posts)			
Senior Management: Levels 13-15 (Finance Posts)			
Highly skilled supervision: Levels 9-12 (excluding Finance posts)			
Highly skilled supervision: Levels 9-12 (Finance posts)			
Total			

Turn-over Rate			
Details	Total Appointments as of beginning of financial year No.	Terminations during the financial year No.	Turn-over Rate*
2018/19	12	20	
2019/20	07	34	
2020/21	43	16	

COMMENT ON VACANCIES AND TURNOVER:

The reason for high turnover is the retirement, death and resignation

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.1. INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality has taken into cognizance the history of apartheid laws and practices with the resultant disparities and inequalities, in the spirit of Employment Equity Act is geared towards achieving employment equity across all occupational levels and categories and therefore in order to redress the imbalance of the past and move towards a human and representative Labor market underpinned by Equity, Equity redress and Affirmative Action. The Municipality has Employment Equity Plan and active/ functional Employment Equity Committee. 2020/21 Employment Equity report was timeously submitted to the Department of Labour. HR Policies are in place

4.2. POLICIES

HR Policies & Plans			
	Name of Policy	Completed %	Reviewed % Date adopted by council or comment on failure to adopt
1	Affirmative Action		Legislated
2	Career & Retention Management	100%	100%
3	Code of conduct for employees	100%	N/A
4	Delegations, Authorisation & responsibility		N/A
5	Disciplinary Code & Procedures	100%	N/A
6	Essential Services	100%	N/A
7	Employee Assistance/ wellness		
8	Employment Equity	100%	N/A
9	Exit Management	100%	0%
10	Grievance Procedures		N/A
11	HIV/AIDS	100%	100%
12	Human Resource & Development	100%	100%
13	Information Technology	100%	100%
14	Job Evaluation	100%	N/A
15	Leave	100%	100%
16	Occupational Health & Safety	100%	100%

18	Official Journeys	100%	100%
20	Official working hours and overtime	100%	100%
21	Organisational rights	100%	100%
22	Payroll Deductions	100%	100%
23	Performance Management & Development		
24	Recruitment, selection & Appointments	100%	100%
25	Remuneration Scales & Allowances	100%	100%
26	Resettlement		N/A
27	Sexual Harassment		N/A
28	Skills development		100%
29	Smoking		N/A
30	Special skills		N/A
31	Work Organisation		N/A
32	Uniforms & protect clothing	100%	100%
33	Other		

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Over the years the Municipality has managed to develop all priority human resource policies, procedures and systems in line with the MSA 2000 (S67) to ensure fair, efficient, effective and transparent personnel administration. During 2020/21 emphasis was placed on improving implementation of the policies and amendment of those policies that were outdated. The implementation of the policies is monitored through Council resolution implementation report.

4.3. INJURIES, SICKNESS AND SUSPENSIONS

COMMENT ON INJURY AND SICK LEAVE:

(a) One (1) employee was injured on duty.

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

Only one (1) employees was suspended from council service with full pay pending the institution of disciplinary proceedings against them by the municipality.

4.4 PERFORMANCE REWARDS

The municipality paid two senior Managers performance awards to employees for 2020/21 financial year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORK FORCE

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS

The Work Skills Plan and Annual Training Report were developed and submitted to LGSETA within time frame. The municipality complies with the plan. Mandatory and discretionary grants were claimed and received to assist training interventions.

Skills Matrix												
Management	Gender	Employees in post as at 30 June 2020	Number of skilled employees required and actual as at 30 June 2020									
		No.	Learnerships			Skills programme & other short courses			Other forms of training			Total
			Actual 01 July 2020	Actual 30 June 2021	Target	Actual 01 July 2020	Actual 30 June 2021	Target	Actual 01 July 2020	Actual 30 June 2021	Target	
MM & S57	Female											
	Male											
Councilors,	Female	02	02	02	02							
	Male	01	01	01	01							
Senior Officials senior officials	Male	01	1	01	1							
	Female											

Managers	Male	02	2	02	2							
	Female	01	1	01	1							
Technicians & associate professionals	Female											
	Male	01	01	01	01							
Professionals	Female	N/A										
	Male	N/A										
Sub Total	Female	N/A										
	Male	N/A										
Total												
Competency Level Requirement												
2018/2019				2019/20				2020/21				
Senior Managers				Snr Managers								
01 F				5 M				1F 4 M				
Managers				Managers								
01 F				1 F 3 M				1 F M				
Middle Managers				Middle Managers								
04 M 01 F				1 F 5 M				1f 2M				
Admin				Admin								
04 F				03 M 02 F				0				
Skills Development												
Lower Level												
2018/2019				2020/2120								
13 M 17 F				27 M 35 M				1F 14M				
10 M 30 F				40 M 69 F				1F				



Chapter: 5

Annual Financial Statements and Financial Performance for the Year Ended 30 June 2021

SEE ATTACHED ANNEXURE B

ANNEXURE A

AUDITED ANNUAL PERFORMANCE REPORT

ANNUAL PERFORMAMANCE REPORT 2020/21



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1. Introduction and Legislation

The purpose of this report is to give feedback regarding the performance of the Greater Giyani Municipality as required by the Municipal Systems Act No 32 of 2000, section 41(e) and the Municipal Finance Management Act 56 of 2003, section 52(d). This report emanates from the Integrated Development Plan (IDP) and the Adjusted Service Delivery, Budget and Implementation Plan (SDBIP). The scorecards were developed to reflect cumulative performance, therefore the status of indicators are a reflection of the overall performance level achieved year to date.

METHODOLOGY FOLLOWED IN COMPILING THE REPORT

In terms of Section 46 of the Municipal Systems Act 32 of 2000, Municipalities are required to prepare for each financial year an annual performance reporting reflecting-

- (a) the performance of the municipality and of each external service provider during that financial year;
- (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year and
- (c) Measures taken to improve performance.

According to the provisions of the Municipal Systems Act, 32 of 2000, municipalities must monitor and measure the progress of their performance by preparing quarterly and mid-year performance reports and annual performance report, in terms of Chapter 6 of the MSA, on performance management systems. These quarterly and mid-year reports make up the municipality's annual performance reports (Section 46 report), which are submitted to the Auditor-General, together with the Annual financial statements, for auditing.

2. ACRONYMS AND ABBREVIATIONS

AG	Auditor General
GGM	Greater Giyani Municipality
MDM	Mopani District Municipality
CWP	Community Works Programme
DMP	Disaster Management Plan
DoE	Department of Energy
DoHS	Department of Human Settlement
EMP	Environmental Management Plan
EPWP	Expanded Public Works Programme
IDP	Integrated Development Plan
IGR	Inter-Governmental Relations
LED	Local Economic Development
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPAC	Municipal Public Account Committee
MSIG	Municipal Systems Improvement Grant
N/A	Not Applicable
SLA	Service Level Agreement
PMS	Performance Management System
PMU	Project Management Unit
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan

3. VISION AND MISSION

Vision

“A municipality where environmental sustainability, Agriculture and Tourism thrives for economic growth”

Mission

Democratic and accountable Municipality that ensures the provision of quality and sustainable services through sound environmental management practices, local economic development and community participation.

4. DEPARTMENTS	
Greater Giyani Municipality administration is composed of the following departments: 1. Office of the Municipal Manager, 2. Corporate Services, 3. Planning & Development, 4. Budget and Treasury Office, 5. Technical Services, 6. Community Services	
Municipal Manager	To lead, direct and manage a motivated and inspired Administration and account to the Greater Giyani Municipality Council as Accounting Officer for long term Municipal sustainability to achieve a good creditor rating within the requirements of the relevant legislation and whereas the following sections within the department, i.e. Performance Management, Risk Management and Internal Auditing is managed for integration, efficient, economic and effective communication and service delivery.
Budget and Treasury Office (Finance)	To secure sound and sustainable management of the financial affairs of Greater Giyani Municipality by managing the budget and treasury office and advising and if necessary, assisting the accounting officer and other directors in their duties and delegation contained in the MFMA. Ensuring that the Greater Giyani Municipality is 100% financially viable when it comes to Cost Coverage and to manage the Grant Revenue of the municipality so that no grant funding is foregone
Community Services	To coordinate Sports, Arts and culture, Library services, Traffic and Licensing Services, Community Safety, Environmental and Waste management, Parks and Cemeteries.
Technical Services	To ensure that the service delivery requirements for roads are met and maintenance of water, sewerage and electricity are conducted for access to basic services as well as no less than an average of 100% MIG expenditure
Planning and Development	To direct the Greater Giyani Municipality's resources for advanced economic development and investment growth through appropriate town and infrastructure planning in order that an environment is created whereby all residents will have a sustainable income
Corporate Services	To ensure efficient and effective operation of council services, human resources and management, Communication, Events and the provision of high quality customer orientated administrative systems. Ensuring 100% compliance to the Skills Development Plan

5. MUNICIPAL MANAGER'S OVERVIEW

The 2020/21 Financial Year brought with it some re-invigorated collective efforts from the municipal workforce, resulting in significant achievement recorded in the period under reporting. It goes without saying that just like everyone else in the country and around the globe was affected by the negative effects of the Covid -19 pandemic - which undermined progress in various areas of services, the Greater Giyani Municipality was not immune from the situation. However, we can safely say that under the circumstances, we managed to turn things around by ensuring compliance to covid-19 regulations without compromising services. We were quick to adjust to the new normal by adapting to the way of doing business through virtual meetings from remote areas. Importantly, we established a 24-hour hotline service through which we kept in touch with our communities and clients in need of various services. The Municipality has been able to improve the lives of the Greater Giyani communities through infrastructure development which include among others, electricity connections, high masts, sports centres, and paved roads. In view of the massive backlog on service delivery - exacerbated by low revenue collection on some of our projects, the municipality needs to accelerate implementation of the revenue enhancement strategy. This, in order to boost revenue collection.

It is highly concerning that our core functions of basic service delivery and infrastructure development were the most affected by the Covid-19 pandemic, we only achieving 59% on the planned targets. The national lockdown contributed to non- achievement of the missed targets of the financial year. However, we have come up with the corrective measures to remedy the situation, and we will surely turn the tide.

The institutional capacity of Greater Giyani remains the central pillar of service delivery enablers, hence, we have managed to construct the new municipal building to accommodate all our departments in one roof, for efficient coordination of administration. Meanwhile the high vacancy rate remains a serious challenge due to limited financial resources and high personnel turnover.

This report is based on information received from each department. This in view of the municipal performance in the 2020/21 financial year ending on the 30th of June 2021. It is a high-level report based on scores obtained through a process whereby actual information related to Key Performance Area (KPA), Strategic Objective, Programme and the aligned Key Performance Indicators are compared to the approved 2020/21 IDP and Adjusted SDBIP scorecards.

OVERVIEW OF SERVICE DELIVERY ACHIEVEMENTS

Water

The municipality provides 6 kilolitres of free basic water to all households with piped water. Boreholes are also used in communities where there is an acute shortage of water to augment the supply; the municipality is paying for diesel and electricity used for pumping water to the communities.

Electricity

Electricity is generated and distributed by Eskom. Electricity and energy are provided by means of the following sources: • Grid electricity, which is supplied from power stations. • Non-Grid electricity generated from solar panels, petrol and diesel generators, as well as • Other sources of energy which include batteries, paraffin, coal, wood, candles, gas, etc.

The municipality also provides free basic electricity to all qualifying household by providing electricity tokens worth 50khw.

Sanitation

Sanitation is a major problem, which also contributes to health hazards and underground water pollution. Most of the people within the municipal jurisdiction area use pit latrines (22.5% in 2011) without ventilation while others have no sanitation facilities at all (54.9% in 2011). 22.2% of Households had RDP standard sanitation in 2011 with 41 108 (77.8%) households still below the RDP standard. The department of water and sanitation is in the planning process of constructing new sewer treatment works to augment the existing plant. (STATS SA 2011)

Refuse removal / solid waste

The municipality has two solid waste disposal sites. The legal status of the old site is challenged since it does not adhere to the requirements of the Department of Environmental Affairs and Tourism. The site is located at the confluence of Murhogolo and Klein Letaba rivers and waste material overflows and contaminate rivers, causing health hazards. Littering and illegal dumping is also a major problem, particularly in the CBD area of Giyani Town and along the main roads. There is no proper refuse removal systems in the rural areas (63.2% use their own dump site) therefore, causing a health hazard. The municipality is intending to extend this service to rural areas (8 villages). A new land fill site has been established and has acquired the related legal status. The site is not functional. Fencing is completed and this financial year, the second phase will commence. The municipality currently is responsible for maintenance of the Waste Disposal Site.

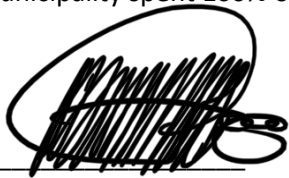
Roads and stormwater

The road network within Municipal area which was damaged by the rainfall during 2000 has been repaired. What remains now is for provisions to be made to ensure that they are maintained regularly. Most of the roads need rehabilitation and maintenance and bridges need to be repaired. Giyani has 79km of provincial tarred road and 608km of gravel road.

Project Management

The Municipality has completed 15 projects under building, roads and electrification ,7 projects were not achieved while 6 appointments were made for construction of roads and municipal parking lot which are anticipated for completion for 2021/22 financial year

The Municipality spent 100% of its MIG budget and was allocated a bonus of R12Million



MUNICIPAL MANAGER
CHAUKE MM

28/02/2022
DATE

6. Institutional Performance

The institution was responsible for a total number of 126 indicators and 10 were withdrawn after adjusting the SDBIP. Only 116 KPI's inclusive of Projects were assessed. Withdrawn target were from the following KPA's:

KPA 3. Basic Service Delivery

The municipality did not fully achieve its planned targets on Spatial Rationale and Basic Service Delivery which contributed to the municipality not achieving 100% of planned targets in the approved Service Delivery and Budget Implementation Plan. The overall institutional performance for 2020/2021 financial year as of 30 June 2021 was at 59%. All the assessed KPI's and Projects contribute to the overall performance level of the combined IDP and SDBIP Scorecards as reflected in this report. Institutional statistics were as follows:

7. Comparison of Institutional Performance Levels 2019/2020 – 2020/2021 Financial Year

In terms of Section 46 of the Municipal Systems Act, paragraph (b) : the municipality must prepare for each financial year a performance report reflecting a comparison of performance referred to in paragraph (a) with targets set for and performances in the previous financial year.

The Greater Giyani Municipality was responsible for a total number of 116 Key Performance Indicators inclusive of projects for 2020/2021 financial year. The institution managed to achieve 68 indicators inclusive of projects ,45 targets were not achieved, while 3 were achieved in the previous financial year out of the planned 116 targets.

The overall institutional performance for 2020/2021 is at **59%** as compared to the **59%** for 2019/2020 financial year, which shows that we maintained same performance as previous financial year

SUMMARY OF PERFORMANCE TARGETS ACHIEVED AND NOT ACHIEVED PER STRATEGIC OBJECTIVE										
		2019/20				2020/2021				
N o	Strategic Objective	Number of indicators Planned	Number of indicators Not Achieved	Number of Indicators Achieved	% of indicators Achieved	Number of indicators Planned	Indicators Achieved in the Prior Year	Number of indicators Not Achieved	Number of Indicators Achieved	% of indicators Achieved
1.	KPA 1: Spatial Rational	9	8	1	11%	16	0	12	04	25%
2.	KPA 2: Institutional Development and Municipal Transformation	15	2	13	87%	16	0	04	12	75%
3.	KPA 3: Basic Services and Infrastructure Development	31	18	13	42%	47	3	14	30	64%
4.	KPA 4: Local Economic Development	3	2	1	33%	03	0	03	00	0%
5.	KPA 5: Municipal Financial and Management Viability	11	0	11	100%	10	0	00	10	100%
6.	KPA 6: Good Governance & Public Participation	26	9	17	65%	24	0	12	12	50%
Overall Performance		95	39	56	59%	116	3	45	68	59%

Priority Issue/Programme	Development Objective	Key performance Indicator	Baseline 2019/20	Annual Targets	Project Name	Project /Indicator Description	Location	Ward	Funding Source	Budget 2020/2021	Adjusted Budget 2020/21	Special Budget Adjustment 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept.
8.1 SPATIAL RATIONAL																		
8.2. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																		
Council Services	To develop and retain the best human capital, effective and efficient administrative and operational support systems	# of Council Meetings convened by 30 June 2021	6 Council meetings held in 2019/20	6 Council Meetings coordinated and supported by 30 June 2021	Council Meeting	Organize Council Meeting as per schedule	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (9 council meeting coordinated)	3	Three Special Council meetings were also held to consider urgent matters.	N/A	Notices of Invitations, Minutes, Attendance Register	CORP
Council Services	To develop and retain the best human capital, effective and efficient administrative	# of Executive Committee Meetings convened by 30	10 Executive Committee held in 2019/20	12 Executive Committee Meetings coordinated and support	Executive Committee Meetings	Organize Executive Committee Meetings as per schedule	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target not achieved (8 EXCO meeting coordinated)	4	Four meetings were not held because there were no matters to be discussed by Exco	Adherence to the scheduled for Portfolio committee Meetings	Notices of Invitations, Minutes, Attendance register,	CORP

	rative and operational support systems	June 2021		ed by 30 June 2021														
Council Services	To develop and retain the best human capital, effective and efficient administrative and operational support systems	# of Portfolio Committee Meetings to be held by 30 June 2021	Portfolio Committee Meetings held	96 Portfolio Committee Meetings (12 Per Portfolio Committee) by 30 June 2021	Portfolio Committee Meetings	Organize Portfolio Committee meetings as per schedule	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target not achieved (61 portfolio committee meetings were held)	35 meetings	Thirty-five Portfolio committee meetings were not held because there were no matters to be discussed by the committees.	Adherence to the scheduled for Portfolio committee Meetings	Notices of Invitations, Minutes, Attendance Register	CORP
Council Services	To develop and retain the best human capital, effective and efficient administrative and operational support systems	# of reports developed on implementation of council resolutions by 30 June 2021	4 reports developed in 2019/20	4 progress reports on implementation of council resolutions to be developed by 30 June 2021	Council resolution implementation	Development of Council Resolution Register and monitor implementation of council resolutions	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (4 progress reports on implementation of council resolution developed)	N/A	N/A	N/A	Progress report and Council Resolution	CORP

Human Resources and Organizational Development	To develop and retain the best human capital, effective and efficient administrative and operational support system	To Develop Work Skills Plan (WSP) and Annual Training Report (ATR) and submit to LGSETA by 30 April 2021	WSP and ATR submitted on the 30 April 2020	Developed WSP and ATR and submit to LGSETA by 30 April 2021	WSP and ATR	Development and submission of the WSP and ATR	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (WSP and ATR development and submitted to LGSETA)	N/A	N/A	N/A	WSP, ATR and Proof of Submission	CORP
Human Resources and Organizational Development	To develop and retain the best human capital, effective and efficient administrative and operational support system	To Develop Human Resource Strategy and Plan 30 June 2021	Lack of Human Resource Strategy and Plan on the 30 June 2020	Developed Human Resource Strategy and Plan by 30 June 2021	Human Resource Strategy and Plan	Development and submission of the Human Resource Strategy and Plan for approval	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (Human Resources Strategy and Plan Developed and approved).	N/A	N/A	N/A	Approved Human Resource Strategy Plan	CORP

Human Resources and Organizational Development	To develop and retain the best human capital, effective and efficient administrative and operational support system	To submit the Employment Equity report to Department of Labour (DoL) by 15 January 2021	2019/20 Employment Equity Report submitted	Employment Equity Report submitted to DoL by 15 January 2021	Equity	Development and submission of the Employment Equity Report	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (Employment equity report submitted).	N/A	N/A	N/A	Employment Equity Report, Proof of Submission	CORP
8.3. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																		
Waste Management	Accessible basic and infrastructure services	# of households with access to refuse removal by 30 June 2021	6548 having access to refuse removal	Collect refuse removal to township households by 30 June 2021	Waste Management	Collection of waste in all the Townships in wards 11, 12, 13 and 21	Section A, D1, D2, E, F and Kremetart	Wards 11, 12, 13 & 21	Income	Operational	Operational	Operational	Target achieved (Refuse collected once a week in ward 11, 12, 13, 21 including CBD)	1 (CBD)	The target was overachieved, we collected refuse at CBD on a daily basis	N/A	Collection schedule, Auto track vehicle movement report, monthly billing report	MM&COM

Building and Construction	To develop sustainable infrastructure networks which promote economic growth and improve quality of life?	To Develop Giyani waste disposal site by 30 June 2021	Site establishment and construction of cell 1	1Waste disposal site constructed by 30 June 2021	Development of Giyani waste disposal site	Construction of one cell of Giyani waste disposal site.	Dzingi-dzingi village	ward 21	MIG	29,258,693	33,509.714	36,044,212	Target Not achieved (One cell of Giyani waste disposal site construction).	Giyani waste disposal site not fully constructed	Unforeseen overlaying underground rock needed chemical blasting. Delay by Eskom to instal electrical line and late approval by SANRAL for road intersection and Covid shutdown	Request for More resources and approval for working overtime	Progress report, Practical completion certificate and close out.	TECH
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Building and Construction	Accessible basic and infrastructure services	construction of Civic Centre Phase 4 by 30 June 2021	Phase 3 Completed	Construction of Civic Centre Phase 4 by 30 June 2021	Civic Centre Building ,Phase 4	Construction of Civic centre	Giyani	CBD	LGES	12,500,000	6,000,000	6,000,000	Target Not achieved (Construction of Civic Centre Phase 4) Detailed design were completed in may 2021	Construction of Civic Centre Phase 4	Delay in the completion of the detailed design, after the inputs from the Municipality	Fast tracking the appointment of contractor in the next financial year	Progress report	TECH
Budget and Reporting	To improve financial management systems to enhance venue base	% MIG Budget spent by 30 June 2021	100% MIG budget spent	100% MIG Budget spent by 30 June 2021	MIG Spending	Spending 100 % of MIG allocated fund	Greater Giyani Municipality	Administration	MIG	60,286,000.00	60,286,000.00	60,286,000.00	Target Achieved 100% of initial MIG allocation of R 60,286,000 and additional of R 12,000,000 were spent)	N/A	N/A	N/A	MIG Spending Report	TECH
8.4. LOCAL ECONOMIC DEVELOPMENT																		
LED Strategy	To Create An Enabling Environment For Sustainable Economic Growth	To review LED Strategy by 30 June 2021	New indicator	1 LED Strategy reviewed and approved by Council by 30 June 2021	Review LED Strategy	LED Strategy to be reviewed and submitted to Council for approval	Greater Giyani Municipality	Giyani	Income	800,000	300,000.00	300,000.00	Target not achieved (LED Strategy not reviewed)	LED Strategy not reviewed	Due to Budgetary constraints the budget was made available during the adjusted budget and advert closed during fourth quarter	Fastrack appointment of service provider during new financial year	Invitation & Attendance Register	P & Dev

SMME Support	To Create An Enabling Environment For Sustainable Economic Growth	# of SMME's to be exposed to LED market by 30 June 2021	12 SMMEs exposed to LED market	5 SMMEs exposed to LED market by 30 June 2021	Support to SMME's	SMMEs exposed to market by taking them along to different exhibition, tourism indaba, marula festival and rand show	Greater Giyani Municipality	All Wards	LGES	Operational	Operational	Operational	Target not achieved (5 SMMEs were not exposed to LED market)	5 SMMEs were not exposed to LED market	Due to Covid - 19 Regulations Tourism Indaba, Marula festival and Rand Easter show were not held.	Explore other ways for marketing platform in the next financial year.	Invitation & Attendance Register	P & Dev
8.5 MUNICIPAL FINANCE MANAGEMENT AND VIABILITY																		
Budget and Reporting	To improve financial management systems to enhance venue base	Unqualified Audit Opinion by 30 June 2021	Qualified Audit Opinion	Unqualified Audit Opinion by 30 June 2021	Unqualified Audit Opinion	Complying with legislative frameworks, keeping records and submit AFS	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (Unqualified Audit Opinion)	N/A	N/A	N/A	AGSA Audit Report	B&T
8.6 GOOD GOVERNANCE AND PUBLIC PARTICIPATION																		
Integrated Development Planning	To develop governance structures and systems that will ensure effective public consultation	To review the IDP for 2020/2021 and development of 2021/2022 IDP	IDP review for 2020/2021 was completed and approved by Council on the before	IDP review for 2020/2021 and development of 2021/2022 IDP and approved by	IDP Review	Compile IDP analysis phase, Organise the IDP rep forum. Conduct Strategic Planning session	Greater Giyani Municipality	Administration	Income	550,000.00	550,000.00	550,000.00	Target Achieved (IDP review for 2020/2021 and development of 2021/2022 IDP and	N/A	N/A	N/A	Council resolutions, Draft IDP, Strategic plan report, Attendance register, Invitations for strategic plan, IDP Consultation	P& Dev

	ion and organizat ional discipline	financi al year by 31 May 2021	30 May 2020	Council by 31 May 2021		and present to the IDP rep forum, Draft IDP complete d and submitte d to Council for adoption by 31 March 2021, IDP Public participat ion, Final IDP submitte d to council for adoption by 31 May 2021							approved by Council)				n attendance register, IDP Analysis phase	
Performa nce Manage ment	To develop governan ce structure s and systems that will ensure effective public consultat ion and organizat ional discipline	To develop the SDBIP 2021/2 022 and submit to the Mayor for signatu re within 28 days after approv	SDBIP 2020/20 21 was develope d and submitte d to the Mayor within 28 days after approval of the budget	Develop ment and submissi on of the 2021/20 22 SDBIP to the Mayor for signatur e within 28 days after approval	Develop ment of Service Delivery and Budget Implem entatio n Plan (SDBIP)	Collect informati on from departm ents, develop a draft SDBIP, Submit to departm ents for inputs, Incorpor ate inputs Submit	Greater Giyani Municipa lity	Admini stratio n	Inco me	Opera tional	Operat ional	Opera tional	Target Achieved (Develop ment and submissi on of the 2021/20 22 SDBIP to the Mayor for signature within 28 days after approval	N/A	N/A	N/A	Signed SDBIP	MM

		al of the budget by 30 June 2021		of the budget by 30 June 2021		to the Mayor for signature , Submit to council for noting.							of the budget)					
Risk Management	To develop governance structure s and systems that will ensure effective public consultation and organizational discipline	# of risk management activities to be coordinated by 30 June 2021	4 risk activities were coordinated	3 risk activities coordinated by 30 June 2021	Risk Management project	Facilitate and coordinate risk management meetings	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target Achieved (3 Risk Activities were conducted)	N/A	N/A	N/A	Attendance register	MM
Internal Auditing	To develop governance structure s and systems that will ensure effective public consultation and organizational discipline	To develop Audit Committee Charter and submit to council for approval by 30th June 2021	Audit Committee Charter was developed and submitted to council for approval	Audit Committee Charter developed and submitted to council for approval by 30 June 2021	Audit Committee Charter	Audit Committee Charter submit to council for approval	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target not achieved (Audit Committee Charter reviewed waiting for approval)	Submission of the Audit committee to council for approval	Postponement of the audit committee meeting which was to consider the charter before submission to Council	Audit committee charter to serve on the Council during the meeting scheduled for 2021/22 first quarter Council meeting.	Approved Audit Committee Charter and Council Resolution	MM

Internal Auditing	To develop governance structures and systems that will ensure effective public consultation and organizational discipline	To develop the 3 year Internal Audit Plan, and Internal Audit Charter and submit to Audit Committee for approval by 30th June 2021	3 year Internal Audit plan and Internal Audit Charter was developed and submitted to Audit Committee for approval	3 year Internal Audit plan and Internal Audit Charter developed and submitted to Audit Committee for approval by 30 June 2021	Internal Audit Plan and Internal Audit Charter	Develop the Internal Audit Plan and Internal Audit Charter and submit to Audit Committee for approval	Greater Giyani Municipality	All Wards	Income	Operational	Operational	Operational	Target not achieved. (3 year Internal Audit plan and Internal Audit Charter developed)	Approval of the 3 year Internal Audit plan and Internal Audit Charter	Audit committee meeting scheduled for approval of the documents was rescheduled.	Audit committee meeting to be scheduled for 2021/22 first quarter	Approved 3 year Internal Audit plan and Internal Audit Charter, AC Resolutions	MM
Public Participation	To develop governance structures and systems that will ensure effective public consultation and organizational discipline	# of public participation to be conducted by 30 June 2021	4 public participation conducted	4 public participation conducted by 30 June 2021	Public Participation	Consult members of the public on service delivery issues	Greater Giyani Municipality	All wards	Income	Operational	Operational	Operational	Target achieved (4 public participation conducted)	N/A	N/A	N/A	Attendance register and Programme	CORP

9. LOWER LEVEL SDBIP

Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Targets	Project Name	Project/Indicator Description	Location	Ward	Funding Source	Budget 2020/21	Adjusted Budget 2020/21	Special Adjusted Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
9.1 SPATIAL RATIONAL																		
Spatial and Town Planning	To develop an effective spatial framework that promotes integrated and sustainable development	Review of SDF by 30 June 2021	New Indicator	Review of SDF by 30 June 2021	Review of SDF	Review of SDF	GGM	All wards	Income	0	340,000	340,000	Target Achieved (Review of SDF)	N/A	N/A	N/A	SDF and Council resolution	P & Dev
Spatial and Town Planning	To develop an effective spatial framework that promotes intergrated and sustainable development	To conduct a feasibility study for town expansion (Ngove village) by 30 June 2021	New Indicator	Feasibility study conducted for Town Expansion (Ngove Village) by 30 June 2021	Town Expansion (Ngove Village)	Township establishment	Ngove Village	Ward 21	Income	1,500,000	200,000	200,000	Target Achieved (Feasibility Study conducted)	N/A	N/A	N/A	Feasibility study report	P & Dev
Spatial and Town Planning	To develop an effective spatial framework that promotes intergrated and sustainable development	To conduct a feasibility study for town expansion	New Indicator	Feasibility study conducted for Town Expansion (Siyandh)	Township establishment	Township establishment	Siyandhani village	Ward 07	LGES	600,000	300,000	300,000	Target Achieved (Feasibility Study conducted)	N/A	N/A	N/A	Feasibility study report	P & Dev

	sustainable development	(Siyandh ani) by 30 June 2021		ani)by 30 June 2021														
Spatial and Town Planning	To develop an effective spatial framework that promotes intergrtaed and sustainable development	To demarcate sites at Nsavulani village by 30 June 2021	New Indicator	Demarcate 500 sites at Nsavulani by 30 June 2021	Site Demarcation of 500 sites at Nsavulani village	Township establishment	Greater Giyani Municipality	All wards	LGES	500,000	300,000	300,000	Target not achieved (500 sites at Nsavulani not demarcated)	Demarcate 500 sites at Nsavulani not conducted	Due to Budgetary constraints, the budget was made available during the budget adjustment, the service provider was appointed in the fourth quarter	Fastrack the project implementation during new financial year	Approved Layout plan by Planning Tribunal	P & Dev
Spatial and Town Planning	To develop an effective spatial framework that promotes intergrtaed and sustainable development	Proclamation diagram and registration by 30 June 2021	New Indicator	Application for Proclamation diagram and registration submitted to the Rural Development and Land Reform by 30	Proclamation Programme	Proclamation Programme	Greater Giyani Municipality	Ward 11,12,13	LGES	400,000	250,000	250,000	Target not achieved (Application for Proclamation diagram and registration submitted to the Rural Development and Land	Draft proclamation diagram not approved	covid - 19 prohibits DRDLR to facilitate community resolutions for land	adherence to covid - 19 regulations while exploring alternative methods to achieve	Draft Layout	P & Dev

				June 2021									Reform still in progress)		acquisitions	e the objective		
Spatial and Town Planning	To develop an effective spatial framework that promotes intergrtaed and sustainable development	# of tittle deeds registered by 30 June 2021	New Indicator	539 Erven tittle deeds registered by 30 June 2021	Deeds registration of sites	Deeds registration of sites	Giyani Section F	Ward 13	LGES	200,000	300,000	300,000	Target not Achieved (539 Sites not yet registered with deeds office)	Submission was made with deeds office, registrations pending approval by deeds office	Delays in processing from deeds office due to covid 19 regulations	Engage with deeds to prioritise the municipality where possible	Main Title Deed	P & Dev
Spatial and Town Planning	To develop an effective spatial framework that promotes intergrtaed and sustainable development	Golf Course Development by 30 June 2021	New Indicator	Rezone and subdivide Golf Course by 30 June 2021	Golf Course Development	Rezoning and subdivision of Golf Course	Section D2	Ward 13	Income	800,000	200,000	200,000	Target not Achieved (Rezone and subdivide Golf Course)	Rezoning and subdivision of Golf Course not conducted	Due to Budgetary constraints, the budget was made available during the budget adjustment, the service provider was appointed in the fourth quarter	Fastrack the project during new financial year and appointment of tribunal	Letter of approval by Land Use Planning Tribunal	P & Dev
Spatial and Town Planning	To develop an effective spatial framework	Formalisation of Makosha Risinga	Draft Layout Plan	Approved Layout plan by	Formalisation of Church View	Formalisation of Makosha	Makosha Risinga	Ward 13	LGES	200,000	200,000	200,000	Target not Achieved	Formalisation of Makosha	Delay in appointment	Fastrack appointment	Approved Layout plan by	P & Dev

	that promotes intergrated and sustainable development	Extension by 30 June 2021		30 June 2021		Risinga Extension							(Layout plan not approved)	Risinga Extension not approved	of Tribunal committee	of tribunal	Planning Tribunal	
Spatial and Town Planning	To develop an effective spatial framework that promotes intergrated and sustainable development	Formalisation of Church view by 30 June 2021	Draft Layout Plan	Approved Layout plan by 30 June 2021	Formalisation of Church View	Formalisation of Church View	Church View	Ward 11	LGES	300,000	300,000	300,000	Target not Achieved (Layout plan not approved)	Formalisation of Church View not approved	Delay in appointment of Tribunal committee	Fastrack appointment of tribunal	Approved Layout plan by Planning Tribunal	P & Dev
Spatial and Town Planning	To develop an effective spatial framework that promotes intergrated and sustainable development	Street naming Giyani Section A by 30 June 2021	New Indicator	Street names registered at Surveyor General Office by 30 June 2021	Street naming Giyani section A & F	Street naming Giyani Section A & F	Giyani Section A & F	Ward 12 & 13	LGES	800,000	400,000	400,000	Target not Achieved (Street names registered at Surveyor General Office)	Street names registered at Surveyor General Office not done	Due to Budgetary constraints , the budget was made available during the budget adjustment, the service provider was appointed in the fourth quarter	Fastrack the project during new financial year	Council Resolution	P & Dev

Spatial and Town Planning	To develop an effective spatial framework that promotes intergrtaed and sustainable development	Street naming Giyani BA & C by 30 June 2021	New Indicator	Street names registered at Surveyor General Office by 30 June 2021	Street naming Giyani BA & C	Street naming Giyani BA & C	Giyani BA and C	All wards	LGES	500,000	300,000	300,000	Target not Achieved (Street names registered at Surveyor General Office)	Street names registered at Surveyor General Office not done	Due to Budgetary constraints, the budget was made available during the budget adjustment, the service provider was appointed in the fourth quarter	Fastrack the project during new financial year	Council Resolution	P & Dev
Spatial and Town Planning	To develop an effective spatial framework that promotes intergrtaed and sustainable development	To conduct a feasibility study for town expansion (Dzumeri and Sikhunya ni) by 30 June 2021	New Indicator	Feasibility study conducted for Town Expansion (Dzumeri and Sikhunya ni) by 30 June 2021	Site Demarcation in Sikhunya ni and Dzumeri villages	Township establishment	Sikhunya ni and Dzumeri	All wards	LGES	300,000	300,000	300,000	Target not achieved (Feasibility study conducted for Town Expansion (Dzumeri & Sikhunya ni))	Site Demarcation in Sikhunya ni and Dzumeri villages not approved	Delay in appointment of Tribunal committee	Fastrack appointment of tribunal	Proclamation Diagram	P & Dev
Spatial and Town Planning	To develop an effective spatial framework that promotes	Subdivision, Rezoning and Registration of	New Indicator	Rezone and subdivide 3 Municipal	Subdivision, Rezoning of Municipal	Rezoning and subdivision of 3 Municipal	Ngove Village	Ward 21	Income	800,000	600,000	600,000	Target not achieved (Rezone and subdivide 3 Municipal	Rezoning and subdivision of 3 Municipal	Due to Budgetary constraints, the	fastrack the project during new	Letter of approval by Land Use Planning Tribunal	P & Dev

	intergrated and sustainable development	Municipal Properties in Villages		Properties in Villages	Properties	Properties in villages							Properties in Villages)	Properties in villages not done	budget was made available during the budget adjustment, the service provider was appointed in the fourth quarter	financial year		
Spatial and Town Planning	To develop an effective spatial framework that promotes integrated and sustainable development	To subdivide & rezone remainder of 1946 Giyani F	New Indicator	Subdivision & Rezoning of remainder 1946 Giyani F	Subdivision & Rezoning of remainder 1946 Giyani F	Subdivision & Rezoning of remainder 1946 Giyani F	Giyani section F	Ward 13	LGES	200,000	200,000	200,000	Target not Achieved (Subdivision & Rezoning of remainder 1946 Giyani F)	Subdivision & Rezoning of remainder 1946 Giyani F not done	Due to Budgetary constraints, the budget was made available during the budget adjustment, the service provider was appointed in the fourth quarter	Fastryck the project during new financial year	Letter of approval by Municipal Tribunal	P & Dev

Spatial and Town Planning	To develop an effective spatial framework that promotes intergrtaed and sustainable development	To Amend General Plan for the Rezoning and subdivision of parks to be approved by 30 June 2021	New Indicator	Rezoning and subdivision of parks by 30 June 2021	Rezoning and subdivision of parks	Rezoning and subdivision of parks	Giyani township	Ward 13	LGES	500,000	250,000	250,000	Target not achieved (Rezoning and subdivision of parks)	Rezoning and subdivision of parks not approved	the application to be submitted to tribunal	Fastra ck the project during new financial year	Subdivision diagram	P & Dev
Spatial and Town Planning	To develop an effective spatial framework that promotes intergrtaed and sustainable development	To upgrade GIS System by 30 June 2021	New Indicator	Upgrade GIS System by 30 June 2021	GIS Upgrade	GIS Upgrade	N/A	All wards	LGES	200,000	500,000	500,000	Target achieved (Upgrade GIS System)	N/A	N/A	N/A	GIS License	P & Dev
Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Target	Project Name	Project /Indicator Description	Location	Ward	Funding Source	Budget 2020/21	Adjusted Budget 2020/21	Special Adjusted Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
9.2. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																		
Wellness Program	To develop and Retain the best Human Capital , Effective and Efficient Administrative and Operational	To conduct inspection on OHS by 30 June 2021	4 OHS reports on site	OHS on site inspection conducted by 30 June 2021	Occupational health	Development of 4 OHS reports	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (OHS inspection conducted)	N/a	N/a	N/a	OHS inspection report	CORP

Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Target	Project Name	Project /Indicator or Description	Location	Ward	Funding Source	Budget 2020/21	Adjustment Budget 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
	Support System																	
Human Resources and Organizational Development	To develop and Retain the best Human Capital , Effective and Efficient Administrative and Operational Support System	To review HR policies Framework by 30 June 2021	HR Policies reviewed	Review of the HR policies by 30 June 2021	HR Policies	Reviewing of the HR Policies for levels	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (HR Policies reviewed)	N/a	N/a	N/a	HR policies and Council Resolution	CORP
Human Resources and Organizational Development	To develop and Retain the best Human Capital , Effective and Efficient Administrative and Operational Support System	To review the Organogram by 30 June 2021	Approved Organogram 2019/2020	Reviewed organizational structure by 30 June 2021	Organogram review	Review organizational structure	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (Organizational structure reviewed)	N/a	N/a	N/a	Approved Organogram and Council Resolution	CORP
Human Resources and Organizational Development	To develop and Retain the best Human Capital , Effective and Efficient Administrative and Operational	percentage of number of posts filled in terms of the organogram by	Approved Organogram 2019/2020	Sixty (60) posts to be filled in terms of the organogram by 30 June 2021	Personnel Recruitment	Personnel Recruitment as per priority list	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target not achieved (53 posts filled)	7 posts not filled	The positions were advertised but we could not find suitable candidates	Re-advertise the positions	Advertisements and Appointment letters	CORP

Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Target	Project Name	Project /Indicator Description	Location	Ward	Funding Source	Budget 2020/21	Adjustment Budget 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
	Support System	30 June 2021																
Information Technology	To develop and Retain the best Human Capital , Effective and Efficient Administrative and Operational Support System	percentage of network Infrastructure maintained by 30 June 2021	Network Infrastructure maintained	100% of network Infrastructure maintained by 30 June 2021	Infrastructure Maintenance	Maintaining of the network infrastructure	Greater Giyani Municipality	Administration	Income	2,500,000	2,500,000	2,500,000	Target achieved (100% of network Infrastructure maintained)	N/A	N/A	N/A	Maintenance Register	CORP
Information Technology	To develop and Retain the best Human Capital , Effective and Efficient Administrative and Operational Support System	% of municipal website updated by 30 June 2021	Website updated 100% in 2019/20 Financial Year	100% of municipal website updated by 30 June 2021	Update of Municipal website	Placing of compliance documents on municipal website	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (100% of municipal website updated)	N/A	N/A	N/A	Website register	CORP
Information Technology	To develop and Retain the best Human Capital , Effective and Efficient Administrative and Operational	# of IT Steering Committee Meetings to be conducted by 30	4 meetings held in 2019/2020 Financial year	4 IT Steering Committee meetings conducted by	IT Governance, Risks and Compliance	Coordination of the IT Steering Committee Meeting	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (4 IT Steering Committee meetings held)	N/A	N/A	N/A	Attendance Registers and Minutes	CORP

Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Target	Project Name	Project /Indicator or Description	Location	Ward	Funding Source	Budget 2020/21	Adjustment Budget 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
	Support System	June 2021		30 June 2021														
Provisioning and supply of IT equipment	To develop and Retain the best Human Capital, Effective and Efficient Administrative and Operational Support System	# of payments made for leased desktops and laptops By 31 January 2021	57 desktops and 85 laptops	7 payments made for leased desktops and laptops by 31 January 2021	Provisioning and supply of IT equipment	To provide IT Equipments	Greater Giyani Municipality	Administration	Income	1,200,000	1,200,000	1,200,000	Target achieved 7 payments made	N/A	N/A	N/A	Invoices	CORP
Management of litigation	To develop and Retain the best Human Capital, Effective and Efficient Administrative and Operational Support System	# of litigation cases received and finalized by 30 June 2021	5 cases finalized	# of litigation cases received and finalized by 30 June 2021	Management of litigations	Attending and finalizing all litigation cases of the municipality	Greater Giyani Municipality	Administration	Income	3 000 000	3 000 000	3 000 000	Target Not Achieved (2 of 14 cases finalized)	12 Cases	5 Exchanging pleadings in court 7 Awaiting for trial date	Awaiting for outcome of the cases and implement as per the outcome	Litigation Register and Report	MM

Priority Issue	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Targets	Project Name	Project Description	Location	Ward	Funding Source	Budget 2020/21	Budget adjustment 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio of Evidence	Dept
9.3. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																		
Electricity Provision	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	Development of designs for the electrification of units at Vuhehli, Ndindani, Gawula, nwakhuwani, Mahlathi and Ntshuxi by 30 June 2021	200 Units designs	Designs for the electrification of units at Vuhehli, Ndindani, Gawula, nwakhuwani, Mahlathi and Ntshuxi by 30 June 2021	Electrification of Vuhehli, Ndindani, Gawula, nwakhuwani, Mahlathi and Ntshuxi	Construction of Electrical Network Infrastructure	Vuhehli, Ndindani, Gawula, Nwakhwani, Mahlathi and Ntshuxi	Ward 3, 18,19 and 31	INEP	50,000	0	0	Target achieved (Designs for the electrification of units at Vuhehli, Ndindani, Gawula, nwakhuwani, Mahlathi and Ntshuxi 2017/18 and however it was erroneously reported during 2020/21 FY)	N/a	N/A	Monitoring and administration	Appointment letter and Designs report	TECH

Electricity Provision	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To connect 170 units at Shimange Village by 30 June 2021	New Indicator	Connection 170 units at Shimange Village by 30 June 2021	Electrification of Shimange Village 170	Construction of Electrical Network Infrastructure	Shimange Village	Ward 8	INEP/L GES	1,800,000	2,700,000	2,700,000	Target achieved (170 units at Shimange Village connected)	N/A	N/A	N/A	Certificate of Completion for Shimange Village	TECH
Electricity Provision	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To connect 200 units at Nkuri Zamani Village by 30 June 2021	New Indicator	Connection 200 units at Nkuri Zamani Village by 30 June 2021	Electrification of Nkuri Zamani Village (200)	Construction of Electrical Network Infrastructure	Nkuri Zamani Village	Ward 5	INEP/L GES	2,250,000	3,200,000	3,200,000	Target achieved (200 units at Nkuri Zamani Village connected)	N/A	N/A	N/A	Certificate of Completion for Nkuri Zamani Village	TECH
Electricity Provision	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To connect 335 units at Jim Ngalalume by 30 June 2021	New Indicator	Connection 335 units at Jim Ngalalume by 30 June 2021	Electrification of Jim Ngalalume 335	Construction of Electrical Network Infrastructure	Jim Ngalalume	Ward 30	INEP/L GES	2,250,000	5,300,000	5,300,000	Target achieved (335 units at Jim Ngalalume connected)	N/A	N/A	N/A	Certificate of Completion for Jim Ngalalume	TECH
Electricity Provision	To develop sustainable infrastructure networks which promotes economic	To connect 400 units at Mapuve Village by 30 June 2021	New Indicator	Connection 400 units at Mapuve Village by 30 June 2021	Electrification of Mapuve Village 400	Construction of Electrical Network Infrastructure	Mapuve Village	Ward 30	INEP/L GES	2,250,000	6,350,000	6,350,000	Target achieved (400 units at Mapuve Village connected)	N/A	N/A	N/A	Certificate of Completion for Mapuve Village	TECH

	growth and improve quality of life?	30 June 2021		June 2021														
Electricity Provision	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To connect 230 units at Noblehook Village by 30 June 2021	New Indicator	Connection of 230 units at Noblehook Village by 30 June 2021	Electrification of Noblehook Village 230 units	Construction of Electrical Network Infrastructure	Noblehook Village	Ward 1	INEP/LGES	1,800,000	3,650,000	3,650,000	Target achieved (230 units at Noblehook Village connected)	N/A	N/A	N/A	Certificate of Completion for Noblehook Village	TECH
Electricity Provision	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To connect 140 units/stands at Mashavella Village by 30 June 2021	New Indicator	140 units/stands connect with electricity at Mashavella Village by 30 June 2021	To connect 140 units/stands at Mashavella Village	Construction of Electrical Network Infrastructure	Mashavella Village	Ward 2	INEP/LGES	1,800,000	2,250,000	2,250,000	Target achieved (140 units/stands connect with electricity at Mashavella Village)	N/A	N/A	N/A	Certificate of Completion for Mashavella Village	TECH
Electricity Provision	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	To Upgrade Giyani Traffic Lights & R81 Lighting by 30 June 2021	3	To Upgrade Of Giyani Traffic Lights & R81 Lighting by 30 June 2021	Upgrading Of Giyani Traffic Lights & R81 Lighting	Upgrading Of Giyani Traffic Lights & R81 Lighting	Giyani CBD	Giyani	LGES	3,800,000	3,800,000	3,800,000	Target not achieved (Giyani Traffic Lights were upgraded in 2017/18 FY & R81 Lighting not upgraded due to late appointment)	Upgrade Of Giyani R81 Lighting not conducted	Due to late appointment of the service provide	To be implemented in 2021/22 FY	Completion certificate	TECH

													ent of the service provider)					
Electricity Provision	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To install 3 high mast lights by 30 June 2021	108 High mast lights installed	Install 3 high mast lights in CBD by June 2021	Installation of High Mast Lights in 3 Villages (CBD)	Installation of High Mast Lights in 3 Villages (CBD)	Install 3 high mast lights in CBD	Giyani CBD	LGES	500,000	500,000	500,000	Target achieved (Install 3 high mast lights in CBD)	N/A	N/A	N/A	Progress report, Practical completion and final completion certificate and close out report	TE CH
Electricity Provision	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To energise High Mast Light by 30 June 2021	25 High Mast lights	25 High Mast Light	To energise 25 High Mast lights by 30 June 2021	25 High Mast Light	Greater Giyani	All Wards	LGES	500,000	1,053,000	1,053,000	Target Not achieved 24 High Mast lights energized)	One high mast outstanding	No commitment to book outage from Eskom	Escalation to the high authority for bookings	Completion certificate	TE CH
Roads, Bridges and Storm water	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	Giyani Section E Upgrading From Gravel to tar Phase 2 by 30 June 2021	1.4km road phase 2 is at a practical completion phase	1.4Km road upgraded from gravel to tar at Giyani Section E Phase 2 by 30 June 2021	Giyani Section E Upgrading From Gravel to tar Phase 2	Upgrading 1.4 km of road from gravel to tar	Giyani Section E	Ward 11	MIG	1,650,834	1,650,834	92,356	Target Achieved (1.4Km road upgraded from gravel to tar at Giyani Section E Phase 2)	N/A	N/A	N/A	Final completion certificate	TE CH
Roads, Bridges and Storm water	To develop sustainable infrastructure networks which promotes economic	# Of km road at Homu 14 B to 14 A tarred by 30 June 2021	Completed compact layer, road bed,	4.3 Km Road constructed at Homu 14 B to 14 A by	Homu 14B to 14A upgrading from gravel to tar	Upgrading of 4.3 km from Gravel to Tar	Homu 14B to 14A	Ward 9	MIG	5,731,059	6,700,000	5,400,050	Target Achieved (4.3 Km road constructed at Homu 14	N/A	N/A	N/A	Practical completion certificate and final completion certificate	TE CH

	growth and improve quality of life?		tipping material for selected constructed sub-base layer	30 June 2021									B to 14 A)					
Roads, Bridges and Storm water	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	To Upgrade 8.67 Km road from gravel to paving at Giyani Section F streets Phase 4 by 30 June 2021	site established, mass earthworks kerbing and paving at Giyani	Upgraded 8.67Km Road at Giyani Section F Streets from gravel to paving by 30 June 2021	Upgrading of Giyani Section F Streets Phase 4	Upgrading of 8.67 Km from gravel to paving at Giyani Section Street Phase 4	Giyani Section F	Ward 13	MIG	19,340,390	16,000,000	15,583,930	Target Achieved (Upgraded 8.4 Km Road at Giyani Section F Streets from gravel to paving)	N/A	N/A	N/A	Progress report and Practical completion certificate and Final completion certificate.	TECH
Roads, Bridges and Storm water	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	To develop designs for construction of alternative road to Giyani from R81 by 30 June 2021	preliminary designs developed for the construction of alternative road to Giyani from R81	Designs for Alternative Road to Giyani from R81 to developed by 30 June 2021	Alternative road to Giyani from R81	Development of designs for construction of alternative road to Giyani from R81	Ngove, Section A	Ward 10 and 12	MIG	1,500,000	1,500,000	1,500,000	Target not Achieved (Designs for Alternative Road to Giyani from R81 to developed)	Detailed design not readily available	Insufficient budget, the service provider could not proceed without payment	Request for sufficient budget to cover for the detailed designs	Preliminary designs report and draft designs report	TECH

Roads, Bridges and Storm water	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	to construct pavement layers on the upgrading of 2.5 km road from gravel to tar at Nkomo B to A by 30 June 2021	Site establishment, site cleared and box cutting road bed	Construction of pavement layers on the 2.5 km road Nkomo B to A	Nkomo B to A (D3837) upgrading from gravel to tar	Upgrading of 2.5 km from gravel to tar	Nkomo B to A	Ward 26	LGES	16,400,000	17,000,000	17,000,000	Target not Achieved (Construction of pavement layers on the 2.5 km road Nkomo B to A)	Waiting for close-out report	The consultant is compiling the close-out report	Strict supervision and punitive measures for slow implementation	Progress report, Practical completion and final completion certificate and close out report	TE CH
Roads, Bridges and Storm water	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To upgrade parking lot by 30 June 2021	Available Parking Lot	Parking lot at Civic Centre upgraded By 30 June 2021	Upgrading of parking lot	To upgrade the parking lot within the municipal offices	GGM offices	CBD	LGES	2,000,000	2,500,000	2,500,000	Target Achieved (Parking lot at Civic Centre upgraded)	N/A	N/A	N/A	Advert	TE CH
Roads, Bridges and Storm water	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To upgrade 1km from gravel to paving at Blinkwater by 30 June 2021	New Indicator	Designs and Draft tender document	Blinkwater upgrading of internal streets	1 km upgrading from gravel to paving at Blinkwater Village	Blinkwater	1	LGES	500,000	1,200,000	2,150,000	Target achieved (Designs and Draft tender document)	N/A	N/A	N/A	Appointment letter, Preliminary design, Detailed design and draft tender document	TE CH

Roads, Bridges and Storm water	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To upgrade 3.5 km from gravel to paving at Thomo Village by 30 June 2021	New Indicator	Designs and Draft tender document	Thomo upgrading of internal streets	3.5 km upgrading from gravel to paving at Thomo village	Thomo	17	LGES	1,500,000	2,500,000	4,000,000	Target achieved (Designs and Draft tender document)	N/A	N/A	N/A	Appointment letter, Preliminary design, Detailed design and draft tender document	TE CH
Roads, Bridges and Storm water	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To upgrade 1km from gravel to paving at Nkuri Zamani by 30 June 2021	New Indicator	Designs and Draft tender document	Nkuri Zamani upgrading of internal streets	1 km upgrading from gravel to paving at Nkuri Zamani Village	Nkuri Zamani Village	5	LGES	500,000	1,200,000	1,371,000	Target achieved (Designs and Draft tender document)	N/A	N/A	N/A	Appointment letter, Preliminary design, Detailed design and draft tender document	TE CH
Roads, Bridges and Storm water	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To upgrade 2.5 km from gravel to paving at Shimange village by 30 June 2021	New Indicator	Designs and Draft tender document	Shimange upgrading from gravel to paving	2.5 km upgrading from gravel to paving at Shimange village	Shimange Village	8	LGES	1,000,000	1,800,000	4,500,000	Target achieved (Designs and Draft tender document)	N/A	N/A	N/A	Appointment letter, Preliminary design, Detailed design and draft tender document	TE CH
PMU	To develop an effective spatial framework that promotes integrated and sustainable development	# of sites serviced by 30 June 2021	New Indicator	Servicing of 539 sites by 30 June 2021	Servicing of 539 sites	Servicing of 539 sites	Giyani section F	ward 13	LGES	500,000	500,000	500,000	Target achieved (Servicing of 539 sites)	N/A	N/A	N/A	Appointment letter,	TE CH

Building and Construction	Accessible basic and infrastructure services	Construction of Civic Centre Phase 3 by 30 June 2021	Construction of Civic centre Wing number 1	Construction of Civic Centre Phase 3 wing number 2 by 30 June 2021	Civic Centre Building, Phase 3	Construction of Civic centre phase 3 wing number 2	Giyani	CBD	LGES	2,500,000	432,000	432,000	Target achieved (Construction of Civic Centre Phase 3 wing number 2)	N/A	N/A	N/A	Progress report, practical completion certificate, Completion certificate and close out.	TECH
Roads, Bridges and Storm water	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	To develop designs for Xikukwane upgrade from gravel to tar (RAL) (D3804 & D3805) by 30 June 2020	New Indicator	Preliminary Designs developed for upgrading 9.6 km of road in Xikukwane from gravel to tar (RAL) (D3804 & D3805) by 30 June 2020	Xikukwane gravel to tar(RAL) (D3804 & D3805)	upgrade from gravel to tar at Xikukwane (RAL) (D3804 & D3805)	Xikukwane	14	LGES	3,000,000	3,000,000	2,110,470	Target achieved. Preliminary Designs developed for upgrading 9.6 km of road in Xikukwane from gravel to tar (RAL) (D3804 & D3805) during 2019/20 financial year and was reported during 2020/21 FY due to management oversight)	None	None	None	Preliminary and Designs reports	TECH

Sports Facilities	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	To Refurbish Homu 14B sport centre by 30 June 2021	New Indicator	Designs and Draft tender document by 30 June 2021	Homu 14B Sports centre	Homu 14B Sport centre refurbishment	Homu 14B	9	LGES	2,000,000	2,500,000	2,500,000	Target not achieved (Designs and Draft tender document)	The contract or still needs to be appointed	The Consultant has been engaged to speed up the designs so that the project can be advertised	Fast tracking the appointment processes of service providers	Appointment letter, Site handover certificate, progress report and Practical completion certificate.	TECH
Sports Facilities	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	Construction of soccerfield stadium with pavilion and change rooms	project is at a practical completion stage	R250 000 to be paid for the previous financial year workdone.	Mageva Sport Centre	Construction of soccerfield stadium with pavilion and change rooms	Mageva	Ward 24	LGES	0	250,000	250,000	Target achieved (R250 000 to be paid for the previous financial year workdone)	N/A	N/A	N/A	Proof of payment	Tech
Sports Facilities	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	Refurbishment of Sporting Facilities (Gawula) by 30 June 2021	New Indicator	Refurbishment of Sporting Facilities (Gawula) by 30 June 2021	Refurbishment of Sporting Facilities (Gawula)	Refurbishment of Gawula Sport centre	Gawula	Ward 18	Income	2,000,000	2,500,000	2,500,000	Target not achieved (Refurbishment of Sporting Facilities (Gawula))	Refurbishment of project not conducted	Due to budgetary constraints the project reprioritize for the next financial year	Budget has been prioritize for next financial year	Advert & Appointment letter	Tech
Sports Facilities	To develop sustainable infrastructure networks which promotes economic growth and	Refurbishment of Shivulani Sports Centre by 30 June 2021	New Indicator	Refurbishment of Shivulani Sports Centre by 30	Refurbishment of sport centre	Refurbishment of Shivulani Sports Centre	Shivulani	Ward 15	Income	2,000,000	2,500,000	2,500,000	Target not achieved (Refurbishment of Shivulani	There was some legal challenges regarding the	The Municipality has appointed the attorneys to deal	Speed up the appointment processes of service	Advert & Appointment letter	

	improve quality of life			June 2021									Sports Centre)	Contract or	with the case	provider		
EPWP Infrastructure	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	# of people to be appointed through EPWP Social Program by 30 June 2021	175 People appointed through EPWP Social Program	150 People appointed through EPWP Social Program by 30 June 2021	EPWP Social	Creation of jobs through EPWP Social Program	Giyani Township	All wards	EPWP/LGES	4,100,000	4,100,000	4,100,000	Target achieved (169 EPWP appointed officials)	19 Additional appointments	Additional EPWP were appointed Due to emerging of covid 19 pandemic.	N/A	Signed Appointment Memo	TECH
EPWP Environmental and Culture	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	# of people to be appointed through EPWP Environmental and Culture Program by 30 June 2021	156 People appointed through EPWP Environment	132 People appointed through EPWP Environment by 30 June 2021	EPWP Environmental and Culture	Creation of jobs through EPWP Environmental and Culture Program	Giyani Township	All wards	EPWP	3,862,000	3,862,000	3,862,000	Target Achieved (132 EPWP appointed officials)	N/A	N/A	N/A	Participant list, Payment Register, Attendance Register	COMM
Environmental Awareness Campaign	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	# of environmental awareness and Educational programs to be conducted	8 awareness campaigns conducted	8 Awareness campaigns and Educational programs conducted by	Environmental Awareness Campaign	Conducting Education awareness campaigns on environmental management to	Greater Giyani	All wards	Income	Operational	Operational	Operational	Target Achieved 9 environmental education awareness conducted.	1	The was a need for intensive awareness due to illegal dumping and continuo	N/A	"Progress Report., Attendance registers	COMM

		d by 30 June 2021		30 June 2021		communities									us littering			
Waste Management	Accessible basic and infrastructure services	# of Integrated Waste Management Plan(IWMP) reviewed and submitted to Council by 30 June 2021	New Indicator	1 integrated Waste Management Plan(IWMP) reviewed and submitted to council by 30 June 2021	Integrated Waste Management Plan(IWMP)	Review of the IWMP	Greater Giyani	All Wards	Income	Operational	Operational	Operational	Target not Achieve. Public participation was not conducted due to covid 19 regulations .	N/A	N/A	N/A	Copy of the IWMP	COM
Environmental Management	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	# of Indigent Burial Support and Pauper Burial Policy developed and submitted to council by 30 June 2020	New Indicator	1 Indigent Burial Support and Pauper Burial Policy developed and submitted to council by 30 June 2020	Indigent Burial Support and Pauper Burial Policy	To develop Indigent Burial Support and Pauper Burial Policy	All wards	All wards	Income	Operational	Operational	Operational	Target achieved . 1 Indigent Burial Support and Pauper Burial Policy developed and submitted to council however the target was achieved in 2019/20 financial year and was	None	None	None	Indigent Burial Support and Pauper Burial Policy and Council Resolution	COM

													reported during 2020/21 FY due to management oversight					
Scholar Patrol	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	# of scholar patrol to be conducted by 30 June 2021	24 scholar patrols conducted	20 scholar patrols conducted by 30 June 2021	Scholar Patrol	Conducting of Scholar patrols	All Wards	All Wards	Income	Operational	Operational	Operational	Target Achieved 28 scholar patrols conducted	8	Enforcing scholar patrol to motorist as there was not yielding for scholars to cross the road	N/A	Reports	COMM
Speed Checks	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life?	# of speed checks conducted by 30 June 2021	20 Speed checks conducted	200 Speed checks conducted by 30 June 2021	Speed Checks	Conducting of Speed Checks	All Wards	All Wards	income	Operational	Operational	Operational	Target not achieved 52 Speed checks conducted	148	The contract of the Law Enforcement Support expired	Adjustment of target to be achievable by our internal personnel	Reports	COMM
Warrant of arrests	To develop sustainable infrastructure networks which promotes economic growth and	# Warrant arrest issued by 30 June 2021	126 Warrant of arrests issued	150 Warrant of arrests issued by 30 June 2021	Warrant of arrests	Conducting warrant of arrests	All Wards	All Wards	income	Operational	Operational	Operational	Target not achieved (Warrant of arrests not issued)	150 Warrant of arrests not issued	The contract of service provider tasked with issuing The warrant	Review of the terms of reference and consider	Reports	COMM

	improve quality of life														of arrest through an automated system expired. The Municipality advertised the tender on 2 occasions and it was non-responsive.	transversal contracting		
Traffic summonses issued	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	# of Traffic summonses issued by 30 June 2021	20 234 summonses issued	1440 (sec 56) summonses by 30 June 2021	Traffic summonses issued	Issuing of traffic summonses	All Wards	All Wards	income	Operational	Operational	Operational	Target not achieved (786 summonses issued)	654	Due to lockdown and covid 19 regulations	Adjustment of target to meet the current working conditions of covid 19 regulations	Reports	COM M
Payment of AARTO fees	To develop sustainable infrastructure networks which	# of Payment of AARTO fees facilitated	New Indicator	12 payment of AARTO fees	AARTO	Facilitating payment of AARTO	Giyani Section C	Ward 12	Income	Operational	Operational	Operational	Target achieved 12 AARTO fees	N/A	N/A	N/A	Reports	COM M

	promotes economic growth and improve quality of life	by 30 June 2021		facilitated by 30 June 2021									reports are submitted to BTO for payment					
Payment of DLCA fees	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	# of Payment of DLCA fees facilitated by 30 June 2021	10 payments of DLCA fees facilitated as per Government Gazette	12 payments of DLCA fees facilitated by 30 June 2021	DLCA	Facilitating payment of DLCA	Giyani Section C	Ward 12	Income	Operational	Operational	Operational	Target Achieved 12 DLCA fees reports are submitted to BTO for payment	N/A	N/A	N/A	Reports	COMM
RTMC payments	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	# of RTMC payments facilitated by 30 June 2021	No payments of RTMC fees facilitated	12 payments of RTMC fees facilitated by 30 June 2021	Road Traffic Management Corporation fees	Facilitating payment of RTMC fees	Giyani Section C	Ward 12	Income	Operational	Operational	Operational	Target achieved 12 RTMC fees reports submitted to BTO for payment	N/A	N/A	N/A	Reports	COMM
Calibration of VTS	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	# of Calibration of VTS done by 30 June 2021`	1calibration of VTS test equipment as per NRLA	1calibration of VTS test equipment done by 30 June 2021	Vehicle Testing Station Calibration	Facilitating calibration of VTS equipment	Giyani Section C	Ward 12	Income	Operational	Operational	Operational	Target Achieved 01 calibration is done	N/A	N/A	N/A	Reports	COMM

Payment of SABS fees	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	# Payment of SABS fees facilitated by 30 June 2021	payments of SABS FEES not facilitated FEES as per NRTA	2 payments of SABS FEES facilitated by 30 June 2021	SABS levy	Facilitating payment of SABS fees	Giyani Section C	Ward 12	Income	Operational	Operational	Operational	Target not achieved 01 SABS fees payment are done	01 SABS fees payment not done	Delay from SABS to send invoice	Liasing with SABS to send the invoice for payment	Reports	COM
Payment of Agency fees	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	# of Agency fees facilitated for payment by 30 June 2021	10 payments for Agency fee facilitated for payment	12 payments for Agency fees facilitated for payment by 30 June 2021	80% Agency fees	Facilitating payment of 80% agency	Giyani Section C	Ward 12	Income	Operational	Operational	Operational	Target Achieved 12 agency fees reports are submitted to BTO for payment	N/A	N/A	N/A	Reports	COM
Road safety Operations	To develop sustainable infrastructure networks which promotes economic growth and improve quality of life	# of Road blocks held by 30 June 2021	54 Road blocks operations held	12 Road blocks held by 30 June 2021	Road blocks	Conducting of Road blocks	All Wards	All Wards	income	Operational	Operational	Operational	Target achieved 26 Roadblocks	14	The was a need to enforce compliance of the motorist as they were not complying with the covid 19 regulations, and we had several ATM bombing	N/A	Reports	COM

Priority Issue	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Targets	Project Name	Project/Indicator Description	Location	Ward	Funding Source	Budget 2020/21	Budget adjustment 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason For Variance	Corrective Measures	Portfolio Of Evidence	Dept
9.4. LOCAL ECONOMIC DEVELOPMENT (LOWER SDBIP)																		
Durban Indaba	To Create An Enabling Environment For Sustainable Economic Growth	# Of SMME to be exposed to Durban Indaba by 30 June 2021	1 SMME exposed to Durban indaba	1 SMME exposed to Durban Indaba by 30 June 2021	Durban Indaba	Organising and providing transport and accommodation to SMME to attend Durban Indaba	Giyani	Giyani	Income	Operational	Operational	Operational	Target not achieved (1 SMME exposed to Durban Indaba)	1 SMME exposed to Durban Indaba	Due to COVID 19 regulations the Durban Indaba was postponed	explore Other marketing platform for next financial year	Invitation, attendance register	P & Dev

Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Targets	Project Name	Project Description	Location	Ward	Funding Source	Budget 2020/2021	Budget adjustment 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
9.5. MUNICIPAL FINANCE MANAGEMENT AND VIABILITY (LOWER SDBIP)																		
Revenue Management	To improve financial management systems to	To review the revenue enhancement policies by 30 June 2021	Revenue enhancement policies reviewed by 30 June 2021	Revenue enhancement policies reviewed by 30 June 2021	Revenue enhancement policies review	Send the policies for inputs by other department. Present the draft review to	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved - Revenue enhancement policies were reviewed and	N/A	N/A	N/A	Council Resolution (Draft and Final policies)	B&T

Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Targets	Project Name	Project Description	Location	Ward	Funding Source	Budget 2020/2021	Budget adjustment 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
	enhance venue base					management. Submit to council for approval.							tabled and adopted in Council					
Budget and Reporting	To improve financial management systems to enhance venue base	To table the draft budget to council by 31 March 2021	Draft budget was tabled to council	Draft budget tabled to council by 31 March 2021	Draft budget	Collect budget from departments, Consolidate the budget, Present the draft to management, Submit to council for approval	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved- The draft budget for 2021 2022 FY was tabled to council on the 31 March 2021	N/A	N/A	N/A	Draft budget and Council Resolution	B&T
Budget and Reporting	To improve financial management systems to enhance venue base	To submit the final budget to council by 31 May 2021	Final budget was submitted to council	Final budget submitted to council by 31 May 2021	Final budget	Take the draft budget for public participation with the IDP. Incorporate inputs and submit the budget	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved- The Final Budget for 2021 2022 FY was approved by council on the 28 May 2021	N/A	N/A	N/A	Final budget and Council Resolution	B&T

Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Targets	Project Name	Project Description	Location	Ward	Funding Source	Budget 2020/2021	Budget adjustment 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
						for final approval												
Budget and Reporting	To improve financial management systems to enhance venue base	To submit the Annual Financial statements to AG by 31 August 2020	Financial statements was compiled and submitted to AG on the 31 August 2019	Annual Financial statements compiled and submitted to AG by 31 August 2020	Financial statements	Compile the financial statement. Review the compiled financial statement. Present to management meeting. Submit to AG for auditing.	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved- The Annual Financial statement for 2019 2020 FY was submitted to AGSA on the 31 st of October 2020 in line with new submission date per Circular 104 of the MFMA	N/A	N/A	N/A	Copy of Annual Financial statements and acknowledgment by AG	B&T
Budget and Reporting	To improve financial	Number of section 71 reports submitted	12 Reports submitted in	12 Section 71 Reports submitted	Section 71 report submission	Compile the section 71 report. Submit to	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved 12 Section 71	N/A	N/A	N/A	Copy of acknowledgment of receipt by Treasury	B&T

Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Targets	Project Name	Project Description	Location	Ward	Funding Source	Budget 2020/2021	Budget adjustment 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
	management systems to enhance venue base	d to Treasury within 10 days after the end of the month by 30 June 2021	2019/20	d to Treasury by 30 June 2021		treasury within 10 days after month end. Submit to council for approval.							reports submitted to National Treasury within the legislative dates					
Budget and Reporting	To improve financial management systems to enhance venue base	Section 72 Mid-year) report submitted to Mayor with legislative timeframes by 25 January 2021 and to council at the end of the quarter	New Indicator	1 Section 72 Report submitted to Mayor by 25 January 2021 and to Council by the end of the quarter	Section 72 report submission	Compile the section 72 report and submit to the Mayor by 25 January as per the legislation and to Council	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (1 Section 72 Report submitted to Mayor by 25 January 2021 and to Council by the end of the quarter)	N/A	N/A	N/A	Sec 72 Report, Mayor's acknowledgment of receipt and Council Resolution	B&T
Supply Chain Management	To improve financial management systems to enhance	# of Quarterly reports on the implementation of the Procurement Plan	New Indicator	4 Quarterly reports on the implementation of the Procurement Plan	Procurement Plan	submit quarterly reports on the implementation of the Procurement Plan	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (4 Quarterly reports on the implementation of the Procurement	N/A	N/A	N/A	Quarterly Reports Monitoring and Implementation Plan	B&T

Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Targets	Project Name	Project Description	Location	Ward	Funding Source	Budget 2020/2021	Budget adjustment 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
	Revenue base	per quarter		per quarter									ent Plan per quarter)					
Supply Chain Management	To improve financial management systems to enhance revenue base	# of Quarterly SCM reports submitted to the MM per quarter	New Indicator	4 Quarterly SCM reports submitted to MM	Supply Chain Management Reports	Submit quarterly Supply Chain Management reports to MM per quarter	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved (4 Quarterly SCM reports submitted to MM)	N/A	N/A	N/A	Quarterly SCM reports and MM's Acknowledgment of receipt	B&T
Asset Management	To improve financial management systems to enhance revenue base	# of Assets verification reports submitted to MM by 30 June 2021	New Indicator	2 Assets verification reports submitted to MM by 30 June 2021	Asset Register	Receive new acquisitions, Bar code and capture into the asset register. Capture the expense of the project in progress. When the project is completed the unbundling and capitalisation	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved 2 asset verification reports submitted to the Office of the MM	N/A	N/A	N/A	Asset Verification Reports	B&T

Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Targets	Project Name	Project Description	Location	Ward	Funding Source	Budget 2020/2021	Budget adjustment 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
						ion into the asset register takes effect												

Priority Issue/Programme	Development Objective	Key Performance Indicator	Baseline 2019/20	Annual Targets	Project Name	Project Description	Location	Ward	Funding Source	Budget 2020/21	Budget adjustment 2020/21	Special Adjustment Budget 2020/21	Actual Performance	Variance	Reason for Variance	Corrective Measures	Portfolio Of Evidence	Dept
9.6. GOOD GOVERNANCE AND PUBLIC PARTICIPATION (LOWER SDBIP)																		
Public Participation	To develop governance structures and systems that will ensure effective public consultation and organizational	# of ward committee meetings conducted by 30 June 2021	372 Ward Committee meetings	372 Ward Committee meetings conducted by 30 June 2021	Support services for monthly ward committee meetings	Support services through PPOs to have monthly ward committee meetings in each of 31 wards	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target not achieved 361 Ward committee meetings coordinated	11	The chairpersons was affected by Covid 19.	Visit ward management committee meeting to check their difficulties to hold the meetings	Attendance register, Ward committee quarterly report	CORP

	discipline																	
Internal Auditing	To develop governance structures and systems that will ensure effective public consultation and organizational discipline	% of total number of findings resolved in the Internal Audit Action Plan by 30 June 2021	Implementation in 2018/19 Internal Audit Action plan	100% of total number of findings resolved in the Internal Audit Action Plan by 30 June 2021	Internal Audit Action Plan	Implementation of the Internal Audit Action Plan	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target not achieved. 54% of total number (250) of findings resolved in the Internal Audit Action Plan	46% of total number (250) of findings not yet resolved in the Internal Audit Action Plan	Slow implementation	Continue audit action plan follow-up	Updated Internal Audit Action Plan	MM
Internal Auditing	To develop governance structures and systems that will ensure effective public consultation and organizational discipline	% of total number of findings resolved in the AG(SA) Action Plan by 30 June 2021	Implementation of AG(SA) Action Plan	100% of total number of findings resolved in the AG(SA) Action Plan by 30 June 2021	AG(SA) action plan	Implementation of the AG(SA) action plan	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target not achieved. 20% of total number (25) of findings resolved in the AG(SA) Action	80% of total number (25) of findings not yet resolved in the AG(SA) Action	The Audit report issue was delayed due to National Treasury circular 104	Continue audit action plan follow-up through weekly AFS preparation meetings and audit steering committee meetings	Updated Audit Action Plan	MM
Internal Auditing	To develop governance structure	# of Audit and Performance Audit Committee	4	4 Audit and Performance Committee	Audit and Performance Audit	Organize Audit and Performance Audit Committee	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved 7 Audit and Performance	3 special Audit and Performance	There was a need to hold special	N/A	Minutes, Attendance register, invitations	MM

	es and systems that will ensure effective public consultation and organizational discipline	e meetings to be held by 30 June 2021		e meeting held by 30 June 2021	Committee	e meetings							nce Committee meeting	Committee meeting	audit committee meetings			
Internal Auditing	To develop governance structures and systems that will ensure effective public consultation and organizational discipline	# of Audit and Performance Audit Committee Reports developed and submitted to Council by 30 June 2021	4 Audit and Performance Audit Committee Reports	4 Audit and Performance Audit Committee Reports developed and submitted to Council by 30 June 2021	Audit and Performance Audit Committee Reports	Develop Audit and Performance Audit Committee Reports	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved. 4 Audit and Performance Audit Committee Reports developed and submitted to Council	N/A	N/A	N/A	Report to council, Council resolution	MM
Internal Auditing	To develop governance structures and systems that will ensure effective public consultation	# of Audit Steering Committee meetings to be held by 30 June 2021	8 Audit Steering Committee held	8 Audit Steering Committee meetings held by 30 June 2021	Audit Steering Committee	Organize Audit Steering Committee meetings	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target Achieved. 9 Audit Steering Committee meetings held	2 Audit Steering Committee meetings held	There was a need to hold additional audit steering committee during the external audit	N/A	Minutes, Attendance register	MM

	and organiz ational disciplin e																	
Performanc e Managemen t	To develop governance structures and systems that will ensure effective public consultation and organizational discipline	# of institutional performance reports developed and submitted to Council by 30 June 2021	4 institutional performance reports developed	4 Institutional performance reports developed and submitted to Council by 30 June 2021	Quarterly performance reports	Develop a reporting template and send to departments, Receive completed template and consolidate into one report. Organise SDBIP Management meeting to consider the report. Submit the report to Council for approval.	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved 4 Institutional performance reports developed and submitted to Council	N/A	N/A	N/A	Institutional Performance Report and Council Resolution	MM
Library Outreach Program	To develop governance	# of library outreach	12 Library outreach	12 Library outreach conducted	Library outreach	conduct library outreach	Greater Giyani	All wards	Income	Operational	Operational	Operational	Target not achieved	10 outreach	Constant closure . minimal	To develop a plan	Attendance registers	COM M

	nce structur es and systems that will ensure effectiv e public consult ation and organiz ational disciplin e	conduct ed by 30 June 2021	ch condu cted	d by 30 June 2021		to identified schools	Munici pality						2 Library Outreach Program mes held. Compreh ensive Primary School and Rithlavile High School	progra mmes not conduct ed.	numbers allowed and strict measures of COVID 19 regulatio ns	for all program mes and hold them virtually		
Promote community and environmen tal welfare	To develop governance structures and systems that will ensure effectiv e public consult ation and organiz ational disciplin e	# of activities conduct ed on special programs by 30 June 2021(May or,s Tournam ent,Youth Support,G ender Support,H IV/Candle lighting,C hild& Old Age Support, Disability Support,)	20 Special Progra mms activiti es condu cted	16 Special Programs organized by 30 June 2021	Special Progra ms	Organize and conduct the special programs undertak en in the different desks of the Special Programs Unit	Greater Giyani Munici pality	All wards	Inco me	Operati onal	Operati onal	Operati onal	Target not Achieved 14 Special program mes conduct ed	2 special progra mmes not conduct ed	Constant closure . minimal numbers allowed and strict measures of COVID 19 regulatio ns	To develop a plan for all special program mes and hold them virtually	"Attendanc e registers, Invitations, programs	MM
Newsletter	To develop governance structures and systems	# of Rito newslette rs to be produced and circulated	4 Rito newsle tter produ ced	4 Rito newslette r edition produced and circulated	Rito newslet ter	Producing and Circulatin g of the Rito newslette r	Greater Giyani Munici pality	Admistra tion	Inco me	Operati onal	Operati onal	Operati onal	Target not Achieved 3 Rito newslett er	1	Contact has lapsed	To appoint a service provider	4 Rito newsletter editions	MM

	that will ensure effective public consultation and organizational discipline	by 30 June 2021		by 30 June 2021									published					
Public Participation	To develop governance structures and systems that will ensure effective public consultation and organizational discipline	# of imbizos to be convened by 30 June 2021	4 Imbizos held	4 imbizos convened by 30 June 2021	Public Participation	Consult members of the public on service delivery issues	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target Achieved 4 Imbizo's conducted	N/A	N/A	N/A	Attendance register and Programme	MM
Public Participation	To develop governance structures and systems that will ensure effective public consultation and	# of ward reportback meetings to be conducted by 30 June 2021	124 Report back meetings held	124 ward report back meetings conducted by 30 June 2021	Ward Public Report Back meetings	Consult members of the public on service delivery issues	Greater Giyani Municipality	All wards	Income	Operational	Operational	Operational	Target achieved 124 ward report back meetings conducted	N/A	N/A	N/A	Attendance Registers and Minutes	CORP

	organizational discipline																	
Public Hearing of MPAC	To develop governance structures and systems that will ensure effective public consultation and organizational discipline	# of MPAC Public Hearing to be coordinated by 31 March 2021	1 MPAC Public hearing conducted on 31 March 2020	1 MPAC Public Hearing coordinated by 31 March 2021	MPAC Public Hearing	Conduct public hearing of the 2019/20 Annual Report	Greater Giyani Municipality	Administration	Income	Operational	Operational	Operational	Target achieved 1 MPAC Public hearing conducted	N/A	N/A	N/A	Attendance registers and advert	CORP
Customer Satisfaction Survey	To develop governance structures and systems that will ensure effective public consultation and organizational discipline	To review Customer Satisfaction Survey by 30 June 2021	1 Customer satisfaction Survey conducted	1 Customer satisfaction Survey reviewed by 30 June 2021	Customer Satisfaction Survey	Distribution of Customer Satisfaction survey questionnaire to communities to collect information on customer satisfaction	Greater Giyani Municipality	All wards	Income	Operational	Operational	Operational	Target Achieved 1 Customer satisfactory survey conducted	N/A	N/A	N/A	Reports and Questionnaire	MM
Arts and Culture Support	To promote Arts and	To host Arts and Culture Festival	1 festival was	One event of Arts and Culture	Arts & Culture Support	To host Arts and Culture festival	All Wards	All wards	Income	Operational	Operational	Operational	Target not achieved (1 Arts	1 Arts and Culture Festival.	Due to COVID 19 regulatio	Planned for the next financial	Attendance register	COMM

	Culture within the community members	by September 2020	held in 2018	festival to be held in September 2020									and Culture Festival)		ns which did not permit the anticipated numbers	year focusing on specific genres.		
Heritage Day Celebration	To promote the Culture of heritage within members of the community	To host the Heritage Day Celebration by September 2020	1 Heritage Day Celebration was held	1 Heritage Day Celebration held in September 2020	Heritage Day Celebration	To host Heritage Day Celebration	All Wards	All wards	Income	Operational	Operational	Operational	Target not achieved (One Heritage Day Celebration)	One Heritage Day Celebration	Due to the COVID 19 terms and advice by the National Dept of Arts and Culture.	Plans to hold the celebration in the forthcoming financial year.	Attendance register	COM M
Sport Development	To develop Sports programmes within the community members	# of sporting codes supported by 30 June 2021	7 wards benefited	7 sporting code supported by 30 June 2021	Sport Development	To procure sporting equipments	All Wards	All wards	Income	Operational	Operational	Operational	Target not achieved 2 teams supported with soccer balls.	5 teams or wards outstanding.	Due to minimal interaction and assessment because of COVID 19	Adjustment of target to meet the current working conditions of covid 19 regulations in the next next financial year	Attendance register of participants	COM M
Indigenous games	To promote the Indigenous games within the community	To Coordinate and host indigenous games within the community by 30 June 2021	Local, District and Provincial Indigenous games coordinated	Coordinate the selection of local team of Indigenous games by June 2021	Indigenous Games	1 local Indigenous games to be hosted	All Wards	All wards	Income	Operational	Operational	Operational	Target not achieved (1 Local Indigenous Games.)	1 Local Indigenous Games.	Due to COVID 19 regulations and guidelines by Provincial dept on the Games.	Develop a Plan for hosting genres at different times in the next financial year.	Attendance register of participants	COM M

No.	PROJECT NAME.	TARGET	STATUS	CHALLENGES	INTERVENTIONS
4	Golf Course Development	Rezone and subdivide Golf Course	Target not Achieved	Rezoning and subdivision of Golf Course not yet done	Fastrack the project during new financial year and appointment of tribunal
5	Formalisation of Church View	Approved Layout plan by 30 June 2021	Target not Achieved	Formalisation of Makosha Risinga Extension not approved.	Fastrack appointment of tribunal
6	Formalisation of Church View	Approved Layout plan by 30 June 2021	Target not Achieved	Formalisation of Church View not approved	Fastrack appointment of tribunal
7	Street naming Giyani section A & F	Street names registered at Surveyor General Office by 30 June 2021	Target not Achieved	Street naming Giyani Section A & F not done	Fastrack the project during new financial year
8	Street naming Giyani BA & C	Street names registered at Surveyor General Office by 30 June 2021	Target not Achieved	Street naming Giyani Section BA& C not done	Fastrack the project during new financial year
9	Site Demarcation in Sikhunyani and Dzumeri villages	Feasibility study conducted for Town Expansion (Dzumeri and Sikhunyani) 30 June 2021	Target not Achieved	Site Demarcation in Sikhunyani and Dzumeri villages not approved	Fastrack appointment of tribunal

No.	PROJECT NAME.	TARGET	STATUS	CHALLENGES	INTERVENTIONS
10	Subdivision, Rezoning of Municipal Properties	Rezone and subdivide 3 Municipal Properties in Villages	Target not Achieved	Rezoning and subdivision of 3 Municipal Properties in villages not done	Fastrack the project during new financial year
11	Subdivision & Rezoning of remainder 1946 Giyani F	Subdivision & Rezoning of remainder 1946 Giyani F	Target not Achieved	Subdivision & Rezoning of remainder 1946 Giyani F not done	Fastrack the project during new financial year
12	Rezoning and subdivision of parks	Rezoning and subdivision of parks by 30 June 2021	Target not Achieved	Rezoning and subdivision of parks not approved	Fastrack the project during new financial year
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT					
1	Executive Committee Meetings	12 Executive Committee Meetings coordinated and supported by 30 June 2021	Target not achieved (8 EXCO meeting co-ordinated)	Four meetings were not held because there were no matters to be discussed by Exco	Adherence to the scheduled for EXCO Meetings
2	Portfolio Committee Meetings	96 Portfolio Committee Meetings (12 Per Portfolio Committee) by 30 June 2021	Target not achieved (61 portfolio committee meetings)	Thirty-five Portfolio committee meetings were not held because there were no matters to be discussed by the committees.	Adherence to the scheduled for Portfolio committee Meetings
3	Personnel Recruitment	Sixty (60) posts to be filled in terms of the organogram by 30 June 2021	Target not achieved (53 posts filled)	The positions were advertised but we could not find suitable candidates	Re-advertise the positions

No.	PROJECT NAME.	TARGET	STATUS	CHALLENGES	INTERVENTIONS
4	Management of litigation	# of litigation cases received and finalized by 30 June 2021	Target Not Achieved (2 of 14 cases finalized)	5 Exchanging pleadings in court 7 Awaiting for trial date	Awaiting for outcome of the cases and implement as per the outcome
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT					
1	Development of Giyani waste disposal site	1Waste disposal site constructed by 30 June 2021	Target not achieved, completion date has been extended to 13 August 2021.	Unforeseen overlaying underground rock needed chemical blasting. Delay by Eskom to instal electrical line and late approval by SANRAL for road intersection and Covid shutdown	Request for More resources and approval for working overtime
2	Civic Centre Building, Phase 4	Construction of Civic Centre Phase 4 by 30 June 2021	Target not achieved	Advertisement and appointment of service providers delayed by the appointment of pools.	Fast tracking the appointment of contractor in the next financial year
3	Upgrading Of Giyani Traffic Lights & R81 Lighting	To Upgrade Of Giyani Traffic Lights & R81 Lighting by 30 June 2021	Target not achieved	Due to late appointment of the service provide	To be implemented during 2021/22 financial year budget
4	25 High Mast Lights	To energise 25 High Mast lights by 30 June 2021	Target not achieved. One high mast outstanding	No commitment to book outage from Eskom	Escalation to the high authority for bookings

No.	PROJECT NAME.	TARGET	STATUS	CHALLENGES	INTERVENTIONS
5	Alternative road to Giyani from R81	Designs for Alternative road to Giyani from R81 to developed by 30 June 2021	Target not achieved	Insufficient budget, the service provider could not proceed without payment	Request for sufficient budget to cover for the detailed designs
6	Nkomo B to A (D3837) upgrading from gravel to tar	Construction of pavement layers on the 2.5 km road Nkomo B to A by 30 June 2021	Target not achieved	The consultant is compiling the close-out report	Strict supervision and punitive measures for slow implementation
7	Homu 14B Sports centre	Designs and Draft tender document by 30 June 2021	Target not achieved	The Consultant has been edged to speed up the designs so that the project can be advertised	Fast tracking the appointment processes of service providers
8	Refurbishment of Sporting Facilities (Gawula)	Refurbishment of Sporting Facilities (Gawula) by 30 June 2021	Target not achieved	Due to budgetary constraints the project reprioritize for the next	Budget has been prioritize for next financial year
9	Refurbishment of Shivulani Sports Centre	Refurbishment of Shivulani Sports Centre by 30 June 2021	Target not achieved	The previous service provider has been liquidated, we are unable to release the retention amount.	The Municipality has appointed the attorneys to deal with the case

No.	PROJECT NAME.	TARGET	STATUS	CHALLENGES	INTERVENTIONS
10	Speed Checks	200 Speed checks conducted by 30 June 2021	Target not achieved 38 Speed checks conducted	The contract of the Law Enforcement Support expired	Adjustment of target to be achievable by our internal personnel
11	Warrant of arrests	150 Warrant of arrests issued by 30 June 2021	Target not achieved 150 warrant of arrests were not issued	The contract of service provider tasked with issuing The warrant of arrest through an automated system expired. The Municipality advertised the tender on 2 occasions and it was non-responsive	Review of the terms of reference and consider transversal contracting
12	Traffic summons issued	1440 (sec 56) summonses by 30 June 2021	Target not achieved 786 summonses issued	Due to lockdown and covid 19 regulations	Adjustment of target to meet the current working conditions of covid 19 regulations
13	SABS levy	2 payments of SABS FEES facilitated by 30 June 2021	Target not achieved 01 SABS fees payment are done	Delay from SABS to send invoice	Liaising with SABS to send the invoice for payment
LOCAL ECONOMIC DEVELOPMENT					
1	Review LED Strategy	1 LED Strategy reviewed and approved by Council by 30 June 2021	Target not achieved	Due to Budgetary constraints the budget was made available during the adjusted budget and advert closed during fourth quarter	Fastrack appointment of service provider during new financial year
2	Support to SMME's	5 SMMEs exposed to LED market by 30 June 2021	Target not achieved	Due to Covid -19 Regulations Tourism Indaba, Marula festival and Rand Easter show were not held.	Explore other ways for marketing platform in the next financial year.

No.	PROJECT NAME.	TARGET	STATUS	CHALLENGES	INTERVENTIONS
3	Durban Indaba	1 SMME exposed to Durban Indaba by 30 June 2021	Target not achieved	Due to COVID 19 regulations the Durban Indaba was postponed	Explore other marketing platform for next financial year
GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
1	Support services for monthly ward committee meetings	372 Ward Committee meetings conducted by 30 June 2021	Target not achieved 369 Ward committee meetings coordinated	The chairperson was affected by Covid 19.	Visit ward management committee meeting to check their difficulties to hold the meetings
2	Internal Audit Action Plan	100% of total number of findings resolved in the Internal Audit Action Plan by 30 June 2021	Target not achieved. 54% findings resolved	Slow implementation of the Audit Action Plan	Continuous monitoring of the Audit Action Plan/follow ups
3	Internal Audit	Audit Committee Charter developed and submitted to council for approval by 30 June 2021	Target not achieved (Audit Committee Charter reviewed waiting for approval)	Postponement of the audit committee meeting which was to consider the charter before submission to Council	Audit committee charter to serve on the Council during the meeting scheduled for 2021/22 first quarter Council meeting.
4	Internal Audit	Internal Audit Plan and Internal Audit Charter	Target not achieved. (3 year Internal Audit plan and Internal Audit Charter developed)	Audit committee meeting scheduled for approval of the documents was rescheduled	Audit committee meeting to be scheduled for 2021/22 first quarter
5	(AGSA) Action Plan	100% of total number of findings resolved in the AG(SA) Action Plan by 30 June 2020	Target not achieved. 20% findings resolved (25)	The Audit report issue was delayed due to National Treasury Circular 104	Continues audit action plan follow-up through weekly AFS preparation meetings and audit steering committee meetings

No.	PROJECT NAME.	TARGET	STATUS	CHALLENGES	INTERVENTIONS
6	Library outreach	12 Library Outreach conducted by 30 June 2021	Target not achieved 2 Library Outreach conducted	Constant closure. minimal numbers allowed and strict measures because of COVID 19.	To develop a plan for all programmes and hold them virtually
7	Special Programme	16 Special Programs organized by 30 June 2021	Target not achieved	Constant closure. minimal numbers allowed and strict measures of COVID 19 regulations	To develop a plan for all special programmes and hold them virtually
8	Rito Newsletter	4 Rito Newsletter edition produced and circulated by 30 June 2021	Target not achieved	Contract has lapsed	To appoint a service provider
9	Arts & Culture	One event of Arts & Culture Festival to be held in September 2020	Target not achieved	Due to COVID 19 regulations which did not permit the anticipated numbers	Planned for the next financial year focusing on specific genres.
10	Heritage Day Celebration	1 Heritage Day Celebration held in September 2020	Target not achieved	Due to the COVID 19 terms and advice by the National Dept of Arts and Culture.	Plans to hold the celebration in the forthcoming financial year.
11	Sport Development	7 sporting code supported by 30 June 2021	Target not achieved	Due to minimal interaction and assessment because of COVID 19	Adjustment of target to meet the current working conditions of covid 19 regulations in the next next financial year
12	Indigenous Games	Coordinate the selection of local team of Indigenous games by June 2021	Target not achieved	Due to COVID 19 regulations and guidelines by Provincial dept on the Games.	Develop a Plan for hosting genres at different times in the next financial year.

Signed by

A handwritten signature in black ink, consisting of a large, stylized 'H' followed by a 'B' and a flourish.

Chauke MM

Municipal Manager

28/02/2022

Date

ANNEXURE B

AUDITED ANNUAL FINANCIAL STATEMENT



Greater Giyani Municipality
Audited Annual Financial Statements
for the year ended 30 June 2021

Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2021

General Information

Legal form of entity

Local Municipality

Nature of business and principal activities

Greater Giyani Municipality is a municipality performing functions set out in the Constitution (Act 108 of 1996). Providing services to the community as covered in the jurisdiction.

Mayoral committee

Mayor

Cllr Shibambu Basani Agnes

Speaker

Cllr Hlungwani Mafemani Patrick

Chief Whip

Cllr Mashale Masenyani Richard

Exco Member

Cllr Ndaba Khensani Harmony Pretty (Corporate and Shared Services)

Exco Member

Cllr Manganyi Khazamula Abraham (Finance)

Exco Member

Cllr Baloyi Tintswalo Elizabeth (Infrastructure)

Exco Member

Cllr Mabulana Peter Sello (Office of the Mayor)

Exco Member

Cllr Mboweni Agrey Ernest (Health and Social Development)

Exco Member

Cllr Mthombeni Africa Mavhayisi (Water Sanitation and Energy)

Exco Member

Cllr Mabunda Elisa Nkhensani (Planning and LED)

Exco Member

Cllr Makhubele Hlupheka Winnie (Sports Arts and Recreation)

Exco Member

Cllr Mathebula Sasavona Salva (Public Roads and Transport)

MPAC Chairperson

Cllr Mabasa Rhulani Oral

Cllr Baloyi Douglas Emmanuel

Cllr Mthombeni Mchacha William

Cllr Makhubele Sophie

Cllr Malungana Elia

Cllr Makhubele Thankyou Mbhizo

Cllr Valoyi Xavelela Judith

Cllr Hlungwana Trompies Steven

Cllr Kubayi Sevha Solomon

Cllr Kobane Gezani Eric

Cllr Mthombeni Tsakani Noria (Deceased)

Cllr Ndlovu Tiyani Lawrance

Cllr Mokoseni Fumani Clarence

Cllr Mokgobi Phillip Thomane

Cllr Masenyani Adolph

Cllr Chauke Mukhacani Juring

Cllr Mhlongo Mashau Calvin

Cllr Mthombeni Amukelani Florah

Cllr Khosa Jabulani Samuel

Cllr Mahlawule Soyaphi Calvin

Cllr Manganyi Tintswalo Constance

Cllr Rikhotso Hlayiseka Roger

Cllr Mashele Basani Ivy

Cllr Gaveni Bridget

Cllr Ngobeni Risimati Edward

Cllr Rikhotso Risimati Christopher

Cllr Khosa Ringeta Sally

Cllr Maluleke Noel

Cllr Mkansi Xigiya Ben

Cllr Mthombeni Sizeka George

Cllr Mashimbye Dzuni Calvin

Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2021

General Information

Cllr Shivuri Daison Tinyiko
Cllr Makhubele Masenyani Jackson
Cllr Zitha Thandazo Christinah
Cllr Shimange Fazi Mikateko Irene
Cllr Khadlhela Nomsa Rachel
Cllr Zitha Thandi
Cllr Baloyi Nyiko Nyumisani
Cllr Siweya Cynthia Masingita
Cllr Maluleka Tinyiko Rose
Cllr Sekgobela Reginah Ntsako
Cllr Chaka Thomas Patrick
Cllr Madzunya Nhlamulo Mavis
Cllr Hlungwani Mabandla Patrick (Resigned)
Cllr Shivambu Hasani Richard
Cllr Zitha Nyiko Johannah
Cllr Mazivuko Patrick
Cllr Nkuna Soyaphi Robert
Cllr Mathevula Mthakathi Prince
Cllr Makamu Mafakhale Alpheus

Grading of local authority

3

Accounting Officer

M M Chauke

Chief Finance Officer (CFO)

D Mhangwana

Business address

BA 59
Civic Centre
Giyani CBD
0826

Postal address

Private Bag X9559
Giyani
0826

Bankers

ABSA
Giyani Branch

Auditors

Auditor General South Africa (AGSA)

Level of assurance

These audited annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

The annual financial statements were compiled by:
D Mhangwana-Chief Financial Officer

Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2021

Index

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

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Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2021

Index

AC	Audit Committee
AGSA	Auditor General of South Africa
AO	Accounting Officer
ASB	Accounting Standards Board
CFO	Chief Financial Officer
COIDA	Compensation for Occupational Injuries and Diseases Act
COVID-19	Coronavirus 2019
CPI	Consumer Price Index
EPWP	Expanded Public Works Program
FMG	Finance Management Grant
GRAP	Financial Management Grant
IAS	International Accounting Standards
IASB	International Accounting Standard Board
INEG	Integrated National Electrification Grant
IT	Information Technology
LGSETA	Local Government Sector Education and Training Authority
LSA	Long Service Awards
MDRG	Municipal Disaster Relief Grant
MFMA	Municipal Finance Management Act
MSCOA	Municipal Standards Charts Of Accounts
MIG	Municipal Infrastructure Grant
PAYE	Pay As You Earn
PEMA	Post Employment Medical Aid
SDL	Skills Development Levy
SME	Small Medium Enterprise
UIF	Unemployment Insurance Fund
VAT	Value Added Tax

Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the audited 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 audited annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The accounting officer 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 audited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

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

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

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

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

The audited annual financial statements set out on page 9 - 104, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2021 and were signed on its behalf by:



M. M. Chauke
Municipal Manager

AUDIT COMMITTEE ANNUAL REPORT 2020/21

We are pleased to present our report for the financial year ended 30 June 2021

1. Audit Committee Responsibility

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

2. Audit Committee members and attendance

The Audit Committee, consisting of independent outside members, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises. The table below illustrates the number of meetings held during the 2020/2021 financial year and the attendance thereof by members:

Surname and Initial	Ordinary meeting	Special meetings	Total
Ngobeni SAB	4	2	6
Ramutsheli MP	4	2	6
Sikhosana M	4	2	6
Baloyi N	4	2	6

3. The Effectiveness of Internal Control

Internal control environment system has improved significantly. However, there were several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General.

4. In-Year Management and Monthly/Quarterly Report

The municipality does have an effective monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA).

5. Performance Management

The AC reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and capacitating the Performance Management Unit.

6. Risk Management

The AC is of the opinion that municipality's risk management appears to be effective for the better of the year in material respect, and the municipality did implement a comprehensive risk management strategy and related policies. Management has sound and effective approach has been followed in developing strategic risk management plans and there is a sense of appreciation of the impact of the municipality's risk management framework on the control environment. However, there is a room for improvement in so far as implementation of hotline as part of fraud prevention strategy.

7. Compliance with laws and regulations

A number of non-compliance with the enabling laws and regulations were revealed by Audit Committee, AGSA, and Internal Audit during the year. Consequently, an establishment an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance is key.

8. Internal Audit

The AC is satisfied with the effectiveness of Internal Audit and commend Management and Council for capacitating this unit. However, there is a need to fast-track the implementation of Combined Assurance Model.

9. Progress in implementation of Internal Audit and AGSA findings from prior year

AGSA and Internal Audit recommendations were material implemented by management at the time of this report.

10. Implementations of Audit Committee Recommendations by management

A material number of Audit Committee recommendations to management were implemented which is commendable.

11. Draft Annual Financial Statements and Annual Performance Report

Audit Committee reviewed the draft unaudited Annual Financial Statements and draft Annual Performance report before submission to AGSA for audit and concur with the submission subject to all the inputs being factor in by management.

12. Conclusion

The Audit Committee wishes to acknowledge the commitment from Council, management and staff of the municipality. The stability in terms of the political and administrative leadership of the municipality has contributed to these improvements reported above. We would also like to thank the Mayor for her support, Councillors, senior management for their efforts and internal audit for their contribution.



SAB Ngobeni (Mr)
Chairperson of the Audit Committee
Greater Giyani Municipality
August 2021

To the Provincial Legislature of Greater Giyani Municipality

Auditor General South Africa (AGSA)

31 August 2021

Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Officer's Report

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

1. Review of activities

Main business and operations

The municipality is engaged in greater giyani municipality is a municipality performing functions set out in the constitution (act 108 of 1996). providing services to the community as covered in the jurisdiction. and operates principally in South Africa.

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

2. Going concern

We draw attention to the fact that at 30 June 2021, the municipality had an accumulated surplus of 1 184 364 275 and that the municipality's total assets exceed its liabilities by 1 184 364 275.

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

3. Subsequent events

During and post financial year the municipality experienced a number of Covid-19 cases and offices were closed for 16 combined number of days post financial year, this has an impact on the operation of the municipality taking into account that different Covid-19 levels necessitated that the municipality operates on a rotational basis based on the approved Covid-19 approved operational plan.

The Municipality had a contractual relationship with Eternity Star Investment 231CC in 2019 for the construction of new landfill site for an amount of R 8 140 279. The matter ended up in court mainly due to poor workmanship and the service provider concedes. On the 5th September 2021 the Municipality was notified by its bank ABSA that they have received a warrant of execution from the Sheriff of the court to attach an amount of R 10 931 266, 27 (capital and interest) which came as a surprise to management since according to records the municipality has through its attorneys of record filed a notice to apply for the judgment to be rescinded. The municipality is awaiting the hearing of the application for leave to appeal the dismissal of its application to stay the writ of execution as well as the application for the rescission of the default judgement on 05-10-2022 at the Polokwane Division of the High Court.

Council approved the motivation to pay performance bonus to senior managers for the 2019/20 financial year with the Municipal Manager being paid the maximum of 14% for performance bonus and Director Corporate Services paid a maximum of 9% performance bonus respectively per Council Resolution No. CR02-30/08/21 SP. Subsequently an amount of R177 389 and R93 629 were paid to the Municipal Manager and Director Corporate Services respectively during the month of September 2021 as part of annual performance bonus.

The Local Government elections took place on the 1st of November 2021, and subsequently Greater Giyani Municipality appointed a new Council on the 22nd November 2021 with the new Mayor, Speaker, MPAC Chairperson, Chief Whip and members of Executive Committee.

The Municipality invested an amount of R159 262 692 with the Venda Bank Society (VBS) dating back 2018, subsequent to this the Municipality lodged a claim with the bank curator in order to recoup amounts invested. The Municipality eventually received an amount of R10 727 810 during the month of February 2022. The efforts are underway with the curator to recoup other funds subject to curator efforts on collection of amounts from the defaulters.

4. Accounting Officer

The accounting officer for the municipality during the year under review was:

Chauke M M

Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Officer's Report

5. Impact of COVID-19 on Municipal operations

The Covid-19 pandemic had a negative impact on the operations of the municipality, due to this the anticipated revenue of the municipality was not achieved as the pandemic had a negative economic outlook leading to several customer's unable to fulfil their obligations on the payment of accounts, including businesses. Due to the pandemic, the Municipality was also expected to carry out additional activities including frequent refuse removal, extra-ordinary cleaning of public facilities, monitoring of social gatherings, environmental health inspection etc.

6. COVID 19 relief

The Municipality received an additional funds for an amount of R 62 275 000.00 on the original allocated budget of R369 568 000.00 on the Equitable Share as a relief due to Covid-19. Due to loss of revenue the funds have been used to cover expenses that would have been used on the normal course of operations.

7. Auditors

Auditor General South Africa (AGSA) will continue in office for the next financial period.

The audited annual financial statements set out on page 17, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2021 and were signed on by:



M. M. Chauke
Municipal Manager

Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Inventories	9	33 870 103	33 831 942
Other financial assets	7	10 727 810	-
Receivables from exchange transactions	10	30 560 859	25 491 530
Receivables from non-exchange transactions	11	81 421 463	63 967 744
VAT receivable	12	16 131 014	9 741 521
Other receivables from exchange transactions	13	25 001 738	19 179 566
Cash and cash equivalents	14	179 411 408	91 521 068
		377 124 395	243 733 371
Non-Current Assets			
Investment property	3	25 935 570	26 026 364
Property, plant and equipment	4	964 026 837	910 090 688
Intangible assets	5	946 658	593 894
Heritage assets	6	206 303	206 303
		991 115 368	936 917 249
Total Assets		1 368 239 763	1 180 650 620
Liabilities			
Current Liabilities			
Finance lease obligation	15	-	480 166
Payables from exchange transactions	19	102 455 112	102 002 087
Employee benefit obligation	8	623 000	669 000
Unspent conditional grants and receipts	16	-	-
Rehabilitation of dumping-site	18	3 877 099	3 909 429
Deferred income	17	19 769 358	-
		126 724 569	107 060 682
Non-Current Liabilities			
Employee benefit obligation	8	22 023 000	19 186 000
Rehabilitation of dumping-site	18	35 127 919	37 024 088
		57 150 919	56 210 088
Total Liabilities		183 875 488	163 270 770
Net Assets		1 184 364 275	1 017 379 850
Accumulated surplus		1 184 364 275	1 017 379 850
Total Net Assets		1 184 364 275	1 017 379 850

* See Note 53

Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	21	8 388 020	6 551 493
Rental of facilities and equipment	22	965 172	1 009 753
Interest received - overdue accounts (other services)	23	2 465 564	6 870 300
Agency services	24	1 797 113	1 112 284
Licences and permits	27	5 762 344	4 214 374
Gain on forfeited liability		-	494 849
Recoveries	25	10 727 810	-
Actuarial gains	26	137 000	7 685 612
Other income	29	2 504 570	1 552 758
Interest received - investment	30	5 845 631	5 992 728
Total revenue from exchange transactions		38 593 224	35 484 151
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	31	71 229 310	57 212 189
Traffic fines	31	1 625 605	6 895 687
Interest - overdue accounts (property rates)	33	22 333 782	12 823 455
Transfer revenue			
Government grants & subsidies	34	458 488 580	368 864 296
Donations received	35	6 038 305	-
Total revenue from non-exchange transactions		559 715 582	445 795 627
Total revenue	20	598 308 806	481 279 778
Expenditure			
Employee related costs	36	(153 333 870)	(141 089 802)
Remuneration of councilors	37	(23 738 556)	(23 718 342)
Depreciation and amortisation	38	(90 353 857)	(85 915 292)
Impairments loss/reversal	39	(6 298 942)	(3 982 897)
Finance costs	40	(3 941 143)	(1 855 934)
Lease rentals on operating lease	28	(1 412 436)	(1 721 422)
Debt impairment	41	(45 382 706)	(35 995 375)
Loss on assets written off	4	(7 393 461)	(4 374 289)
Contracted services	43	(36 400 409)	(51 462 608)
Transfers and Subsidies	44	(955 000)	(600 000)
Actuarial gains and losses	8	(208 000)	-
Obsolete inventory written off	42	(5 799)	(27 174)
Repairs and maintenance	45	(5 516 108)	(4 649 859)
General expenses	46	(56 384 096)	(47 713 768)
Total expenditure		(431 324 383)	(403 106 762)
Surplus for the year		166 984 423	78 173 016

* See Note 53

Greater Giyani Municipality

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Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	941 688 782	941 688 782
Adjustments		
Prior year adjustments	(2 481 948)	(2 481 948)
Balance at 01 July 2019 as restated*	939 206 834	939 206 834
Changes in net assets		
Surplus for the year	78 173 016	78 173 016
Total changes	78 173 016	78 173 016
Balance at 01 July 2020 as restated*	1 017 379 852	1 017 379 852
Changes in net assets		
Surplus for the year	166 984 423	166 984 423
Total changes	166 984 423	166 984 423
Balance at 30 June 2021	1 184 364 275	1 184 364 275
Note(s)		

* See Note 53

Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Cash receipts from customers		47 681 871	13 583 914
Grants and subsidies		458 488 580	365 902 765
Interest income		5 845 631	5 992 728
		<u>512 016 082</u>	<u>385 479 407</u>
Payments			
Employee costs		(171 185 116)	(159 918 446)
Suppliers		(74 753 620)	(30 706 119)
Finance costs		(31 714)	(174 897)
		<u>(245 970 450)</u>	<u>(190 799 462)</u>
Net cash flows from operating activities	48	<u>266 045 632</u>	<u>194 679 945</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(164 686 530)	(140 949 738)
Purchase of other intangible assets	5	(2 260 786)	(2 098 709)
Movement on financial assets		(10 727 810)	-
Net cash flows from investing activities		<u>(177 675 126)</u>	<u>(143 048 447)</u>
Cash flows from financing activities			
Finance lease payments		(480 166)	(706 994)
Net increase in cash and cash equivalents		<u>87 890 340</u>	<u>50 924 504</u>
Cash and cash equivalents at the beginning of the year		91 521 068	40 596 564
Cash and cash equivalents at the end of the year	14	<u>179 411 408</u>	<u>91 521 068</u>

* See Note 53

Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	5 920 890	651 828	6 572 718	8 388 020	1 815 302	A & P
Rental of facilities and equipment	859 896	(195 859)	664 037	965 172	301 135	B & Q
Interest received (overdue accounts) other services	20 663 439	-	20 663 439	2 465 564	(18 197 875)	C
Agency services	-	-	-	1 797 113	1 797 113	D
Licences and permits	14 218 080	(7 554 152)	6 663 928	5 762 344	(901 584)	E & R
Recoveries	-	-	-	10 727 810	10 727 810	
Acturial gains	-	-	-	137 000	137 000	F
Other income	22 593 364	9 388 934	31 982 298	2 504 570	(29 477 728)	G & S
Interest received - investment	8 557 619	(1 657 619)	6 900 000	5 845 631	(1 054 369)	T
Total revenue from exchange transactions	72 813 288	633 132	73 446 420	38 593 224	(34 853 196)	

Revenue from non-exchange transactions

Taxation revenue

Property rates	77 548 000	(6 729 023)	70 818 977	71 229 310	410 333	
Traffic fines	2 108 490	(498 000)	1 610 490	1 625 605	15 115	U
Interest received (overdue accounts) property rates	-	-	-	22 333 782	22 333 782	C

Transfer revenue

Government grants & subsidies	447 287 000	11 281 000	458 568 000	458 488 580	(79 420)	
Public contributions and donations	-	-	-	6 038 305	6 038 305	

Total revenue from non-exchange transactions	526 943 490	4 053 977	530 997 467	559 715 582	28 718 115	
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Total revenue	599 756 778	4 687 109	604 443 887	598 308 806	(6 135 081)	
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Expenditure

Employee related costs	(173 677 590)	18 471 087	(155 206 503)	(153 333 870)	1 872 633	V
Remuneration of councilors	(25 022 989)	1 355 132	(23 667 857)	(23 738 556)	(70 699)	
Depreciation and amortisation	(68 000 000)	-	(68 000 000)	(90 353 857)	(22 353 857)	H
Impairment loss	-	-	-	(6 298 942)	(6 298 942)	I
Finance costs	-	-	-	(3 941 143)	(3 941 143)	J
Lease rentals on operating lease	(2 800 000)	-	(2 800 000)	(1 412 436)	1 387 564	K
Debt Impairment	(34 300 000)	-	(34 300 000)	(45 382 706)	(11 082 706)	L
Contracted Services	(59 468 941)	(17 782 793)	(77 251 734)	(36 400 409)	40 851 325	M
Transfers and Subsidies	(960 000)	-	(960 000)	(955 000)	5 000	
Actuarial loss	-	-	-	(208 000)	(208 000)	N
General Expenses	(54 509 218)	3 974 141	(50 535 077)	(50 211 334)	323 743	
Repairs and maintenance	(39 380 000)	(13 725 198)	(53 105 198)	(5 516 108)	47 589 090	O & W
Obsolete inventory written off	-	-	-	(5 799)	(5 799)	
Loss on assets written off	-	-	-	(7 393 461)	(7 393 461)	
Total expenditure	(458 118 738)	(7 707 631)	(465 826 369)	(425 151 621)	40 674 748	

Greater Giyani Municipality

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Surplus before taxation	141 638 040	(3 020 522)	138 617 518	173 157 185	34 539 667	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	141 638 040	(3 020 522)	138 617 518	173 157 185	34 539 667	
Reconciliation						

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Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Position

Assets

Current Assets

Inventories	2 381 988	-	2 381 988	33 870 103	31 488 115	
Other financial assets	-	-	-	10 727 810	10 727 810	
Receivables from exchange transactions	-	-	-	30 560 859	30 560 859	
Receivables from non-exchange transactions	-	-	-	81 421 463	81 421 463	
VAT receivable	-	-	-	16 131 014	16 131 014	
Other receivable from exchange transactions	71 245 433	-	71 245 433	25 001 738	(46 243 695)	
Cash and cash equivalents	151 589 470	3 593 855	155 183 325	179 411 408	24 228 083	
	225 216 891	3 593 855	228 810 746	377 124 395	148 313 649	

Non-Current Assets

Investment property	20 675 400	-	20 675 400	25 935 570	5 260 170	
Property, plant and equipment	1 188 008 455	(10 031 456)	1 177 976 999	964 026 837	(213 950 162)	
Intangible assets	2 412 646	(1 270 000)	1 142 646	946 658	(195 988)	
Heritage assets	210 429	-	210 429	206 303	(4 126)	
	1 211 306 930	(11 301 456)	1 200 005 474	991 115 368	(208 890 106)	
Total Assets	1 436 523 821	(7 707 601)	1 428 816 220	1 368 239 763	(60 576 457)	

Liabilities

Current Liabilities

Payables from exchange transactions	-	(363 526 339)	(363 526 339)	102 455 112	465 981 451	
Employee benefit obligation	-	-	-	623 000	623 000	
Rehabilitation of dumping-site	1 048 599	(1 048 599)	-	3 877 099	3 877 099	
Deferred income	-	-	-	19 769 358	19 769 358	
	1 048 599	(364 574 938)	(363 526 339)	126 724 569	490 250 908	

Non-Current Liabilities

Employee benefit obligation	-	-	-	22 023 000	22 023 000	
Rehabilitation of dumping-site	36 374 551	-	36 374 551	35 127 919	(1 246 632)	
	36 374 551	-	36 374 551	57 150 919	20 776 368	

Total Liabilities	37 423 150	(364 574 938)	(327 151 788)	183 875 488	511 027 276	
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Net Assets	1 399 100 671	356 867 337	1 755 968 008	1 184 364 275	(571 603 733)	
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Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Accumulated surplus	1 399 100 671	356 867 337	1 755 968 008	1 184 364 275	(571 603 733)	
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Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Cash Receipts from customers	89 017 540	-	89 017 540	36 954 057	(52 063 483)	
Grants	447 287 000	11 281 000	458 568 000	458 488 580	(79 420)	
Interest income	29 221 053	-	29 221 053	5 845 631	(23 375 422)	
	565 525 593	11 281 000	576 806 593	501 288 268	(75 518 325)	
Payments						
Employee costs	(173 677 590)	18 471 087	(155 206 503)	(171 185 113)	(15 978 610)	
Suppliers	(182 140 788)	(26 179 048)	(208 319 836)	(74 753 620)	133 566 216	
Finance costs	-	-	-	(31 714)	(31 714)	
	(355 818 378)	(7 707 961)	(363 526 339)	(245 970 447)	117 555 892	
Net cash flows from operating activities	209 707 215	3 573 039	213 280 254	255 317 821	42 037 567	
Cash flows from investing activities						
Purchase of property, plant and equipment	(138 638 004)	20 456	(138 617 548)	(164 686 530)	(26 068 982)	
Purchase of other intangible assets	-	-	-	(2 260 786)	(2 260 786)	
Net cash flows from investing activities	(138 638 004)	20 456	(138 617 548)	(166 947 316)	(28 329 768)	
Cash flows from financing activities						
Repayment of other financial liabilities	-	-	-	(480 166)	(480 166)	
Net increase/(decrease) in cash and cash equivalents	71 069 211	3 593 495	74 662 706	87 890 339	13 227 633	
Cash and cash equivalents at the beginning of the year	91 626 268	-	91 626 268	91 521 068	(105 200)	
Cash and cash equivalents at the end of the year	162 695 479	3 593 495	166 288 974	179 411 407	13 122 433	
Reconciliation						
		Operating Activities	Financing Activities	Investing Activities	Column heading	Total
Actual amounts on comparable basis as presented in the budget and actual comparative statement		259 262 929	(170 892 426)	(480 166)	-	87 890 337
Actual amount as per cash flow statement		255 317 822	(166 947 316)	(480 166)	-	87 890 340
		3 945 107	3 945 110	-	-	(3)

Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						

EXPLANATION OF DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS

A. Services charges

Adjusted budget was based on the six (6) months billing trends and the municipality subsequently performed a reconciliation of refuse removal where corrective adjustments were processed which in turn increased refuse removal billing.

B. Rental of facilities and equipment

Adjusted budget was based on the six (6) months billing trends and the municipality subsequently performed a reconciliation of properties rental where corrective adjustments were processed which in turn increased refuse removal billing.

C. Interest on overdue accounts

Impact of revenue collection due to COVID-19 pandemic resulted in an increased debtor's book and increase the interest on outstanding debtors

D. Income from agency services

The municipality had not budget for agency income in the final approved budget.

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						

Recognition of agency income was calculated and disclosed at year end in the Annual Financial Statements.

E. Licences and permits

This was due to COVID-19 impact because the traffic station was not operating the whole of January 2021 and would also close as and when there are COVID-19 cases reported.

F. Actuarial gains

The actuarial gain is attributable to membership changes arising primarily due to the exit of several in-service members aged 59 or older, none of whom continued with the medical aid subsidy.

G. Other income

The budget for other income includes sale of stands which was not recognised as revenue at year end and is awaiting registration process at deeds office, for now they are recognised as inventory.

H. Depreciation

There were new assets additions for movable or infrastructure assets during the financial year, therefore more depreciation was calculated.

I. Impairment loss

Impairment loss was incurred due to the decrease in the value of damaged assets and assets which their life span has reduced drastically.

J. Finance costs

Finance costs were incurred due to cost, interest and other charges involved during the rental of photocopies, radiophones and computers.

K. Rentals on operating lease

The municipality has terminated the rental of Limdev offices in the current financial year.

L. Debt impairment

The municipality debt book has increased due to slow revenue collection which in turn increased the provision for debt impairment.

M. Contracted Services

All electrification projects that were not completed at year end were transferred to WIP, whereas the budget was under contracted services.

N. Actuarial loss

Actuarial loss on LSA is due to earnings increases higher than estimated or assumptions discount rate of 9.27% as compared to 7.29% in 2020, general inflation rate of 5.79% as compared to 3.94% in 2020 and net discount rate of 3.29% as compared to 3.22% in 2020). The changes to employees profile different to previously assumed also had an impact

O. Repairs and maintenance

Some of the maintenance projects were capital in nature and were capitalized at year-end, whereas they were budgeted under repairs and maintenance.

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Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						

EXPLANATION OF DIFFERENCES BETWEEN APPROVED BUDGET AND FINAL ADJUSTED BUDGET

P. Services Charges

The reconciliation of all services was performed, corrective adjustments were processed which in turn increased refuse removal budget.

Q. Rental of facilities

This is due to the impact of covid 19 pandemic since gatherings were no longer allowed.

R. Licence and permits

This was due to covid 19 impact because the traffic station was closed as and when there are cases

S. Other Income

The collection for sale of stands was higher for the first six months of the financial and projected to sell more by the end of June 2021.

T. Interest received – Investment

The budget was decreased during the adjustment budget because of the actuals interest received from July to December 2020.

U. Traffic fines

The municipality did not have an appointed Law Enforcement Agency in the period under review as compared to the prior financial years. The reduction of the traffic fine budget was as the result of that.

V. Employee Related Costs

The municipality did not have an appointed Law Enforcement Agency in the period under review as compared to the prior financial years. The reduction of the traffic fine budget was as the result of that.

W. Repairs and Maintenance

The budget was increased due to the need by the community to maintain roads after the heavy rains of January 2021.

The accounting policies on pages 30 to 53 and the notes on pages 54 to 104 form an integral part of the audited annual financial statements.

Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

Figures in Rand	Note(s)	2021	2020
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1. Presentation of Audited Annual Financial Statements

The audited 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 audited 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.

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Materiality

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

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

1.4 Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited 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 audited annual financial statements. Significant judgements include:

Trade receivables

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

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

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Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

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. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

The carrying amount of available-for-sale financial assets would be an estimated - lower or - higher were the discounted rate used in the discount cash flow analysis to differ by 10% from management's estimates.

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.

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

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 18 - Provisions.

Post-retirement benefits

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

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 8.

Effective interest rate

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

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Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Allowance for doubtful debts

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

1.5 Investment property

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

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

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

Investment property is initially recognised at cost

Investment property is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of investment property has been assessed as follows:

Straight line method	30 years
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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.

1.6 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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Accounting Policies

1.6 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.

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.

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

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

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

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

Item	Depreciation method	Average useful life
Buildings	Straight-line	30 years
Plant and machinery	Straight-line	
• Graders		5-15 years
• Tractors		5-15 years
• Lawn mowers		5-15 years
• Compressors		5-15 years
• Radio equipment		5-15 years
• Tippers		15 years
Furniture and fixtures	Straight-line	
• Chairs		5-10 years
• Tables and desks		5-10 years
• Cabinets and cupboards		5-10 years
Motor vehicles	Straight-line	
• Truck and light delivery vehicles		5-7 years
• Ordinary motor vehicles		3-20 years
Office equipment	Straight-line	
• Office machines		3-5 years
• Air conditioners		5-8 years
IT equipment	Straight-line	
• Computer hardware		3-9 years
Community	Straight-line	
• Cemeteries		25-30 years
• Community halls		25-30 years
• Libraries		25-30 years
• Parks		30 years
• Sports and related stadiums		25-30 years
• Tennis courts		10-30 years
• Golf courses		10-30 years
• Outdoor sports facilities		10-30 years
• Flood lighting		10-30 years
Roads and road furniture	Straight-line	
• Other roads		10 years
• Traffic islands		15 years
• Traffic lights		20 years

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1.6 Property, plant and equipment (continued)

• Streets lights		20-25 years
• Overhead bridges		30 years
• Stormwater drains		20 years
• Bridges, subways and culverts		60-80 years
• Car parks		20 years
• Bus terminals		20 years
Bins and containers	Straight-line	
• Bulk refuse containers (skips)		10 years
• Household refuse bins		5 years
Emergency equipment	Straight-line	
• Fire hoses		5 years
• Other fire fighting equipment		15 years
• Emergency equipment		5 years
Heritage		
• Mayoral chain		No asset life as no depreciation is charged
• Mace	Straight-line	No asset life as no depreciation is charged
• Mayoral gown	Straight-line	No asset life as no depreciation is charged

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

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

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

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

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

1.7 Intangible assets

An intangible asset is recognised when:

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

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

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1.7 Intangible assets (continued)

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

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

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

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

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

Item	Depreciation method	Average useful life
Computer software-licenses	Straight-line	12 months

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

1.8 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. No assets lives are allocated.

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.

Initial measurement

Heritage assets are measured at cost.

Where 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 measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

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.

Derecognition

The municipality derecognises heritage asset 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 a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.9 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.

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1.9 Financial instruments (continued)

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

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

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

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.

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 amortised cost.

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

Fair value measurement considerations

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

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

combined instrument that is required to be measured at fair value; or

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Accounting Policies

1.9 Financial instruments (continued)

an investment in a residual interest that meets the requirements for reclassification.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

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 assess 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 through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed 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.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

1.10 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.

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1.10 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 - lessee

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

1.11 Inventories

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

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

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

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

The cost of inventories comprises of all costs of purchase.

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.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

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

1.12 Impairment of cash-generating assets

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

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

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

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

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

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

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

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

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

Useful life is either:

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

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

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.

Value in use

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

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

Basis for estimates of future cash flows

In measuring value in use the municipality:

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

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1.12 Impairment of cash-generating assets (continued)

Composition of estimates of future cash flows

Estimates of future cash flows include:

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

Estimates of future cash flows exclude:

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

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

Discount rate

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

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1.12 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.

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1.12 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.

1.13 Impairment of non-cash-generating assets

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

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

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

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

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

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

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

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

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

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

Useful life is either:

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

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

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.

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

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

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

Reversal of an impairment loss

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

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

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

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

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

Redesignation

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

1.14 Employee benefits

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

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

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1.14 Employee benefits (continued)

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Post-employment benefits

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

Post-employment benefits: Defined contribution plans

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

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

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

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1.14 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

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

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

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

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

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

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

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

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

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

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

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

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

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Accounting Policies

1.14 Employee benefits (continued)

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the audited annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

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

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

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

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

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

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.

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Accounting Policies

1.14 Employee benefits (continued)

Other post retirement obligations

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

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

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

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

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

1.15 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.

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

Provision for rehabilitation of landfill site is determined by the expert and it is initially and subsequently recognised at cost.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 50.

Provision for rehabilitation for dumping site

Provision for rehabilitation of landfill site is determined by the expert and it is initially and subsequently recognised at cost.

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.16 Commitments

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

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Accounting Policies

1.16 Commitments (continued)

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.17 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.

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 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.

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Accounting Policies

1.18 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

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.

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.

Taxes

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

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Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Transfers

Apart from Services in kind, which are not recognised, 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.

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.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Fines are recognised when traffic fines are issued or when the date to appear in court per traffic fine arrive or on cash received by municipality

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.

1.19 Investment income

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

1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed.

Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.21 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.

1.22 Fruitless and wasteful expenditure

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

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Accounting Policies

1.22 Fruitless and wasteful expenditure (continued)

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.

1.23 Irregular expenditure

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

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

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

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

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

1.24 Budget information

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

The approved budget is prepared on a modified cash basis and presented by economic classification linked to performance outcome objectives.

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

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

Comparative information is not required.

1.25 Related parties

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

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

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

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

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Accounting Policies

1.25 Related parties (continued)

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

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

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

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

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

1.26 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.

1.27 Value Added Tax

Revenue, expenses and assets are recognised net of amounts of Value Added Tax. The net amount of Value Added Tax recoverable from or payable to SARS is included as part of receivables or payables in the Statement of Financial Position.

The municipality is a registered VAT vendor and account for VAT on a payment basis

The following rates are applicable:

Standard rated supplies (15%)

Zero rated supplies (0%)

Exempted supplies (-)

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Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

It is unlikely that the standard will have a material impact on the municipality's audited annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's audited annual financial statements.

GRAP 20: Related parties

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

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual audited annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

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Notes to the Audited Annual Financial Statements

2. New standards and interpretations (continued)

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2021.

The municipality expects to adopt the standard for the first time in the 2021/2021 audited annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's audited annual financial statements.

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods but are not relevant to its operations:

GRAP 104 (amended): Financial Instruments

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

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued

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2. New standards and interpretations (continued)

- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the until such time as it becomes applicable to the municipality's operations.

Guideline: Guideline on Accounting for Landfill Sites

The objective of this guideline: The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring, Other considerations, and Annexures with Terminology & References to pronouncements used in the Guideline.

The effective date of the guideline is for years beginning on or after 01 April 2009.

The municipality does not envisage the adoption of the guideline until such time as it becomes applicable to the municipality's operations.

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3. Investment property

	2021		2020			
Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	
Investment property	26 444 580	(509 010)	25 935 570	26 444 580	(418 216)	26 026 364

Reconciliation of investment property - 30 June 2021

Investment property	Opening balance	Depreciation	Total
	26 026 364	(90 794)	25 935 570

Reconciliation of investment property - 30 June 2020

Investment property	Opening balance	Transfers	Impairments	Depreciation	Total
	57 301 169	(31 085 000)	(122 408)	(67 397)	26 026 364

Recognition of investment properties

The municipality has registered the investment properties (land and houses) in the Deeds Office and were recognised in the investment property register.

In the prior year 2019/2020 the council passed a resolution to demarcate (for residential purposes) and sell land belonging to the municipality. As a result of this land to the value R 31 085 000 was transferred from investment property to inventory.

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.

Restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal are as follows:

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3. Investment property (continued)

Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements is as follows:

In the exceptional cases when the municipality has to measure investment property using the cost model in the Standard of GRAP on Property, Plant and Equipment when the municipality subsequently uses the cost model (when fair value of investment property cannot be reliably determined), disclose the following:

- a description of the investment property,
- an explanation of why fair value cannot be determined reliably,
- if possible, the range of estimates within which fair value is highly likely to lie, and
- on disposal of investment property not carried at fair value:
 - the fact that the entity has disposed of investment property not carried at fair value,
 - the carrying amount of that investment property at the time of sale, and
 - the amount of gain or loss recognised.

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4. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	7 219 718	-	7 219 718	7 219 718	-	7 219 718
Buildings	135 005 979	(25 431 605)	109 574 374	139 789 562	(21 831 765)	117 957 797
Plant and machinery	22 041 010	(5 736 269)	16 304 741	12 926 734	(4 693 683)	8 233 051
Furniture and fixtures	6 708 578	(1 554 372)	5 154 206	1 792 045	(1 168 207)	623 838
Motor vehicles	17 146 761	(9 041 720)	8 105 041	13 675 529	(7 551 212)	6 124 317
Office equipment	1 036 864	(622 330)	414 534	841 667	(535 164)	306 503
IT equipment	8 554 814	(3 844 255)	4 710 559	5 410 769	(2 522 715)	2 888 054
Infrastructure	1 038 040 708	(415 674 879)	622 365 829	962 055 504	(346 945 247)	615 110 257
Community	203 604 077	(24 985 506)	178 618 571	171 917 232	(20 840 955)	151 076 277
Electricity projects	8 547 902	-	8 547 902	-	-	-
Other leased Assets	-	-	-	887 107	(887 107)	-
Air conditioners	3 845 639	(834 277)	3 011 362	1 069 613	(518 737)	550 876
Total	1 451 752 050	(487 725 213)	964 026 837	1 317 585 480	(407 494 792)	910 090 688

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 30 June 2021

	Opening balance	Additions	Donations received	Transfers received	Transfers	WIP	Depreciation	Impairment loss	Loss on assets written off	Total
Land	7 219 718	-	-	-	-	-	-	-	-	7 219 718
Buildings	117 957 797	-	-	69 468 499	(76 340 466)	2 088 383	(3 599 839)	-	-	109 574 374
Plant and machinery	8 233 051	4 108 539	5 377 400	-	-	-	(1 217 451)	(18 239)	(178 559)	16 304 741
Furniture and fixtures	623 838	4 992 198	46 000	-	-	-	(466 610)	-	(41 220)	5 154 206
Motor vehicles	6 124 317	3 471 558	-	-	-	-	(1 474 682)	-	(16 152)	8 105 041
Office equipment	306 503	1 177 600	1 772 960	-	-	-	(158 385)	-	(24 144)	4 145 534
IT equipment	2 888 054	2 850 989	417 910	-	-	-	(1 044 102)	-	(402 292)	4 710 559
Infrastructure	615 110 257	190 000	-	105 710 145	(105 710 148)	95 984 657	(76 972 153)	(5 223 352)	(6 723 577)	622 365 829
Community	151 076 277	-	-	35 947 506	(35 947 507)	31 686 846	(3 087 200)	(1 057 351)	-	178 618 571
Electricity projects	-	-	-	-	(14 735 282)	23 283 184	-	-	-	8 547 902
Air conditioners	550 876	2 784 543	18 401	-	-	-	(334 618)	-	(7 840)	3 011 362
	910 090 688	18 515 427	6 032 671	211 126 150	(232 733 403)	153 043 070	(88 355 040)	(6 298 942)	(7 393 784)	964 026 837

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 30 June 2020

	Opening balance	Additions	Transfers received	Transfers	Prior period error	WIP	Depreciation	Impairment loss	Loss on assets written off	Total
Land	7 219 718	-	-	-	-	-	-	-	-	7 219 718
Buildings	103 237 392	-	-	-	2 093 733	14 700 706	(2 070 436)	(3 598)	-	117 957 797
Plant and machinery	8 401 114	801 051	-	-	-	-	(969 114)	-	-	8 233 051
Furniture and fixtures	788 535	-	-	-	-	-	(162 944)	(1 753)	-	623 838
Motor vehicles	7 692 004	-	-	-	-	-	(1 384 478)	-	(183 209)	6 124 317
Office equipment	463 353	-	-	-	-	-	(156 850)	-	-	306 503
IT equipment	3 376 718	-	-	-	-	-	(488 664)	-	-	2 888 054
Infrastructure	620 246 133	-	67 816 590	(67 816 590)	(768 170)	78 631 552	(75 740 785)	(3 067 392)	(4 191 081)	615 110 257
Community	130 728 258	-	-	-	186 999	23 185 174	(2 303 805)	(720 349)	-	151 076 277
Electricity Projects	4 258 424	-	-	(26 316 973)	-	22 058 549	-	-	-	-
Finance leased assets	386 000	-	-	-	-	-	(386 000)	-	-	-
Air conditioners	595 883	60 908	-	-	-	-	(105 915)	-	-	550 876
	887 393 532	861 959	67 816 590	(94 133 563)	1 512 562	138 575 981	(83 768 991)	(3 793 092)	(4 374 290)	910 090 688

Capitalisation of electrification of villages

From the 2018/2019 financial year all electrification of villages' projects which are not complete at year-end are capitalised under Work-in-Progress in Property, Plant and Equipment. Electrification of villages are only expensed upon completion in the Statement of Financial Performance when they are transferred to Eskom.

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4. Property, plant and equipment (continued)

During the year all assets were assessed for impairment and the following assets were impaired:

Buildings	-	3 598
Plant and machinery	18 239	-
Furniture and fixtures	-	1 753
Motor vehicles	15 829	-
Infrastructure assets	5 223 352	3 067 392
Community assets	1 057 351	720 349
Investment property	-	122 408
	6 314 771	3 915 500

Assets with R1 value

There are assets that are valued at R1 because they are fully depreciated but they are still in use.

Other information

The following assets were found on the floor during physical verification and were fair valued as follows:

Buildings	-	341 818
Plant and machinery	-	186 487
Furniture and fittings	-	1 420
Community assets	-	1 179 361
	-	1 709 086

During the financial year the following assets were reclassified from buildings to investment properties and to community assets as follows at carrying value:

Community assets	-	1 257 547
Investment property	-	1 484 668
	-	2 742 215

During the financial year the following assets were written off as follows at carrying value:

Buildings	-	-
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4. Property, plant and equipment (continued)

During the financial year the following assets were written off as follows at carrying value:

Buildings	-	(183 208)
Motor vehicle	-	(4 191 208)
Plant and machinery	178 559	-
Furniture and fittings	41 219	-
Office equipment	24 144	-
IT equipment	402 930	-
Air conditioners	7 840	-
Infrastructure	6 723 577	-
	7 378 269	(4 374 416)

Reconciliation of Work-in-Progress 30 June 2021

	Included within Infrastructure Assets	Included within Community Assets	Included with Other PPE	Included with Electricity Projects	Total
Opening Balance	81 118 980	102 269 597	80 075 623	-	263 464 200
Additional/capital expenditure	95 984 657	31 686 845	2 088 383	23 283 184	153 043 069
Transfers	(105 710 148)	(35 947 507)	(76 340 466)	(14 735 282)	(232 733 403)
	71 393 489	98 008 935	5 823 540	8 547 902	183 773 866

Reconciliation of Work-in-Progress 30 June 2020

	Included within Infrastructure Assets	Included within Community Assets	Included with Other PPE	Included with Electricity Projects	Total
Opening Balance	85 646 389	78 897 424	63 281 182	4 258 424	232 083 419
Additional/capital expenditure	78 631 554	23 185 174	14 700 707	22 058 550	138 575 985
Prior period error	(15 342 373)	186 999	2 093 734	-	(13 061 640)
Transfers	(67 816 590)	-	-	(26 316 974)	(94 133 564)
	81 118 980	102 269 597	80 075 623	-	263 464 200

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4. Property, plant and equipment (continued)

Halted projects

Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s), including reasons and any impairment losses recognised in relation to these assets:

A. Development of Giyani section E sports centre	25 463 079	25 463 079
B. Access road to tribal offices	2 982 099	2 982 099
C. Ndhambi Taxi rank	591 840	591 840
D. Refurbishment of Giyani Stadium	1 800 822	1 800 822
E. Refurbishment of Sporting Facilities (Gawula)	4 238 167	4 238 167
	35 076 007	35 076 007

Reasons for halting construction or development

A. No construction progress due to budget constraint. Will be planned for construction in 2022/23. Involved with litigation.

B. Consultant was appointed for designs, the project was earmarked for MIG, COGTA no longer funding and the project to be withdrawn.

C. Project on hold due to budget constrain. MIG is fully committed with other projects. The project is planned for implementation during FY 2021/22.

D. The project came to halt due to non-recruitment of local labourers and community unrest which led the project to be on re-assessment, the municipality has since engaged the ward councillor, process of redesign are underway in order to complete the halted project

E. The project has exhausted the MIG funding due to other scope of work which were not registered on MIG Project, as a result the project was put on hold and to be continued once the funds become available.

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.

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5. Intangible assets

	2021		2020			
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	
Computer software	6 517 284	(5 570 626)	946 658	4 256 498	(3 662 604)	593 894

Reconciliation of intangible assets - 30 June 2021

	Opening balance	Additions	Amortisation	Total
Computer software	593 894	2 260 786	(1 908 022)	946 658

Reconciliation of intangible assets - 30 June 2020

	Opening balance	Additions	Amortisation	Total
Computer software	641 483	2 098 710	(2 146 299)	593 894

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	2021		2020		
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
206 303	-	206 303	206 303	-	206 303

Opening balance	Total
206 303	206 303

Opening balance	Total
206 303	206 303

All heritage assets have a condition grading of 3, which translate to fair per the municipality's generic condition assessment methodology.

Council related assets are not held for sale.

Council related assets are not held for security at year end.

There are no contractual commitment to procure, maintain and restore any Council related assets.

No Council related assets were impaired the year end.

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7. Other financial assets		
VBS Investments	159 262 692	159 262 692
Impairments	(148 534 882)	(159 262 692)
	-	-
Total other financial assets	10 727 810	-

Impairment is provided for investment in VBS as per National Treasury communication in 2018 financial year due to the bank being put under curatorship and the possibility that the capital invested might be irrecoverable.

Subsequent to the payment of R10 727 810 during the month of February 2022 through the bank liquidator, the status has since changed.

National Treasury has commissioned investigation into the transactions and the council has implemented consequence management.

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8. Employee benefit obligations

Defined benefit plan

The effective date of the valuation is 30 June 2021 (the "Valuation Date 30 June 2021").

The valuation considers all employees, retirees and their dependents whose participation in the health care arrangements entitles them to a post-employment medical aid subsidy. The post-employment health care liability is not a funded arrangement, i.e. no separate assets have been set aside to meet this liability

Eligible employees will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement. All subsidies are subject to a maximum of R 4 773.12 for the year ending 30 June 2021. The maximum subsidy amount has been assumed to increase in the future at 6.25% of salary inflation.

Table below shows the development of the accrued liability over the current period, and projects the Municipality's Unfunded Accrued Liability and periodic costs over the two-year period following the Valuation Date.

Past year and future projected liability

	Year ending 30/06/2018	Year ending 30/06/2019	Year ending 30/06/2020	Year ending 30/06/2021	Year ending 30/06/2022
Opening accrued liability	17 131 057	16 504 209	18 884 884	14 421 000	16 755 000
Current service cost	1 037 383	928 478	1 233 262	832 000	1 164 000
Interest cost	1 738 491	1 633 917	2 020 683	1 639 000	1 798 000
Actuarial loss/(gain)	(3 402 722)	(181 720)	(7 717 829)	(137 000)	-
Closing accrued liability	16 504 209	18 884 884	14 421 000	16 755 000	19 717 000

Notes

- These projections assume that the Municipality's health care arrangements and subsidy policy will remain as outlined above, and that all the actuarial assumptions made are borne out in practice. In addition, it is assumed that no contributions are made by the Municipality towards prefunding its liability via an off-balance sheet vehicle.
- Contributions or benefits paid refer to medical scheme contributions made by the Municipality with respect to its subsidy of current continuation members.
- There are no Past Service Costs, Curtailments or Settlements to reflect.

Key Assumptions

Discount rate	10,73%	11,37%
Health care cost inflation rate	7,20%	7,28%
Maximum subsidy inflation rate	5,03%	5,09%
Average retirement age	62	63

Long service award

The Municipality offers employees Long service award for every five years of service completed, from ten years of service to 45 years of service.

The salaries used in the valuation include an assumed increase on 1 July 2021 of 4.5% as per the SALGBC Circular No.: 23/2021. The next salary increase was assumed to take place on 1 July 2022.

The accrued liabilities and the plan assets for the current period and the previous four periods.

Liability History	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Opening accrued balance	5 435 121	6 384 849	4 891 500	5 434 000	5 891 000
Current service cost	498 442	517 458	466 133	546 000	623 000
Interest cost	431 940	437 514	365 230	372 000	518 000
Payment made during the year	(457 062)	(2 311 411)	(321 080)	(669 000)	(623 000)
Actuarial loss/(gain)	476 408	(136 910)	32 217	208 000	-
Closing accrued liability	6 384 849	4 891 500	5 434 000	5 891 000	6 409 000

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8. Employee benefit obligations (continued)

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

Non-current liabilities	(22 023 000)	(19 186 000)
Current liabilities	(623 000)	(669 000)
	(22 646 000)	(19 855 000)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9,27 %	7,29 %
General earnings inflation rate	5,79 %	3,94 %
Expected increase in salaries	6,25 %	6,25 %

9. Inventories

Consumable stores	2 785 103	2 746 942
Stands	31 085 000	31 085 000
	33 870 103	33 831 942

9.1 Reconciliation

Opening balance	33 831 942	2 544 013
Add: purchases	9 447 184	6 881 922
Add: stands	-	31 085 000
Less: Consumables during the year	(7 695 108)	(4 315 819)
Less: Inventory on hand (Mopani District Municipality)	(1 708 116)	(2 336 000)
Less: Obsolete inventory written off	(5 799)	(27 174)
	33 870 103	33 831 942

There was no inventory held as collateral at year end.

In 2019/2020 financial year the municipality took a resolution to sell stands available for sale as per council resolution.

10. Receivables from exchange transactions

Inter Municipal Account (Mopani District Municipality)	23 369 210	20 358 747
Agency fee(Mopani District Municipality)	6 050 288	4 253 175
Sundry receivables	3 596 581	3 596 581
Prepaid expenses	96 000	-
Accrued interest receivable	858 474	674 419
Other receivables	166 139	166 642
Sundry Receivables - Provision for doubtful debts	(3 602 953)	(3 602 953)
Staff receivables	6 372	6 372
Payroll debtors	20 748	38 547
	30 560 859	25 491 530

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Notes to the Audited Annual Financial Statements

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10. Receivables from exchange transactions (continued)		
Intermunicipal account reconciliation - Mopani District Municipality		
Accumulated Surplus - Mopani Intermunicipal Account	43 206 998	27 070 274
Revenue - Water	13 793 006	15 409 509
Revenue - Sewerage	3 554 067	3 426 700
Revenue - Interest	9 731 033	8 384 447
Overheads- Employee related costs	(5 109 736)	(5 182 123)
Water and Sewerage connections	41 781	76 719
Overheads - Operational expenditure	(2 929 357)	(1 491 927)
Debt Impairment	(13 873 556)	(4 493 739)
Gains and losses on provisions	(361 813)	111 549
Accounts Receivable-Water	(118 709 527)	(110 313 512)
Accounts Receivable-Sewerage	(21 652 350)	(17 243 656)
Accounts Receivable-Interest	(60 157 366)	(50 407 490)
Trade payables	-	1 386
Inventory	(1 708 126)	(2 336 000)
Accrued leave	711 020	615 694
Accrued bonus	124 219	106 731
Accrued overtime	(62 935)	(4 185)
Long service awards	268 000	232 000
Post- retirement medical contribution debts	1 125 000	912 000
Provision for doubtful debts	128 640 432	114 766 875
Amount due to the Agent	(23 369 210)	(20 358 748)
Intermunicipal balance as at year-end	23 369 210	20 358 747

Intermunicipal account - Mopani District Municipality - An amount of R 23 369 210 for the year ended 2020/2021 financial year includes an amount of R 19 951 048 due to the principal (Greater Giyani Municipality) and an amount R 3 418 162 which relates to transaction held on behalf of the principal (Mopani District Municipality).

Intermunicipal account - Mopani District Municipality - An amount of R 20 358 747 for the year ended 2019/2020 financial year includes an amount of R 19 100 408 due to the principal (Greater Giyani Municipality) and an amount R 1 258 339 which relates to transaction held on behalf of the principal (Mopani District Municipality).

Please refer to Note 51 Accounting for principal and agency - for details of transactions and nature of the agreement.

Staff receivables of R 6 372 relate to the overpayment of salaries to the councilors. The amount is supposed to be paid back to the Municipality by the councilors. This is as per the council resolution taken by the Greater Giyani Municipal Council.

Sundry debtors of R 3 596 581 relates to sale of stands through an auction during 2009. The balance in this attorneys trust account is unknown. Due to the dispute with the auctioneer, the outstanding amount was never paid to the Municipality and as a result, it was provided for in full based on the credit control policy.

11. Receivables from non-exchange transactions

Consumer debtors - Traffic fines	24 349 484	23 578 234
Consumer debtors - Rates	246 540 724	186 785 671
Provision for impairment - Traffic fines	(24 175 384)	(16 118 065)
Provision for impairment - Consumer debtors	(165 293 361)	(130 278 096)
	81 421 463	63 967 744

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11. Receivables from non-exchange transactions (continued)		
Age Analysis for Rates		
Current(0-30 days)	5 760 283	4 626 077
31-60 days	(5 723 695)	4 453 836
61-90 days	7 018 230	4 612 294
91-120 days	6 420 488	5 667 194
121-365 days	5 320 132	3 544 953
> 365 days	203 956 966	128 973 672
	222 752 404	151 878 026
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	(146 396 161)	(114 370 568)
Provision for impairment - Consumer debtors	(35 015 265)	(27 538 893)
Provision for impairment - Consumer traffic fines	(8 057 319)	(4 486 700)
	(189 468 745)	(146 396 161)
12. VAT receivable		
VAT	16 131 014	9 741 521
13. Other receivables from exchange transactions		
Gross balances		
Debtors with credit balances	5 990 428	3 105 843
Refuse	31 356 930	26 958 951
Housing rental	6 693 191	5 750 409
Cementries	14 985 623	14 755 329
	59 026 172	50 570 532
Less: Allowance for impairment		
Refuse	(20 116 618)	(18 028 586)
Housing rental	(4 293 927)	(3 902 983)
Cemeteries	(9 613 889)	(9 459 397)
	(34 024 434)	(31 390 966)
Net balance		
Debtors with credit balances	5 990 428	3 105 843
Refuse	11 240 312	8 930 365
Housing rental	2 399 264	1 847 426
Cementries	5 371 734	5 295 932
	25 001 738	19 179 566
Cemeteries		
Current (0 -30 days)	13 565	278 645
31 - 60 days	102 775	257 344
61 - 90 days	16 347	275 308
91 - 120 days	23 990	273 442
121 - 365 days	24 567	271 614
> 365 days	913 247	13 361 253
	1 094 491	14 717 606

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Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
13. Other receivables from exchange transactions (continued)		
Refuse		
Current (0 -30 days)	909 898	523 657
31 - 60 days	1 845 287	124 682
61 - 90 days	562 727	520 533
91 - 120 days	(851 178)	369 895
121 - 365 days	637 073	731 380
> 365 days	22 495 352	25 780 019
	25 599 159	28 050 166
Housing rental		
Current (0 -30 days)	567 946	79 788
31 - 60 days	201 697	77 214
61 - 90 days	50 443	79 355
91 - 120 days	50 975	79 848
121 - 365 days	48 083	78 106
> 365 days	6 482 588	5 678 228
	7 401 732	6 072 539
Debtor with credit balances		
Current	(1 287 192)	(17 707)
30 days	(208 753)	21 475
60 days	(89 602)	27 498
90 days	(78 959)	(71 161)
120 days	(62 675)	(68 557)
180 days	(5 512 957)	(3 000 333)
	(7 240 138)	(3 108 785)
Reconciliation of allowance for impairment of exchange transactions		
Opening balance	(31 390 967)	(27 421 184)
Refuse removal	(1 974 487)	(807 978)
House rental	(392 562)	(324 713)
Cemetery	(157 835)	(2 837 092)
	(33 915 851)	(31 390 967)
14. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	179 322 985	91 424 587
Other cash and cash equivalents	88 423	96 481
	179 411 408	91 521 068

Included in the balance for cash and cash equivalent, there is a balance of R 18 150 864: 2021 and R 12 759 525: 2020 relating to Mopani District Municipality for water and sewer transactions.

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14. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
FNB - Current Account - 71032635579	-	-	317 226	-	-	321 761
ABSA - Current Account - 4077078193 (Main Account)	65 719 594	879 675	11 595 343	65 791 133	1 077 421	11 623 183
ABSA - Current Account - 4077078486 (Salaries Account)	1 676 111	5 332 768	9 690 385	1 676 111	5 532 769	9 848 586
ABSA - Call Deposit - 4078155655	41 641 612	40 458 293	56 867	41 641 612	40 458 293	57 152
ABSA - Current Account - 4093302071 (Traffic Account)	4 114 323	3 241 625	2 157 698	4 114 323	3 241 625	2 157 698
ABSA - Call Deposit - 4078155744	66 099 806	41 114 479	16 574 635	66 099 806	41 114 479	16 651 253
Total	179 251 446	91 026 840	40 392 154	179 322 985	91 424 587	40 659 633

15. Finance lease obligation

Minimum lease payments due

- within one year	-	511 880
	-	511 880
less: future finance charges	-	(31 714)
Present value of minimum lease payments	-	480 166

Present value of minimum lease payments due

- within one year	-	480 166
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It is municipality policy to lease computers under finance leases.

The average lease term is three years and the average effective borrowing rate was 19.5%.

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note .

At the end of the finance lease contract, ownership of the leased assets will be retained by the municipality.

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Movement during the year

Balance at the beginning of the year	-	2 961 529
Additions during the year	88 700 000	60 688 000
Income recognition during the year	(88 700 000)	(63 649 529)
	-	-

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

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

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16. Unspent conditional grants and receipts (continued)

See note for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

17. Deferred income

During the period under review the Municipality has sold stands/sites but the transfer of ownership of the stands to the customers has not been done with Deeds Registration office.

Deferred income	19 769 358	-
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18. Rehabilitation of dumping-site

Reconciliation of provision for rehabilitation of dumping-site - 30 June 2021

	Opening Balance	Interest costs	Change in discount factor	Total
Rehabilitation of dumping-site	40 933 517	3 909 429	(5 837 928)	39 005 018

Reconciliation of provision for rehabilitation of dumping-site - 30 June 2020

	Opening Balance	Current service costs	Interest costs	Total
Reconciliation of provision of dumping-site	37 024 232	2 228 248	1 681 037	40 933 517
Non-current liabilities			35 127 919	37 024 088
Current liabilities			3 877 099	3 909 429
			39 005 018	40 933 517

The dumping site rehabilitation is created for the rehabilitation of the current operational site which is evaluated at each year-end to reflect the best estimate at reporting date. The site under consideration is at Giyani Section C landfill site.

The 2021 discounted value of the dumping site closure provision of R 39 005 018, compared to the provision of R 40 933 517 in the previous financial year. Composition of this change relate to changes in the CPI, discount rate and unit costs. The interest charge relating to the assessment amounts to R 3 909 429 and decrease in discount rate of R 5 837 928..

The dumping site closure provision is calculated as the net present value of future cash flows based on the expected remaining life of the dumping site and based on the size of the area that had been used for waste disposal as at 30 June 2021.

19. Payables from exchange transactions

Trade payables	4	895 995
Retentions	36 945 351	32 325 452
Accrued leave pay	20 460 268	17 610 982
Accrued 13th cheque	3 289 873	2 958 862
Payroll creditors	42 329	41 972
Accruals	32 479 051	42 105 570
Unspecified direct deposits	2 104 616	948 516
Debtors with credit balances	5 990 428	3 105 843
Accrued overtime	992 169	1 005 510
Income received in advance	151 023	1 003 385
	102 455 112	102 002 087

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20. Revenue

Service charges	8 388 020	6 551 493
Rental of facilities and equipment	965 172	1 009 753
Interest received (overdue accounts)	2 465 564	6 870 300
Agency services	1 797 113	1 112 284
Licences and permits	5 762 344	4 214 374
Gain on forfeited liability	-	494 849
Recoveries	10 727 810	-
Acturial gains	137 000	7 685 612
Other income	2 504 570	1 552 758
Interest received - investment	5 845 631	5 992 728
Property rates	71 229 310	57 212 189
Traffic fines	1 625 605	6 895 687
Taxes and Surcharges	22 333 782	12 823 455
Government grants & subsidies	458 488 580	368 864 296
Public contributions and donations	6 038 305	-
	598 308 806	481 279 778

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	8 388 020	6 551 493
Rental of facilities and equipment	965 172	1 009 753
Interest received (overdue accounts)	2 465 564	6 870 300
Agency services	1 797 113	1 112 284
Licences and permits	5 762 344	4 214 374
Gain on fair value measurements	-	494 849
Recoveries	10 727 810	-
Acturial gains	137 000	7 685 612
Other income	2 504 570	1 552 758
Interest received - investment	5 845 631	5 992 728
	38 593 224	35 484 151

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Property rates	71 229 310	57 212 189
Traffic fines	1 625 605	6 895 687
Taxes and Surcharges	22 333 782	12 823 455

Transfer revenue

Government grants & subsidies	458 488 580	368 864 296
Public contributions and donations	6 038 305	-
	559 715 582	445 795 627

21. Service charges

Solid waste	8 158 976	6 328 849
Cementery	229 044	222 644
	8 388 020	6 551 493

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22. Rental of facilities and equipment		
Premises		
Community services	5 887	84 996
Housing rental	942 273	717 500
	948 160	802 496
Facilities and equipment		
Rental of facilities	17 012	207 257
	965 172	1 009 753
23. Interest on overdue accounts		
Interest received (trading)	2 465 564	6 870 300
24. Agency services		
Water and Sanitation	1 797 113	1 112 284
25. Recoveries		
Debt impairment recovered	10 727 810	-
Since the lodge of the claim with the bank (VBS) curator, the municipality has subsequently received an amount of R 10 727 810 during the month of February 2022.		
26. Actuarial gains		
Gain on post employment medical aid	137 000	7 685 612
27. Licences and permits (exchange)		
Licences and Permits	5 762 344	4 214 374
28. Lease rentals on operating lease		
Premises		
Contractual amounts	1 412 436	1 721 422

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Notes to the Audited Annual Financial Statements

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29. Other income		
Advertisement	93 619	178 170
Application fees	4 590	1 063
Building plans	68 799	79 964
Clearance certificates	9 963	11 998
Confirmation letters	228 915	262 424
Escort fees	2 025	14 830
Insurance recoveries	956	-
Library fees	888	1 240
Sale of grave plots	172 984	78 827
Sale of refuse bins	104 249	76 251
Skip bins	2 423	337
Sundry income	273 460	192 812
Tender documents	1 450 537	382 552
Transfer and registrations	80 187	272 290
Reconnections	10 975	-
	2 504 570	1 552 758
30. Investment revenue		
Interest revenue		
Call accounts	2 988 125	3 979 773
Bank	2 857 506	2 012 955
	5 845 631	5 992 728

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Figures in Rand	2021	2020
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31. Property rates

Rates received

Residential	17 473 933	15 697 116
Commercial	24 469 416	15 643 889
State	27 415 724	25 399 684
Small holdings and farms	633 274	10 585
Public benefit organisations	10 441	3 248
Industrial	1 226 522	457 667
	71 229 310	57 212 189

Valuations

Residential	2 564 449 800	2 413 635 368
Commercial	722 925 000	397 853 320
State	484 068 000	229 147 701
Institute	31 682 000	180 930 250
Agricultural	5 230 000	300 000
Public Open Space	120 672 000	62 505 300
Sport Centre	27 467 000	8 595 000
Industrial	128 351 000	67 958 172
Nature Reserve	-	25 000 300
Churches	43 787 000	23 191 000
Inconsistent with or in contravention of the permitted use of the property	2 612 000	-
Inconsistent with or in contravention of the permitted use of the property-Illegal Dwelling	1 000 000	-
	4 132 243 800	3 409 116 411

The valuation of land and buildings are performed every 5 years in terms of the Municipal Property Rates Act.

The municipality appointed a Municipal Valuer to compile the General Valuation Roll for implementation in the 2020-2025 financial years and to cause the Supplementary.

Valuation Roll in terms of section 78 of the Municipal Property Rates Act.

32. Traffic fines

Traffic fines issued	1 625 605	6 895 687
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The municipality did not have an appointed Law Enforcement Agency in the period under review as compared to the prior financial years.

The reduction of traffic fines figures in the current period under review is as a result of that.

The municipality has since advertised twice without success to appoint a Law Enforcement Agency for the period under review.

33. Interest from non-exchange receivables

Interest on overdue accounts - property rates	22 333 782	12 823 455
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Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
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34. Government grants and subsidies

Operating grants

Equitable share	369 568 000	287 216 531
Expanded Public Works Program (EPWP)	3 409 000	3 362 000
Finance Management Grant (FMG)	2 000 000	2 145 000
Local Govt Sector Education & Training Authority (LGSETA)	220 580	244 765
Municipal Disaster Relief Management	-	298 000
	375 197 580	293 266 296

Capital grants

Municipal Infrastructure Grant (MIG)	71 567 000	60 688 000
Integrated National Electrification Grant (INEG)	11 724 000	14 910 000
	83 291 000	75 598 000
	458 488 580	368 864 296

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Equitable share - Reconciliation

Current-year receipts original	307 293 000	287 217 000
Current-year receipts additional funding	62 275 000	-
Conditions met - transferred to revenue	(307 293 000)	(287 217 000)
Conditions met - transferred to revenue Covid relief	(62 275 000)	-
	-	-

Conditions still to be met - remain liabilities (see note 16).

Provide explanations of conditions still to be met and other relevant information.

Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	-	2 961 531
Current-year receipts	71 567 000	60 688 000
Conditions met - transferred to revenue	(71 567 000)	(60 688 000)
Not approved by Treasury	-	(2 961 531)
	-	-

Integrated National Electrification Grant (INEG)

Current-year receipts	11 724 000	14 910 000
Conditions met - transferred to revenue	(11 724 000)	(14 910 000)
	-	-

Expanded Public Works Program (EPWP)

Current-year receipts	3 409 000	3 362 000
Conditions met - transferred to revenue	(3 409 000)	(3 362 000)
	-	-

Finance Management Grant (FMG)

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Figures in Rand	2021	2020
34. Government grants and subsidies (continued)		
Current-year receipts	2 000 000	(2 145 000)
Conditions met - transferred to revenue	(2 000 000)	2 145 000
	-	-
Municipal Disaster Relief Grant		
Current-year receipts	-	298 000
Conditions met - transferred to revenue	-	(298 000)
	-	-
35. Donations		
Department of Transport - National	6 038 305	-

The Municipality received a mobile Vehicle Testing Station (VTS) from the National Department of Transport to assist the municipality with Traffic Law Enforcement as a donation, this was due to compliance in terms of implementing the 80/20 principle between Transport Department and the Municipality.

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36. Employee related costs

Acting allowances	43 007	66 944
Basic	96 833 136	87 916 823
Bargain council	38 322	34 121
Car allowance	11 644 985	10 806 303
Cellphone allowance	909 427	782 104
Clothing allowance	15 000	15 000
Defined contribution plans	17 133 345	15 597 244
Housing benefits and allowances	325 709	280 501
Leave pay	793 675	893 222
Leave and bonus provision	3 198 105	1 431 452
Long-service awards	770 528	-
LSA and PEMA provision	2 720 000	3 869 001
Medical aid - company contributions	5 754 692	4 587 193
Night Shift	312 789	296 718
Overtime payments	4 258 420	5 718 005
Rural Allowance	213 042	200 099
SDL	942 286	849 646
Standby allowance	153 192	144 180
UIF	613 809	575 029
WCA	-	874 186
13th Cheques	6 660 401	6 152 031
	153 333 870	141 089 802

Remuneration of Municipal Manager

Annual Remuneration	1 089 712	1 064 593
Rural Allowance	50 683	48 987
Car Allowance	121 080	120 180
Contributions to UIF, Medical and Pension Funds	65 813	66 538
Subsistence and Travelling	10 537	33 425
Back-pay	-	32 327
Cellphone Allowance	16 800	16 800
	1 354 625	1 382 850

Remuneration of Chief Financial Officer

Annual Remuneration	802 250	424 976
Rural Allowance	38 036	21 534
Cellphone Allowance	16 800	9 800
Contributions to UIF, Medical and Pension Funds	49 412	27 333
Acting Allowance	-	17 101
Subsistence & Travelling	14 811	8 987
Car Allowance	156 108	91 062
Backpay	-	17 641
	1 077 417	618 434

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Figures in Rand	2021	2020
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36. Employee related costs (continued)

Remuneration of Directors - Corporate & Shared Services:

Annual Remuneration	679 371	658 453
Car Allowance	325 200	325 040
Cellphone Allowance	16 800	16 800
Contributions to UIF, Medical and Pension Funds	43 503	44 069
Subsistence & Travelling	14 603	21 311
Rural Allowance	41 613	40 216
Back-pay	-	26 547
	1 121 090	1 132 436

Remuneration of director Technical Services

Annual Remuneration	675 362	537 973
Rural Allowance	38 036	30 651
Car Allowance	240 000	200 000
Contributions to UIF, Medical and Pension Funds	42 675	70 628
Acting Allowance	-	9 601
Cellphone Allowance	16 800	14 000
Subsistence & Travelling	13 836	18 875
Backpay	-	27 442
	1 026 709	909 170

Remuneration of Strategic Planning and LED

Annual Remuneration	678 656	319 698
Rural Allowance	38 036	18 495
Contributions to UIF, Medical and Pension Funds	130 667	62 772
Car Allowance	155 364	77 681
Cellphone Allowance	16 800	7 000
Subsistence & Travelling	17 726	11 161
Backpay	-	19 219
	1 037 249	516 026

Remuneration of Director Community Services

Annual Remuneration	45 683	751 674
Car Allowance	-	227 157
Rural Allowance	3 467	40 216
Contributions to UIF, Medical and Pension Funds	4 314	48 795
Subsistence & Travelling	-	37 656
Back-pay	-	26 547
Cellphone Allowance	1 400	16 800
Acting Allowance	36 556	-
Leave pay	47 984	-
	139 404	1 148 845

Mr. K R Baloyi was acting Director Community Services from the 01 August 2020.

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37. Remuneration of councillors		
Mayor	905 259	905 259
Speaker	733 088	733 088
Councillors	21 252 705	21 237 616
Chief Whip	690 046	690 046
SDL	157 458	152 333
	23 738 556	23 718 342
In-kind benefits		
The Mayor, Speaker and Chief Whip are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Mayor and the Speaker each have the use of separate Council owned vehicles for official duties.		
38. Depreciation and amortisation		
Property, plant and equipment	88 355 040	83 768 993
Investment property	90 795	-
Intangible assets	1 908 022	2 146 299
	90 353 857	85 915 292
39. Impairment of assets		
Impairments		
Property, plant and equipment	6 298 942	3 982 897
40. Finance costs		
Finance leases	31 714	170 514
Interest on late payment	-	4 383
Interest expense - rehabilitation of dumping site	3 909 429	1 681 037
	3 941 143	1 855 934
41. Debt impairment		
Debt impairment - consumer debtors	45 382 706	35 995 375
42. Obsolete inventory written off		
Obsolete inventory written off	(5 799)	(27 174)
43. Contracted services		
Presented previously		
Infrastructure services	10 548 793	4 297 035
Electrical services	1 862 938	26 341 473
Disaster management	-	298 000
Business and advisory services	22 798 360	19 300 227
Other Contractors	1 190 318	1 225 873
	36 400 409	51 462 608

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Figures in Rand	2021	2020
44. Grants and subsidies paid		
SMME support	955 000	600 000
45. Repairs and maintenance		
Repairs and maintenance - Equipments	34 419	59 404
Repairs and maintenance - Buildings	-	48 849
Repairs and maintenance - Other	5 481 689	4 541 606
	5 516 108	4 649 859
46. General expenses		
Accommodation	1 611 154	2 052 583
Advertising	459 207	213 221
Auditors remuneration	4 872 051	4 325 852
Bank charges	333 570	240 892
Bursaries	-	149 571
Catering services	40 118	410 905
Community development and training	5 554 850	5 136 500
Consulting and professional fees	-	4 239
Consumables	7 703 218	4 315 819
Computer software expenses	2 336 182	373 236
Electricity	1 845 800	1 821 383
Free basic electricity	16 253 018	13 687 838
Fuel and oil	2 591 773	2 574 088
Hire	-	581 554
Insurance	1 019 323	465 220
Interest relief - overdue accounts	-	185 128
Legal services	5 852 173	3 505 742
Motor vehicle expenses	152 337	144 028
Other expenses	120 000	479 430
Postage and courier	4 141	92 232
Printing and stationery	417 128	22 848
Protective clothing	832 921	1 389 596
Subscriptions and membership fees	1 986 965	1 772 760
Telephone and fax	1 012 813	1 195 354
Travel - local	1 385 354	2 573 749
	56 384 096	47 713 768
47. Auditors' remuneration		
Audit fees	4 872 051	4 325 852

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Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
48. Cash generated from operations		
Surplus	166 984 423	78 173 016
Adjustments for:		
Depreciation and amortisation	90 353 857	85 915 292
Obsolete inventory written off	5 799	27 174
Loss on assets written off	7 393 792	4 374 289
Contracted services transferred from WIP	14 735 282	26 316 975
Impairment loss	6 298 942	3 982 897
Debt impairment	45 382 706	35 995 375
Movements in retirement benefits	2 791 000	(3 858 301)
Movements in provisions on rehabilitation	(1 928 499)	1 922 404
Donation received	(6 032 670)	-
Changes in working capital:		
Inventories	(43 960)	(230 104)
Receivables from exchange transactions	(5 069 329)	(10 835 013)
Consumer debtors	(51 204 880)	(37 241 957)
Other receivables from non-exchange transactions	(17 453 719)	(21 988 949)
Payables from exchange transactions	453 023	36 857 383
VAT	(6 389 493)	(1 769 005)
Unspent conditional grants and receipts	-	(2 961 531)
Deferred income	19 769 358	-
	266 045 632	194 679 945

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49. Commitments

Authorised capital expenditure

Contract approved and some services have been rendered

• Rehabilitation of streets in all sections	-	2 172 099
• Construction of Landfill site and waste Disposal	-	1 901 277
• Mageva sports centre	-	838 721
• Homu 14B to 14A upgrading from gravel to tar	-	4 029 422
• Upgrading of Civic Centre parking lot	-	3 642 888
• Refurbishment of Giyani stadium and section A tennis court	-	3 316 836
• Formalisation of settlement	138 368	138 368
• Refurbishment of Gawula sports center	661 716	661 716
• Alternative access road to Giyani	2 350 403	3 063 853
• Section F from gravel to paving	-	13 213 003
• Upgrading of Xikukwane from gravel to tar	8 955 284	9 378 395
• Construction of Civic center phase 3	-	3 474 850
• Development of waste disposal site	3 142 506	35 636 454
• Nkomo Upgrading From Gravel To Tar	2 301 190	23 480 090
• Energising of 51 Highmast lights (Muteo Consulting)	-	817 823
• Construction Of Culvert Bridge At Bonwana Village	-	282 192
• Construction of Ngove Regravelling	-	32 583
• Construction Of Culvert Bridge At Makosha Village	640 717	-
• Shimange upgrading from gravel to tar	15 236 851	-
• Blinkwater upgrading of internal street	5 437 509	-
• Thomo upgrading of internal street	22 807 740	-
• Nkuri internal streets upgrading from gravel to paving	4 752 435	-
• Section E (Voningani) internal street upgrading from gravel to paving	40 453 874	3 550 736
• Preventative maintenance of roads and stormwater: 1.2km pavement milling – Parliament (Limdev) road leading to Giyani CBD and Giyani Section D1	3 129 954	-
• Preventative maintenance of roads and stormwater: 750m2 tar patch within Giyani township Section F	86 595	-
• Preventative maintenance of roads and stormwater: 1.770km pavement milling within Giyani CBD	1 601 959	-
	111 697 101	109 631 306

Contract approved but where services have not been rendered

• Supply & delivery of 100m precast concrete palisade fence	-	195 000
• Construction Of Culvert Bridge At Maphatha Village	-	998 097
• Installation Of Three (03) Sollar High Mast At Giyani Cbd	-	2 762 263
• Supply & Installation Of Air Conditioners	-	199 500
• Other financial assets	-	81 166
• Preventative maintenance of roads and stormwater: 500m2 tar patch within giyani township Section E	479 715	-
• Preventative maintenance of roads and stormwater: 750m2 tar patch within giyani township Section F	663 894	-
	1 143 609	4 236 026

Total capital commitments

Contract approved and services have been rendered	111 697 101	109 631 306
Contract approved but where services have not been rendered	1 143 609	4 236 026
	112 840 710	113 867 332

Authorised operational expenditure

Contract approved and some services have been rendered

• Vodacom line	-	81 956
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Greater Giyani Municipality

(Registration number LIM331)

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
49. Commitments (continued)		
• Physical security at Traffic testing	-	401 121
• Land use management scheme	-	81 937
• Review of the GGM Spatial development framework	-	291 549
• Supply and delivery of tablets pouches and 3Gs	-	128 108
• Rezoning and subdivision of parks	110 000	110 000
• Proclamation program, land audit and land acquisition	263 665	263 665
• Township establishment of various villages	213 038	852 150
• Ngove township expansion	651 858	651 858
• Deeds registration Giyani Section F	-	200 000
• Site demarcation at Sikhunyani Village and site demarcation at Dzumeri	685 000	685 000
Traditional Authority		
• Street naming (including registration)	47 500	47 500
• General Valuation Roll	3 600 000	3 600 000
• Provision For Procurement Of Services: Municipal Standard Chart Of Accounts	1 531 668	2 985 090
Financial System Support (Sage Evolution)		
• Insurance	1 051 412	2 176 632
• Physical security guarding services	7 989 961	-
• Rental of photocopy machine	2 072 016	-
• Design ,compiling,developing,editing and producing GGM news letters for 12 months	582 576	-
• Procurement of 75 3GS for the Municipal Officials	134 000	-
• Procurement of 100 MBPS internet line for the municipal officials	165 836	-
• Subdivision, rezoning, consolidation and road closure on ERF 1946,1947,1952,1547, Giyani Section F	475 510	-
• Rezoning and subdivision of municipal properties including registration with surveyor general	782 000	-
• Street naming in Giyani Section C and Giyani BA	733 125	-
• Subdivision and rezoning of ERF561 Giyani D into mixed land used development	1 143 982	-
• Civil Engineering Professional Service Provider to perform post construction	190 272	-
Technical Investigation		
• Formalisation of Church View	130 025	130 025
	22 553 444	12 686 591
Contract approved but where services have not been rendered		
• Pest Control	-	193 750
• Photoshoot, design,printing and delivery of municipal council poster	-	168 000
• Supply & delivery of water & sanitation materials & tools	-	87 266
• Supply & delivery of Engen Dieselube Oil	-	117 244
• Supply & delivery of animals feeds	-	128 350
• Supply 8 installation of roofing material for water & sanitation section A	-	195 640
• Municipal Newsletters	-	169 487
• Development of website and internet	98 324	-
• ICT security,service support,ICT auditing and ICT network services	7 039 976	-
• Preparation of GRAP compliant asset register for the financial year 2020/21	5 165 506	-
• Preparation of Annual Financial Statementfor the financial year 2020/21	3 105 000	-
• Township Establishment at Savulani Village	1 400 000	-
• Street Naming in Giayni Section A and Section F	791 800	-
	17 600 606	1 059 737
Total operational commitments		
Contract approved and services have been rendered	22 553 444	12 686 591
Contract approved but where services have not taken place at the reporting date	17 600 606	1 059 737
	40 154 050	13 746 328
Total commitments		

Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

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49. Commitments (continued)

Total commitments

Authorised capital expenditure	112 840 710	113 867 332
Authorised operational expenditure	40 154 050	13 746 328
	152 994 760	127 613 660

The following contracts are longer than 12 months

	Contract Start Date	Contract End Date	Contract Amount
General Valuation Roll	2019/02/01	2024/01/31	5 620 000
Provision For Procurement Of Services: MSCOA	2019/07/30	2022/07/30	4 952 425
Insurance	2019/07/30	2022/07/30	2 704 985
ICT Security, Service Support, ICT Auditing and ICT Network Service. G/G/G/6105/001/2021	2021/08/01	2024/07/30	7 039 975
National Treasury Transversal Contract for Procurement of 100mbps internet line for the Municipal Officials	2021/08/01	2023/02/28	188 714
National Treasury Transversal Contract for Procurement of 75 3gs for the Municipal Officials.	2021/03/01	2023/02/28	212 700
Rental of Photocopier Machine	2020/10/01	2023/09/31	3 420 226
Physical Security Guarding Services	2020/09/01	2023/08/23	10 390 407
			34 529 432

Operating leases - as lessee (expense)

Rental expenses relating to operating leases

Contingent rents	67 280	58 041
Sublease payments	1 345 156	1 663 380
	1 412 436	1 721 421

Operating lease payments represent rentals payable by the municipality with a minimum lease payments of R 803 451.84 (2021) (R 621 610.43 : 2020) for photocopiers and radiophones (R 67 280 (2021) :R 62 380.00 (2020)). Contingent rent is payable on the number of copies made for the month.

50. Contingent Liabilities

The municipality has various claims of legal disputes with suppliers that are subject to mediation or legal process. The table below indicates the details of the claims:

Case Description

Eternity vs GGM. Suing the Municipality for services rendered	10 931 266	8 140 229
Mpongwa Hesekani Emmanuel vs GGM. The plaintiff is suing the Municipality for damages he suffered as result of rain	1 000 000	1 000 000
Masingita property investment holdings (Pty) Ltd vs GGM. Claim against GGM for allegedly taking too long to approve the building plans.	-	28 692 761
Dane Projects vs GGM. The municipality is being sued for outstanding invoices for work done.	7 140 948	-
Lunnick Base Khoza vs GGM. The municipality is sued for damage to a car accident owing to its failure to fix potholes	66 531	66 531
Giyani Action Committee. The municipality interdicts the respondent from disrupting the sale of sites	-	800 000
GGM vs TR construction & plant hire. The municipality is being sued for the claim of payment for the work allegedly done whilst claimant was a subcontractor.	863 598	863 598
Botshabelo Consulting Engineers vs GGM. The municipality is being sued for outstanding invoices for work done	6 501 144	-
PGN Civils (Pty) Ltd vs GGM. The municipality is being sued for outstanding invoices for work done	1 186 328	-
Rev Dr Mafrecha F Chabalala vs GGM Land dispute	1 600 000	-
	29 289 815	39 563 119

Greater Giyani Municipality

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51. Related parties

Relationships

Accounting Officer

Councillors

Members of key personnel

Refer to accounting officer's report note

Refer to general information on page 1 and 2

M T Shiviti Director Corporate and Shared Services

D Mhangwana Chief Financial Officer

R H Mashamba Director Technical Services

K V Sithole Director Strategic Planning and LED

Community Services (M I Khosa resigned on the 15

July 2020 and K R Baloyi is acting from 01 August

2020 to 30 June 2021)

Refer to note 36

Management remuneration

Related party balances

Remuneration of management

Greater Giyani Municipality

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Notes to the Audited Annual Financial Statements

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51. Related parties (continued)

Management class: Councillors

2021

Name	Basic salary	Data Card	Cellphone Allowance	Car Allowance	SDL	Backpay	Total
Cllr. SS Mathebula	270 145	3 600	40 800	90 048	2 884	-	407 477
Cllr. MP Hlungwani	516 516	3 600	40 800	172 172	5 177	-	738 265
Cllr. MR Mashale	484 235	3 600	40 800	161 411	4 321	-	694 367
Cllr. NHP Ndaba	484 235	3 600	40 800	161 411	4 876	-	694 922
Cllr. TE Baloyi	484 235	3 600	40 800	161 411	4 877	-	694 923
Cllr. DE Baloyi	262 214	3 600	40 800	87 404	2 810	-	396 828
Cllr. B Gaveni	204 323	3 600	40 800	68 107	2 272	-	319 102
Cllr. E Malungwana	262 214	3 600	40 800	87 404	2 510	-	396 528
Cllr. MI Shimange-Fazi	204 323	3 600	40 800	68 107	2 272	-	319 102
Cllr. RO Mabasa	474 506	3 600	40 800	158 168	4 786	-	681 860
Cllr. TL Ndlovu	17 027	300	3 400	5 676	-	-	26 403
Cllr. S Makhubele	262 214	3 600	40 800	87 404	2 810	-	396 828
Cllr. MW Mthombeni	262 214	3 600	40 800	87 404	2 810	-	396 828
Cllr. PT Mokgobi	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. FC Makoseni	262 214	3 600	40 800	87 404	2 510	-	396 528
Cllr. XU Valoyi	262 214	3 600	40 800	87 404	4 310	-	398 328
Cllr. BA Shibambu	645 644	3 600	40 800	215 215	5 639	-	910 898
Cllr. CM Siweya	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. NR Khandlela	204 323	3 600	40 800	68 107	2 272	-	319 102
Cllr. GR Kobane	262 214	3 600	40 800	87 404	2 810	-	396 828
Cllr. EN Mabunda	270 145	3 600	40 800	90 048	2 884	-	407 477
Cllr. SG Mthombeni	262 214	3 600	40 800	87 404	2 510	-	396 528
Cllr. NN Baloyi	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. MC Mhlongo	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. RE Ngoveni	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. TR Maluleke	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. MA Khosa	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. T Makhubele	204 323	3 600	40 800	68 107	2 037	-	318 867

Greater Giyani Municipality

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Audited Annual Financial Statements for the year ended 30 June 2021

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51. Related parties (continued)

Cllr. TN Mthombeni	152 958	2 100	23 800	50 986	1 255	-	231 099
Cllr. HW Mhlari	270 145	3 600	40 800	90 048	2 575	-	407 168
Cllr. RN Sekgobela	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. TM Makhuvele	262 214	3 600	40 800	87 404	2 510	-	396 528
Cllr. MP Mathevula	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. XB Mkansi	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. DC Mashimbye	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. RS Khosa	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. HR Rikhotso	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. MJ Chauke	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. RC Rikhotso	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. KA Manganyi	484 235	3 600	40 800	161 411	4 876	-	694 922
Cllr. JS Khosa	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. AF Mthombeni	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. DT Shivuri	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. MP Hlungwani	34 054	600	6 800	11 351	530	-	53 335
Cllr. N Maluleke	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. MA Makamu	204 323	3 600	40 800	68 107	2 272	-	319 102
Cllr. BI Mashele	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. AM Mthombeni	270 145	3 600	40 800	90 048	2 884	-	407 477
Cllr. PS Mabulana	270 145	3 600	40 800	90 048	2 575	-	407 168
Cllr. TC Manganyi	204 323	3 600	40 800	68 107	2 272	-	319 102
Cllr. SS Kubayi	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. AE Mboweni	270 145	3 600	40 800	87 404	2 557	-	404 506
Cllr. MM Madzunya	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. SC Mahlaule	270 145	3 600	40 800	90 048	2 575	-	407 168
Cllr. TC Zitha	222 047	3 600	40 800	68 107	2 422	-	336 976
Cllr. HR Shivhambu	204 323	3 600	40 800	68 107	2 272	-	319 102
Cllr. MJ Makhubela	204 323	3 600	40 800	68 107	2 272	-	319 102
Cllr. SR Nkuna	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. P Mazivuko	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. TS Hlungwana	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. NJ Zitha	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. TP Chaka	204 323	3 600	40 800	68 107	2 037	-	318 867
Cllr. MP Hlungwani	12 084	300	3 400	5 676	203	-	21 663
Cllr. MJ Manganyi	130 539	2 400	27 200	45 405	1 573	-	207 117

Greater Giyani Municipality

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51. Related parties (continued)							
Cllr. TJ Moshwana	72 932	1 200	13 600	24 310	958	3 349	116 349
Cllr. DR Maswanganyi	17 027	300	3 400	5 676	468	26 403	53 274
	15 634 520	219 600	2 488 800	5 206 459	159 425	29 752	23 738 556

Greater Giyani Municipality

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51. Related parties (continued)

2020

Name	Basic salary	Data Card	Cellphone Allowance	Backpay	Car Allowance	SDL	Total
Cllr. SS Mathebula	260 620	3 600	40 800	12 699	86 873	2 787	407 379
Cllr. MP Hlungwani	498 306	3 600	40 800	24 281	166 102	4 992	738 081
Cllr. MR Mashale	467 162	3 600	40 800	22 764	155 721	4 169	694 216
Cllr. NHP Ndaba	467 162	3 600	40 800	22 764	155 721	4 703	694 750
Cllr. TE Baloyi	467 162	3 600	40 800	22 764	155 721	4 703	694 750
Cllr. DE Balayi	252 969	3 600	40 800	12 326	84 323	2 716	396 734
Cllr. B Gaveni	197 119	3 600	40 800	9 605	65 706	2 198	319 028
Cllr. E Malungana	252 969	3 600	40 800	12 326	84 323	3 044	397 062
Cllr. MI Shimange Fazi	197 119	3 600	40 800	9 605	65 706	2 198	319 028
Cllr. RO Mabasa	457 776	3 600	40 800	22 306	152 592	4 616	681 690
Cllr. TL Ndlovu	100 127	3 600	40 800	9 605	65 706	1 361	221 199
Cllr. S Makhubele	252 969	3 600	40 800	12 326	84 323	2 716	396 734
Cllr. MW Mthombeni	252 969	3 600	40 800	12 051	84 323	2 716	396 459
Cllr. PT Mokgobi	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. FC Makoseni	215 859	3 600	40 800	17 352	67 314	2 043	346 968
Cllr. XJ Valoyi	252 969	3 600	40 800	12 326	84 323	2 716	396 734
Cllr. BA Shibambu	622 881	3 600	40 800	30 351	207 627	5 436	910 695
Cllr. CM Siweya	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. NR Khandhela	197 119	3 600	40 800	9 605	65 706	2 198	319 028
Cllr. GE Kobane	252 969	3 600	40 800	12 326	84 323	2 716	396 734
Cllr. EN Mabunda	260 620	3 600	40 800	12 699	86 873	2 787	407 379
Cllr. SG Mthombeni	220 498	3 600	40 800	12 326	73 499	2 109	352 832
Cllr. NN Baloyi	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. MC Mhlongo	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. RE Ngoveni	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. TR Maluleke	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. MA Khosa	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. T Makhubela	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. TN Mthombeni	252 969	3 600	40 800	12 326	84 323	2 427	396 445
Cllr. HW Mhlari	260 620	3 600	40 800	12 699	86 873	2 490	407 082

Greater Giyani Municipality

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Notes to the Audited Annual Financial Statements

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51. Related parties (continued)

Cllr. RN Sekgobela	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. TM Makhuvele	252 969	3 600	40 800	12 326	84 323	2 427	396 445
Cllr. MP Mathevuia	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. XB Mkansi	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. DC Mashimbye	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. RS Khosa	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. HR Rikhotso	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. MU Chauke	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. RC Rikhotso	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. KA Manganyi	467 162	3 600	40 800	22 764	155 721	4 703	694 750
Cllr. JS Khosa	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. MT Chauke	32 744	600	6 800	-	10 915	395	51 454
Cllr. AF Mthonbeni	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. DT Shivuri	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. MP Hlungwani	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr N Maluleke	197 119	3 600	40 800	9 605	65 706	2 198	319 028
Cllr. MA Makamu	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. BI Mashale	197 119	3 600	40 800	9 605	65 706	2 787	407 379
Cllr. AM Mthonbeni	260 620	3 600	40 800	12 699	86 873	2 490	407 082
Cllr. PS Mabulana	260 620	3 600	40 800	12 699	86 873	2 198	319 028
Cllr. TC Manganyi	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. SS Kubayi	197 119	3 600	40 800	9 605	65 706	2 473	406 846
Cllr. AE Mboweni	260 620	3 600	40 800	15 030	84 323	1 973	318 803
Cllr. NM Madzunya	197 119	3 600	40 800	9 605	65 706	2 283	378 746
Cllr. SC Mahlawule	239 523	3 600	40 800	12 699	79 841	2 198	319 028
Cllr. TC Zitha	197 119	3 600	40 800	9 605	65 706	2 198	319 028
Cllr. HR Shivambu	197 119	3 600	40 800	9 605	65 706	2 198	319 028
Cllr. MU Makhubela	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. SR Nkuna	197 119	3 600	40 800	9 605	65 706	1 973	318 803
Cllr. P Mazivuko	197 119	3 600	40 800	9 606	65 706	1 973	318 804
Cllr. TS Hlungwana	197 119	3 600	40 800	9 606	65 706	1 513	261 508
Cllr. NJ Zitha	154 095	3 000	34 000	14 108	54 792	1 161	220 303
Cllr. TP Chaka	122 807	2 400	27 200	22 858	43 877		
	15 019 901	222 000	2 516 000	769 976	5 038 131	152 334	23 718 342

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52. Accounting by principals and agents

The municipality is a party to a principal-agent arrangement(s).

Mopani District Municipality

The Municipality and Mopani District Municipality entered into legislated arrangement under which the municipality serves as an agent and Mopani District as a Principal. Under this arrangement, Greater Giyani Municipality performs water and sewer functions on behalf of the Mopani District, all monies earned by the Greater Giyani Municipality from water and sewer services are disclosed as a liability and any monies paid by Greater Giyani Municipality to ensure smooth running of the water and sewer functions are disclosed as a receivable by Greater Giyani Municipality.

Agency fee @ 25%	1 797 113	1 112 284
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Intermunicipal Account

Mopani District Municipality	(23 369 210)	(20 953 844)
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Department of Transport - Limpopo

The Municipality has entered into an agreement with the Department of Transport under which the Department serves as a Principal and the Municipality as an agent. Under this arrangement, the Municipality performs licencing functions on behalf of the department of transport and earns a commission of the total revenue collected from this services. The balance is transferred to the department of transport and other stakeholders. The following is a summary of revenue as a result of the arrangements at year end.

Agency fee	-	-
Total collection on behalf of the principal	21 326 378	16 715 040
Total amount paid/transferred to the principal	(16 416 398)	(12 500 665)
	4 909 980	4 214 375

Details of the arrangement(s) are as follows:

The municipality has been appointed to distribute water to local residences as distribution agent by the district municipality for which it is then entitled to a commission/agency fee for service rendered. The municipality accounts for revenue, expenditures and receivables relating to water transactions into loan account and it is disclosed under the same section of the annual financial statements. Refer to disclosure note for other receivables for full details note 10 and note 19 for further reconciliation. The municipality is entitled to 25%.

The municipality is also a party to an agreement between the municipality and the department of roads and transport to collect revenue licensing and permits. The municipality is entitled to 20% of the revenue collected.

Greater Giyani Municipality

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52. Accounting by principals and agents (continued)

Municipality as agent

Revenue recognised

The aggregate amount of revenue that the Municipality recognised as compensation for the transactions carried out on behalf of the principal (Mopani District Municipality) is R 1 797 113 (2020: R1 112 284).

Risks transferred from the principal to the entity, including risks flowing to the entity as a result of its custodianship over the resources held on behalf of the principal, are as follows:

1. Poor service delivery (Late responses for calls)
2. Inventory risks (Theft, changes in value and obsolete)
3. Defaults risks (Risks of services not being paid by the principal)
4. Accountability risks (Principal not directly involved with communities)

Categories

Water and Sewer

Additional details

Mopani District Municipality

Amount of revenue received on behalf of the principal during the reporting period

Water transactions	13 793 006	15 409 509
Sanitation transactions	3 554 067	3 426 700
Interest (water and sewer)	9 731 033	8 384 448
Connections and reconnections	41 781	76 719
	27 119 887	27 297 376

Amount of receivables held on behalf of the principal during the reporting period

Carrying amount at the beginning of the year	67 587 102	44 738 863
Current year revenue received or receivable	27 119 887	27 297 376
Amounts received during the year	(7 188 453)	(4 449 137)
	87 518 536	67 587 102

Amount of expenses paid on behalf of the principal during the reporting period

Employee costs	5 172 671	5 211 367
Overheads (Repairs and maintenance)	2 929 357	1 491 927
	8 102 028	6 703 294

Amount of payables held on behalf of the principal during the reporting period

Expenses incurred (Repairs and maintenance and inventory on-hand)	4 640 272	1 494 726
Cash paid on behalf of the principal	(4 577 337)	(1 491 927)
	62 935	2 799

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53. Correction of prior period errors

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:

1. Receivables from exchange transactions- On holds accounts amounting to R 579 051 for the period between 2016 to 2019 and R 106 980 for 2020 relating to water and sewer were incorrectly billed in the prior year. An amount of R 168 059 relating to VAT was also reversed.
2. Receivables from non-exchange transactions- On holds accounts amounting to R 1 734 218 for the period between 2016 to 2019 and R 768 552 relating to the prior year for property rates were incorrectly billed in the prior year. An amount of R 5 450 for impairment of traffic fines were reversed due to payment received.
3. VAT relating to repairs and maintenance, on holds accounts and property, plant and equipment amounting to R 39 903 was not accounted for in the prior year.
4. Other receivables from exchange transactions- On hold accounts amounting R 1 203 917 for the periods between 2016 to 2019 and R 171 714 for 2020 for refuse and cemetery were previously incorrectly billed.
5. Payables from exchange transactions - Overpayment of R 211 626 and R 91 000 relating to Makhosa project was incorrectly accounted for. R14 820.15 relating to G4 Security was incorrectly accounted for in the prior year.
6. Property rates - An amount of R 768 552 relating to on-hold accounts was incorrectly billed in the prior year.
7. Employee related costs - Provision for compensation amounting to R46 501 was understated in the prior year.
8. Depreciation and amortisation - Depreciation and amortisation amounting to R 700 773 was understated in the prior year.
9. Impairment loss- Impairment loss amounting to R 67 397 was understated in the prior year.
10. Debt impairment - Debt impairment of R 5 450 relating to traffic fines was reversed due to payment received from offenders.
11. Contracted services - Contracted services relating to Group 4 Security services was understated with R 10 785.
12. Repairs and maintenance- Repairs and maintenance relating to motor vehicles was understated with R 41 668.
13. General expenditure- General expenditure amounting to R 22 993 was understated in the prior year and transfer and subsidies of R 600 000 was incorrectly classified under general expenses.
14. Income received in advance for 2018/ 2019 was incorrectly recognised as revenue for R 500 630.
15. Property, plant and equipment - Leased assets of R 1 037 624 were reclassified to IT equipment in the prior year. Work in progress amounting to R 2 093 733, Accumulated depreciation of R 768 770 and Community assets of R 186 999 were not accounted for in the prior years.

Commitments

1. Township Establishment of various villages - The contract for Formalization of Church View was not included in the previous year but the expenditure related to it was included in the Township Establishment of various villages was not included in the commitment register in the prior year.
2. Formalization of Church View was omitted in the prior year contract register was not included in the commitment register in the prior year.
3. Section E (Vongani) Internal street upgrading from gravel to tar was not included in the commitment register in the prior year.

Unauthorised expenditure

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53. Correction of prior period errors (continued)

The municipality did not account for unauthorised expenditure of R 51 976 064 in the prior year.

Statement of financial position

2020

	As previously reported	Correction of error	Re-classification	Restated
Receivables from exchange transactions	26 009 502	(517 972)	-	25 491 530
Receivables from non-exchange transactions	66 465 064	(2 497 320)	-	63 967 744
VAT Receivable	9 701 618	39 903	-	9 741 521
Other receivables from exchange transactions	20 555 197	(1 375 631)	-	19 179 566
Property, plant and equipment	909 346 294	744 394	-	910 090 688
Payables from exchange transactions	(101 722 708)	(274 577)	-	(101 997 285)
Rehabilitation of dumping site - Long term	(40 933 517)	-	3 909 429	(37 024 088)
Rehabilitation of dumping site - Short term	-	-	(3 909 429)	(3 909 429)
	889 421 450	(3 881 203)	-	885 540 247

Statement of financial performance

2020

	As previously reported	Correction of error	Re-classification	Restated
Service charges	6 723 206	(171 713)	-	6 551 493
Interest on overdue account - other services	19 693 755	-	(12 823 455)	6 870 300
Gain on forfeited liability	192 223	302 626	-	494 849
Interest received - investment	5 915 603	77 125	-	5 992 728
Property rates	57 980 741	(768 552)	-	57 212 189
Interest on overdue account - property rates	-	-	12 823 455	12 823 455
Employee related costs	(141 043 301)	(46 501)	-	(141 089 802)
Depreciation	(85 214 519)	(700 773)	-	(85 915 292)
Impairment loss	(3 915 500)	(67 397)	-	(3 982 897)
Debt impairment	(36 000 825)	5 450	-	(35 995 375)
Contracted services	(51 451 823)	(10 785)	-	(51 462 608)
Transfer and subsidies	-	-	(600 000)	(600 000)
Repairs and maintenance	(4 608 191)	(41 668)	-	(4 649 859)
General expenses	(48 336 701)	22 933	600 000	(47 713 768)
Deficit for the year	(280 065 332)	(1 399 255)	-	(281 464 587)

Commitments

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53. Correction of prior period errors (continued)

2020

	As previously reported	Correction of error	Restated
Township Establishment of Variors Villages	332 049	520 101	852 150
Formalisation of Church View	-	130 025	130 025
Section E (Voningani) internal street upgrading from gravel to paving	-	3 550 736	3 550 736
	332 049	4 200 862	4 532 911

	As previously reported	Correction of error	Restated
Unauthorised expenditure			
Unauthorised expnditure	-	51 976 064	51 976 064

54. Risk management

Liquidity risk

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.

At 30 June 2021	Less than 1 year
Payables from exchange transactions	102 455 111
At 31 June 2020	Less than 1 year
Payables from exchange transactions	102 002 087

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54. Risk management (continued)

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	2021	2020
Cash and cash equivalent	179 411 408	91 521 068
Receivables from exchange transactions	30 560 859	25 491 530
Receivables from non- exchange transactions	81 421 463	63 967 744
Other receivables from exchange transactions	25 001 738	19 179 566
VAT Receivable	16 131 014	9 741 521

Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

55. Deviations

Mhavasi Holdings (Pty) Ltd (Section 36 (a) (i) in an emergency	-	-
Giyani Medecal Centre (Section 36 (a) (i) in an emergency	-	209 000
Mvuri Park Trading 40 (Section 36 (a) (i) in an emergency	-	164 516
015 Preeminent Solution (Section 36 (a) (i) in an emergency	-	139 380
MWX Holdings (Section 36 (a) (i) in an emergency	-	67 900
Magezi Brandon Muhluri (PTY) LTD	-	1 084 867
Makhawukani investment trading	113 090	-
Hasler Business systems (PTY) LTD	148 801	-
M and R projects and investment	4 692	-
Smith Sam Trading	40 050	-
Basecho at RMC INC	113 591	-
	66 000	-
Closing balance	486 224	1 665 663

56. Fruitless and wasteful expenditure

Opening balance as previously reported	11 335	1 467
Opening balance as restated	11 335	1 467
Add: Fruitless and wasteful expenditure - current period	86 005	17 696
Less: Amount written off - by the council	(72 301)	(7 828)
Closing balance	25 039	11 335

An amount of R 9 870.28 for 2019/2020 financial year is yet to be recovered, as per recommendation by MPAC.

An amount R 13 704 relating to 2020/2021 financial year is still to be investigated by MPAC.

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56. Fruitless and wasteful expenditure (continued)

Expenditure identified in the current year include those listed below:

Penalty for late submission of annual return of earnings	72 301	-
Penalty on Eskom payments	-	17 698
Overcharged for PPE	13 704	-
	86 005	17 698

57. Irregular expenditure

Opening balance as previously reported	11 292 032	18 921 759
Restated Opening Balance	11 292 032	18 921 759
Add: Irregular Expenditure - previously not disclosed	-	1 651 039
Add: Irregular Expenditure - for the period	8 945 632	16 319 958
Less: Amount written off by the council	(9 013 238)	(25 600 724)
Closing balance	11 224 426	11 292 032

R 9 640 992.69 for periods 2015/16 and 2016/17 respectively is still under investigation by MPAC.

R 1 651 039 was erroneously not accounted for in the 2019/2020 financial year.

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

Inadequate reasons provided for approved deviation memorandum for purchase of personal protective equipment	524 640	667 431
Awards made to suppliers in which persons in service of other state institutions have an interest	473 572	-
Tender which did not meet the pre-qualification criteria was evaluated further	585 221	983 555
Regulation 32 contract was entered to beyond the scope of original contract	232 066	520 799
The tender requirements did not include a condition for mandatory subcontracting to advance designated groups as required by PPR even though the amount was above R30 million	7 130 133	15 799 158
	8 945 632	17 970 943

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58. Unauthorised expenditure		
Opening balance as previously reported	51 976 064	248 657 470
Add: Unauthorised expenditure incurred during the year	51 282 044	51 976 064
Less: Amount authorised by council for 2016/2017	-	(11 544 739)
Less: Amount authorised by council for 2017/2018	-	(206 452 633)
Less: Amount authorised by council for 2018/2019	-	(30 660 098)
	103 258 108	51 976 064
The over expenditure incurred by the Municipal departments during the year is attributable to the following categories:		
Non-cash items	51 252 194	51 976 064
Cash items	29 850	-
	51 282 044	51 976 064
Analysis on Non-cash items:		
Actuarial valuations	208 000	-
Depreciation and amortisation	22 353 857	35 915 292
Finance costs	3 909 429	1 681 037
Impairments loss	6 298 942	3 982 897
Loss on assets written off	7 393 461	5 995 375
Debt impairment	11 082 706	4 374 289
Obsolete inventory written off	5 799	27 174
	51 252 194	51 976 064
Unauthorised expenditure: Budget overspending - per municipal departments		
Finance and administration	47 342 765	50 469 924
Waste management	3 909 429	1 681 037
Public safety	1 975	-
Housing	27 875	-
	51 282 044	52 150 961
59. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government - SALGA		
Current year subscription / fee	37 451	34 129
Amount paid - current year	(37 451)	(34 129)
	-	-
Audit fees		
Current year subscription / fee	4 870 451	4 632 780
Amount paid - current year	(4 870 451)	(4 622 936)
	-	9 844
PAYE and UIF		
Current year subscription / fee	22 753 076	21 804 223
Amount paid - current year	(22 753 076)	(21 804 223)
	-	-

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59. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Current year subscription / fee	26 192 817	23 766 247
Amount paid - current year	(26 192 817)	(23 766 247)
	-	-

VAT

VAT receivable	16 131 014	9 741 521
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VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2021:

30 June 2021	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr Mboweni Agrey Ernest	1 846	54 695	56 541
Cllr Chauke Mukhacani Juring	4 170	63 303	67 473
Cllr Shivambu Hasani Richard	2 498	31 376	33 874
Cllr Baloyi Tintswalo Elizabeth	2 963	1 116	4 079
Cllr Makamu Mafakhale Alpheus	2 429	7 128	9 557
Cllr Shibambu Basani Agnes	1 938	340	2 278
	15 844	157 958	173 802

30 June 2020	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr Mboweni Agrey Ernest	3 395	59 399	62 794
Cllr Chauke Mukhacani Juring	3 730	57 274	61 004
Cllr Shivambu Hasani Richard	3 829	27 895	31 724
Cllr Baloyi Tintswalo Elizabeth	2 473	1 764	4 237
Cllr Makamu Mafakhale Alpheus	2 990	4 243	7 233
	16 417	150 575	166 992

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

60. Supply in-service state

Employee in the service of state	-	1 651 037
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The municipality did not identify any supplier in the service of the state. The municipality rely on the declaration of interest declared by the service provider as per MBD4 forms contained on the tender documents as a measure while perusal is done with Treasury on the acquisition of a to assist to detect if the service provider is in the service of state.

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61. Going concern

We draw attention to the fact that at 30 June 2021, the municipality had an accumulated surplus of 1 184 364 275 and that the municipality's total assets exceed its liabilities by 1 184 364 275.

The audited 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.

62. Events after reporting date

Eternity Star Investment 231 Contractual Dispute on the 16th July 2021, Exchanging pleadings, R2 037 027.70.

Nkutsulo Projects & Development/GGM Rescission of judgement, 16 July 2021, Exchanging pleadings, R78 378.00.

Sevha Dyson & Khombo Aloneh Makumani/GGM, suing municipality for withholding information at its disposal in terms of PAIA, 13 December 2021, Exchanging pleadings, no amount determined yet.

ANNEXURE C

AUDIT ACTION PLAN

FINANCIAL YEAR					2020/21									
Municipality Name					Greater Giyani Municipality									
Audit Opinion					Qualified									
Reporting Period														
NO.	Finding No.	Audit Findings	Category of Finding	Commaf number	Description of Finding	Finding is new or recurring	Action Plan Description	Start Date	Completion Date	Person Responsible	Action Owner	Progress	Narrative to Progress	Internal Audit Comments
1	A1	Invalid Indigent consumer debtors	Operating expenditure	COMAF25	Contrary to the above, while conducting the CAATs procedures to confirm the validity of the indigent consumers list, we identified the following exception of indigent consumers who do not meet the criteria to be indigent, provided invalid or no information. Refer to the tables below for a sample of the indigent beneficiaries who were not verified by management processes and were identified during testing as per the individual categories. Issue No1. Indigents with no ID: Issue No2.Indigents identified as deceased:		Review of the Indigent register by: 1. Cancel the current indigent list with Eskom on Free Basic Electricity 2. Issue out a notice to invite new applicants to register for new Free Basic Electricity Status 3. Conduct Investigations on those defrauded the sysytem and raise receivables	01-Mar-22	30-Apr-22	CFO	Senior Technician (Electrical Services)	In Progress	Memo written to MM to request cancellation and letter issued to Eskom	
2	A2	Performance Information (Connection of units in villages and Development of designs) - Difference noted between the APR and supporting schedules	Predetermined objectives	COMAF 20.1	Contrary to the above requirement, during the audit of performance information for indicators' Connection of units at villages by 30 June 2021, we noted that the reported achievement as per the annual performance report for the below mentioned annual targets do not agree to the portfolio of evidence provided for audit purposes as per the table below.		PMS and Internal audit to Conduct physical verification against reported progress and portfolio of evidence on the annual performance report	01-Mar-22	30-Jun-22	MM	Manager PMS			
3	A3	Awards made to suppliers in which persons in service of other state institutions have an interest	Procurement and Contract Management	COMAF 27.3	Contrary to the above requirements, the following service providers were in service of the state at the time the award was granted and did not declare the interest. The table below provides the details of suppliers who are in service of the state.	Recurring	Procurement of a system to help the municipality to verify if bidders are in the service of the state	01-Mar-22	30 June 2022	CFO	Manager SCM			

4	A4	False declarations and non-declaration by suppliers on MBD4 forms		COMAF 27.4	Contrary to the above requirements, the following are suppliers in which partners or associates of employee's or has an interest:	New	Notify National Treasury to add defaulted suppliers on the database of restricted suppliers. Inform the Accounting Officer and to publish a periodic note to request declaration. Notify the Head of Departments to service providers in the service of state who did not declare their status on the MBD 4.	01-Mar-22	30-Apr-22	CFO	Manager SCM				
5	A5	No valid signed lease agreements for housing rentals and proof of payments for the current financial year 2020/21.	Other receivables from exchange transactions: Housing rental	COMAF 23	Contrary to the above, during the audit for housing rentals, we noted that management could not provide valid signed lease agreements and there was no proof of payments for the sample selected below:	New	Embark on the process of lease agreements signing with all the occupants/tenants of municipal houses.	01-Mar-22	30-Apr-22	MM and Director Planning and LED	Manager Legal				
6	A6	Differences between the final budget as per the statement of comparison of budget and actual amounts and the special adjusted budget	Unauthorised expenditure	COMAF 8.1	Contrary to the above requirements, during the audit of Statement of comparison of Budget and Actual amounts, we noted that the final budget amount as per the annual financial statements does not agree to the final budget amount as per the special budget.	Recurring	Quality review of AFS by Management and Audit committee.	01-Mar-22	30-Jun-22	CFO	Manager Budget and Reporting				
7	A7	Deficiencies identified on GRAP 24 disclosure requirements	Unauthorised expenditure	COMAF 14	During the testing of statement of comparison between budget and actual amounts the following discrepancies were noted: (a) Mathematical inaccuracies on the statement of comparison of budget and actual amounts. The adjustment for payables from exchange transactions was input as a negative, and the adjustment on intangible assets was not accounted for, as a result the Net assets based on the final budget does not cast correctly.	New	Quality review of AFS by Management and Audit committee.	01-Mar-22	30-Jun-22	CFO	Manager Budget and Reporting				
8	B1	Mopani reconciliation	Receivables from exchange transactions: Inter municipal account	COMAF 15.3		New	Review of the principal agent disclosure to ensure the alignment with the signed water service agreement and to ensure that the disclosure has been accounted for in line with the requirement of applicable reporting framework.	01-Mar-22	30-Jun-22	CFO	CFO				
9	B2	Cash Flow - Incorrect amounts disclosed	Cash flow statements	COMAF 36	During the audit of cashflow we identified that the following net cash flows are disclosed at incorrect amounts incorrect amounts.	Recurring	Adherence to AFS process plan timetable. Quality review of AFS by Management and Audit committee.	01-Mar-22	30-Jun-22	CFO	Manager Budget and Reporting				

10	B3	No assessment of impairment for inter-municipal	Principal agent relationships	COMAF 15.1	The misstatement above results in non-compliance with GRAP and possible overstatement of receivables disclosed on the statement of financial position as impairment reduces receivables disclosed.	new	A detailed assessment on each government debtor at reporting period will be made and all exclusions should be supported by a detailed explanation The assessment should be in line with Paragraph 57 of GRAP 104,	01-Mar-22	30-Jun-22	CFO	Manager Revenue			
11	B4	No accounting policy for principal agent arrangement	Principal agent relationships	COMAF 15.2	Contrary to the above, the municipality did not disclose an accounting policy for principal-agent arrangement that the municipality is involved in with Mopani District municipality and GRAP 104 is applicable for the transactions.		Review of the Accounting Policy for principal agent agreement and submit to Council for approval	01-Mar-22	30-Apr-22	CFO	CFO			
12	B5	Rights and obligations over cash and cash related to water service transactions.	Cash and cash equivalents	COMAF 10.3	Contrary to the above requirements, During the current year audit, we noted that included in the balance of cash and equivalent is monies received on behalf of the district municipality for water services.	New	To ensure that the narration is populated under the cash and cash note.	01-Mar-22	30-Jun-22	CFO	Manager Budget and Reporting			
13	B6	Inappropriate presentation and disclosure of suspense accounts.	Cash and cash equivalents	COMAF 10.2	Contrary to the above requirements, during the current year audit, we noted two cash and cash equivalent accounts in the trial balance, one disclosed in the annual financial statement as "Other cash and cash equivalent" and the other mapped to trade and other payables - unspecified deposits. Which do not meet the definition of cash nor a liability.	New	Review of all the disclosure items and use of National Treasury review check list for proper allocation, all cash and cash equivalents will be disclosed under "cash and Cash Equivalents"	01-Mar-22	30-Jun-22	CFO	Manager Revenue		Year End disclosure	
14	B7	Commitment prior period error	Commitments	COMAF 11	Contrary to the above requirements, during the audit of commitments we noted that the commitments for the 2019/20 financial year are said to be restated under note 50, however note 46 was not updated.	Recurring	Adherence to AFS process plan timetable. Quality review of AFS by Management and Audit committee.	01-Mar-22	30-Jun-22	CFO	Manager BUdget and Reporting			
15	B8	Understatement of prior year commitments	Commitments	COMAF 33	Contrary to the above requirements, During the audit of commitments we noted that the commitments for the 2019/20 financial year for Vutani Consulting Engineers was omitted in the prior year and no adjustment was made in the current year in the prior period	Recurring	Preparation of Quarterly commitment register during the preparations of Quarterly AFS. Consideration of the prior year commitment register during the preparation of the current year commitment register.	01-Mar-22	30-Jun-22	CFO	Manager Budget and Reporting			

Follow-up

16	B9	Completeness of Contingent liability disclosure	Contingent liabilities	COMAF 24	Contrary to the above stipulations, we noted the following: 1. Case not included on the register	Recurring	1. Review of the litigation register on a quarterly basis. 2. Request the confirmation of cases from municipal attorneys on a quarterly basis. 3. Perform reconciliation on confirmed cases and the municipal litigation register before disclosure on the AFS	01-Mar-22	30-Jun-22	CFO	Legal Manager				
17	B10	Financial statements review	AFS review	COMAF 2	1. The amount as per the fixed assets register does not agree to the amount as per the financial statements. During the financial statements review, we have noted that the amounts as per the fixed assets register and the amounts as per the financial statements submitted for audit, do not agree.	New	Proper reconciliation between the TB, AFS and FAR to be performed at year-end and differences to be addressed before submission of final documents to AGSA for audit purposes.	01-Mar-22	30-Jun-22	CFO	Manager Assets				
18	B11	Budget information accounting policy not in accordance with GRAP	Budget information	COMAF 8.2	Contrary to above requirements, during the audit of the statement of comparison of budget and actual amounts, we noted that the budget information was not prepared in accordance with the requirements of the accounting policy for budget information. Furthermore, the accounting policy for budget information as disclosed in note 1.24 of the annual financial statements states that "The approved budget is prepared on a modified cash basis and presented by economic classification linked to performance outcome objectives" It was further noted that there was no reconciliation of the major totals presented in the statement of budget and actual comparison was not reconciled to net cash flows from	New	The reconciliation as required by Grap will always incorporated on the statement of comparison of budget and actual amounts.	01-Mar-22	30-Jun-22	CFO	Manager Budget and Reporting				
19	B12	Adequate control measures not in place to safeguard Homu sport Centre.	Immovable assets	COMAF 29	Contrary to the above requirement, on the day of physical verification of Homu sports Centre, it was noted that the sport centre is damaged. The details of the damages were also contained in the Homu Sports Centre-conditional assessment report dated 26 July 2021, which was submitted as part of RFI 61 of 2021. Furthermore, it was confirmed as part of the RFI 61 of 2021 response that the Homu sports centre was not insured and there was no insurance claim submitted to the	New	All municipal assets as per the FAR are covered by the municipality's insurer. Assets Management Unit to engage assets custodians on reporting requirements and prescribed period for reporting asset losses and / or damages. Creation of a Asset Loss and Damage Register.	01-Mar-22	30-Apr-22	MM	Manager Assets				

20	B13	Assets that that could not be traced to the Asset Register	Immovable assets	COMAF 30.2	As part of the completeness testing of property plant and equipment, it was identified that not all property plant and equipment assets owned by the municipality are included in the fixed asset register. Refer below for items which we were unable to trace to the fixed asset register:	New	Assets Management Unit to work with user departments in identifying all possible municipal assets. 100% verification will be performed from such engagements to ensure that all municipal assets are identified and accounted for.	01-Mar-22	30-Jun-22	CFO	Manager Assets			
21	B14	Asset relating to rehabilitation of dumping site.	Immovable assets	COMAF 09	1. Non-recognition of landfill asset on the initial recognition of a dumping site liability Contrary to the requirements of GRAP 17 stated above and in line with the background information provided, the Municipality's property, plant and equipment balance does not include the initial estimated cost of rehabilitation of the dumping site from the period in which the Municipality assumed the obligation in terms of the initial license granted (The closure license number is 12/4/10/8 - A/15/M1).	Recurring	The Chief Financial Officer will ensure that the financial statements are adequately reviewed prior to submission to the AGSA.	01-Mar-22	30-Jun-22	CFO	Manager Assets			
22	B15	Reasons for halted projects disclosed on note 4 - PPE not sufficient.	Immovable assets	COMAF 32.1	Contrary to the stipulations, we noted that the below mentioned reasons disclosed for the Halted projects are not sufficiently indicating the reasons for the delay. 1. Refurbishment of Giyani Stadium – Project on re-assessment and to be withdrawn. 2. Refurbishment of Sporting facilities Gawula – Project on hold and to be continued. To be extended. We further noted that the municipality did not indicate whether any impairment loss was recognized in relation to the halted assets.	New	All halted projects to be identified through PMU and assets verification. Assets Management Unit to engage PMU on all halted projects for proper disclosure in the AFS.	01-Mar-22	30-Jun-22	CFO	Manager Assets			
23	B16	Understatement of Donations received (Fair value amount recognized excluding VAT)	Immovable assets	COMAF 42.1	During the audit of movable assets, it was noted that the following donated assets are recognized on the estimated fair value amount which excluded VAT, whereas the fair value of the assets is VAT inclusive for donated assets.	New	The Chief Financial Officer will perform adequate reviews on the Fixed Asset Register to ensure that it is compliant with GRAP17	01-Mar-22	30-Jun-22	CFO	Manager Assets			
24	B17	Consumable assets not recognized in the financial statement	Immovable assets	COMAF 42.2 -	Upon our review of the fair value schedule – mobile enforcement center, we noted inconsistencies as consumable assets were not included in the donation received line item presented in the Statement of financial performance.	New	The Chief Financial Officer will ensure that the financial statements are adequately reviewed prior to submission to the AGSA.	01-Mar-22		CFO	Manager Assets			

25	B18	Presentation of Heritage Assets not in compliance with GRAP 103.	Immovable assets	COMAF 32.2	Contrary to the above, we have noted that not all GRAP 103 disclosure requirement have been presented and disclosed in the financial statement for Greater Giyani Municipality as follows:	New	The Chief Financial Officer (CFO) should ensure annual financial statements submitted for audit are subjected to adequate review to ensure compliance with GRAP requirements.	01-Mar-22	30-Jun-22	CFO	Manager Assets			
26	B19	Inventory - Differences noted between the opening balance as per the current year AFS and the closing balance as per the comparatives.	Inventory	COMAF 32.3	Contrary to the above requirement, we have noted the prior year inventory closing balance as per the current year comparatives figures were not accurately brought forward as an opening balance in the current year.	New	Ensure that a reconciliation between the prior year closing balance and the current year opening balance is done.	01-Mar-22	30-Jun-22	CFO	Manager SCM			
27	B20	Differences noted between Depreciation presented in the statement of financial performance.	Inventory	COMAF 30.3	Contrary to the above requirement, we have noted the below mentioned differences in depreciation and amortizations:	New	Proper reconciliation between the TB, AFS and FAR to be performed at year-end and differences to be addressed before submission of final documents to AGSA for audit purposes.	01-Mar-22	30-Jun-22	CFO	Manager Assets			
28	B21	Assets that could not be verified	Inventory	COMAF 30.1	As part of the existence testing of property plant and equipment, it was identified that not all property plant and equipment assets owned by the municipality can be traced to the floor. Refer below for items which we were unable to trace to the floor:	New	Assets Management Unit to ensure that pictures of all assets verified are taken and filled for audit purposes. Management to avail all movable assets for verification during municipal verification and upon request by AGSA.	01-Mar-22	30-Jun-22	CFO	Manager Assets			
29	B22	Operating lease disclosure omitted	Leases	COMAF 21	Contrary to the above requirement, we noted the following: Narration Note 46 to the annual financial statement under operating leases includes the description "sublease" however it was confirmed that no subleasing arrangements exist in the municipality. Appropriateness of disclosure The municipality entered into a contract with Anaka Group (Pty) Ltd valued at R3 420 226,44 which	New	The Chief Financial Officer will ensure that the financial statements are adequately reviewed prior to submission to the AGSA.	01-Mar-22	30-Jun-22	CFO	Manager Assets			
30	B23	Incorrect classification of transfers and subsidies	Operating expenditure	COMAF 40.2	During the audit of general expenditure, it was noted that an amount of R 955 000 which related to SMME support was classified as general expenditure and not transfers and subsidies. As noservices or goods were received from the respective individuals the amount cannot be classified as general expenditure but should instead be classified as transfers and subsidies.	New	1. Review of the AFS before submission to AGSA 2. Perform proper reconciliation on the SMME support and disclose under transfers and subsidies	01-Mar-22	30-Jun-22	CFO	Manager Expenditure			

31	B24	Trade payables incorrectly classified as accruals	Payables and Accruals	COMAF 26.1	The Municipality has classified transactions which had a valid invoice as at year end, as an accrual	New	Alignment and thorough review of actual date for delivery of goods and of rendering of services on delivery notes, payment certificates, memos and tax invoices for correct classification	01-Mar-22	30-Jun-22	CFO	Manager SCM Manager Expenditure			
32	B25	Overstatement of accruals by the VAT amounts	Payables and Accruals	COMAF 26.2	The municipality has recognized accruals inclusive of VAT although there was no tax invoice or debit note or credit note supplied to the Municipality by the suppliers. As at year end, the Municipality has only received the goods or the services from the suppliers and have not yet been invoiced for the respective good or service hence the supplier is recognized as an accrual in the books of the Municipality. Due to no invoice having been received as at year end, the Municipality is not permitted by the VAT act to claim input VAT until such a time that the Municipality has a valid invoice from the respective supplier.	New	Thorough review of accruals listing and input VAT recorded for proper input VAT claims	01-Mar-22	30-Jun-22	CFO	Manager Expenditure			
33	B26	Incorrect disclosure of liquidity risk	Payables and Accruals	COMAF 26.3	The Municipality determined its liquidity risk based on the closing balances for payables from exchange transaction for the preceding three year. As liquidity risk represents the municipality's ability to meet its short term debts, we are of the view that it is incorrect for municipality to include items which are already settled under liquidity risk as the note should reflect what is outstanding and the maturity of the payable reflecting the timing which the amount is due. The Municipality determined its liquidity	New	Disclosure note to indicate transactions of less than one and thorough review	01-Mar-22	30-Jun-22	CFO	Manager Expenditure			

34	B27	Overstatement of accrued overtime	Payables and Accruals	COMAF 35.1	The following differences were noted between the accrued overtime amount on the accrued overtime listing and the amount for accrued overtime on the financial statements.	New	Thorough review of the accrued overtime paid for proper AFS disclosure	01-Mar-22	30-Jun-22	CFO	Manager Expenditure			
35	B28	Understatement of accruals	Payables and Accruals	COMAF 35.2	The following differences were noted between the accruals amount on the accrual listing and the amount for accruals on the financial statements. Refer to table below for differences:	New	Thorough review the accrual listing and reconcile the listing to the creditors age analysis and VAT	01-Mar-22	30-Jun-22	CFO	Manager Expenditure			
36	B29	Overstatement of accrued 13th Cheque	Payables and Accruals	COMAF 35.3	During the audit of accrued 13th Cheque, the following differences were noted between the accrued 13th cheque amount on the accrued 13th cheque listing and the amount for accrued 13th cheque on the financial statements. Refer to table below for differences: Detail per listing 13th Cheque Amount per Accrued 13th Cheque listing (Casted by the auditor) 3 414 090,89 Amount Per AFS 3 538 311,00 Difference 124 220,11	New	Thorough reviews of journals at year end to ensure correctness of journals to be processed	01-Mar-22	30-Jun-22	CFO	Manager Expenditure			
37	B30	Overstatement of accrued leave pay in the financial statement	Payables and Accruals	COMAF 35.4	During the audit of accrued leave, the following differences were noted between the accrued leave amount on the accrued leave listing and the amount for accrued leave on the financial statement. Refer to table below for differences: Detail per listing - Accrued leave Amount leave provision	New	Thorough reviews of journals at year end to ensure correctness of journals to be processed	01-Mar-22	30-Jun-22	CFO	Manager Expenditure			
38	B31	Overstatement of debtors with credit balances	Payables and Accruals	COMAF 40.1	During the audit of debtors with credit balances the following differences were noted between the debtors with credit balances and the amount per the customer statement. For differences noted refer to table below: Detail per listing Amount per the debtors with credit balances listing 18 343 ((Circuit Office (Rates) (On Hold) Amount per debtors with credit balance	New	The annual financial statement should be reconciled against trial balance, general ledger and the following supporting schedules (i) Asset register, operating lease register and finance lease register (ii) Payable age analysis (iii) Commitment register (iv) Receivable age analysis (v) Retention register (vi) Accrual listing (vii) Investment register (viii) Grant register	01-Mar-22	30-Jun-22	CFO	Manager Revenue			

39	B32	Inconsistencies between the planned indicator and the reported achievement	Predetermined objectives	COMAF 16.1	Contrary to the above during the audit of performance information, the following inconsistencies were between the planned indicator and the reported achievement as per the table below. Planned indicators # of households with access to refuse removal by 30 June 2021 Planned targets Collect refuse removal to township households by 30 June 2021 Reported actual achievement per APR Target achieved (Refuse collected once a week in ward 11,12, 13 and 21(Krematart) and daily in the CBD	Recurring	Directors should review and sign off performance information submitted to performance management unit for quarterly and annual reporting	01-Mar-22	30-Jun-20	MM	Manager PMS			
40	B33	Performance Information (Connection of units in villages andDevelopment of designs) - Reported target not supported by reliable information.	Predetermined objectives	COMAF 20.2	Contrary to the above during the audit of performance information for indicator 'Development of designs for the electrification of units at Vuhehli, Ndindani, Gawula, nwakhuwani,Mahlathi Ntshuxi by 30 June 2021, we noted that the Appointment letter that was submitted for audit was dated 13 November 2016 and the design reports were for the 2016/17 Financial year.	New	Directors should declare/sign off the information provided in the SDBIP	01-Mar-22	30-Jun-22	MM	Manager PMS			
41	B34	Performance Information - Difference noted between the APR and supporting schedules	Predetermined objectives	COMAF 31A.1	Contrary to the above requirement, during the audit of performance information, the following differences were noted between the quarterly performance reports and the APR. Quarterly performance reports Quarter 1	New	Internal audit to conduct quarterly performance reviews Implementation of Internal Audit recommendations	01-Mar-22	30-Jun-22	MM	Manager PMS			
42	B35	Inconsistencies between the reported achievement as the quarterly reports and the APR	Predetermined objectives	COMAF 16.3	35. ISS.24-COMAF 16.3 - Inconsistencies between the reported achievement as the quarterly reports and the APR Reported achievement per Quarterly reports Target Achieved 150 EPWP Appointed Target Achieved 152 EPWP Appointed	New	Internal audit to conduct quarterly performance reviews Implementation of Internal Audit recommendations	01-Mar-22	30-Jun-22	MM	Manager PMS			
43	B36	Reported target does not agree to the supporting evidence	Predetermined objectives	COMAF 28.2	Contrary to the above during the audit of performance information for indicator '# of Integrated Waste Management Plan(IWMP) reviewed and submitted to Council by 30 June 2021. it was noted the target was reported as achieved however, through inspection of the supporting evidence	Recurring	Development of a checklist by each department on submission of POE's,that will ensure alignment of each programme on the SDBIP with the actual POE's	01-Mar-22	30-Apr-22	MM	Manager PMS			

44	B37	Difference noted between the APR and supporting schedules	Predetermined objectives	COMAF 28.1	Contrary to the above during the audit of performance information we have noted that belowmentioned indicator was disclosed as not achieved and the reasons for variance were due to budget constraints however, as per the inspection of the supporting evidence (POE), it was noted that a service provider (Makhadabhi Consulting and projects) was appointed for Solar streetlights in Giyani on 18 May 2021.	Recurring	Development of a checklist by each department on submission of POE's, that will ensure alignment of each programme on the SDBIP with the actual POE's	01-Mar-22	30-Apr-22	MM	Manager PMS			
45	B38	ISS.37-COMAF31A.2 - Performance Information - Reported target does not agree to the supporting evidence	Predetermined objectives	COMAF31 A.2	Contrary to the above requirement, during the audit of performance information for indicators number of people to be appointed through EPWP Social Program by 30 June 2021 and number of people to be appointed through EPWP Environmental and Culture Program by 30 June 2021, it was noted that the total number as per the APR does not agree to the total number as per the EPWP listing as per the below. Total Number as per APR 312 Total number appointed in the current year 301	Recurring	All additional EPWP appointments done will be reported quarterly on the SDBIP.	01-Mar-22	30-Jun-22	MM	Manager PMS			
46	B39	Inadequate reasons provided for approved deviation memorandum for purchase of personal protective equipment.	Procurement and Contract Management (to confirm for removal)	COMAF 27.1	Through inspection of the Memorandum for purchase of personal protective equipment (PPE) an emergency deviation was approved by the Municipal manager on 03 February 2021, and the motivation for deviation was as follows: 1. The Municipality is in the preparation to return all employees to work, during level 1, as such there will be a need for Municipality to provide PPE to returning employees. 2. Clause 5(3) the regulations issued in terms of section 27(2) of the Disaster Management Act, 2002 provides that an employer must provide every employee who may come into direct contact with members of the public as part of their duties with face mask to cover his or her nose and mouth or homemade item that covers nose and mouth when in public place, or another appropriate item to cover the nose and mouth.	Recurring	To ensure that adequate reasons for deviating are provided on the deviation memo. All deviation reason to be aligned with MFMA section 36.	01-Mar-22	30-Apr-22	CFO	Manager SCM			
47	B40	Prices Charged for Covid-19 Personal Protective Equipment (PPE) exceeds the Prices as per MFMA Circular 105	Procurement and Contract Management (to confirm for removal)	COMAF 27.2	Contrary to above requirements, the Greater Giyani Municipality awarded Smith Sam Trading (Pty) Ltd a contract for the supply of Covid-19 personal protective equipment (PPE), and the prices charged by the supplier exceeded the	New	To review and monitor compliance with supply chain regulations and circulars on a regular basis to ensure that prices charged by suppliers for PPE are equal or with the prices as per MFMA Circular 105.	01-Mar-22	30-Apr-22	CFO	Manager SCM			
48	B41	Tender which did not meet the pre-qualification criteria was evaluated further	Procurement and Contract Management (to confirm for removal)	COMAF 27.5	Contrary to the above requirement, we identified that supplier: White Hall Trading (Pty) Ltd for G/G/M/6104/001/2021 for the appointment of supply and delivery of protective equipment for general workers with a contract amount of R 585 220, did not meet the pre-qualification criteria	New	Development of a checklist for both the bid committees and Ensure that pre-qualification criteria are applied to all the bidders	01-Mar-22	30-Apr-22	CFO	Manager SCM			

49	B42	Irregular, Fruitless and Wasteful Expenditure - Disclosures	Procurement and Contract Management (to confirm for removal)	COMAF 39	The municipality did not disclose a break down of the current year Irregular Expenditure (R7, 362, 199.00), and Fruitless and Wasteful Expenditure (R72, 301.00) incurred in the current year.	New	To ensure that a break-down of irregular expenditure and fruitless and wasteful expenditure is included in the AFS Adequate review of the AFS by the independent reviewer.	01-Mar-22	30-Jun-22	CFO	Manager SCM Manager Expenditure			
50	B43	Inadequate reasons provided for approved deviation memorandum for acquisition of accommodation.	Procurement and Contract Management (to confirm for removal)	COMAF 34	Through inspection of the memorandum for acquisition of accommodation services, a deviation was approved by the Municipal manager on 14 June 2021, and the motivation for deviation was as follows:	Recurring	The municipality will review and monitor compliance with supply chain regulations on a regular basis by ensuring that all bids are approved by delegated official and approved deviation memo is adequate.	01-Mar-22	30-Apr-22	CFO	Manager SCM			
51	B44	Impairment loss overstated by VAT portion	Receivables	COMAF 13	Contrary to the above, the movement in provision for bad debts are recorded inclusive of VAT in statement of financial performance for the year ended 30 June 2021. VAT represents transactions on behalf of SARS and therefore should be excluded from the expenditure. Expenditure generally would be the amount that will be recognised in the statement of financial performance (gains and losses) and this amount generally excludes VAT.	New	The annual financial statement should be reconciled against trial balance, general ledger and the following supporting schedules (i) Asset register, operating lease register and finance lease register (ii) Payable age analysis (iii) Commitment register (iv) Receivable age analysis (v) Retention register (vi) Accrual listing (vii) Investment register (viii) Grant register (ix) Schedules of provisions (Actuarial report, Leave bonus, landfill site, Impairment, Long service, cost employment benefit, Workmen's compensation (ix) Unauthorised, irregular and fruitless and wasteful expenditure (Including MPAC recommendations) (x) A reconciliation between the budget and trial balance All reconciliations should be reviewed and signed off by the CFO	01-Mar-22	30-Jun-22	CFO	Manager Revenue			
52	B45	Incomplete related parties transaction disclosure	Related parties	COMAF 22	The former director was under the employment until the 17 July 2020. The relationship and transactions were not disclosed in note 48 of the financial statement. (b) Related party relationship - Acting Director Community Services. The related parties' relationship of the acting director community services is not disclosed in the AFS, additionally the remuneration for acting director is not disclosed on note 34 of the financial statement as required by GRAP 20.	New	Thorough review of notes on key employees and related party relationship	01-Mar-22	30-Jun-22	CFO	Manager Expenditure			

53	B46	Differences between Interest paid and accrued as per bank confirmation and investment revenue.	Revenue		Contrary to the above requirements, During the current year audit, we noted that interest revenue in the current year was Overstated by interest received in the current year in relation to prior years.	New	The annual financial statement should be reconciled against trial balance, general ledger and the following supporting schedules (i) Asset register, operating lease register and finance lease register (ii) Payable age analysis (iii) Commitment register (iv) Receivable age analysis (v) Retention register (vi) Accrual listing (vii) Investment register (viii) Grant register (ix) Schedules of provisions (Actuarial report, Leave bonus, landfill site, Impairment, Long service, cost employment benefit, Workmen's compensation (ix) Unauthorised, irregular and fruitless and wasteful expenditure (Including MPAC recommendations) (x) A reconciliation between the budget and trial balance All reconciliations should be reviewed and signed off by the CFO.	01-Mar-22	30-Jun-22	CFO	Manager Revenue			
54	B47	Difference between amount disclosed in the financial statements and the valuation roll.	Revenue	COMAF 18	Contrary to the above requirements, during the audit for revenue, we noted that the total market values for some categories disclosed in the financial statements for the 2020/21 financial year does not agree to the general valuation roll for 2020/21. The following differences were noted:	New	The annual financial statement should be reconciled against trial balance, general ledger and the following supporting schedules (i) Asset register, operating lease register and finance lease register (ii) Payable age analysis (iii) Commitment register (iv) Receivable age analysis (v) Retention register (vi) Accrual listing	01-Mar-22	30-Jun-22	CFO	Manager Revenue			
55	B48	Revenue recognized not reconciling with the ENATIS report.	Revenue	COMAF 37.1	Contrary to the above requirement, it was noted during the audit of revenue, that the amount disclosed in the annual financial statements for the 2020/21 financial year does not agree to the amount as per the Enatis report. The following differences were noted:	New	A reconciliation between the general ledger, bank statements and Enatis report should be performed to ensure that transactions relating to License and Permits are correctly accounted for in the Annual Financial Statements and in compliance with GRAP requirements.	01-Mar-22	30-Jun-22	CFO	Manager Revenue			
56	B49	Incorrect calculation of impairment provision – Traffic Fines	Revenue	COMAF 38	During the audit of receivables from traffic fines, we identified that the calculation of provision for impairment was incorrectly calculated.	New	The annual financial statement should be reconciled against trial balance, general ledger and the following supporting schedules (i) Asset register, operating lease register and finance lease register (ii) Payable age analysis (iii) Commitment register (iv) Receivable age analysis (v) Retention register (vi) Accrual listing (vii) Investment register (viii) Grant register (ix) Schedules of provisions (Actuarial report, Leave bonus, landfill site, Impairment, Long service, cost employment benefit, Workmen's compensation (ix) Unauthorised, irregular and fruitless and wasteful expenditure (Including MPAC recommendations) (x) A reconciliation between the budget and trial balance All reconciliations should be reviewed and signed off by the CFO	01-Mar-22	30-Jun-22	CFO	Manager Revenue			

57	B50	Incorrect classification of interest on outstanding debtors	Revenue	COMAF 03	Contrary to the above, it was noted during the audit of revenue that interest on outstanding debtors has not been classified according to the nature of the underlying transaction. The total amount relating to interest on outstanding debts has been classified under revenue from exchange transactions, and thus no interest has been allocated to revenue from non-	New	The annual financial statement should be reconciled against trial balance, general ledger and the following supporting schedules (i) Asset register, operating lease register and finance lease register (ii) Payable age analysis (iii) Commitment register (iv) Receivable age analysis (v) Retention register (vi) Accrual listing	01-Mar-22	30-Jun-22	CFO	Manager Revenue			
58	B51	No disclosure for principal arrangement	Principal agent relationships	COMAF 37.2	During the audit for revenue, we noted that on note 49 of the annual financial statements for 2020/21, the disclosure amounting to R1 625 605 (2020/21) and R 6 895 687 (2019/20) relates to traffic fines instead of licences and permits. Furthermore, the disclosure is incomplete as it does not describe any liabilities and expenditure incurred on behalf of the principal that has been recognised by the municipality in line with GRAP 109. The misstatement will result in non-compliance with GRAP 109	New	Correct disclosure of License and permits balance will be made on the AFS subject to the AGSA approval. In addition, the principal agent disclosure which relates to License and permits will be corrected to be in compliance with GRAP 109. Ref to the attached revised disclosure The disclosure in the AFS will be subject to the AGSA approval	01-Mar-22		CFO	Manager Budget and Reporting			
59	C1	Lack of internal controls on the application of recruitment policies	Employee costs	Comaf 41.1 of 2021	Contrary to the above requirements, we noted that the following newly appointed employees did not meet the minimum qualifications requirements for the posts they were appointed for as per the job advert.	New	The municipality to provide appropriate reasons on the implementation of employment equity during recruitment process.	01-Mar-22	30-Apr-22	Director Corporate Services	Manager HRM			
60	C2	Salary notch adjusted not in line with the requirements of the remuneration policy	Employee costs	Comaf 41.2	During the audit of employee cost, we identified that a newly appointed candidate appointed in the position of secretary to the director of planning was placed on the maximum notch of that position within a month of employment. Through inspection the memorandum attached for approval of the employee to be placed on the maximum notch, it was noted that the request for the employee to be placed on the maximum notch was granted due to the employee previously earning above the maximum notch. However, we noted that Section 15 (b) of the Greater Giyani Municipality Recruitment policy does not specify circumstances which are deemed to be exceptional for newly appointed employees to be placed above the salary midpoint. Additionally, it is not clear as how the	New	The Recruitment Policy to be reviewed to clarify the reasons a new employee may be placed on the midpoint or maximum notch of the salary level.	01-Mar-22	30-Jun-22	Director Corporate Services	Manager HRM			

61	C3	High vacancy rate	Employee costs	COMAF 41.3	We noted that the municipality does not have sufficient capacity due to the high vacancy rate of 46% as indicated in the staff establishment. Non-compliance with Section 68(1) of the Municipal System Act	Recurring	The capacity of the municipality to perform its functions to be conducted monthly.	01-Mar-22	30-Jun-22	MM	Director Corporate Services			
62	C4	IT Governance	General IT controls	COMAF 07	During the audit of IT governance, it was noted that there is no formal process in place to monitor and review the activities of IT department on the municipality systems. The IT department is responsible for the administration, adding and removing of users as well as the resetting of users' passwords, the lack of monitoring and reviewing of these activities could result in unauthorised or fraudulent activities performed by the IT department not being detected and corrected. Furthermore, there is no policy in place to provide direction as to who should be reviewing the activities of the IT department to ensure that all activities that are executed by the IT department are within the authorised responsibilities of the IT department.	New	IT Manager as an appointed Systems Administrator and the highest in rank in the division to reviews all technical work done by IT officials including include IT security related (system access) reviews and other IT operations related reviews.	01-Mar-22	30-Apr-22	Director Corporate Services	Manager IT			
63	C5	Internal audit unit not reviewed externally	Internal audit	COMAF 01	Contrary to the stipulations, we noted that the internal audit unit of the municipality has not been externally reviewed by any third party, for the past 11 years. The internal audit, in performing their internal audit work, may not follow the standards set by the Institute of the Internal Auditors. This matter was brought to the attention of management in the prior year but continues to recur.	Recurring	1.Procurement of an external service provider for assesment of internal Audit activity . 2.Conduct and finalise assesment for the Internal Audit Activity by 30 June 2022	01-Mar-22	30-Jun-22	MM	Manager Internal Audit		1.Procurement of an external service provider for assessment of internal Audit activity appointed. 2.External assesment for the Internal Audit activiy in progress(First information request issued) .	
64	C6	Council resolutions not detailed (not indicating the amount approved by council).	Assets	COMAF 4	We noted that the council resolution dated 30 August 2020 does not include the amount approved by the council. Resolution was written as follows: □ CR05 – 30/08/21 SP: Council approved the impairment of assets and assets write-offs for the purpose of the preparation of the 2019/20 Annual Financial Statements	New	The annual financial statement should be reconciled against trial balance, general ledger and the following supporting schedules (i) Asset register, operating lease register and finance lease register (ii) Payable age analysis (iii) Commitment register (iv) Receivable age analysis (v) Retention register	01-Mar-22		CFO	Manager Assets			

65	C7	Assets written off without council approval.	Immovable assets	COMAF 30.4	Contrary to the above requirements, we noted that the infrastructure assets amounting to R6 723 577 was written off without approval by the council.	New	All assets write-off and derecognitions to be submitted to council for approval before write-off or derecognition as per Assets Management Policy.	01-Mar-22	30-Jun-22	CFO	Manager Assets			
66	C8	The performance management system policy and framework is not reviewed annually	Predetermined objectives	COMAF 06	Contrary to the above requirement, we noted that the Municipality's performance management system policy and framework was last reviewed and approved on 29 May 2019 which is in contravention with the policy. The similar finding was identified by the internal audit function as per the Internal Audit Report on performance management system for 2020/21 first quarter report 2020.	New	Performance management system policy and framework	01-Mar-22	30-Apr-22	MM	Manager PMS		Performance management system policy framework for 2021/22 was reviewed and approved by council	

	67	C9	Calibration certificate not submitted	Predetermined objectives	COMAF 28.3	Contrary to the above during the audit of performance information for indicator # of Calibration of VTS done by 30 June 2021, the municipality did not submit the calibration certificate or any other supporting documentation to support actual performance as reported on the annual performance report. The evidence that was submitted was a proposal from the service provider, which does not provide evidence that the service was rendered by the service provider.	Recurring	Development of a checklist by each department on submission of POE's,that will ensure alignment of each programme on the SDBIP with the actual POE's	01-Mar-22	30-Apr-22	MM	Manager PMS								
Number of Actions							67	100%												
Number of Actions In Progress							0	0.00%												
Number of Actions Resolved							0	0.00%												



Chapter 6

AUDITOR-GENERAL'S REPORT

SEE ATTACHED ANNEXURE D

Report of the auditor-general to Limpopo Provincial Legislation and the council on Greater Giyani Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Greater Giyani municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets and 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 Greater Giyani Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance Standards of Recognised Accounting Practice (Standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2020 (Act No. 4 of 2020) (DoRA).

Basis for qualified opinion

Other receivables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence that management appropriately accounted for housing rental receivables, due to non-submission of information in support of these receivables. I was unable to confirm housing rental receivables by alternative means. Consequently, I was unable to determine whether any adjustments relating to other receivables from exchange transactions stated at R25 001 738 in note 13 to the financial statements was necessary.

General expenses

4. Included in general expenses is an amount of R16 253 018 for free basic electricity. The municipality did not have adequate internal controls to validate if indigents qualify for the free basic electricity subsidy. I was unable to obtain sufficient appropriate audit evidence to substantiate free basic electricity as disclosed in note 46 to the financial statements. Consequently, I was unable to determine whether any adjustment were required to the financial statements.

Context for the opinion

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

6. 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.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Significant uncertainty

9. With reference to note 50 to the financial statements, the municipality is the defendant in multiple lawsuits. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Material impairments

10. As disclosed in note 41 to the financial statements, an impairment of consumer debtors of R45 382 706 was incurred as a result of debt which is doubtful for recovery due to inadequate collecting systems.

Restatement of corresponding figures

11. As disclosed in note 53 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended 30 June 2021.

Other matters

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

Unaudited disclosure note

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

Unaudited supplementary schedules

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

Responsibilities of the accounting officer for the financial statements

15. 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 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.
16. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

17. 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.
18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

19. In accordance with the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
20. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
21. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting

framework, as defined in the general notice, for the following selected development priorities presented in the municipality's annual performance report for the year ended 30 June 2021:

Development priority	Pages in the annual performance report
KPA 3 – Basic services and infrastructure	x – x

22. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
23. The material findings on the usefulness and reliability of the performance information of the selected development priorities are as follows

KPA 3: Basic services and infrastructure development

Various indicators

24. The achievement of indicators and targets listed below was reported in the annual report. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence. This was due to lack of accurate and complete records. I was unable to further confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.

Indicator description	Reported achievement
To connect 335 units at Jim Nghalalume Village by 30 June 2021	Target achieved (335 units at Jim Nghalaume connected)
To connect 230 units at Noblehoek Village by 30 June 2021	Target achieved (230 units at Noblehoek village connected)

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. Refer to the annual performance report on pages 15 to 17; 32 to 46 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 23 to 24 of this report.

Adjustment of material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic service delivery and infrastructure development. As management subsequently corrected only some

of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements, performance and annual report

30. The annual financial statements submitted for audit were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.
31. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/ or the supporting records were provided subsequently, but the uncorrected material misstatements and/ or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

32. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by supply chain management (SCM) regulation 13(c). Similar non-compliance was also reported in the prior year.

Expenditure management

33. Reasonable steps were not taken to prevent irregular expenditure amounting to R8 945 632 as disclosed in note 57 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the non-compliance with SCM regulations.
34. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R51 282 044, as disclosed in note 58 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by the municipality incurring expenditure that is in excess of the approved budget.

Strategic planning and performance management

35. The performance management system and related controls were not maintained due to internal control deficiencies identified, as required by the municipal planning and performance management regulation 7(1).

Other information

36. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
37. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
38. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
39. We did not receive the other information prior to the date of this auditor's report. After we receive and read this information, and if we conclude that there is a material misstatement, We are 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, we 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

40. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
41. The municipality did not have a proper record management system to maintain information that supported the reported performance in the annual performance report. This included information that related to the collection, collation, verification, storing and reporting of actual performance information, as a result, some of the reported performance information were not adequately supported, resulting in findings on performance information.
42. The financial statements contained misstatements. This is mainly due to insufficient reviews performed on the annual financial statements.
43. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored. The municipality did not take reasonable steps to prevent unauthorised and irregular expenditure.

Material irregularities

44. In accordance with the PAA and the material irregularity regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularities in progress

45. I identified material irregularities during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, the responses of the accounting officer were not yet due for some material irregularities and for the remainder, I had not yet completed the process of evaluating the responses from the accounting officer. These material irregularities will be included in the next year's auditor's report.

AUDITOR - GENERAL

Polokwane

28 February 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected development priorities and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - Conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Greater Giyani Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.