



COLLINS CHABANE LOCAL MUNICIPALITY

ANNUAL REPORT
2020/2021

“A Spatial Integrated & Sustainable Local
Economy By 2030”

VISION

“A Spatial Integrated & Sustainable Local Economy by 2030”

MISSION

To ensure the provision of sustainable basic services and infrastructure to improve the quality of life of our people and to grow the local economy for the benefit of all citizen

VALUES

Transparency

Accountability

Responsive

Professional

Creative

integrity

GLOSSARY

AFS	Annual Financial Statements
AIDS	Acquired Immune Deficiency Syndrome
AGSA	Auditor General South Africa
ANC	African National Congress
CCLM	Collins Chabane Local Municipal
CFO	Chief Finance Officer
CIBD	Construction Industry Development Board
CIlr	Councillor
CoGHSTA	Corporative Government Human Settlement and Traditional Affairs
CoGTA	Corporative Government and Traditional Affairs
DA	Democratic Alliance
DMP	Disaster Management Plan
DMS	Disaster Management Structure
DoE	Department of Education
DoRT	Department of Roads and Transport
DSCR	Department of Sports, Culture and Recreation
DSS	Department of Safety and Security
DWA	Department of Water Affairs

EPWP	Expanded Public Works Programme
FBO	Faith Based Organisations
FBS	Free Basic Services
FY	Financial Year
GDS	Growth and Development Summit
HH	Households
HIV	Human Immunodeficiency virus
IDP	Integrated Development Plan
INEP	Integrated National Electrification Programme
ISF	Mpumalanga Integrated Spatial Framework
LED	Local Economic Development
KL	Kilolitre
KM	Kilometres
KPA	Key Performance Area
KPI	Key Performance Indicator
LAC	Local Aids Council
LED	Local Economic Development
LEDF	Local Economic Development Forum
MFMA	Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MM	Municipal Manager
MNDs	Minimum Notified Demands
MPAC	Municipal Public Accounts Committee
MSA	Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
MTEF	Medium Term Expenditure Framework
NGO	Non-Government Organisations
NPO	Non-Profit Organisations
PAFPA	Plator and Area Fire Protection Association
PGDS	Provincial Growth Development Strategy
PLHWA	People Living with HIV/AIDS
PMC	Provincial Management Committee
PMS	Performance Management System
PMU	Project management Unit
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SPLUM	Spatial Planning and Land Use Management Act
STI	Sexually Transmitted Infections
VDM	Vhembe District Municipality
TB	Tuberculosis
WSIG	Water Services Infrastructure Grants

Chapter 1

Mayor's Foreword and Executive Summary

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



MAYOR'S FOREWORD

Collins Chabane Local Municipality (CCLM) hereby, in terms of Section 46 of Municipal System Act No.32 of 2000 (MSA) and sections 121 and 127(2) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), present to Council the 2020/21 Annual Report which outlines achievements and challenges for the year under review.

Collins Chabane Local Municipality 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, unemployment etc.

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 close to 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 realization 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

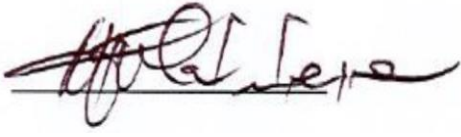
- **Electrification of Mbhuti phase 2 (258) and Malamulele b extension (100)**
- **36 High Mast constructed and connected at all 36 Wards (1 high mast light per ward)**
- **150 Solar LED Street Lights constructed and connected at Malamulele**
- **50 Solar LED street lights constructed and connected at Saselamani**
- **50 Solar LED street lights constructed and connected at Vuwani**
- **50 Solar LED street lights constructed and connected at Hlanganani**
- **100kva Solar panel and 150kva silent Back-up Generator supplied and Installed at Malamulele Boxing Gym**
- **200kva Back-up Generator supplied and installed at Saselamani stadium**
- **45 Market Stalls at Malamulele constructed**
- **1.8KM Ring Road upgraded at Sasekani**
- **Malamulele Traffic Station upgraded**
- **Phase 1 Davhana Stadium construction completed**
- **Vuwani Sub-Offices refurbished**
- **Tourism Information Centre Constructed at Malamulele**
- **Community Hall Constructed Malamulele**
- **Merwe Stadium Refurbished**

This was just few development highlights that the municipality is proud of delivering to our communities for the year under review. There were other projects which were also undertaken 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.

On the Institutional Governance. The municipality filled all six top management positions. The Position of the CFO was vacant till December 2020 and was filled in January 2021.

The Municipality received MIG funds of R 81 475 000 and additional funds of R 7000 000. The total MIG expenditure for the year under review was R 88 475 000.

Mayor: Cllr.Maluleke Moses

A handwritten signature in dark ink, appearing to read 'Maluleke Moses', written over a horizontal line.

COMPONENT B: EXECUTIVE SUMMARY



1. MUNICIPAL MANAGER'S FOREWORD

The new administration of Collins Chabane municipality has been mandated with a clear objective which is **“to clean up governance and enhance service delivery”** in improving the lives of the Collins Chabane communities. As part of our road map, we took note of the outcome 9 **“which is A Responsive, Accountable, effective Local Government”** further take a note of objectives of Local Government enshrined in section 152(1) of the constitution of the Republic of South Africa as follows:

- (a) To provide democratic and accountable government for local communities;
- (b) To ensure the provision of services to communities in a sustainable manner;
- (c) To promote social and economic development;
- (d) To promote a safe and healthy environment; and
- (e) To encourage the involvement of communities and community organizations in the matters of local government.

It is prudent for the municipality to strive within its financial and administrative capacity, to achieve the referred to objects set out here supra. The 2020/21 Annual Report reflects the strategic focus of the municipality and provides both the financial and non-performance of Collins Chabane Local Municipality. Council approved the 2020/21 Reviewed integrated Development Plan accompanied by the Medium-Term Expenditure Framework (MTREF) in May 2020. The Reviewed IDP outlined the plans for the financial year, while the MTREF provided resources for the accomplishment of the IDP objectives. The IDP and the MTREF was operationalized, monitored and evaluated through the Service Delivery and Budget Implementation Plan, which serves as a management tool.

The municipality has made commendable progress since its establishment in 2016 in improving the delivery of quality services in our areas of jurisdiction. The municipality is engaged in a medium to long term plan to improve the quality of service delivery in a form of improving timeliness and acceptable downtimes in terms of service disruptions. The Municipality continues to engage the traditional leaders in areas like Mhinga, Shikundu, Xigalo, Mulamula, Mudabula, Mukhomi, Mtititi, Madonsi, Tshikonelo, Mavambe, Ntlhaveni, Gidjana, Mphambo, Shigamani, Bungeni, Khomanani, Masakona, Masia, Mulenzhe and Ribungwane.

It is prudent to mention that the report would reflect more on following **Key Performance Areas of Local Government**:

- Municipal Transformation and Organizational Development;
- Spatial Planning;
- Basic Service Delivery and Infrastructure Development;

- Local Economic Development;
- Municipal Financial Viability and Management.
- Good Governance and Public Participation

In conclusion on behalf of the management and staff, we appreciate the community willingness to see the municipality improving its governance systems and accelerate quality service at a required speed for better lives for all. Further applaud the working relations with municipal organized labour. i.e. SAMWU and IMATU during period under review



SHILENGE R.R

Acting Municipal Manager

1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.1.1. LOCATION

Provincial context

The Collins Chabane Local Municipality is one of the four municipalities of the Vhembe District Municipality (VDM) of Limpopo province. CCLM is located on the far north of the VDM. The map below demonstrates the location of the municipality from the provincial context.

Municipal Context

Collins Chabane Local Municipality is a newly established Municipality in the Northern part of Limpopo Province and is situated about 191km from Polokwane City. The Municipality is part of the Vhembe District and is situated between Greater Giyani, Thulamela, and Makhado municipalities. To the north-east the Municipality's borders extend to Mozambique and on the south east to Kruger National Park. The Municipality is flanked by two dominant roads, namely D4 that connects the Municipality to the N1 to Musina and Gauteng. Whilst the R81, connects the Municipality via Giyani to Polokwane. The Municipal land area covers 5 467.216km² (22° 35' S 30° 40' E) in extent with a population of approximate of 347 974 inhabitants. Apart from the two main towns namely, Malamulele and Vuwani Town; and 173 Villages, the municipal area also includes 3 informal settlements.

Figure 1: Location of Collins Chabane Local Municipality



1.1.2. FUNCTIONS

The municipality derives its mandate from section 152 Of the Constitution and provides most of the services as stated in the powers and functions of Local Municipalities in the Constitution schedule A, part B.

1.1.3 POPULATION SIZE AND COMPOSITION

The figure below contains details of population dynamics within the municipality. This includes the total population and growth rate, the gender breakdown of this population and total number of households. It provides information on the following¹:

- Population: The total number of people living within a specified area of jurisdiction;
- Population growth rate: The overall growth rate in population between the 2001 and 2011 censuses;
- Sex Ratio: The sex ratio provides an indication of the gender breakdown in an area, and it is suggestive of the composition of the labour force. Sex ratios will be affected by sex-selective out-migration such as men migrating. Migrant labour-receiving areas usually have higher sex ratio figures (i.e. more males to females) as the migrants are usually male. South Africa's average sex ratio is around 0,95, that is 95 men to 100 women. Lower sex ratios are found in areas with a higher number of female-headed households, where household sizes are generally larger, with higher dependency levels

FIGURE 1: DEMOGRAPHIC OVERVIEW

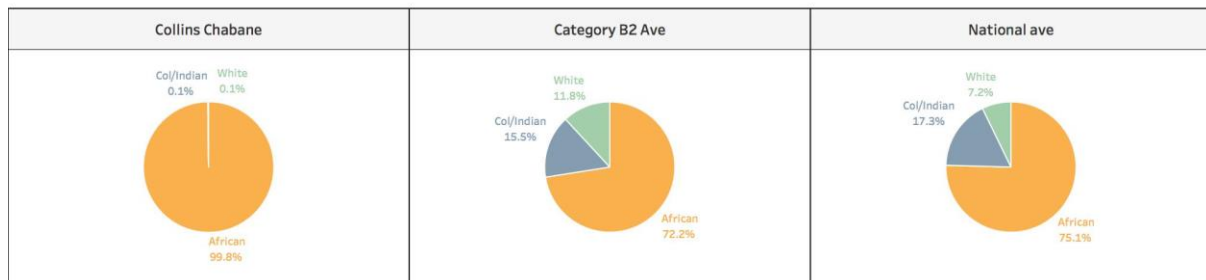
Demographic Overview



The following figure further breaks down the broad population by race. It indicates the proportion of people of African origin, as well as other black South Africans (people designated previously as Coloured and Indian) as well as people previously designated as white. Given the history of apartheid, places with generally higher proportions of minorities (such as whites) have been massively advantaged in economic and other terms.

FIGURE 2: RACIAL BREAKDOWN

Racial Breakdown

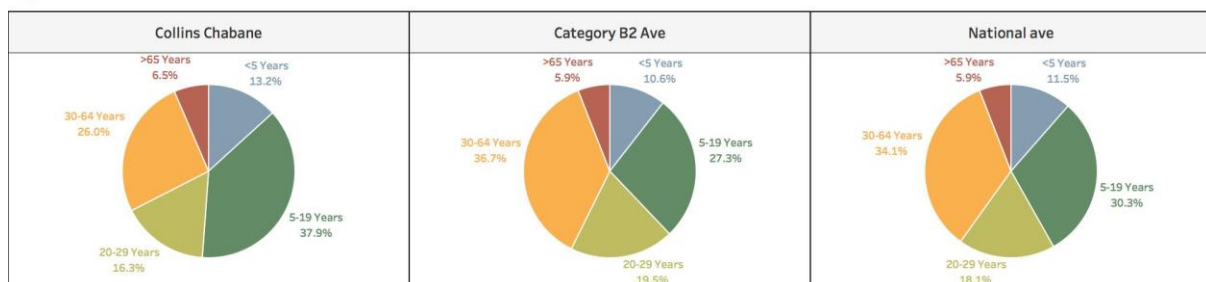


Age structure

The distribution of the population by age is also provided in the figure below with age groups including those younger than school-going age (0-4 years), school going (5-19 years), youth (20-29), general working age (30-64) and elderly (over 65 years of age).

FIGURE 3: AGE BREAKDOWN

Age Breakdown

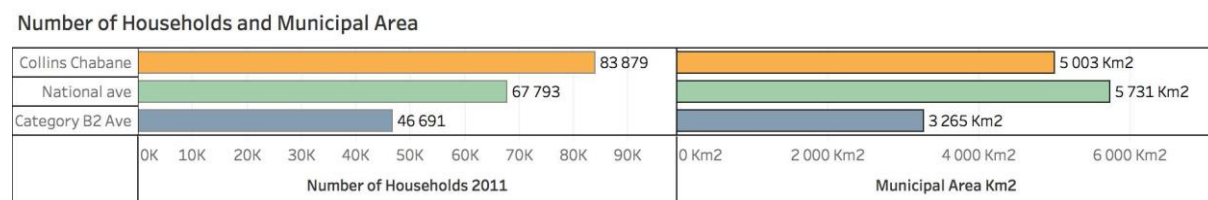


Households and density

In examining the distribution of households, it is important to consider the definition of households by Statistics SA. A household is seen as a group of persons who live together and provide themselves jointly with food or other essentials for living, or a single person who lives alone. Live-in domestic workers and live-in employees are regarded as separate households. This is important in that when one examines consumer units provided by municipalities in the sections below, such units could consist of more than one household.

The following figure indicates the overall number of households in the municipality compared with its area.

FIGURE 4: NUMBER OF HOUSEHOLDS AND MUNICIPAL AREA

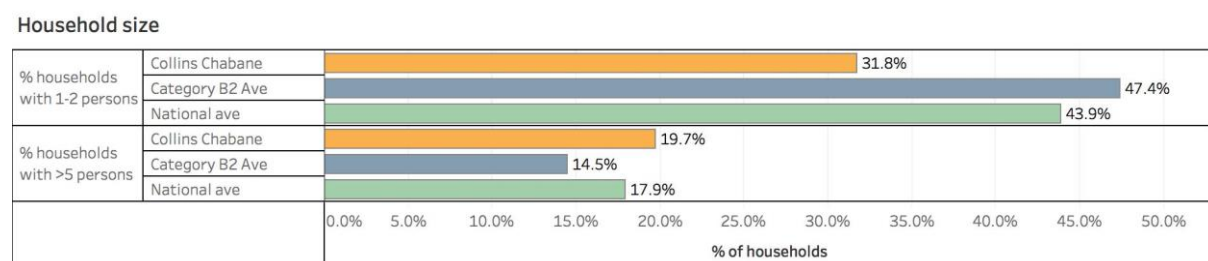


Importantly, though, the relative size of households and the density of population are more useful indicators of human settlements and the extent to which municipalities need to respond to challenges. This is particularly the case for relatively small households (1-2 persons) and large (over 5 persons) households. Both provide challenges for municipal planning and service delivery: small households hold out the possibility, if linked to chain migration, that larger households will come into the municipalities once a person's employment becomes more stable, and larger households often place an additional strain on the delivery of basic network services. In other words, these data indicate the degree to which there could be migrancy operating, particularly in the larger urban areas where one could find a higher proportion of 1-2 persons households than in other areas. Likewise, larger households could also indicate a degree of mutual aid existing not just for familial reasons, but to cope with the effects of apartheid and unemployment.

The following figure provides information on:

- The proportion of households consisting of one or two persons; and
- The proportion of households consisting of over five persons.

FIGURE 5: HOUSEHOLD SIZE



1.2. SERVICE DELIVERY OVERVIEW

The municipality is committed to providing quality and sustainable roads and electricity by ensuring consistent supply of services.

PUBLIC MEETINGS

The Municipality conducted IDP public participation as per the schedule below:

DATE	VENUE	WARDS	TIME
15 April 2021	Saselamani Library	27, 28, 29, 30, 31, 32, 33, 34, 35 & 36	10H00
16 April 2021.	Njhakanjhaka Community Hall	1, 2, 3, 4, 5, 6, 7, 8, 9 & 10	10H00
19 April 2021.	Malonga Sports Ground	11, 12, 13 & 14	10H00
20 April 2021.	Malamulele Boxing Gym	15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 & 26	10H00

1.3. FINANCIAL HEALTH OVERVIEW

For the year under review, municipal budgeted surplus was R 236 459 635 and incurred an actual surplus of R 265 159 801.

Financial Overview: 2020/21		
Summary: Statement of financial Performance		
Description	Budget 2020/21	Actual 2020/21
Total Revenue by Source (Excluding Capital Transfers)	R 60 178 104	R 58 315 197
Capital Transfers	R 581 783 688	R 581 485 690
Total Revenue by Source (Including Capital Transfers)	R 641 961 792	R 639 800 887
Less: Total Expenditure	R 405 502 157	R 374 641 086
Equals: Surplus/ deficit	R 236 459 635	R 265 159 801

1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW

The Municipal Manager is the head of the organisation supported by four Senior Managers. The approved organisational structure provides for six Senior Managers positions (including the positions of the Municipal Manager and Chief Finance Officer).

SECTION 56/7 POSITIONS:

Directorate/ Department	Filled/ Vacant
Municipal Manager	Vacant
Senior Manager Technical Services	Filled
Senior Manager Corporate Services	Filled
Senior Manager Community Services	Filled
Chief Finance Officer	Filled
Senior Manager Planning and Development	Vacant

The office of the Mayor is supported by a Personal Assistant, Secretary and Manager Political Support. On a Continuous basis office of the Municipal Manager and all Senior Managers supports office of the Mayor.

1.5. AUDITOR-GENERAL REPORT

For the year under review the municipality received an unqualified audit opinion. An Action Plan is developed to address the AGSA audit findings.

1.6. STATUTORY ANNUAL REPORT PROCESS

NO.	ACTIVITY	TIMEFRAME
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year Annual Report including Annual Financial Statements and Performance Report to Auditor-General	September
5	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
6	Municipal entities submit draft annual reports to MM (The municipality doesn't have entities)	
7	Auditor General Audits Annual Report including Annual Financial Statements and Performance data	September - October
8	Municipalities receive and start to address the Auditor General's findings	
9	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	
10	Receive management letter and provide final comments on findings	November
11	Auditor-General submit audit opinion.	
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January
13	Audited Annual Report is made public and representation is invited	February
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight report	March
16	Council table next financial year Budget / IDP and invite public representation	
17	Oversight report is made public	April
18	Oversight report is submitted to relevant provincial councils	
19	Council approve next financial year Budget / IDP	May
20	Make public approved Budget and IDP	June
21	Finalize SDBIP and Performance Agreements for next financial year.	
22	Make public SDBIP and Performance Agreements.	July

Chapter 2

Governance

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2. INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The executive and legislative authority of a municipality is vested in its Municipal Council. In terms of Section 151 (3) of the Constitution of the Republic of South Africa, a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation.

Collins Chabane Local Municipality is a category C Municipality in terms of Section 10 (b) of the Municipal Structures Act which defines the Municipality with a Mayoral Executive System. The Municipality has Section 80 Committees, Section 79 Committees, Mayoral Committee and Council.

The Council is composed of 71 Councillors of which 36 are Ward Councillors and 35 are PR Councillors. Administration is headed by the Municipal Manager who acts as a link between the Political Office Bearers and Administration.

2.1. POLITICAL GOVERNANCE STRUCTURE

The Municipal Council is comprised of 71 Councillors and is chaired by the Honourable Speaker wherein decisions are taken through Council resolutions as per the recommendations of the Executive Mayoral Committee.

Items are prepared by administration to serve before the Portfolio Committees, Mayoral Committee and finally before Council with recommendations for either adoption or noting depending on the nature of the items. The Municipality has Audit Committee which provides opinions and recommendations on financial processes and performance and afford comments to the Oversight Committee on the Annual Report. The Municipality has established Municipal Public Accounts Committee (MPAC) which plays an Oversight role. The Committee is comprised of non-executive councillors, with the specific purpose of providing Council with comments and recommendations on the Annual Report.

MPAC prepared an oversight report which served before Council on the 29 of March 2021 in compliance with the MFMA.



POLITICAL STRUCTURE

MAYOR

Hon Cllr Maluleke M

Functions of the Mayor

- To promote the image of the municipality
- To ensure that the executive committee performs its functions properly
- To lead and promote 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 and minutes are in place for the executive and other committees and that they meet regularly, and submit reports to the executive committee
- To take responsibility for the quality and speed of decision making in the executive committee



SPEAKER

Hon Cllr M.E LEBEA

Functions of the Speaker

- Presides 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.



CHIEF WHIP

Cllr M.G CHAUKE

Functions of the Chief Whip

- Political management of council meetings and committee meetings
- Inform councillors of meetings called by the Speaker and the Mayor and ensuring that such meetings quorate
- Advises the Mayor and Speaker on the Council agenda
- Informs councillors on important matters on the relevant agenda
- Advise the Speaker on the amount of time to be allocated to speakers and the order of such speakers addressing the Council
- Ensures that councillors' motions are prepared and timeously tabled in terms of the procedural rules of Council
- Assisting the Speaker in the counting of votes
- Advising the Mayor and Speaker of urgent motions
- Advising the Mayor and Speaker on how to deal with important items not disposed of at a Council meeting

Collins Chabane Local Municipal Council is comprised of 71 Councillors. These Councillors are categorised in the table below.

WARD COUNCILLORS:

INITIALS AND SURNAME	WARD	PARTY REPRESENTATION
Cllr M.R Ngobeni	Ward 1	ANC
Cllr M.J Shandukani	Ward 2	ANC
Cllr L. Ngobeni	Ward 3	ANC
Cllr G.M Rikhotso	Ward 4	ANC
Cllr P.F Mashimbye	Ward 5	ANC
Cllr D. Mahlangu	Ward 6	ANC
Cllr M.S Thovhakale	Ward 7	ANC
Cllr T.M Mutele	Ward 8	ANC
Cllr V.N Mukhomi	Ward 9	INDEPENDENT
Cllr H.D Ndove	Ward 10	ANC
Cllr K.E Rivombo	Ward 11	ANC
Cllr T.N Mulaudzi	Ward 12	ANC
Cllr T. Mudau	Ward 13	ANC
Cllr M.P Mathoma	Ward 14	ANC
Cllr T.E Maluleke	Ward 15	ANC
Cllr S.X Mavikane	Ward 16	ANC
Cllr T.E Vukeya	Ward 17	ANC
Cllr M.P Maluleke	Ward 18	ANC
Cllr N. Munyai	Ward 19	ANC
Cllr G. D Masangu	Ward 20	ANC
Cllr D. Mabasa	Ward 21	ANC
Cllr H.R Baloyi	Ward 22	ANC
Cllr N.L Baloyi	Ward 23	ANC
Cllr S. Mahlale	Ward 24	ANC
Cllr H.M Chauke	Ward 25	ANC
Cllr M.J Baloyi	Ward 26	ANC
Cllr S. Shivambu	Ward 27	ANC
Cllr J. Mabasa	Ward 28	ANC
Cllr M.T Moyo	Ward 29	ANC
Cllr H.G Chauke	Ward 30	ANC
Cllr M.W Sithole	Ward 31	ANC
Cllr N.P Mathonsi	Ward 32	ANC
Cllr M.C Mabunda	Ward 33	ANC
Cllr M.R Simango	Ward 34	ANC
Cllr T.C Chabangu	Ward 35	ANC
Cllr P.J Chavane	Ward 36	ANC

PR COUNCILLORS

INITIALS AND SURNAME	PARTY REPRESENTATION
Cllr M. Maluleke	ANC
Cllr M.E Lebea	ANC
Cllr M.G Chauke	ANC
Cllr S.G Maluleke	ANC
Cllr T.G Khosa	ANC
Cllr R.P Mudau	ANC
Cllr L.R Maluleke	ANC
Cllr S.G Hlongwani	ANC
Cllr N.E Ngobeni	ANC
Cllr S.M Rekhoto	ANC
Cllr F.F Mudau	ANC
Cllr R.G Nkanyani	ANC
Cllr Z.Q Miyambu	ANC
Cllr D.T Nkuna	ANC
Cllr K.E Mashakeni	ANC
Cllr T.M Sambo	ANC
Cllr Z.W Sunduza	ANC
Cllr A.J Mukhaha	ANC
Cllr T.J Bila	ANC
Cllr M.S Matamela	ANC
Cllr M.C Fungheni	ANC
Cllr T.R Chauke	ANC
Cllr N.G Ndzovela	ANC
Cllr Mabasa R.C	ANC
Cllr T.C Maswanganyi	ANC
Cllr T.M Masia	DA
Cllr C.M Radzivoni	EFF
Cllr T.L Hlabangwani	EFF
Cllr C.E Tshiredo	EFF
Cllr H.T Makhubele	EFF
Cllr D. Baloyi	EFF
Cllr H.J Khosa	EFF
Cllr O.C Baloyi	XIMOKO
Cllr K.K Mabasa	ACDP
Cllr S. Muavha	DA

2.1.1. ADMINISTRATIVE GOVERNANCE STRUCTURE AS AT 30 JUNE 2021

SENIOR MANAGER / DEPARTMENT	FILLED/ VACANT
Municipal Manager	VACANT
Senior Manager Technical Services	FILLED
Senior Manager Corporate Services	FILLED
Senior Manager Community Services	FILLED
Chief Finance Officer	FILLED
Senior Manager Development & Planning	VACANT

2.1.2. POLITICAL DECISION-MAKING

The Municipal Council is chaired by the Speaker. Policy decisions and resolutions are taken by the Council as per recommendation of the Executive Committee.

The Mayor and the members of the Mayoral Committee have a responsibility to ensure that council resolutions are implemented as required by section 44 of the Municipal Structures Act.

The Administration headed by the Municipal Manager and the Senior Managers are responsible for the implementation of council and Executive Committee resolutions.

Reports regarding policy matters and non-delegated administrative matters are prepared by the administration with the recommendations from the Municipal Manager then submitted to section 80 Committees (Portfolio Committees), Executive Committee where such reports are considered and recommendations are made to Council for final decision making.

2.1.3. COUNCIL

Powers of local government are vested in the municipal council and as a result Council has the power to make by-laws (legislative authority) and the powers to put those laws into effect (executive authority). Council adopts its own policies, by-laws and takes resolutions to ensure smooth operation of the Municipality and take its own decisions through Council resolutions with the recommendations of the Mayoral Committee.

The Executive Committee has responsibility to ensure that Council resolutions and decisions are implemented as provided for in terms of Section 44 of the Municipal Structures Act.

Reports regarding Policy developments and non-delegated administrative matters are prepared by Administration with the recommendations of the Municipal Manager and submitted to Portfolio Committees and Executive Committee where such reports are considered before they are served to council for final decision making.

COUNCIL MEETINGS

Council is effective and functional and continues to discharge its responsibility as expected. Table below depicts the number of council meetings held during the year under review:

COUNCIL MEETINGS HELD

	Ordinary Council Meetings	Urgent Special Council Meetings	Total Meetings
Number of meetings 2020/2021	4	8	12

A total of twelve (12) Council meetings were held during the year under review. Of the twelve Council meetings eight (08) meetings were special council meetings, whilst four (04) were ordinary council meetings.

2.2. ADMINISTRATIVE GOVERNANCE

The Administration is led by the Municipal Manager who is appointed by Council in terms of the Municipal Systems Act. The Municipal Manager and Senior Managers/Directors directly accountable to the Municipal Manager sign Annual Performance Agreements with performance objectives, targets and procedures for evaluating performance.

This is to ensure that the Municipality achieves its Constitutional objectives in terms of Section 152 (1) of the Constitution of the Republic of South Africa.



TOP ADMINISTRATIVE STRUCTURE

ACTING MUNICIPAL MANAGER SHILENGE RR

Functions of the Municipal Manager

- Strategic Management Planning of Corporate Support Services
- Strategic Management
- Strategic Management Support of Finance Services – Budget and Treasury
- Strategic Management Support of Technical and Engineering Services
- Strategic Management Support of Local Economic Development and Planning
- Strategic Leadership for Risk Management Services
- Strategic Leadership for Internal Audit Services
- Operational Leadership of Institutional Performance Management and Reporting
- Administrative Leadership of Mayor and EXCO Support
- Coordinate Intergovernmental Relations
- Operational Leadership Communication Services



SENIOR MANAGER: CORPORATE SERVICES
R.R SHILENGE

Functions of Senior Manager Corporate Services

- Render Human Resources Management and Development Services
- Render Legal Services support
- Render Records Management and Auxiliary Services
- Render Council Support
- Render Facilities Management
- Performance Management
- ICT Management



SENIOR MANAGER: TECHNICAL SERVICES
R.I MABUNDA

Functions of Senior Manager Technical Services

- Manage Municipal Development Projects
- Manage the maintenance of Roads and Storm Water Systems
- Manage the provision of Engineering Services
- Manage maintenance of Municipal Infrastructure
- Manage Service Delivery Units



**CHIEF FINANCIAL OFFICER: BUDGET AND TREASURY
N.V MALULEKE**

Functions of CHIEF FINANCIAL OFFICER

- Render Management Accounting Services
- Render Financial Accounting Services.
- Render Supply Chain Management Services
- Manage Municipal Assets



**ACTING SENIOR MANAGER: PLANNING AND DEVELOPMENT
A.C RADALI**

Functions of Senior Manager Planning and Development

- Manage and Coordinate the development and implementation of IDP.
- Promote Local Economic Development
- Management of Spatial Planning and Land Use Management
- Management of Housing, Property and Building Control



SENIOR MANAGER: COMMUNITY SERVICES
G.L MALULEKE

Functions of Senior Manager Community Services and Safety

- Coordinate the rendering of Environmental and Waste Management Services
- Render Traffic Management Services (Law Enforcement) & Road Safety Promotion
- Coordinate the provision of vehicle and Drivers Licensing Services
- Render Disaster and Emergency Management Services
- Coordinate Arts, Culture, Sports and Recreation Services
- Manage Transversal and Special Needs Programmes

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3. INTERGOVERNMENTAL RELATIONS

2.3.1. NATIONAL INTERGOVERNMENTAL STRUCTURE

CCLM maintains constant communication with National treasury, Provincial departments and also participates in various district, provincial and national programs.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Collins Chabane Local Municipality participates in PCF [Premier Coordinating Forum] meetings which comprises of the Premier as the chair and members of the Executive Council and all the Mayors supported by their heads of Department and Municipal Managers as well as SALGA. Through the PCF both the provincial and local sphere of government are able to inform and take decisions on policy and development issues that emanates from national, Provincial and local government level.

2.3.2. MUNICIPAL ENTITIES

The Municipality does not have Municipal Entities

DISTRICT INTERGOVERNMENTAL STRUCTURES

Besides the PCF the Collins Chabane Local Municipality participates in established Vhembe District Municipality Forums. The established forums are important for the purpose of integrated development planning and strengthening governance processes within the district.

THE FOLLOWING INTERGOVERNMENTAL RELATIONS FORUMS THAT CCLM PARTICIPATES IN:

- Mayor s Forum
- Speaker s forum
- Municipal Manager 's forum and other Technical fora
- Governance Cluster
- Social and Economic Cluster
- District MPAC

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. PUBLIC MEETINGS

2.4.1. WARD COMMITTEES

The municipality established ward committees in 36 out of 36 wards during the 2020/21 financial year and they are functional.

THE FUNCTIONALITY OF WARDS SUMMARIZED IN THE TABLE BELOW:

DESCRIPTION	NUMBER
No. of wards	36
No. of ward committees	36
No. of ward committee members	360
No. of functional ward committee members	360
No. of non-functional ward committees' members	0
No. of ward committees' meetings	432

2.4.2. MAYORAL IMBIZO

The Municipality mayoral Imbizo's meetings were not done physically due to COVID-19 regulations. Instead of visiting nodal points, The Municipality conducted 4 Mayoral Imbizo's using Virtual Platforms e.g. live radio broadcast, use of social media network.

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

For the 2020/21 financial year the following governance were established and functional:

2.5. INTERNAL AUDIT

Internal Audit reported system weaknesses and recommended corrective actions for management to address the deficiencies. Management implemented internal audit recommendations to enhance the system of internal controls to the acceptable level. The committee is satisfied that the internal audit division has during the period under review effectively focused its available resources towards identified critical risk areas in accordance with the approved Risk Based Annual Audit plan for 2020/21. The committee also approved the Risk Based Annual Audit plan for the 2020/2021 reporting period and was given the assurance that every effort will be made by the Accounting Officer to have all the resources available to properly execute the plan.

During 2020/21, all Internal Audit activities were completed in accordance with the approved Internal Audit Charter and no compromise of the independence or objectivity of the function was observed throughout for the year under review.

Internal Audit follow-up report has noted that management has implemented an appropriate tracking system so that all reported matters are tracked, managed and get resolved timeously.

The committee noted an improvement in the percentage of audit findings resolved by management.

The committee also believes that Internal Audit has effectively carried out its mandate and responsibility in accordance with the MFMA and approved Internal Audit Charter.

One-on-one discussions with the Manager Internal Audit did not reveal any matters of concern.

2.6. PERFORMANCE MANAGEMENT

Management has during the year under review implemented the Council approved performance management plan. The Audit Committee noted that Management has developed a performance management policy and procedure manual which was approved by Council.

The Performance Audit Committee monitored management's evaluation of identified "external service providers" as required by section 46 of the Municipal Systems Act, 2000.

The Manager Internal Audit has in terms of the Municipal Finance Management Act and Municipal Systems Act regulations on a quarterly basis audited and provide assurance on the reported performance information. All system weaknesses were brought to the attention of the Accounting Officer and commitment has been made to improve the system.

2.7. RISK MANAGEMENT

The risk management unit functions are guided by the following legislations:

MFMA

Treasury Regulations

The Committee of Sponsoring Organization of the Treadway Commission (COSO) framework

National Treasury Public Sector Risk Management Framework

Chapter 4 of the King III Report on Good Corporate Governance

ISO 31000.

Risk Management is a continuous, proactive and systematic process effected by a Municipality's Council, Accounting Officer, Management and other personnel, designed to identify potential events that may affect the achievement of the Municipality's objectives. This process involves identification of potential events, assessments and prioritization of risks (effect of uncertainty on objectives) followed by coordinated and economical application of resources to minimize, monitor the

probability and/or impact of unfortunate events or to maximize the realization of opportunities. When conducting the risk assessment, management considered the following Key Performance Areas (KPA's):

Municipal Transformation and Organizational Development
Spatial Rationale
Basic Service Delivery and Infrastructure Development
Local Economic Development
Municipal Financial Viability and Management
Good Governance and Public Participation

Management identified the below ten top risks:

Inability to grow revenue base
Low revenue collection
Increase in irregular expenditure
Fraudulent activities/claims
Lack of infrastructure (Water and sanitation)
Health Hazard due to lack of infrastructure
Delays and failure to complete service delivery projects on time
Lack of business continuity plan and disaster recovery plan
Illegal and land invasion, Illegal land use
Ageing of infrastructure due to inadequate repairs and maintenance

Risk Management Committee

The Municipality has established Risk Management Committee chaired by independent person. The Committee is functional and four meetings were in 2020/2021 financial year (one meeting per quarter).

2.8. ANTI-CORRUPTION AND FRAUD

The Municipality is currently using the District Anti- Fraud and Corruption hotline and Premier hotline for reporting of Fraud and Corruption cases.

2.9. SUPPLY CHAIN MANAGEMENT

The Council has adopted a Supply Chain Management Policy and implement the policy in compliance with the guidelines set out by the Supply Chain Management Regulations, 2005. The new Preferential Procurement Regulations, 2017, with effect from 01 April 2017, was incorporated in the policy and adopted.

The SCM Policy incorporating the above-mentioned regulations, as well as all other relevant pieces of legislation, regulations, and circulars are annually reviewed during the budget process.

The municipality has established three (3) bid committee system. No councillors are members of any committee of the committees handling supply chain processes.

The Supply Chain Management officials are currently attending accredited training modules to meet the requirements of the minimum competency levels.

2.10. BY-LAWS

For the year under review 2020/21, The Municipality developed 2 (two) below mentioned by-laws for community services and went for public participation and inputs were received and approved by council and submitted to COGHSTA for vetting. The by-laws will be gazzeted once the vetting process is finalized.

- Paupers Burial By-Law
- Waste Management By-Law

2.11. WEBSITES

OVERVIEW OF MUNICIPAL WEBSITES COMPLIANCE

The Municipal Website is a communications tool that seeks to communicate all municipal information to the public. The Municipal Website is functional.

In terms of Section 75 of the MFMA, Municipal Website should include the following:

Documents published on the municipality's /entity's website	Yes/No
Current annual and adjustment budgets and all budget related documents	Yes
All current budget related policies	Yes
The previous annual report (2019/20)	Yes
The annual report (2020/21) to be published	Yes
All current performance agreements required in terms of section 54/56 (1) (b) of the MSA and resulting score cards	Yes
All service delivery agreements (2020/21)	Yes
All long term borrowing contracts (2020/21)	No
All supply chain management contracts above a prescribed value (give value) for 2020/21	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2020/21	N/A

Contracts agreed in 2020/21 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2020/21	YES

Access to Municipal Website

Municipal Website:
www.collinschabane.gov.za

Chapter 3

Service Delivery Performance

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

3. BASIC SERVICES

3.1. WATER PROVISION

INTRODUCTION

Vhembe District Municipality (VDM) is responsible for water and sanitation services as the Water Services Authority (WSA) in accordance with the Water Services Act 108 of 1997. However, Collins Chabane has procured two water tankers for watering of streets to eradicate dust for health purposes and maintenance of gravel roads.

3.2. ROADS OVERVIEW

The Municipality has the primary responsibility to provide for the availability of road services. This responsibility is embodied in the legislation as well as policy statements. The municipality is however experiencing financial difficulties that are impacting on its ability to provide for new or extended services on demand.

The total kilometres of roads within Collins Chabane Local Municipality is 3 465,35 km which 1 049 km are provincial roads, 128km are national roads and 2 288,25 km belongs to the municipality.

The table below highlights the categories of roads within Collins Chabane

	Road pavement type	Length(km)
1	Brick paving	20.33km
2	Concrete	0
3	Asphalt	30.2
4	Unpaved (gravel road)	2 223.37km

Total Unpaved Gravel Road Kilometres				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/Maintained
Year 2019/20	2 237.87km	0	13.5	7920
2020/21	2 223.37km	0	11.5	5940

Tarred Road infrastructure					
	Total tarred roads	New Tarred roads	Existing roads tarred	Existing roads tar re-sheeted	Tar roads maintained
2019/20	15.5 KM	13.5 KM	2 KM	4	4 KM
2020/21	14.5 KM	11.5 KM	3 KM	3	3 KM

Cost of construction/Maintenance R'000			
	Tar/Paving		
	New	Re-worked	Maintained
2020/21	8,500,000.00	4,000,000.00	800,000.00

Capital Expenditure year 2020/21: Road service R'000					
Capital projects	Year 2020_21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project values
Year - 2020_21	116,253,318.28	116,253,318.28	116,253,318.28	0	116,253,318.28

MIG Expenditure year 2020/21: Road service R'000					
Capital projects	Year 2020_21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project values
Year - 2020_21	81,475,000.00	88,475,000.00	88,475,000.00	7 000 000 ,00	88,475,000.00

The Municipality has procured a service provider who is assisting in developing maintenance plans. The plan will give the municipality the status quo of the municipality roads and also guide on the type of maintenance to embark on.

3.3. STORM WATER

Storm water management is defined by the Red Book (Guidelines for Human Settlements and Design, 2000) as “the science of limiting negative impacts on the environment and enhancing the positive impacts, or catering for the hydraulic needs of a development while minimizing the associated negative environmental impacts”.

Any development will have an impact on its environment in some way or form and therefore needs to be managed—storm water is no exception and should be considered an important resource. The goals of storm water management are therefore aimed at supporting the philosophy of reducing the impact of storm water flow through and off developed areas. Local authorities are entrusted with the power to construct infrastructure to manage the flow (quantity, quality and velocity) of storm water discharge.

A Storm Water Drainage System is defined as “All the facilities used for the collection, conveyance, storage, treatment, use and disposal of runoff from a drainage area to a specified point.” - Red Book, 2000. A typical storm water drainage system in a formal urban setting involves minor storm water runoff as a result of frequent storms that is drained. Budget allocated for roads include stormwater.

The storm water network in Collins Chabane were long designed and were never upgraded, the storm water network in Collins Chabane has to be upgraded to a minimum size of 600mm diameter. The municipality has started with project registration

processes for project funding through MIG to upgrade the storm water network in Collins Chabane

PROJECTS UNDER OPERATION AND MAINTENANCE

PROJECT NAME	CONTRACTOR	BUDGET
Refurbishment of Vuwani Sub-Offices	Chesterbury Trading Projects.	R 5,000,000.00
Upgrading of Low-level bridges/Culverts in various villages	Ward 36: Mzerewa Trading Enterprise. Ward 35: Fummy Projects. Ward 34: FJRIC Construction and Projects. Ward 33: Xalamuka Built Environment. Ward 32: Rethabile Business Enterprise Ward 31: Shibhakuza General Trading Ward 29: I sakho Holdings	R 5,000,000.00
Construction of Ablution blocks and showers in Municipal stores	TenderHearted Trading and Project.	R 300,000.00
Erection of palisade fence and water supply at Njhakanjhaka community hall	Hlulani Civils	R 1,500,000.00
Extension of Bungeni stadium palisade fence	Edgar Mul Holding	R 1,000,000.00
Refubishment of Municipal Cemeteries (To specify)	Sombs Holdings	R 700,000.00
Fencing of municipal cemeteries at Vuwani	TFR Business Enterprise	R 400,000.00
Construction of Pound Stations for vehicles	N/A	R 150,000.00
Construction of speed humps on the newly constructed road	N/A	R 400,000.00
Maintenance and repairs of Municipal Buildings	1. Refurbishment of Njhakanjhaka Community Hall: Kwekwevong Trading Enterprise. 2. Refurbishment of Vuwani Community Hall: Roski Trading Enterprise>	R 83,675.00

	3. Refurbishment of Bungeni Stadium: Chesterburry Trading Enterprise	
Maintenance and repairs of Municipal Roads and bridges	1. Regravelling of Xigamani Village (2km): Nwamencani Trading 2. Regravelling of Lombard to Govhu Village(3.4km): Swadawada 3. Regravellong of Hlungwani Village (2km): Vinle Pty(Ltd) 4. Regravelling of Matiyani Village(1km): Ndzelecon Construction and Projects	R 5,230,000.00

3.4. ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

The municipality does not have a license to provide electricity. Currently ESKOM is responsible for the provision of electricity. For 2020/21 Financial year the municipality electrified 248 households at Mbuti Phase 2 and 100 households for B-Extension through funding from INEP, the houses were low cost houses and informal settlements, 20A supply was installed in all the houses as per the indigent policy of the municipality. The Municipality is planning to apply for an electricity distribution license.

DESCRIPTION	YEAR (2020/21)	YEAR (2019/20)	YEAR (2018/19)
	ACTUAL NO.	ACTUAL NO.	ACTUAL NO.
Electricity (at least min service level)	348	600	1443
Electricity-prepaid (min service level)	348	600	1443
Minimum service level and above sub-total	0	0	0
Minimum service level and above percentage	0	0	0
Electricity-prepaid (<min service level)	348	600	1443
Electricity-prepaid (>min service level)	0	0	0
Below minimum service level sub-total	0	0	0
Below minimum service level percentage	0	0	0
Total number of households	348	600	1443

HOUSEHOLDS - ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM HOUSEHOLDS					
DESCRIPTION	2018/19	2019/20	2020/21		
	ACTUAL NO.	ACTUAL NO.	ORIGINAL BUDGET NO.	ADJUSTED BUDGET NO.	ACTUAL NO.
Formal Settlements					
Total Households	1443	600	348	0	348
Households below minimum service level	1443	600	348	0	348
Proportion of households below minimum service level	0	0	0	0	0
Informal Settlements					
Total households	1443	600	348	0	348
Households below minimum service level	1443	600	348	0	348
Proportion of households below minimum service level	0	0	0	0	0

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The were 12 projects that were implemented by Collins Chabane Municipality in the 2020/2021 financial year. The projects were implemented within various villages. The projects reached practical completion stage and are currently awaiting energization by Eskom.

PROJECT NAME	CONSULTANT / CONTRACTOR	BUDGET
To Supply and Install 12 high mast lights at Malamulele east	Contractor: Millboard Trading Projects	R 5,160,000.00
To Supply and Install 12 high mast lights at Malamulele South	Contractor: Zevofusion (Pty) LTD	R 5,160,000.00
To Supply and Install 12 high mast lights at Malamulele West	Contractor: Ntshizas Construction	R 5,160,000.00
Supply and installation of 150 Solar LED street lights at Malamulele Town	Contractor: Hamonei Sombs JV	R 6,300,000.00
Supply and installation of 50 Solar LED street lights at Saselamani	Contractor: Oakantswe Construction	R 2,100,000.00
Supply and installation of 50 Solar LED street lights at Vuwani	Contractor: Ukwakhang JV	R 2,100,000.00
Supply and installation of 50 Solar LED street lights at Hlanganani	Contractor: Morema Sefoko	R 2,100,000.00
Supply and installation of Solar traffic signal(lights) at Saselamani, Vuwani and Hlanganani	Contractor: Tarcron	R 4,200,000.00
Supply and installation of Solar panel and 150kva silent Back-up Generator at Malamulele Boxing Gym	Contractor: Swinaveto Trading Enterprise	R 2,500,000.00
Supply and installation of 200kva silent Back-up Generator at Saselamani Stadium	Contractor: Tongama Projects	R 1,500,000.00
Electrification of Mbhuti phase 2. 258 and house-hold 100 Households Malamulele B-Extension.	Consultant: AES Consulting Engineers	R 6,265,000.00
	Contractor: Kedibone Construction	
Electrification of house-holds at various villages	Consultant: Mogalemole Consulting	R 6,300.000.00
	Jasben Electrical	

Below Is a List of other Electrification Projects That were implemented By Eskom:

Malonga (50)
 Gumbani (49)
 Mahonisi (54)
 Ribungwani (297)
 Doli Mashau (165)
 Masia/Majosi/Nkuzana (97)

In summary, an addition 712 households a were serviced with new electricity connections by Eskom towards contributions of national goal for obtaining universal access of electricity services to household in South Africa

3.5. PROJECT MANAGEMENT UNIT (PMU)

The Municipality PMU is responsible for the implementation of Capital Projects within various departments to ensure that they are handed-over to the users upon completion for functionality purposes.

The table below indicates projects that were implemented for Technical Services Directorate as part of the Capital Projects in the financial year under review.

PROJECT NAME	CONSULTANT / CONTRACTOR	BUDGET
Construction of Sub offices Traffic/ DLTC and VTS	None	R 1,000,000.00
Construction of Municipal office building	Consultant: CV Chabane & Associates	R 40,000,000.00
	Contractor: Mpfumelelo MM Industries	
Construction of Mahatlane Access Bridge	Consultant: None	R 1,700,000.00
	Contractor: FJRIC Construction	
Construction of Bevhula Ring Road	Consultant: Morula Consulting	R 18,526,659.14
	Contractor: Mokatemong Nkemeleng JV	
Upgrade 3.7 KM of Road at Sebudi/Vyeboom road phase 2	Consultant: MVE Constulting	R 33,000,000.00
	Contractor: Koephu Construction	
To upgrade 6,1 KM of Internal Streets at Vuwani Phase 1 by 30 June 2021	Consultant: T3 Consulting	R 1,000,000.00
	Contractor: None	
Open and widen streets in Malamulele Business Park	Consultant: Morwa Consulting Engineers	R 1,000,000.00
	Contractor: None	
Upgrade Internal Streets at Malamulele	Machaba Tau and Hlayeleni Consulting JV	R 5,000,000.00
Construct Traffic Circle at Malamulele	Consultant: Mgiba Consulting	R 500,000.00
	Contractor: N/A	
Construction of Vuwani Market stalls	Consultant: Hlayeleni Consulting	R 3,000,000.00
	Contractor: N/A	

Construction of bus terminals for local and long distance	Contractor: Mangatlu Trading Vahlala Consultants JV	R 5,000,000.00
Upgrading of R81 to Xithlelani graveyard road	Consulting: HWA Consulting Engineers Contractor: MMqomo Construction	R 18,526,659.14
Upgrading of Sasekani Ring Road	Consultant: Smec SA Contractor: Shalati Construction	R 4,000,000.00
Upgrading of Malamulele Ext D Road	Consultant: Moba Consulting Contractor: None	R 1,000,000.00
Construction of Mphambo Ring road	Consultant: MVE Consulting Engineers Contractor: None	R 1,000,000.00
Construction of Nwa-Matatani ring road 2.2km	Consultant: Marungane Consulting Engineers Contractor: Gombameni Construction	R 20,000,000.00
Upgrading of Malamulele Traffic Station	Consultant: 2MC Consulting Engineers Contractor:	R 10,000,000.00
Construction of Davhana stadium	Consultant: Tshwane Consulting Engineers Contractor: Dalas Enterprise	R 7,321,681.72
Upgrading of Malamulele stadium	Consultant: Nemorango Consulting Engineers Contractor: Phetlago Construction	R 20,243,881.00
Construction of Vuwani Sports Centre	Consultant: None Contractor: None	R 5,000,000.00
Construction Tourism Inform Centre	Consultant: Rixongile Consulting Engineers Contractor: Dalas Business Enterprise	R 3,500,000.00
Construction of Xigalo land fill site	Consultant: Mamadi & Co Contractor: Tainama Civils	R 20,000,000.00

3.6. HOUSING

OVERVIEW HOUSING

Collins Chabane Local Municipality Human Settlements Section is entrusted with the overseeing, facilitation of integrated human settlements, management of Council owned rental stock, management of informal settlements and ensuring security of tenure through issuing of Title Deeds. Our strategy is to provide housing in line with the deliverable of Outcome 8, which is to develop spatial plans to ensure new housing developments are in line with national policy on intergraded Human Settlements and to accelerate the delivery of housing

THE FOLLOWING HUMAN SETTLEMENTS PROGRAMME ARE CURRENTLY BEING PRIORITISED BY COLLINS CHABANE MUNICIPALITY LOCAL MUNICIPALITY:

- Formalisation of informal settlements
- Social Housing
- Rural Housing Subsidy Scheme
- Urban Housing Subsidy Scheme
- Community Residential Units
- Financial-Linked Individual Subsidy Programme

THE MUNICIPALITY FULFILLS THE FOLLOWING ROLES IN RESPECT OF THE PROVISION OF HOUSING:

- Provision of serviced land for housing development
- To compile housing needs surveys for housing delivery purpose
- To facilitate the development of housing
- To ensure that the houses that are built conform to the minimum standards for residential houses.
- Since the new dawn, the municipality has approved development in relation to residential settlement. This has been done in accordance with the promise in our manifesto to “provide a better life for all”. Successes achieved are the following: 30 Housing Units were built for approved beneficiaries during 2020/21 Financial Year

BELOW ARE THE CHALLENGES THAT THE MUNICIPALITY EXPERIENCED IN RELATION TO HUMAN SETTLEMENT:

- Mushrooming of informal settlements
- Unregistered land parcels in the proclaimed townships (Malamulele/Vuwani)
- No Human Settlement Strategy
- Insufficient service sites for housing developments
- No Housing Sector Plan

Percentage of Households with Access to Basic Housing			
Year End	Total Households	Households in Formal Settlements	Households in Formal Settlements
	(Including in Formal and Informal Settlements)		
2020/21	91936	69952	76%

Housing					
Service Objective	Service Indicator	Service Target	2020/21		
			Target	Actual	
To Build 700 Units for Approved Beneficiaries	Number of Units Build to Approved Beneficiaries	700	700	30	

3.7. FREE BASIC SERVICES

The municipality has an indigent policy that was adopted in 2020

The policy states the below as the criteria for which a debtor needs to meet before qualifying as indigent:

CRITERIA

A household who meets the criteria contained in the paragraph below may apply to be registered as indigent.

THE FOLLOWING CONDITIONS SHOULD BE MET IN ORDER TO QUALIFY TO BE REGISTERED:

- The applicant must be a natural adult person.
- The gross total monthly household income of all persons ordinarily residing at the premises concerned from all sources may not exceed an amount of the combined older person grant as stipulated in the national budget for two senior citizens or as may be determined by the council from time to time.
- The applicant may not own, either on her/his own or together with other persons, more than one fixed property.
- The applicant must ordinarily reside at the premises concerned.
- The amount written off will be reinstated should the owner sell the property

CUSTOMERS QUALIFY FOR SERVICES LEVELS AS FOLLOWS:

ELECTRICITY

- Indigent households with electricity supplied by the ESKOM will receive the first 50 kWh units free each month.
- All registered indigent debtors **MUST** be on a prepaid electricity meter

ASSESSMENT RATES

- The first R15 000 of the property value of residential households is exempted from tax.
- Registered indigents will get a 100% rebate on assessment rates.

REFUSE REMOVAL

Guided by the National Environmental Management Act & Waste Act, read with The Municipal's Integrated Waste Management Plan (IWMP), the municipality provided refuse removal services daily in town and once a week in every household within proclaimed areas. It is worth mentioning that the removal of services was also extended daily during this period under reviewed to the following areas: Saselemani, Hlanganani and Malamulele and Vuwani

EXTENDING ACCESS TO BASIC REFUSE REMOVAL SERVICES

The municipality had extended the refuse removal services to the rural areas to minimise the environmental impact from unregulated manner which resulted in illegal dumping. Such services were coupled with the purchased of skip bins that were strategically placed in identified illegal dumping hot spots across the breadth and length of the municipality.

SUSTAINING ACCESS TO BASIC SERVICES

The Municipality managed sustained its refuse collection services with the following refuse vehicles:

- 05 Compactor Trucks
- 02 Skip loader Trucks
- 01 TLB
- 01 half truck
- 02 bakkies

The municipality has shown a commitment during the previous financial year by addressing backlogs in domestic solid waste collection services and that the municipality came up with revenue enhancement strategies to increase revenue collection within the municipality since it was sitting with a low revenue-income from refuse removal services.

ENVIRONMENTAL EDUCATION & AWARENESS

It is worth indicating that 12 environmental educations, awareness and clean-up campaign were conducted during this period under reviewed. The rendering of these services could not have been realized without the support of the Department of Environment, Forestry and Fisheries (DEFF) who had appointed 22 participants and 01 Coordinator under the presidential Good Green Project who were seconded to CCLM to assist the municipality in addressing environmental issues.

RECYCLING INITIATIVES

The municipality facilitated the training of 72 recyclers from the 36 municipal wards as was conducted by PETCO to start their own recycling business and they are all forming part of municipality recycling database. Furthermore, the municipality has developed a recycling forum which provides residents an opportunity to create additional jobs, and income. The forum is active and to meet once per quarter but because of the country's lockdown, that was not possible

LANDFILL SITE

Collins Chabane Local Municipality managed to obtain the operating licence of Xigalo landfill site, however the completeness of the construction was still to be realized during this period under reviewed

SEWERAGE

The sewage services are not municipal function but the function of the Vhembe District Municipality

3.8. LICENSING

Municipality is an agent of Department Transport for the issuing of vehicle licenses which also includes testing of vehicles as part of vehicle licensing procedure. For this task the Municipality retains 20% of revenue generated from these services which does not cover its operational costs to perform the function. The municipality continue to render traffic services in an effort to ensure the maintenance of highest safety standards

The Municipality is performing the function of Licensing & Registration Services and the following services were rendered to the community for the year under review.

APPLICATION FOR LEARNER'S LICENSE

NUMBER APPLIED	PASS	FAIL	ABSENT / DIFFERED	TOTAL TESTED
4002	1167	2545	210	3792

DRIVER LICENSES AND APPLICATION

NUMBER APPLIED	PASS	FAIL	ABSENT / DIFFERED	TOTAL TESTED
1124	545	454	126	998

MOTOR VEHICLES TESTED

NUMBER APPLIED	PASS	FAIL	RETEST	TOTAL TESTED
198	186	04	17	198

COMPONENT B: PLANNING AND DEVELOPMENT

3.9. PLANNING AND DEVELOPMENT

In terms of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) and the regulations thereof, Collins Chabane Local Municipality has established a Municipal Planning Tribunal and the Appeals Tribunal to determine its land use and land development applications. The Municipal Tribunal consists of 5 external members and 2 internal members. Furthermore, the Appeals Tribunal consists of 4 external members and 2 internal members. The tables below show the members serving in these tribunals.

MUNICIPAL PLANNING TRIBUNAL

NAME	DESIGNATION	FIELD
Tshisamphiri Madima	Chairperson	Town & Regional Planning
Justice Khosa	Deputy Chairperson	Town & Regional Planning
Mary Rosey	Member	Legal
Richard Rikhotso	Member	Engineering
Avathendi Maiyana	Member	Environmental Sciences
Senior Manager: Planning and Development	Member	Senior Manager: Planning & Development (CCLM)
Manager: Spatial Planning and Land Use	Designated Officer	Manager Spatial Planning and Land Use (CCLM)
Senior Manager: Planning and Development (VHEMBE)	Member	Senior Manager: Planning and Development (VHEMBE)

APPEALS TRIBUNAL

NAME	DESIGNATION	FIELD
Municipal Manager	Member	Municipal Manager: CCLM
Muligwe Livhuwani	Member	Capricorn District Municipality
Mmaphuti Julia Nare	Chairperson	Town and Regional Planning
Magezi Noel Mathonsi	Deputy Chairperson	Town and Regional Planning
Cedrick Baloyi	Member	Legal
Tsunduka Hatlane	Member	Environmental Sciences

SITE DEMARCATATIONS

AREA	NUMBER OF SITES DEMARCATED
Tshikonelo	500
Mtititi	100
TOTAL	600

3.10. LOCAL ECONOMIC DEVELOPMENT

Local Economic Development is central to the Integrated Development Plan of a Municipality. The LED cuts across all the departments in the Municipality, in simple terms means that whatever is done by any discipline within the Municipality contributes significantly to the growth of the local economy. The unit focuses on the four key areas of development which are Manufacturing, Tourism, Trade and Mining. The LED derived its mandate from the constitution wherein it must create a conducive environment for Small medium enterprises to be able to operate successfully. The LED is also responsible for advocating policies and by - laws that are favourable to the business community and more importantly the SMMEs.

Given the challenges of unemployment, poverty and inequality, it is imperative to synchronise all the Municipal functions to push back those challenges and create a working local economy for the benefit of the citizens of the area. The Municipality has an LED strategy in place that is being implemented.

3.10.1. LOCAL ECONOMIC DEVELOPMENT FORUM

The Municipality has been able to form partnerships with community structures for the purposes of creating engagement which culminates into inclusive decision making. During the year under review the Municipality has been in partnership with the following associations and structures among others,

LED forum, Tourism association, Agricultural forum, Hawkers association and Taxi associations. Because of the Covid-19, meetings could not be held as scheduled for all the forums and the associations.

LED forum is composed by the following structures

STRUCTURES	GOVERNMENT DEPARTMENTS
Collins Chabane Business Chamber	Cooperative Governance and Traditional Affairs
Tourism association	Limpopo Economic Development, Tourism and Environment
Agricultural forum	Office of the Premier
Tax association	Vhembe District Municipality
Hawkers association	Department of Agriculture

SMME SUPPORT AND TRADE DEVELOPMENT

a) Informal trade support

During the year under review the Municipality has taken a decision to support informal traders or hawkers by constructing forty-five (45) market stalls which accommodates nighty street traders. The market stalls were one of the projects that demonstrated that the Municipality is committed to support and transformed how the street traders do their business by ensuring that they have a proper place to sell their products.

b) Tourism development

The Municipality has managed to successful construct the Tourism information centre as one of the strategies to support tourism activities. The information centre will be a centre piece wherein people will be obtaining information that are related to tourism and the centre will also co-locate the services of SEDA (small enterprise development agency).

c) SMME training and development

During the year under review the Municipality, in collaboration with the Shingwedzi TVET, has managed to train forty (40) SMMES on project management. The SMMES mainly were from Mhinga and Masia Traditional Council areas.

The District, Limpopo Provincial Treasury and the Municipality coordinated training of small medium enterprises on the financial management, tendering skills and SARS compliance, the entrepreneurs that were training were from Malamulele nodal point.

COMMUNITY WORKS PROGRAMME

During the year under review the Municipality coordinated the function of the CWP (community works programme). Community works programme is the concept of the government that provides an employment safety net community. It supplements livelihoods, strategies by providing basic level of income security through work. The programme targets unemployed underemployed men and women of working age. Within the Municipality the programme has created 1191 work opportunities since its inception in April 2020. CWP focuses on five sectors:

Agriculture, which includes community gardens

School support, provides services such as supervision of home work classes and sports activities, labour for school-based food gardens and other support activities.

Health and social services, this includes cleaning and cooking in vulnerable households, care programmes for the orphans and child headed families

Infrastructure, includes paintings, repairs. Paving and buildings

EXPANDED PUBLIC WORKS PROGRAMME

Given the challenges of unemployment, poverty and inequality, it is imperative to synchronise all the Municipality functions to push back those challenges and create a working local economy for the benefit of the citizens of the area. The Municipality has an LED strategy in place that is being implemented.

For the year 2020/2021 under review EPWP recruits were appointed. The recruited EPWP are mostly employed in the basic service in the Community and Technical Services Department. In the community department recruits were employed to do refuse collections and parks beautifications.

During the year under review the department of technical services underwent constructions of many projects within the length and breadth of the Municipality and those capital projects often employ a sizeable number of people, though on temporary basis.

SUMMARY OF JOBS CREATED THROUGH EPWP		
FINANCIAL YEAR	EPWP PROJECTS	NUMBER OF JOBS CR
2020/2021	IG-REFUSE REMOVAL	53
2020/2021	IG-PARKS AND BEAUTIFICATION	07
2020/2021	EPWP CAPITAL PROJECTS	55

3.11. BUSINESS REGISTRATION

In the year under review business registration and compliance has been done, since the beginning of the year 2020/2021 many businesses have registered with the Municipality. The function of business registration has been handed over to the Municipality by the department of Economic Development and since then most of the businesses are operating using Municipality business certificate which is renewable annually. Even though the country was under lockdown more than 250 business certificates have been issued.

COMPONENT C: COMMUNITY & SOCIAL SERVICES

3.12. LIBRARIES

The Municipality plays a coordinating role on libraries that belongs to Provincial Government under the Department of Sport, Arts and Culture. During the year under review municipality also participated at various events of which amongst others, this includes library week, world book day and back to school campaigns.

BURSARIES

The Municipality adopted mayoral bursary policy with stipulate the fields of studies which will be catered for through a municipal bursary. The municipality since its establishment has awarded a total number of 42 students with bursaries. Out of the total awarded three (03) student have completed their studies and the remaining 39 are still busy with their studies.

BACK TO SCHOOL CAMPAIGNS

The Mayor of Collins Chabane has during this period under review embarked on Back to School campaigns. The following schools were visited:

- Hluvuka high school
- Matsindevhe Primary School
- Mashaa Primary School
- Khomanani Secondary School
- Radzambo Secondary School
- Shirilele High School
- George Hasani High School

3.13. HORTICULTURAL SERVICES

PARKS

The municipality was able to identify an area declared as park at Malamulele and phase 1 development involving the erection of steel palisade fence during this period under reviewed.

CEMETERIES

THE MUNICIPALITY HAS (02) CEMETERIES:

NUMBER OF CEMETERIES	LOCATION
One	Malamulele at Xitlhelani Village
One	Vuwani

The municipality continued maintaining these cemeteries.

SERVICE STATISTICS FOR GRAVES 2020/21 FINANCIAL YEAR:

LOCATION:	2018/19	2019/2020	2020/2021
Malamulele Cemetery	76 graves	160	213
Vuwani	0	0	5

3.14. MUNICIPAL BUILDING

Horticulture extend its services for beautification and landscaping services along the roads and within all Municipal Buildings including traffic Stations, community halls, Municipal offices, stadiums.

COMPONENT D: ENVIRONMENTAL PROTECTION

3.15. POLLUTION

ENVIRONMENT PROTECTION

The municipality had during the period under reviewed ensured that the degradation of environment was minimized. The following items were addressed:

- Mitigation & Clearing of illegal dumping
- Ensure Municipal projects comply with Environmental Impact Management Regulation
- Ensure Protection of the Ecosystem
- Management of Municipality Biodiversity and Conservation
- Air Quality Management and Climate Change

3.16. CHILD CARE, AGED CARE AND SPECIAL PROGRAMMES

INTRODUCTION

Collins Chabane Local Municipality's response to the challenges faced by the marginalized group such as women, Youth, children, senior citizens, people living disability had improved during this period under reviewed

PEOPLE LIVING DISABILITY

The Municipality is constantly in interaction and collaboration with the disability forum to promote the human rights of a persons living with disabilities and to promote a conducive environment also for them to enjoy a better life. Due to cost containment the municipality was unable to host any disability workshops during the year under reviewed.

SENIOR CITIZENS

Collins Chabane Local Municipality's s Senior citizen forum participating in the in District, Provincial and National meeting was restricted due to COVID-19 but above that by cost curtailment

WOMEN

Annually in August Collins Chabane Municipality was to commemorate the women's month looking at the role of women within the municipality and the country in general. It is worth noting that the Honourable Mayor Cllr Maluleke M released a statement supporting and encouraging all women within the municipality in their fights of their rights as the physical meeting was not held as a result of Covid-19 restrictions.

GENDER FORUM

The municipality was unable to host any gender forum during this period under reviewed due to cost containment policy and covid-19 restrictions.

YOUTH

A Municipal youth council which aimed to propel the rights of young people within Collins Chabane could not meet could not conduct their events during this period under reviewed due to cost curtailment and covid-19 restrictions.

COMPONENT E: HEALTH SERVICES

3.17. HIV/AIDS

The municipality had during this period had continued with its role in providing a conducive environment that sow the protection of human dignity against HIV/AIDS through its Aids Technical Committee and its Aids Council. However, physical meetings during this period under reviewed were temporally suspended

COMPONENT F: SECURITY AND SERVICES

3.18. TRAFFIC SERVICES

The Collins Chabane Local Municipality continued during this period under reviewed providing safety of the road users and the following services were a priority in accordance to the national road traffic act of 93/1996 that ensures that all road users are safe on the road.

- Provision of Road safety education.
- It also ensured compliance to the road traffic prescripts and or regulations
- Giving support to community during funerals, marathon and VIP escorts.
- Responds to all accidents that happens within the boundaries of CCLM.
- Conducting arrive alive awareness campaigns during Easter weekend and December festive seasons.
- Arrive alive awareness campaign
- Speed monitoring
- Joint roadblocks with SAPS
- Road safety awareness campaign.
- Stray animal awareness
- Child in traffic education
- Pedestrian safety education
- Monitoring of scholar patrol points
- VIP escort (Ministers, premiers, MEC AND MAYORS

ARRIVE ALIVE CAMPAIGN

- 02 Arrive Alive campaigns were conducted, one at Mphambo and another one at Saselamani

TRANSPORT COUNCIL MEETING CONDUCTED

04 Transport meeting council were conducted in every quarter of the 2020-2021 financial year.

ROADSIDE CHECK DEPLOYMENT

- 711 were conducted across the entire municipality during 2020/21 financial year.

SPEED DEPLOYMENT

- 179 Speed deployments were conducted within the municipality during 2020/21 financial year.

ROADBLOCK DEPLOYMENT

- The total of 16 joint roadblocks were conducted around the municipality. The road blocks were conducted in conjunction with Provincial Traffic and SAPS

TOTAL TRAFFIC SUMMONS ISSUED

- The total of 1908 summonses were issued across the municipality during 2020/21 financial year. The amount of issued summonses is R 989 500.

FUNERAL ESCORT CONDUCTED

- 24 funeral escorts were conducted across the municipality as per the formal written requests from members of the community.

SPORT AND MARATHON ESCORT CONDUCTED

- 06 Sports escorts were conducted in various places across the municipality during 2020/21 financial year.

VIP ESCORT

- 22 VIP escorts were conducted by traffic officials across the entire municipality.

NUMBER OF SCHOLAR PATROL CONDUCTED

- 62 scholar patrols were conducted across the entire municipality. Other schools where the patrols were conducted included:
- 05 strays' animals' campaign were conducted with livestock farmers in the following areas
- 04 driver educations were conducted during 2020/21 financial year.
- Safety education campaigns conducted in 27 Schools

ROAD INSPECTIONS WERE CONDUCTED ALONG THE FOLLOWING ROADS:

- R81 Mphakathi to Mphambo
- R524 Mphakathi to Phunda Maria
- D4 Road Malamulele to Vuwani
- Malamulele to Altein Road

The municipality have a functional unit during financial year under review.

Service Statistics for Traffic Services 2020/21 Financial Year:

LOCATION	MALAMULELE	VUWANI	SASELAMANI	HLANGANANI
Number of vehicle road accidents 2020/2021 FY	458	101	68	149
Number of Vehicle fatalities 2020/ 2021 FY	34	2	6	3
Number of By-law infringements	This service was not yet being rendered during this period under reviewed			
Number of traffic officers on duty on an average day	4	2	4	2

COMPONENT G: SPORTS AND RECREATION

3.19. SPORTS AND RECREATION

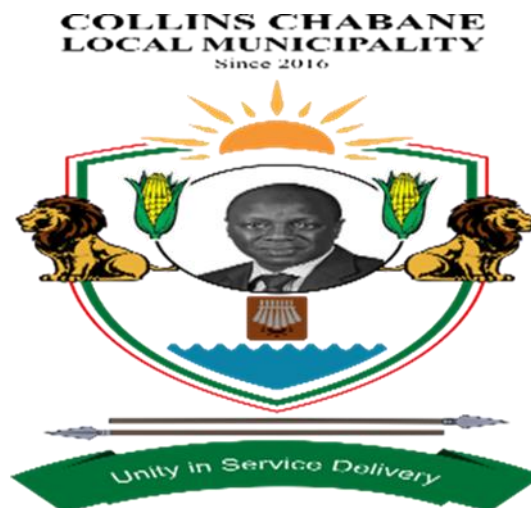
ARTS AND CULTURE

As part of municipal mandate to promote and cultivate local artists, cultural development and preserve the cultural heritage of residence, the municipality developed the Heritage report during this period under reviewed. It is worth noting that the municipality could not celebrate any cultural activities due to cost curtailment and Covid-19 restrictions.

SPORTS

The municipality could not hold any sporting activities during this period under reviewed due to cost curtailment and Covid-19 restrictions.

COMPONENT H: ORGANISATIONAL PERFORMANCE



2020-21 ANNUAL PERFORMANCE REPORT

KPA ANALYSIS

KPA	TOTAL KPIs	TOTAL ACHIEVED	TOTAL NOT ACHIEVED	ACHIEVED PERCENTAGE	UNACHIEVED PERCENTAGE
Municipal Transformation and Organisational Development	10	10	0	100%	0%
Spatial Rationale	7	6	1	86%	14%
Basic Service Delivery and Infrastructure Development	56	43	13	77%	23%
Local Economic Development	3	2	1	67%	33%
Municipal Finance Management and Viability	12	10	2	83%	17%
Good Governance and Public Participation	21	17	4	81%	19%
Total	109	88	21	81%	19%

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget 20/21 R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
DEVELOPMENT OBJECTIVE: IMPROVED GOVERNANCE AND ADMINISTRATION														
01	To develop and review municipal policies and submit to Council for approval by 30 June 2021	44 municipal policies reviewed and 6 Policies developed and approved by Council	68 Municipal policies to be reviewed by Council by 30 June 2021	Municipal Policies review	OWN FUNDING	OPEX	01/07/20	30/06/21	Target achieved	68 Municipal policies to be reviewed by Council	None	None	Q4: Policies & Council Resolutions	CORP S
02	To review and submit the Organogram to Council for approval by 30 June 2021	Organogram reviewed and approved by Council	Organogram reviewed and approved by Council by 30 June 2021	Organogram review	OWN FUNDING	OPEX	01/07/20	30/06/21	Target achieved	Organogram reviewed and approved by Council	None	None	Q3: Draft Organogram and Council Resolution Q4: Final Organogram and Council Resolution	CORP S
03	% litigation cases attended to by 30 June 2021 (Number of Litigation cases received by Number of Litigation Cases attended to)	100% litigation cases attended to (08 Litigation cases received and 08 Litigation Cases attended to)	100% litigation cases attended to by 30 June 2021 (Number of litigation cases received by number of litigation cases attended to)	Management of litigations	OWN FUNDING	OPEX	01/07/20	30/06/21	Target Achieved	100% litigation cases attended to (Number of litigation cases received by number of litigation cases attended to)	None	None	Q1 -Q4: Litigation Register	CORP S/OM
04	To fill 12 posts in line with Organogram by 30 June 2021	11 posts filled in line with Organogram	12 posts filled in line with the approved Organogram by 30 June 2021	Personnel Recruitment	OWN FUNDING	OPEX	01/07/20	30/06/21	Target achieved	12 posts filled in line with the approved Organogram	None	None	Q-4 Appointment Letters and Acceptance Letters by Candidates	CORP S

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget 20/21 R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
05	Number of LLF Meetings convened by 30 June 2021	12 LLF Meetings convened	12 LLF Meetings convened by 30 June 2021	LLF Meetings	OWN FUNDING	OPEX	01/07/20	30/06/21	Target Achieved	12 LLF Meetings convened	None	None	Q1- Q4: Minutes & Attendance Registers	CORP S
06	To develop and Submit the workplace skills plan and Annual Training Report to LGSETA 30 April 2021	Workplace skills plan and Annual Training report developed and submitted to LGSETA	Workplace skills plan and annual training report developed and submitted to LGSETA by 30 April 2021	Workplace skills plan and Annual Training Report	OWN FUNDING	OPEX	01/07/20	30/06/21	Target Achieved	Workplace skills plan and annual training report developed and submitted to LGSETA	None	None	Q4: Acknowledgement letter from LGSETA	CORP S
07	Number of organisational performance reports developed by 30 June 2021	8 organisational performance report developed	8 organisational performance report developed by 30 June 2021	Organisational performance reports	OWN FUNDING	OPEX	01/07/20	30/06/21	Target Achieved	8 organisational performance report developed	None	None	Q1-2019/20 Annual Performance report .2019/20 4th quarter report. Q2 2020/21 1st quarter SDBIP report. Q3 2020/21 2nd quarter SDBIP report ,2020/21 Mid-year Report,2019/20 Q4 2020/21 4th quarter SDBIP report and Annual Report & Oversight report	CORP S
08	Number of Section 57 Managers with signed performance agreements by 30 June 2021	100% Section 57 Managers signed performance agreements (5 Section 57	5 Section 57 Managers with signed performance	Performance Agreement	OWN FUNDING	OPEX	01/07/20	30/06/21	Target achieved	5 Section 57 Managers with signed performance	None	None	Q1: Signed Performance Agreements	CORP S/OM

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget 20/21 R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
		Managers signed performance agreements)	agreements by 30 June 2021							e agreements				
09	To implement 16 training and development programmes by 30 June 2021	7 training and development programmes implemented	16 training and development programmes implemented by 30 June 2021	Training and development	OWN FUNDING	OPEX	01/07/20	30/06/21	Target achieved	16 training and development programmes implemented	None	None	Q1-Q4 Invitation, Attendance Register	CORP S
10	To Conduct Employee Assistance Programme by 30 June 2021	New Indicator	Employee Assistance Programme conducted by 30 June 2021	Employee Assistance Programme	OWN FUNDING	R500 000	01/07/20	30/06/21	Target achieved	Employee Assistance Programme conducted	None	None	Q-4 Invitation, attendance register and report	CORP S

SPATIAL RATIONALE

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
DEVELOPMENT OBJECTIVE: INTEGRATED SPATIAL AND HUMAN SETTLEMENT														
11	To demarcate and Survey Sites at 500 Tshikonelo and 100 Mtiti by 30 June 2021	New Indicator	500 Sites Demarcated and Surveyed at Tshikonelo and 100 Mtiti by 30 June 2021	Demarcation and survey of sites.	OWN FUNDING	R 3 000 004,00	01/07/20	30/06/21	Target Achieved	Sites Demarcated and Surveyed at Tshikonelo and Mtiti	None	None	Q 1: Inception Report Q2: Draft Layout Plan Q 3: Final Layout Plan Q 4: Draft General Plan	P&D
12	To Formalize Saselemani Area by 30 June 2021	Status quo report complied and draft layout plan developed	Saselemani Area Formalized by 30 June 2021	Formalization of Saselemani.	OWN FUNDING	R 4 450 000,00	01/07/20	30/06/21	Target Achieved	Saselemani Area Formalized	None	None	Q1: Land Development Application Q2: Interim development condition Q3: Draft General Plan Q4: Final conditions of Establishment	P&D
13	To review the CCLM SDF and submit to Council for approval by 30 June 2021	New indicator	CCLM SDF reviewed and approved by Council by 30 June 2021	Review of the CCLM SDF.	OWN FUNDING	R 500 004,00	01/07/20	30/06/21	Target Achieved	CCLM SDF reviewed and approved by Council	None	None	Q 1: Appointment Letter Q 2: Inception report Q 3: Draft SDF Q 4: Final SDF	P&D
14	To establish a Township at Portion 10 of the farm Malamulele 234 LT by 30 June 2021	New indicator	Establishment of Township at Portion 10 of the farm Malamulele 234 LT by completed 30 June 2021	Township Establishment on Portion 10 of the farm Malamulele 234 LT.	OWN FUNDING	R 2 500 004,00	01/07/20	30/06/21	Target Achieved	Establishment of Township at Portion 10 of the farm Malamulele 234 LT by completed	None	None	Q1: Appointment Letter Q2: Inception Report Q3: Draft Layout Plan Q4: Final Layout Plan	P&D
15	To Finalize the registration of Malamulele Business	New indicator	Registration of Malamulele Business park,	Finalization of the registration of	OWN Funding	R 500 000,00	01/07/20	30/06/21	Target not Achieved	Registration of Malamulele	Properties have not been	Meeting arranged with the	Q1: N/A	P&D

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
	park, Malamulele B Ext 1& 2 and Malamulele D Ext 1,2,3,4, by 30 June 2021		Malamulele B Ext 1& 2 and Malamulele D Ext 1,2,3,4, by finalized 30 June 2021	Malamulele Business park, Malamulele B Ext 1& 2 and Malamulele D Ext 1,2,3,4,						Business park, Malamulele B Ext 1& 2 and Malamulele D Ext 1,2,3,4, not done	transferred to the Municipality by Department of Rural Development, Agriculture, Rural Development and Land Reform.	Department of Rural Development and Land Reform and public works	Q2: N/A Q3: Copy of Title Deeds/Deed of Grants Q4: Close-report	
16	To name the Streets at Vuwani by 30 June 2021	New indicator	Street Naming at Vuwani Completed by 30 June 2021	Street naming in Vuwani	OWN FUNDING	R 1 499 996,00	01/07/20	30/06/21	Target Achieved	Street Naming at Vuwani Completed	None	None	Q1: Appointment letter Q2: Inception Report Q3: Draft Report Q4: Provincial notice	P&D
17	To develop Supplementary valuation, roll by 30 June 2021	Draft Supplementary Report developed	Supplementary valuation rolls developed by 30 June 2021	Supplementary valuation roll	OWN FUNDING	R 1 900 000,00	01/07/20	30/06/21	Target Achieved	Supplementary valuation rolls for four (04) Municipal Nodal Points and submit to Council for approval	None	None	Q1: Appointment letter Q2: Inception Report Q3: Notice Advert Q4: Final Supplementary Valuation Roll	P&D

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
DEVELOPMENT OBJECTIVE: IMPROVED ACCESS TO SUSTAINABLE BASIC SERVICES														
18	To connect 258 Households at Mbhuti phase 02 and 100 Households at Malamulele B-Extension with electricity by 30 June 2021.	New Indicator	258 Households at Mbhuti phase 02 and 100 Households at Malamulele B-Extension connected with electricity by 30 June 2021.	Electrification of Mbhuti phase 2 and Malamulele b extension	INEP	R 11 554 689	01/07 /2020	30/06 /2021	Target Achieved	258 Households at Mbhuti phase 02 and 100 Households at Malamulele B-Extension connected with electricity	None	None	Q1; Advert and appointment letter of contractor Q;2 site handover minutes Q;3 progress reports Q;4 practical completion certificate	TECH
					Own funding	R 1 900 000								
19	To connect 1561 households with electricity by 30 June 2021. (318) Miseveni A&C, (215) Masia Miveledzo, (59) Ekurhuleni, (97) Masia Tandavale, (45) Makhasa, (247) Dhoveni, (48) Madobi (32) Makhasa, (85) Muhunguti, (175) Makahlule, (21) Manghena, (113) Khakhanwa, (106) Malamulele D Ext	New Indicator	1561 households Connected with electricity by 30 June 2021. (318) Miseveni A&C, (215) Masia Miveledzo, (59) Ekurhuleni, (97) Masia Tandavale, (45) Makhasa, (247) Dhoveni, (48) Madobi (32) Makhasa, (85) Muhunguti, (175) Makahlule, (21) Manghena, (113) Khakhanwa, (106) Malamulele D Ext	Electrification of house-holds at various villages	INEP	R 10 744 000	01/07 /2020	30/06 /2021	Target Not achieved	1464 households not connected with electricity at. (318) Miseveni A&C, (215) Masia Miveledzo, (59) Ekurhuleni, (97) Masia Tandavale, (45) Makhasa, (247) Dhoveni, (48) Madobi (32) Makhasa, (85) Muhunguti, (175)	Community interference and Eskom delaying the design approvals	Meetings with Eskom and the communities effected	Q;1 Appointment letter of the Engineer, Preliminary designs Q;2 Electrification project planning approval Q;2 advert for contractor Q;3 Appointment letter of contractor Q;4 site handover minutes, progress reports	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
										Makahlule, (21) Manghena, (113) Khakhanwa, (106) Malamulele D Ext and only (97) Masia Tandavale connected with electricity				
20	To construct and connect 36 high Mast Lights at all 36 Wards (1 high mast light per ward) by 30 June 2021	New Indicator	36 High Mast constructed and connected at all 36 Wards (1 high mast light per ward) by 30 June 2021	Supply and installation of 36 high mast lights	OWN FUNDING	R 15 480 000	01/07 /2020	30/06 /2021	Target Achieved	36 High Mast constructed and connected at all 36 Wards (1 high mast light per ward)	None	None	Q-1 minutes of the community identifying the village and attendance register Q-2 advertisement, appointment letter of contractor and site hand over minutes Q-3 progress reports Q-4 final completion certificates	TECH
21	To construct and connect 150 Solar LED Street Lights at Malamulele by 30 June 2021	New Indicator	150 Solar LED Street Lights constructed and connected at Malamulele by 30 June 2021	Supply and installation of 150 Solar LED street lights.	OWN FUNDING	R 18 600 000	01/07 /2020	30/06 /2021	Target Achieved	150 Solar LED Street Lights constructed and	None	None	Q-1 advert of contractor Q-2 Appointment letter and site	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
										connected at Malamulele			hand over minutes Q-3 progress reports Q-4 Final completion certificates	
22	To construct and connect 50 Solar LED street lights at Saselamani by 30 June 2021	New Indicator	50 Solar LED street lights constructed and connected at Saselamani by 30 June 2021	Supply and installation of 50 Solar LED street lights.	OWN FUNDING		01/07/2020	30/06/2021	Target Achieved	50 Solar LED street lights constructed and connected at Saselamani	None	None	Q-1 advert of contractor Q-2 Appointment letter and site hand over minutes Q-3 progress reports Q-4 Final completion certificates	TECH
23	To construct and connect 50 Solar LED street lights at Vuwani by 30 June 2021	New Indicator	50 Solar LED street lights constructed and connected at Vuwani by 30 June 2021	Supply and installation of 50 Solar LED street lights.	OWN FUNDING		01/07/2020	30/06/2021	Target Achieved	50 Solar LED street lights constructed and connected at Vuwani	None	None	Q-1 advert of contractor Q-2 Appointment letter and site hand over minutes Q-3 progress reports Q-4 Final completion certificates	TECH
24	To construct and connect 50 Solar LED street lights at	New Indicator	50 Solar LED street lights constructed and connected at	Supply and installation of	OWN FUNDING		01/07/2020	30/06/2021	Target Achieved	Solar LED street lights constructed	None	None	Q-1 advert of contractor	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
	Hlanganani by 30 June 2021		Hlanganani by 30 June 2021	50 Solar LED street lights.						and connected at Hlanganani			Q-2 Appointment letter and site hand over minutes Q-3 progress reports Q-4 Final completion certificates	
25	To construct and connect Solar traffic signal(lights) at Saselamani, Vuwani and Hlanganani by 30 June 2021	New Indicator	Solar traffic signal(lights) constructed and connected at Saselamani, Vuwani and Hlanganani by 30 June 2021	Supply and installation of Solar traffic signal(lights)	OWN FUNDING	R 1 000 000	01/07 /2020	30/06 /2021	Target Not achieved	Solar traffic signal(lights) constructed and connected at Saselamani, Vuwani and Hlanganani not done, site hand over done.	Denied approval by RAL to construct and connect traffic signal(light s) as the road belongs to RAL	Correspondence was written to RAL by the service provider to request permission to construct and connect solar traffic signal(lights)	Q-1 advert of contractor Q-2 Appointment letter and site hand over minutes Q-3 progress reports Q-4 practical and final completion certificates	TECH
26	To Supply and install 100kva Solar panel and 150kva silent Back-up Generator at Malamulele Boxing Gym by 30 June 2021	New Indicator	100kva Solar panel and 150kva silent Back-up Generator supplied and installed at Malamulele Boxing Gym by 30 June 2021	Supply and installation of 100kv Solar panel and 150kva silent Back-up Generator	OWN FUNDING	R 3 299 996	01/07 /2020	30/06 /2021	Target Achieved	100kva Solar panel and 150kva silent Back-up Generator supplied and installed at Malamulele Boxing Gym	None	None	Q-1 advert of contractor Q-2 Appointment letter site hand over minutes Q-3 progress reports Q-4 Final completion certificates	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
27	To Supply and install 200kva silent Back-up Generator at Saselamani stadium by 30 June 2021	New Indicator	200kva Back-up Generator supplied and installed at Saselamani stadium by 30 June 2021	Supply and installation of 200kva silent Back-up Generator	OWN FUNDING	R 1 500 000	01/07 /2020	30/06 /2021	Target Achieved	200kva Back-up Generator supplied and installed at Saselamani stadium	None	None	Q-1 advert of contractor Q-2 Appointment letter and site hand over minutes Q-3 progress reports Q-4 practical and final completion certificates	TECH
28	To Construct Municipal office building main structure up to concrete slab by 30 June 2021	The contractor is busy with bulk excavation and mass earthworks	Construction of Municipal office building main structure up to concrete slab by 30 June 2021	Construction of Municipal office building	Own funding	R 23 084 456	01/07 /2020	30/06 /2021	Target achieved	Construction of Municipal office building main structure up to concrete slab done	None	None	Q1-Q4 Progress reports	TECH
29	To Construct Mahatlane Access Bridge by 30 June 2021	New indicator	Construction of Mahatlane Access Bridge by 30 June 2021	Construction of Mahatlane Access Bridge	Own funding	R 2 300 000	01/07 /2020	30/06 /2021	Target not achieved	Construction of Mahatlane Access Bridge not done	Abnormal rainfall disrupted the project implementation	Extension of time requested and approved	Q-1 advert Q-2 appointment letter Q-3 site handover minutes and practical completion Q-4 final completion certificates	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
30	To Construct 2.4 km of 4.5 KM Ring Road at Bevhula by 30 June 2021 (Multiyear Project)	Detailed designs developed; the project was advertised on the 14 th of January 2020 and closed on 06 th of February 2020.	2.4 km of 4.5 KM Ring Road constructed at Bevhula by 30 June 2021 (Multiyear Project)	Construction of Bevhula Ring road	MIG	R 19 526 656	01/07 /2020	30/06 /2021	Target Achieved	2.4km of 4.5 KM Ring Road constructed at Bevhula (Multiyear project)	None	None	Q1-Q4 Progress reports	TECH
31	To Upgrade 3.7 KM of Road at Sebudi/Vyeboom phase 2 up to subbase by 30 June 2021	1.project at practical completion	3.7 KM Road upgraded at Sebudi/Vyeboom road phase 2 up to subbase by 30 June 2021	Upgrading of Sebudi/Vyeboom road phase 2	OWN FUNDING	R 24 100 000	01/07 /2020	30/06 /2021	Target achieved	3.7 KM Road upgraded at Sebudi/Vyeboom road phase 2 up to subbase	None	None	Q-1 advert Q-2 appointment letter and site handover minutes Q-3-Q4 Progress Reports	TECH
32	To Develop Detailed Design for upgrading of 3 KM Internal Streets at Vuwani Phase 1 by 30 June 2021	New indicator	Development of detailed design for upgrading of 3 KM of Internal Streets at Vuwani Phase 1 30 June 2021	Upgrading of Internal Streets at Vuwani Phase 1	OWN FUNDING	R 869 565	01/07 /2020	30/06 /2021	Target Achieved	Development of detailed design for upgrading of 3 KM of Internal Streets at Vuwani Phase 1 done	None	None	Q-1 Appointment letter of engineer and preliminary designs Q-2 final detailed design	TECH
33	To Develop Detailed Design for opening and widening streets at Malamulele Business Park by 30 June 2020	New indicator	Development of detailed design for opening and widening streets at Malamulele Business Park by 30 June 2021	Opening and widening of streets in Business park.	OWN FUNDING	R 850 817	01/07 /2020	30/06 /2021	Target Achieved	Development of detailed design for opening and widening streets at Malamulele	None	None	Q-1 Appointment letter of engineer and preliminary designs	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
										Business Park done			Q-2 final detailed design	
34	To rehabilitate 2km Malamulele Internal Streets by 30 June 2021	New indicator	2km Malamulele Internal Streets rehabilitated by 30 June 2021	Upgrading of internal streets in Malamulele	OWN FUNDING	R 5 000 004	01/07 /2020	30/06 /2021	Target Not achieved	Malamulele Internal Streets rehabilitated not completed	Construction delayed by the overflow of the sewer and the district took time to attend to it	Correspondence submitted Vhembe District Municipality to report the Matter	Q-1 advert and appointment of service provider Q-2 Appointment letter site handover minutes Q-3 progress reports Q-4 practical and completion certificates	TECH
35	To Develop Detailed Design for Constructing of Traffic Circle at Malamulele by 30 June 2021	New indicator	Development of detailed design for Construction Traffic Circle at Malamulele by 30 June 2021	Construction of Malamulele traffic circle	OWN FUNDING	R 500 004	01/07 /2020	30/06 /2021	Target Achieved	Development of detailed design for Construction Traffic Circle at Malamulele done	None	None	Q-1 Appointment letter of engineer Q-2 preliminary designs final detailed design	TECH
36	To Construct 45 Market Stalls at Malamulele by 30 June 2021	The contractor is busy with strip foundation concrete footing, foundation wall and	45 Market Stalls at Malamulele constructed by 30 June 2021	Construction of Malamulele Market stalls	OWN FUNDING	R 5 499 996	01/07 /2020	30/06 /2021	Target Achieved	45 Market Stalls at Malamulele constructed	None	None	Q-1 Progress reports Q-2 practical and final completion certificate	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
		concrete slab.28%												
37	To Construct 35 Market Stalls at Vuwani by 30 June 2021	New indicator	35 Market Stalls at Vuwani constructed by 30 June 2021	Construction of Vuwani Market stalls			01/07/2020	30/06/2021	Target Not achieved	35 Market Stalls at Vuwani not constructed	Late advertisement of the service provider	To advertise for the service provider	Q-1 preliminary and detailed design reports Q-2 advert and appointment letter of the contractor Q-3 Progress report Q-4 practical and final completion certificate	TECH
38	To upgrade 2.4 km of R81 to Xithlelani to graveyard by 30 June 2021	Detailed designs developed; the project was advertised on the 14 th of January 2020 and closed on 06 th of February 2020.	2.4km R81 to Xithlelani graveyard upgraded by 30 June 2021	Upgrading of R81 to Xithlelani graveyard road	MIG	R 18 526 656	01/07/2020	30/06/2021	Target Not achieved	2.4 R81 to Xithlelani graveyard upgraded up to practical completion	Delays on the delivery of the bricks by the supplier	Engagement with the service provider to speed up the delivery of the bricks and extension of time was approved	Q1-3 progress reports Q-4 practical and final completion certificates	TECH
					Own Funding	R 4 700 000								

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
39	To Upgrade 1.8 KM Ring Road at Sasekani by 30 June 2021.	New indicator	1.8KM Ring Road upgraded at Sasekani by 30 June 2021	Upgrading of Sasekani Ring Road	Own funding	R 9 069 752	01/07 /2020	30/06 /2021	Target Achieved	1.8KM Ring Road upgraded at Sasekani	None	None	Q1-2 Minutes of Site meetings Q-3 practical and final completion certificates	TECH
40	To Develop Detailed Design for Upgrading of 1.9 KM Road at Malamulele D Ext by 30 June 2021.	New indicator	Development of detailed design for upgrading of 1.9KM Road at Malamulele D Ext upgraded by 30 June 2021.	Upgrading of Malamulele Ext D Road	Own funding	R 999 996	01/07 /2020	30/06 /2021	Target Achieved	Development of detailed design for upgrading of 1.9KM Road at Malamulele D Ext done	None	None	Q-1 Appointment letter of engineer and preliminary designs Q-2 final detailed design	TECH
41	To Develop Detailed Design for Construction of 6.5 KM of Ring Road at Mdavula by 30 June 2021	New indicator	Development of detailed design for construction of 6.5 KM of Ring Road at Mdavula by 30 June 2021	Construction of Mdavula Ring road	Own funding	R 868 966	01/07 /2020	30/06 /2021	Target Achieved	Development of detailed design for construction of 6.5 KM of Ring Road at Mdavula done	None	None	Q-1 Appointment letter of engineer and preliminary designs Q-2 final detailed design	TECH
42	To Develop Detailed Design for Construction of 5.5 KM of Ring Road at Mphambo by 30 June 2021	New indicator	Development of detailed design for construction of 5.5 KM of Ring Road at Mphambo by 30 June 2021	Construction of Mphambo Ring road	Own funding	R 999 996	01/07 /2020	30/06 /2021	Target Achieved	Development of detailed design for construction of 5.5 KM of Ring Road at Mphambo done	None	None	Q-1 Appointment letter of engineer and preliminary designs Q-2 final detailed design	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
43	To Construct 2.2 KM Ring Road at Nwa-Matatani by 30 June 2021	Construction of base, surfacing Road finishing completed and the project was practically handed over on the 28 th of February 2020.	2.2 KM Ring Road constructed at Nwa-Matatani by 30 June 2021	Construction of Nwa-Matatani ring road	MIG	R 15 000 008	01/07 /2020	30/06 /2021	Target Not achieved	2.2 KM Ring Road not constructed at Nwa-Matatani	Slow on the implementation of the project progress by the contractor	Contractor is put on terms(penalties) as of the 23 rd June 21 till the completion of the project	Q-1 appointment of service provider and site handover minutes Q2-3 progress reports Q-4 practical and completion certificates	TECH
					Own funding	R 5 000 000								
44	To upgrade Malamulele Traffic Station phase 2 by 30 June 2021	Phase 2 of the project under SCM processes.	Malamulele Traffic Station upgraded by 30 June 2021	Upgrading of Malamulele Traffic Station phase 2	Own funding	R 17 800 000	01/07 /2020	30/06 /2021	Target Achieved	Malamulele Traffic Station phase 2 upgraded	None	None	Q-1 Appointment of service provider and site handover minutes Q-2-3 progress reports Q-4 practical and final completion certificates	TECH
45	To Complete/Finalize Construction of Phase 1 Davhana Stadium and construction of Phase 2 up Massive earthworks by 30 June 2021	The contractor is busy with bulk earthworks on sports field, grand stand, combi courts	Phase 1 Davhana Stadium construction completed/Finalized and construction of Phase 2 up to Massive earthworks 30 June 2021	Construction of Davhana stadium	MIG	R 12 321 680	01/07 /2020	30/06 /2021	Target Achieved	Davhana Stadium Phase 1 completed/ Finalized and Phase 2 constructed up to massive earthworks	None	None	Q-1 progress report Q-2 practical and final completion certificate Q-3 advert a new contractor and appointment letter site	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
													handover minutes and Q-4 Progress Report for Phase 2	
46	To upgrade Malamulele Stadium by 30 June 2021	The contractor is currently busy with brickwork, pavilion floor slab, stormwater pipes installation, hardcourts construction, earthworks on the racing track, septic tank installation and grassing on the soccer pitch	Malamulele Stadium by upgraded 30 June 2021	Upgrading of Malamulele stadium	MIG	R 6 999 996	01/07 /2020	30/06 /2021	Target not Achieved	Malamulele Stadium not upgraded	Slow Progress by the Contractor due to cash flow problems and the contractor was terminated	Appointment of a new contractor	Q1-3 progress reports Q-4 practical and final completion certificates	TECH
					Own funding	R 5 243 884								
47	To Develop Detailed Design for construction of Vuwani Sports Centre by 30 June 2021	New indicator	Development of detailed design for construction of Vuwani Sports Centre by 30 June 2021	Construction of Vuwani Sports Centre	Own funding	R 500 004	01/07 /2020	30/06 /2021	Target Not achieved	None SCM process conducted	The engineer appointed by Makhado was terminated due to the	To appoint a new engineer	Q-1 Preliminary and detailed designs Q-2 advert, appointment letter of contractor and	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
											company being liquidated		site hand over minutes Q-3 progress report Q-4 practical and final completion certificates	
48	To refurbish Vuwani Sub-Offices by 30 June 2021	New indicator	Vuwani Sub-Offices refurbished by 30 June 2021	Refurbishment of Vuwani Sub-Offices	Own funding	R 500 000	01/07/2020	30/06/2021	Target Achieved	Vuwani Sub-Offices refurbished	None	None	Q-1 Minutes of bid specification Q-2 Appointment letter Q-3 progress reports Q-4 completion certificates	TECH
49	To construct Tourism Information Centre by 30 June 2021	The contractor is busy with relocation of services (Eskom electricity poles)	Tourism Information Centre Constructed by 30 June 2021	Construction Tourism Inform Centre	Own funding	R 4 452 367	01/07/2020	30/06/2021	Target Achieved	Tourism Information Centre Constructed	None	None	Q-1 progress reports Q-2 Practical and final completion certificates	TECH
50	To Construct Xigalo land fill Site phase 2 up to massive	Phase 1: is complete.	Construction Xigalo land fill Site phase 2 up to massive	Construction of Xigalo land	MIG	R 9 999 996	01/07/2020	30/06/2021	Target Achieved	Construction Xigalo land fill Site Phase 2 up	None	None	Q-1 Advert and Appointment of contractor	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
	earthworks by 30 June 2021	Designs for phase waiting for approval by DWS.	earthworks by 30 June 2021	fill site phase 2	OWN	R 9 999 996				to massive earthworks done			Q-2 Appointment letter Q3-4 progress report	
51	To upgrade Low level bridges/Culverts at Municipal roads at Mtititi, Lombard, Magona, Saselamani and Makuleke by 30 June 2021	New indicator	Upgrading of Low-level bridges/culverts at Municipal roads at Mtititi, Lombard, Magona, Saselamani and Makuleke by 30 June 2021†	Upgrading of Low-level bridges/Culverts in various villages	OWN FUNDING	R 5 000 000	01/07/2020	30/06/2021	Target Achieved	Upgrading of Low-level bridges/culverts at Municipal roads done	None	None	Q-1 Internal Memo Q-2-Q-4 appointment Letter of contractor from the pool of contractors and completion certificate	TECH
52	To Construct Ablution blocks and showers in Municipal Stores by 30 June 2021	New indicator	Construction of Ablution blocks and showers in Municipal Stores by 30 June 2021	Construction of Ablution blocks and showers in Municipal stores	OWN FUNDING	R 300 000	01/07/2020	30/06/2021	Target Not achieved	Construction of Ablution blocks and showers in Municipal Stores	Late appointment of the contractor	Contractor appointed	Q-1 Specification and advert Q-2 appointment of contractor Q-3 site handover minutes and progress report Q-4 completion certificate	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
53	To erect palisade fence at Njhakanjhaka community hall by 30 June 2021	New indicator	Palisade fence erected at Njhakanjhaka community hall by 30 June 2021	Erection of palisade fence and water supply at Njhakanjhaka community hall	OWN FUNDING	R 1 000 000	01/07 /2020	30/06 /2021	Target Achieved	Palisade fence erected at Njhakanjhaka community hall	None	None	Q-1 Specification and -advert Q-2 appointment of contractors Q-3 site handover minutes Q-4 progress report and completion certificate	TECH
54	To erect Bungeni Palisade Fence extension by 30 June 2021	New indicator	Bungeni Palisade Fence extension erected by 30 June 2021	Extension of Bungeni stadium palisade fence	OWN FUNDING	R 1 100 000	01/07 /2020	30/06 /2021	Target Achieved	Bungeni Palisade Fence extension erected	None	None	Q-1 Specification and -advert Q-2 appointment of contractors Q-3 site handover minutes and progress report Q-4 completion certificate	TECH
55	To refurbish Municipal Cemeteries at Malamulele by 30 June 2021	New indicator	Municipal Cemeteries refurbished at Malamulele 30 June 2021	Refurbishment of Malamulele Municipal Cemeteries	Own Funding	R 699 996	01/07 /2020	30/06 /2021	Target Achieved	Municipal Cemeteries refurbished at Malamulele	None	None	Q-1 Specification and -advert Q-2 appointment of contractor	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
													Q-3 completion certificate	
56	To erect fence at Vuwani cemeteries by 30 June 2021	New indicator	Fence erected at Vuwani cemeteries by 30 June 2021	Fencing of municipal cemeteries at Vuwani	Own funding	R 1 199 996	01/07 /2020	30/06 /2021	Target Not achieved	Fence not erected at Vuwani cemeteries	Delays in the delivery of materials by the supplier	Extension was approved, Material was supplied and project completed.	Q-1 Specification and -advert Q-2 appointment of contractors Q-3 site handover minutes and progress report Q-4 Completion certificate	TECH
57	To Construct Vehicles Pound Station at Malamulele by 30 June 2021	New indicator	Vehicles Pound Station Constructed at Malamulele by 30 June 2021	Construction of Pound Stations for vehicles	R 150 000	R 150 000	01/07 /2020	30/06 /2021	Target not Achieved	None SCM process conducted	Site for construction was at traffic station and there was project under construction hence the delay in construction of Vehicles pound	The undergoing project was completed on the 30 June 2021 and the construction of vehicles pounds to commence	Q-1 Specification Q-2 appointment of contractor Q-3 completion certificate	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
58	To Construct Speed Humps at Malamulele B Extension and Malamulele C Extension road by 30 June 2021	New indicator	Construction of Speed Humps at Malamulele B Extension and Malamulele C Extension road by 30 June 2021	Construction of speed humps on the newly constructed road	Own funding	R 399 996	01/07/2020	30/06/2021	Target Achieved	Speed Humps Constructed at Malamulele B Extension and Malamulele C Extension road	None	None	Q-1 Memorandum Q-2 Appointment letter Q-3 Completion certificate	TECH
59	To maintain and repair Municipal Buildings at Saselemani Club House and Borehole, Bungeni Stadium and Civic Centre by 30 June 2021	100% maintenance and repair Municipal Buildings	Maintenance and repairing of Municipal Buildings at Saselemani Club House and Borehole, Bungeni Stadium and Civic Centre by 30 June 2021	Maintenance and repairs of Municipal Buildings	Own funding	R 5 035 409,00	01/07/2020	30/06/2021	Target Achieved	Municipal Buildings at Saselemani Club House and Borehole, Bungeni Stadium and Civic Centre maintained and repaired	None	None	Q1: Internal Memo Q-2-Q-4: Appointment of contractors from the pool of contractors and Completion certificate	TECH
60	To Maintenance and repair at Makuleke, Maviligwe, Vuwani Town, Malamulele Town and Malamulele Stores street lights by 30 June 2021	New indicator	Streets lights maintained and repaired at Makuleke, Maviligwe, Vuwani Town, Malamulele Town and Malamulele Stores street lights by 30 June 2021	Maintenance and repairs of Street light	Own funding	R 7 627 600,00	01/07/2020	30/06/2021	Target Achieved	Streets lights maintained and repaired at Makuleke, Maviligwe, Vuwani Town, Malamulele Town and Malamulele Stores street lights	None	None	Q1: Internal Memo Q-2- Q-4: appointment of contractors from the pool of contractors and Completion certificate	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
61	To maintain and repair municipal roads and bridges at Matiyani, Xigamani, Lombard to Ngovu and Hlungwani by 30 June 2021	New indicator	Municipal Roads and Bridges maintained and repaired at Matiyani, Xigamani, Lombard to Ngovu and Hlungwani by 30 June 2021	Maintenance and repairs of Municipal Roads and bridges	Own funding	R 21 368 977,00	01/07 /2020	30/06 /2021	Target Achieved	Municipal Roads and Bridges maintained and repaired at Matiyani, Xigamani, Lombard to Ngovu and Hlungwani	None	None	Q1: minutes of bid Specification committee meetings and Q-2 Q-4 appointment of contractors from the pool of contractors and Completion certificate	TECH
62	To Develop Detailed Design for Construction of Traffic /DLTC and VTS Station at Saselamani and hlanganani Sub-Offices by 30 June 2021	New indicator	Development of detailed design for Construction of Traffic /DLTC and VTS Station at Saselamani and hlanganani Sub-Offices by 30 June 2021	Construction of Sub offices Traffic/ DLTC and VTS	Own Funding	R 399 996	01/07 /2020	30/06 /2021	Target Not achieved	Development of detailed design for Construction of Traffic /DLTC and VTS Station at Saselamani and hlanganani Sub-Offices not done	Awaiting for the appointment of new pool of service providers (Engineers)	To appoint of the pool of service providers	Q1: Appointment letter of engineer Q2: preliminary and detailed designs Q4: Advert	TECH
63	To Purchase Plant and Machinery by 30 June 2021	New indicator	Plant and Machinery by 30 June 2021	Acquisitions of Plant & Machinery	Own Funding	R 34 500 004	01/07 /2020	30/06 /2021	Target Achieved	Plant and Machinery purchased	None	None	Q-1 Internal Memo, Q-4 Purchase order & Delivery note	TECH
64	To Construct Malamulele Community Hall by 30 June 2021	The contractor is currently busy with finishing and landscaping	Malamulele Community Hall Constructed by 30 June 2021	Malamulele community hall	Own Funding	R 1 667 724	01/07 /2020	30/06 /2021	Target achieved	Malamulele Community Hall Constructed	None	None	Q-1 Completion certificate	TECH

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
65	To Refurbish Merwe Stadium by 30 June 2021	Refurbishment of the existing structure not done. The project is under adjudication, awaiting for appointment (Pool of contractor)	Merwe Stadium Refurbished by 30 June 2021	Refurbishment of Merwe stadium	Own Funding	R 420 000	01/07/2020	30/06/2021	Target Achieved	Merwe Stadium Refurbished	None	None	Q-1 appointment letter Q-2 Completion certificate	TECH
66	To Refurbish Njhakanjhaka Community Hall by 30 June 2020	The project is under adjudication, waiting for appointment (Pool of contractor)	Njhakanjhaka community Hall Refurbished by 30 June 2020	Refurbishment of Njhakanjhaka Community Hall	Own Funding	R 500 000	01/07/2020	30/06/2021	Target Achieved	Njhakanjhaka community Hall Refurbished	None	None	Q-1 appointment letter Q-2 Completion certificate	TECH

DEVELOPMENT OBJECTIVE: PROMOTE COMMUNITY WELL-BEING AND ENVIRONMENTAL WELFARE

67	To purchase refuse bins and bulk containers by 30 June 2021	Delays on issuing of appointment letters by supply chain	Refuse bins and Bulk Containers purchased by 30 June 2021	Purchasing refuse bins and bulk containers	Own funding	R 2 349 996	01/07/2020	30/06/2021	Target achieved	Refuse bins and Bulk Containers purchased	None	None	Q1 Specification Q2 Advert Q3 Appointment letter and delivery note	COMM
68	Number of Environmental education and cleaning programmes conducted by 30 June 2021	12 Environmental education and cleaning	12 Environmental education and cleaning programmes	Environmental education and cleaning programme	No Funding source	R 200 000,00	01/07/2020	30/06/2021	Target Achieved	14 Environmental education and cleaning	None	None	Q1-Q4: Attendance Registers, Pictures and Reports	COMM

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
		programme s conducted	conducted by 30 June 2021							programme conducted				
69	Number of Arrive Alive awareness campaigns conducted by 30 June 2021	2 Arrive Alive Campaigns conducted	02 Arrive Alive awareness campaigns conducted by 30 June 2021	Arrive Alive awareness campaigns	Own Funding	R 99 996,00	01/07 /2020	30/06 /2021	Target achieved	02 Arrive Alive awareness campaigns conducted	None	None	Q2 & Q4 Pictures, Reports and Attendance Registers	COMM
70	To Purchase Firearms for Traffic Officials by 30 June 2021	New indicator	Firearms for Traffic Officials purchased by 30 June 2021	Purchasing of Firearms	Own Funding	R 500 004	01/07 /2020	30/06 /2021	Target Achieved	Firearms for Traffic Officials purchased	None	None	Q3 Appointment of bid members to the committee, Advert, Specification & Appointment Letter of Service Letter Q4: Delivery note	COMM
71	Number of Transport Council Meeting Held by 30 June 2021	4 Transport Council Meeting Held	2 Transport Council Meeting Held by 30 June 2021	Transport council meetings	Own Funding	R 14 892	01/07 /2020	30/06 /2021	Target achieved	02 transport Council meeting held	None	None	Q-1-4 Invites Minutes and attendance register	COMM
72	To Purchase new Uniform for community services Officials by 30 June 2021	New indicator	New Uniform for community employee purchased by 30 June 2021	Purchasing of new Uniform for new employees	Own Funding	R 1 600 000,00	01/07 /2020	30/06 /2021	Target achieved	New Uniform for community employee purchased	None	None	Q1 Specification & copy of advert Q2 Appointment letter & Delivery note	COMM
73	To maintain Municipal Cemeteries at Malamulele by 30 June 2021	New indicator	Municipal Cemeteries at Malamulele maintained by 30 June 2021	Maintenance and repairs of Municipal Cemeteries	Own funding	R 1 094 763,00	01/07 /2020	30/06 /2021	Target achieved	Maintenance of municipal cemetery at Malamulele done	None	None	Q1-4 Weekly maintenance Register	COMM

LOCAL ECONOMIC DEVELOPMENT

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept .
DEVELOPMENT OBJECTIVE: INTEGRATED LOCAL ECONOMY														
74	To Support 20 Cooperatives at Four Municipal Nodal Points with equipment by 30 June 2021	Specification have been developed. Evaluation and adjudication have been done	20 Cooperatives at Four Municipal Nodal Points supported with equipment by 30 June 2021	Cooperative support	OWN FUNDING	R 500 004,00	01/07/2020	30/06/2021	Target Not achieved	20 Cooperatives at Four Municipal Nodal Points not supported with equipment	Delays by service provider with delivering equipment's citing covid-19 challenges	Service providers have been engaged and given Extention of tome for the delivery of equipment's	Q1. List of identified cooperatives to be supported Q2. Needs assessment report Q3. Specification and appointment letter Q4. Delivery note	P&D /OM
75	Number of LIBRA Campaign conducted at Hlanganani and Saselemani by 30 June 2021	New indicator	2 LIBRA Campaign conducted at Hlanganani and at Saselemani by 30 June 2021	LIBRA campaign	OWN FUNDING	R 99 996,00	01/07/2020	30/06/2021	Target achieved	2 LIBRA Campaign conducted at Hlanganani and at Saselemani	None	None	Q2. Invitation and attendance register Q4 invitation and attendance register	P&D
76	Number of New Businesses registered by 30 June 2021	New indicator	50 new Businesses registered by 30 June 2021	Business registration	OPEX	OPEX	01/07/2020	30/06/2021	Target Achieved	50 new Business registered	None	None	Q3.-Q4 registration form	P&D

MUNICIPAL FINANCE MANAGEMENT AND VIABILITY

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
DEVELOPMENT OBJECTIVE: SOUND FINANCIAL MANAGEMENT AND VIABILITY														
77	% Revenue collected by 30 June 2021	67%	100% Revenue collected by 30 June 2021	Revenue Management	Operation Income	OPEX	01/07/2020	30/06/2021	Target Not achieved	38.2% Projected Revenue collected R15 029 707 of Projected amount of R39 372 356	Slow payment rate by citizens	Consultants continuing with debt collection efforts.	Q1-Q4 Financial Report	B&T/OM
78	% Capital budget spent by 30 June 2021	91%	100% Capital budget spent by 30 June 2021	Capital Budget	Operation Income	OPEX	01/07/2020	30/06/2021	Target Not achieved	85.9% Projected Capital Budget Spent (R301 848 751 of R 351 578 931 (Own Funded Projects and Grants Projects.	Backlog from Covid	Accelerating evaluations of bids and appointment of service providers. Monitoring by follow up at senior management meetings.	Q1-Q4 Financial Report	B&T/OM
79	% advertised tenders adjudicated within legislative timeframe by 30 June 2021	100%	100% advertised tenders adjudicated within legislative timeframe by 30 June 2021	SCM	Operation Income	OPEX	01/07/2020	30/06/2021	Target Achieved.	100% advertised tenders adjudicated within legislative timeframe	None	None	Q1-Q4 Tender Register and Report	B&T/OM
80	To update the Asset Register by 30 June 2021	Assets register Updates	Asset Register updated by 30 June 2021	Asset Management	Operation Income	OPEX	01/07/2020	30/06/2021	Target achieved	Asset Register updated	None	None	Q1-Q4 Updated Asset Register	B&T
81	To develop one interim Financial Statement and	New Indicator	One interim Financial Statement developed and	Quarterly Financial Statement	Operation Income	OPEX	01/07/2020	30/06/2021	Target Achieved	Interim Financial Statement developed	None	None	Q1-Q4: Quarterly	B&T

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
	Submit to Municipal Manager by 30 June 2021		Submitted to Municipal Manager by 30 June 2021							and Submitted to Municipal Manager			Financial Statement	
82	To submit the Annual Financial Statement to AGSA, Treasuries and COGHSTA by 31 August 2020	2017/18 AFS Submitted	Annual Financial Statement submitted to AGSA, Treasuries and COGHSTA by 31 August 2020	AFS	Operation Income	OPEX	01/07/2020	30/06/2021	Target Achieved	AFS to AGSA, Treasuries and COGHSTA	None	None	Q1: AFS and Acknowledgements of Submission	B&T/OM
83	To adjust the budget and submit to Council for approval by 28 February 2021	2018/19 Budget was Adjusted in 28 February 2020	Budget adjusted and approved by Council by 28 February 2021	Budget adjustment	Operation Income	OPEX	01/07/2020	30/06/2021	Target Achieved	2020/21 Adjustment budget submitted and approved by Council	None	None	Q3: Adjusted budget & Council Resolution	B&T/OM
84	To submit 21/22 draft budget to Council by 31 March 2021	2020/20 Draft Budget developed	20/21 Draft Budget Submitted to Council by 31 March 2021	Budget development	Operation Income	OPEX	01/07/2020	30/06/2021	Target Achieved	2021/22 draft budget submitted to Council.	None	None	Q3: Draft Budget and Council Resolution	B&T/OM
85	To submit 20/21 Final budget by 31 May 2021	2020/20 Final Budget Submitted	20/21 Final Budget Submitted to Council by 31 May 2021	Budget development	Operation Income	OPEX	01/07/2020	30/06/2021	Target Achieved.	Final Budget submitted to Council.	None	None	Q4: Final Budget & Council Resolution	B&T/OM
86	Number of section 52 report submitted to Council within 30 days after the end of the quarter by 30 June 2021	4 Section 52 Reports Submitted in 2018/19	4 section 52 report submitted to Council within 30 days after the end of the quarter by 30 June 2021	Section 52	Operation Income	OPEX	01/07/2020	30/06/2021	Target Achieved.	1 section 52 report submitted to Council within 30 days after the end of the quarter	None	None	Q1-Q4 Section 52 Reports Submitted in & Council Resolutions	B&T/OM
87	Number of section 71 report submitted to Mayor & Provincial Treasury within 10 days after the end of the Month by 30 June 2021	12	12 section 71 report submitted Mayor & Provincial Treasury within 10 days after the end of	Section 71	Operation Income	OPEX	01/07/2020	30/06/2021	Target Achieved	12 Section 71 report submitted Mayor & Provincial Treasury within 10	None	None	Q1-Q4 71 Reports and Acknowledgement of Receipts	B&T/OM

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End Date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept.
			the Month by 30 June 2021							days after the end of the Month.				
88	To compile section 72 report and submit to the Mayor and Treasuries by 31 January 2021	2018/19 Section 72 Report Submitted to the Mayor and Treasuries	Section 72 compiled section 72 report and submit to the Mayor and Treasuries by 31 January 2021	Section 72 reporting	Operation Income	OPEX	01/07/2020	30/06/2021	Target Achieved	Section 72 report submitted to the Mayor and Treasuries.	None	None	Section 72 report and Acknowledgement of Receipts	B&T/OM

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept .
DEVELOPMENT OBJECTIVE: IMPROVED GOVERNANCE AND ADMINISTRATION														
89	To develop Electronic document Management Strategy and Plan by 30 June 2021	New indicator	Electronic document Management Strategy and Plan by developed 30 June 2021	Developm ent of Electronic document Managem ent Strategy and Plan	OWN FUNDING	R 999 996	01/07/2020	30/06/2021	Target not Achieved	Electronic document Manageme nt Strategy and Plan not developed	Bid Evaluation committee not appointed	Follow-up meetings arranged	Q-1 Speciation Q-2 Approval letter Q-3 advert, Q4 appointment letter and close up report/compl etion certificate	COR PS
90	% ICT Maintenance and Support by 30 June 2021(Number of requests by number of cases attended to)	New indicator	100 % ICT Maintained and Supported by 30 June 2021(Number of requests by number of cases attended to)	ICT Maintena nce and support	OWN FUNDING	R 11 999 996	01/07/2020	30/06/2021	Target Achieved	100 % ICT Maintained and Supported	None	None	Q1-4 system generated report	COR PS
91	To appoint servicer provider for the Implementation of cyber resilient solution by 30 June 2021	New indicator	Cyber resilient solution service provider appointed by 30 June 2021	Mimecast (Cyber resilient)	OWN FUNDING	R 650 000	01/07/2020	30/06/2021	Target not Achieved	Cyber resilient solution service provider not appointed	Bid Evolution committee not appointed	Follow-up meetings arranged	Q-1 Speciation Q-2 Approval letter Q3-advert Q4 appointment letter	COR PS
92	% Maintenance and Repairs of Municipal Vehicles by 30 June 2021(As an when need arise)	New indicator	100% Municipal Vehicles Maintained and Repaired by 30 June 2021(As an when need arise)	Maintena nce and repairs of Municipal Vehicles	Own funding	R 1 053 275	01/07/2020	30/06/2021	Target Achieved	100% Municipal Vehicles Maintained and Repaired	None	None	Q1-Q4: Service Book & Report	COR PS

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept .
93	To Procure Office Furniture by 30 June 2021	New indicator	Office Furniture Procured by 30 June 2021	Procurement of office furniture	Own funding	R 1 509 996	01/07/2020	30/06/2021	Target Achieved	Office Furniture Procured	None	None	Q-1 Approved Specification, Tender Advert and Evaluation Report Q-2 Appointment Letter and Progress Report and delivery note	COR PS
94	To develop enterprise architectures by 30 June 2021	New indicator	Enterprise architectures developed by 30 June 2021	Development of enterprise architecture	Own funding	R 500 000	01/07/2020	30/06/2021	Target not Achieved	Enterprise architectures not developed	Bid Evolution committee not appointed	Follow-up meetings arranged	Q-1 Speciation Q-2 Approval letter Q-3 advert, Q-4 appointment letter and close up report/completion certificate	COR PS
95	To Purchase IT equipment by 30 June 2021	IT equipment purchased	IT equipment purchased 30 June 2021	Purchasing of IT equipment	Own funding	R 2 299 992	01/07/2020	30/06/2021	Target Achieved	IT equipment by purchased	None	None	Q1-Q4 Request and Delivery Note	COR PS
96	To appoint service provider to Install Inter-Site Connectivity at DCO, Information Centre, Community Hall, Vuwani, Hlanganani Saselemani by 30 June 2021	New indicator	Service provider for Inter-Site Connectivity installation at DCO, Information Centre, Community Hall, Vuwani, Hlanganani Saselemani appointed by 30 June 2021	Installation of Inter-site connectivity (Information Center and community Hall, Vuwani, Hlanganani and	Own funding	R 3 415 528	01/07/2020	30/06/2021	Target not Achieved	Service provider for Inter-Site Connectivity installation at DCO, Information Centre, Community Hall, Vuwani, Hlanganani Saselemani	Bid Evolution committee not appointed	Follow-up meetings arranged	Q-1 Speciation Q-2 Approval letter Q-3 advert, Q-4 appointment letter	COR PS

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept .
				Saselemani						not appointed				
97	Number of communicators forum held by 30 June 2021	4 Communicator forums held	2 Communicator forums held by 30 June 2021	Communicators forum	Operational Income	OPEX	01/07/2020	30/06/2021	Target Achieved	2 Communicator forums not held	None	None	Q1-Q4 Minutes and attendance register	COR PS
98	Number of ordinary and Special Council meetings held by 30 June 2021	4 Ordinary Council Meeting and 10 Special Council Meetings held	4 ordinary Council held and 8 Special Council meetings by 30 June 2021	Council Services	Operational Income	OPEX	01/07/2020	30/06/2021	Target Achieved	4 ordinary Council and 8 Special Council meetings held	None	None	Q1-Q4 Council Minutes and attendance register	COR PS
99	Number of ordinary EXCO meetings held by 30 June 2021	18 EXCO meetings held	12 ordinary EXCO meetings held by 30 June 2021	Council Services	Operational Income	OPEX	01/07/2020	30/06/2021	Target Achieved	12 ordinary EXCO meetings held	None	None	Q1-Q4 EXCO Minutes and attendance register	COR PS
100	Number of audit and Performance committee meetings held by 30 June 2021	4 Audit and performance committee meeting held.	4 audit and Performance committee meetings held by 30 June 2021	Auditing	Operational Income	OPEX	01/07/2020	30/06/2021	Target Achieved	4 audit and Performance committee meetings held	None	None	Q1-Q4 Audit Committee Minutes and attendance register	OM
101	Number of risk register developed and reviewed by 30 June 2021 (Strategic, Operational, Fraud and mSCOA)	3 risk register developed (Operational, Fraud and mSCOA) and 1 reviewed	4 risk register developed and reviewed by 30 June 2021 (Strategic, Operational, Fraud and mSCOA)	Risk register	Operational Income	OPEX	01/07/2020	30/06/2021	Target achieved	4 risk register reviewed	None	None	Risk Registers	OM

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept .
		(Strategic)												
102	Number of risk management reports developed and submitted to Risk management and Audit Committee by 30 June 2021	2 risk management reports developed and submitted to Risk management and Audit Committee	4 risk management reports developed and submitted to Risk management and Audit Committee BY 30 June 2021	Risk management report	Operational Income	OPEX	01/07/2020	30/06/2021	Target Achieved	4 risk management reports developed and submitted to Risk management and Audit Committee	None	None	Risk Management Report, Minutes of Risk Management and Audit Committee meetings	OM
103	Number of risk management committee meetings held by 30 June 2021	4 risk management committee meetings held	4 risk management committee meetings held by 30 June 2021	Risk management committee meetings	Operational Income	OPEX	01/07/2020	30/06/2021	Target achieved	4 risk management committee meetings held	None	None	Q1-Q4: Minutes of meetings and attendance register	OM
104	Number of bursary beneficiaries awarded with mayoral bursary by 30 June 2021	10 bursary beneficiaries awarded	10 bursary beneficiaries awarded with mayoral bursary by 30 June 2021	Mayoral bursary	Operational Income	OPEX	01/07/2020	30/06/2021	Target achieved	10 bursary beneficiaries awarded with mayoral bursary	None	None	Q1- Appointment letter Q2- Report Q3: Confirmation letter	OM
105	Annual Internal Audit Plan Developed and Submitted to Audit Committee for approval by 30 June 2021	Annual Internal Audit Plan Developed and approved by Audit Committee	Annual Internal Audit Plan Developed and approved by Audit Committee by 30 June 2021	internal audit plan	Operational Income	OPEX	01/07/2020	30/06/2021	Target Achieved	Annual Internal Audit Plan Developed and approved by Audit Committee	None	None	Q4-Internal Audit Plan	OM

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept .
106	Three Year Rolling Internal Audit Plan Developed and Submitted to Audit Committee for approval by 30 June 2021	Three Year Rolling Internal Audit Plan Developed and approved by Audit Committee	Three Year Rolling Internal Audit Plan Developed and approved by Audit Committee by 30 June 2021	Three year rolling internal audit plan	Operational Income	OPEX	01/07/2020	30/06/2021	Target Achieved	Three Year Rolling Internal Audit Plan Developed and approved by Audit Committee	None	None	Q4-Three year rolling internal Audit Plan	OM
107	Internal Audit Charter Developed and Submitted to Audit Committee for approval by 30 June 2021	Internal Audit Charter developed and approved by Audit Committee	Internal Audit Charter developed and approved by Audit Committee by 30 June 2021	Internal audit charter	Operational Income	OPEX	01/07/2020	30/06/2021	Target Achieved	Internal Audit Charter developed and approved by Audit Committee	None	None	Q4-Approved Internal Audit Charter	OM
DEVELOPMENT OBJECTIVE: EFFECTIVE COMMUNITY PARTICIPATIION														
108	To review the IDP and Submit to Council for approval by 31 May 2021	IDP reviewed and approved by Council	IDP reviewed and approved by Council by 31 May 2021	IDP review	OWN FUNDING	R 500 000	01/07/2020	30/06/21	Target Achieved	IDP reviewed and approved by Council	None	None	Q1: Process Plan & Council Resolution Q2: Attendance Register/ Screen shot of Virtual meeting Q3: Strategic Planning Report& Attendance Register	M&M

No.	Key Performance Indicators/Measurable Objective	Baseline	Annual Targets	Project Name	Funding Source	Adjusted Budget R'000	Start Date	End date	Status of achievement	Progress to date	Challenges	Intervention	Portfolio of Evidence	Dept .
													Q4: Attendance Register, Draft IDP & Final IDP.	
109	Number of Mayoral Imbizo's held by 30 June 2021	4 Mayoral Imbizo held	4 Mayoral Imbizo's Held by 30 June 2021	Mayoral Imbizo	Own Funding	OPEX	01/07/2020	30/06/2021	Target Achieved	4 Mayoral Imbizo's Held	None	None	Q1-Q4 Invite and attendance register	COR PS

PRIOR YEAR COMPARISON

KPA	2019/20					2020/21				
	TOTAL KPIs	TOTAL ACHIEVED	TOTAL NOT ACHIEVED	ACHIEVED PERCENTAGE	UNACHIEVED PERCENTAGE	TOTAL KPIs	TOTAL ACHIEVED	TOTAL NOT ACHIEVED	ACHIEVED PERCENTAGE	UNACHIEVED PERCENTAGE
Municipal Transformation and Organisational Development	09	07	02	78%	22%	10	10	0	100%	0%
Spatial Rationale	07	05	02	71%	29%	7	6	1	86%	14%
Basic Service Delivery and Infrastructure Development	51	31	20	61%	39%	56	43	13	77%	23%
Local Economic Development	02	02	0	100%	0%	3	2	1	67%	33%
Municipal Finance Management and Viability	11	09	02	82%	18%	12	10	2	83%	17%
Good Governance and Public Participation	22	13	09	59%	41%	21	17	4	81%	19%
Total	102	66	36	65%	35%	109	88	21	81%	19%

ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2020/21 FINANCIAL YEAR

ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2020/21 FINANCIAL YEAR											
NO	BID NO	DESCRIPTION	AWARDED BIDDER	DEPARTMENT	SOURCE OF FUNDING	BUDGET	STARTING DATE	COMPLETION DATE	PROGRESS TO DATE	CHALLENGES/ INTERVENTION	ASSESSMENT OF SERVICE PROVIDER
											POOR, AVERAGE, SATISFACTORY & EXCELLENT
01	CCLM/01/2020/21 T	Acquisitions Corp Serv Construction of Municipal Office Building(new)	Mpfumelelo MM Industries JV	Technical	Own funding	R 186 887 936,81	01/07/2020	30/06/2021	Construction of Municipal office building main structure up to begging of window level not done	Delays by the community from the borrow pit materials 18%	Average
02	CCLM/03/2020/21 T	Outsourced Rehabilitation of Malamulele Internal streets	Machaba Tau Construction	Technical	Own funding	R 4 852 533,91	01/07/2020	30/06/2021	Malamulele Internal Streets not rehabilitated	construction delays on overflow of the sewer and the district takes time to attend it	Average
03	CCLM/04/2020/21 T	Refurbishment of Vuwani Sub-Offices	Chersterbury Trading and Projects 26	Technical	Own funding	R 500 000,00	01/07/2020	30/06/2021	Vuwani Sub-Offices refurbished	None	Excellent
05	CCLM/10/2018/2019	Outsourced Upgrading of R81 to Xithlelani graveyard road	MMQOMO Trading	Technical	Own funding / MIG	R 20 991 916,00	01/07/2020	30/06/2021	2.4 R81 to Xithlelani graveyard not upgraded	delays on the delivery of the bricks by the supplier	Average
06	CCLM/06/2020/21 T	Outsourced Upgrading of Sasekani Ring Road	Shalati Construction	Technical	Own funding	R 12 985 724,68	01/07/2020	30/06/2021	1.8KM Ring Road upgraded at Sasekani by 30 June 2021	None	Excellent
07	CCLM/07/2020/21 T	Acquisitions CONSTRUCTION OF DAVHANA STADIUM	Phase 1 (Rospa Trading) Phase 2 (Dallas Business Enterprise)	Technical	MIG	Phase 1 (R 13 253 582,10) Phase 2 (R 14 735 436,02)	01/07/2020	30/06/2021	Davhana Stadium by constructed	None	Excellent

ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2020/21 FINANCIAL YEAR

NO	BID NO	DESCRIPTION	AWARDED BIDDER	DEPARTMENT	SOURCE OF FUNDING	BUDGET	STARTING DATE	COMPLETION DATE	PROGRESS TO DATE	CHALLENGES/ INTERVENTION	ASSESSMENT OF SERVICE PROVIDER
											POOR, AVERAGE, SATISFACTORY & EXCELLENT
08	CCLM/08/2020/21 T	Electrification of Mbhuti phase 2 and Malamulele b extension	Kedibone Construction	Technical	Own Funding /INEP	R 7 440 020,40	01/07/2020	30/06/2021	358 Households electrified at Mbhuti phase 02(258) and Malamulele B-Extension (100)	None	Excellent
09	CCLM/09/2020/21 T	Acquisitions ELECTRIFICATION OF Various villages	Jesben Engineering services	Technical	INEP	R 29 342 443,20	01/07/2020	30/06/2021	1557 Households not electrified at Miseveni A&C 318, Masia Miveledzo 215, Ekurhuleni 59, Masia Tandavale 97, Makhasa 45, Dhoveni (247), Madobi (44), Makhasa (32), Muhunguti (85), Makahlule (175), Manghena (21), Khakhanwa (113), Malamulele D Ext (106)	Community interference and Eskom delaying the design approvals	Average
10	CCLM/10/2020/21 T	Supply and Installation of solar LED street lights at Malamulele, Saselamani, Vuwani, Hlanganani	1 Ukwakhana and Fanisa JV, 2. Hamonei Sombs JV, 3. Moremasefoko Trading, 4. Oakantswe construction and projects	Technical	Own Funding	R 17 134 187,50	01/07/2020	30/06/2021	150 Solar LED Street Lights Supplied and Installed at Malamulele 50 Solar LED street lights supplied and installed at Saselamani	None	Excellent

ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2020/21 FINANCIAL YEAR

NO	BID NO	DESCRIPTION	AWARDED BIDDER	DEPARTME NT	SOURCE OF FUNDING	BUDGET	STARTING DATE	COMPLETION DATE	PROGRESS TO DATE	CHALLENGES/ INTERVENTION	ASSESSMENT OF SERVICE PROVIDER
											POOR, AVERAGE, SATISFACTORY & EXCELLENT
									50 Solar LED street lights supplied and Installed 50 Solar LED street lights supplied and Installed at Hlanganani by 30 June 2021		
11	CCLM/11/2020/21 T	Supply and installation of solar traffic lights at saselamani,Vuwani,Hl anganani,Mhinga,Mo riri and Bungeni or Njhaka cross	Tarcron Projects (Pty) LTD	Technical	Own Funding	R 873 170,68	01/07/2020	30/06/2021	Solar traffic signal(lights) supplied and Installed at Saselamani, Vuwani and Hlanganani by 30 June 2021	The road belongs to RAL	Average
12	CCLM/012/2020/2 1T	Supply and Installation of solar panel and 150kva silent Back-up Generator Boxing gym	Swinaveto Trading Enterprise	Technical	Own Funding	R 3 574 333,36	01/07/2020	30/06/2021	100kwv Solar panel and 150kva silent Back-up Generator supplied and Installed at Malamulele Boxing Gym	None	Excellent
13	CCLM/013/2020/2 1T	Supply and installation of 200kva silent Back-up Generator saselamani stadium	Tongama Group	Technical	Own Funding	R 1 466 825,00	01/07/2020	30/06/2021	200kva Back-up Generator supplied and installed at Saselamani stadium by 30 June 2021	None	Excellent

ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2020/21 FINANCIAL YEAR

NO	BID NO	DESCRIPTION	AWARDED BIDDER	DEPARTME NT	SOURCE OF FUNDING	BUDGET	STARTING DATE	COMPLETION DATE	PROGRESS TO DATE	CHALLENGES/ INTERVENTION	ASSESSMENT OF SERVICE PROVIDER
											POOR, AVERAGE, SATISFACTORY & EXCELLENT
14	CCLM/014/2020/21T	Acquisitions Electricity Construction of High Masts lights(new) (All wads)	1. Ntshizas Technical services, 2. Millboard Trading JV Nedwah, 3. Zevofusion my ltd jv moremasefako trading	Technical	Own Funding	R 17 167 274,52	01/07/2020	30/06/2021	36 High Mast Supplied and Installed at all 36 Wards (1 high mast light per ward)	None	Excellent
15	CCLM/015/2020/21T	Acquisitions Bevhula Ring Road-MIG	Mokatemone Construction And Projects / Nkemeleng Holdings JV	Technical	MIG	R 36 965 692,12	01/07/2020	30/06/2021	4.5 KM Ring Road constructed at Bevhula	None	Excellent
16	CCLM/016/2020/21T	Acquisitions Construction of Mahatlane Access Bridge	FJRIC Construction and Projects	Technical	Own Funding	R 2 294 900,58	01/07/2020	30/06/2021	Construction of Mahatlane Access Bridge not done	Rain delay	Average
17	CCLM/017/2020/21T	Upgrading of Sebudi/Vyeboom road phase 2	Koephu Business Enterprise	Technical	Own Funding	R 33 333 963,14	01/07/2020	30/06/2021	3.7 KM Road upgraded at Sebudi/Vyeboom road phase 2 not done	More relocation of water pipes and the district was taking for inspections	Average
18	CCLM/018/2020/21T	Opening and Widening of streets in Business park	Morwa Consulting Services (Engineers)	Technical	Own Funding	Waiting for the appointment of Contractor	01/07/2020	30/06/2021	Development of detailed design for opening and widening streets at Malamulele Business Park done	None	Excellent
19	CCLM/019/2020/21T	Upgrading of Malamulele D Extension 3	Moba and Associates (Engineers)	Technical	Own Funding	Waiting for the appointment of Contractor	01/07/2020	30/06/2021	Development of detailed design for upgrading of 1.9KM Road at	None	Excellent

ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2020/21 FINANCIAL YEAR

NO	BID NO	DESCRIPTION	AWARDED BIDDER	DEPARTME NT	SOURCE OF FUNDING	BUDGET	STARTING DATE	COMPLETION DATE	PROGRESS TO DATE	CHALLENGES/ INTERVENTION	ASSESSMENT OF SERVICE PROVIDER
											POOR, AVERAGE, SATISFACTORY & EXCELLENT
									Malamulele D Ext done		
20	CCLM/021/2020/21T	Upgrading of low level Bridges/Culverts in Collins Chabane municipality buildings	1. Rethabile Business Enterprise, 2. Fummy Projects, 3. Mzerewa Group JV Nsoy, 4. FJRIC Construction and projects (PTY) LTD, 5. Xalamuka Built Environment, 6. I sakho Holdings, 7. Vinlee (PTY)	Technical	Own Funding	R 4 525 364,93	01/07/2020	30/06/2021	Upgrading of Low-level bridges/culverts at Municipal roads done	None	Excellent
21	CCLM/022/2020/21T	Construction of Ablution blocks and showers in Municipality stores	Tenderhearted Trading projects	Technical	Own Funding	R 469 539,25	01/07/2020	30/06/2021	Construction of Ablution blocks and showers in Municipal Stores	Late appointment of the contractor	Average
22	CCLM/023/2020/21T	Erection of palisade fence and water supply at njhakanjhaka community hall	Hlulani Civils PTY LTD	Technical	Own Funding	R 1 107 292,94	01/07/2020	30/06/2021	Palisade fence erected at Njhakanjhaka community hall	None	Excellent
23	CCLM/024/2020/21T	extention of Bungeni stadium palisade fence	Edgar Mul holdings	Technical	Own Funding	R 1 297 430,00	01/07/2020	30/06/2021	Bungeni Palisade Fence extension erected	None	Excellent
24	CCLM/026/2020/21T	Mdavula ring road-MIG	MVE Consulting Services (Engineers)	Technical	Own Funding	Waiting for the appointment of Contractor	01/07/2020	30/06/2021	Development of detailed design for construction of 6.5 KM of Ring	None	Excellent

ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2020/21 FINANCIAL YEAR

NO	BID NO	DESCRIPTION	AWARDED BIDDER	DEPARTME NT	SOURCE OF FUNDING	BUDGET	STARTING DATE	COMPLETION DATE	PROGRESS TO DATE	CHALLENGES/ INTERVENTION	ASSESSMENT OF SERVICE PROVIDER
											POOR, AVERAGE, SATISFACTORY & EXCELLENT
									Road at Mdavula done		
25	CCLM/027/2020/21T	Mphambho Ring road-MIG	Sejagobe Consulting Engineers (Engineers)	Technical	Own Funding	Waiting for the appointment of Contractor	01/07/2020	30/06/2021	Development of detailed design for construction of 5.5 KM of Ring Road at Mphambo done	None	Excellent
26	CCLM/31/2020/21T	Acquisitions Road Tech Serv Nwa-Matatani Ring Road	Gombameni Event and Risk	Technical	Own Funding	R 24 239 942,65	01/07/2020	30/06/2021	2.2 KM Ring Road not constructed at Nwa-Matatani	Delays by the contractor	Average
27	CCLM/37/2020/21T	Outsourced Refurbishment of Merwe stadium	Hlakha 8676 (PTY) Ltd	Technical	Own Funding	R 420 000,00	01/07/2020	30/06/2021	Merwe Stadium Refurbished	None	Excellent
28	CCLM/39/2020/21T	Upgrading Construction of Malamulele Traffic circle	Nyingwani JV Gamont	Technical	Own Funding	R 16 807 945,95	01/07/2020	30/06/2021	Development of detailed design for Construction Traffic Circle at Malamulele done	None	Excellent

CONCULSION

A total 88 Out of 109 KPIs were achieved which results to 81 % of SDBIP KPIs being achieved.

Approval by the Municipal Manager



SHILENGE R. R

ACTING MUNICIPAL MANAGER

Chapter 4

Organisational Development Performance

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART 11)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4. THE MUNICIPAL PERSONNEL

The municipality annually develops a Workplace Skills Plan to ensure effectiveness and efficiency within the organization as far as service delivery is concerned. During the budget process the municipality made provision for the training of employees to enhance their skills level.

The employees are also provided with the necessary tools and the employer ensures that they are working in a safe environment.

The municipality has an employee wellness programme in place, in terms of which employees are being assisted from time to time.

The municipality has developed and adopted appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration. These include amongst other policies on recruitment, selection, training, discipline and the retention of staff.

Inductions are conducted as and when staff is appointed, and road shows are conducted twice a year for all employees.

The municipality reviewed its organisational structure due to the changes in business process and the changing environment.

4.1. EMPLOYEE TOTALS, TURNOVER AND VACANCIES:

Employee Totals, Turnover and Vacancies for 2020/21 FY				
Division (As per organogram)	Approved posts in organogram (No.)	Filled posts (No.)	Vacant (No.)	Vacancy Rate (%)
Office of the Municipal Manager	17	15	02	11.7%
Technical & Engineering Services	102	40	62	60.07%
Community Services	208	95	113	54.32
Corporate Services	56	34	22	39%
LED & Planning	37	16	21	56.75
Financial Services	44	23	21	47.72
Total	464	223	241	51.93%

4.2. POLICIES

LISTED BELOW ARE COUNCIL APPROVED HUMAN RESOURCE POLICIES

NO	POLICY DESCRIPTION	YEAR REVIEWED	DEPARTMENT
1.	Placement Policy	2021	Corporate Services
2.	Leave Policy	2021	Corporate Services
3.	Staff Provisioning Policy	2021	Corporate Services
4.	Bereavement Policy for Councillors	2021	Corporate Services
5.	Bereavement Policy for Officials	2021	Corporate Services
6.	Training and Development Policy	2021	Corporate Services
7.	Acting Allowance Policy	2021	Corporate Services
9.	Facilities Management Policy	2021	Corporate Services
10.	Fleet Management Policy	2021	Corporate Services
11.	ICT Operating System Security Control Policy	2021	Corporate Services
12.	ICT Data Backup and Recovery Policy	2021	Corporate Services
13.	ICT Disaster Recovery Policy	2021	Corporate Services
14.	ICT Service Level Agreement Management Policy	2021	Corporate Services
15.	ICT User Access Management Policy	2021	Corporate Services
16.	ICT Management Policy	2021	Corporate Services
17.	ICT Change Management Policy	2021	Corporate Services
18.	ICT Patch Management Policy	2021	Corporate Services
19.	ICT Adding New User Procedure	2021	Corporate Services
20.	ICT Equipment and Usage Policy	2021	Corporate Services
21.	ICT Firewall and Procedure Policy	2021	Corporate Services
22.	ICT Internet Acceptance Use Policy	2021	Corporate Services
23.	ICT Incident and Problem Management Policy	2021	Corporate Services

24.	ICT Orgplus Installation Procedure	2021	Corporate Services
25.	ICT Project Framework	2021	Corporate Services
26.	ICT Tel-Trace Procedure	2021	Corporate Services
27.	ICT Website Content Approval Procedure	2021	Corporate Services
28.	ICT Confidential and Non-Disclosure Contract	2021	Corporate Services
29.	ICT Security Control Policy	2021	Corporate Services
30.	ICT Procedure Manual User Access Review	2021	Corporate Services
31.	Municipal Corporate Governance of Information and Communication Technology Policy	2021	Corporate Services
32.	Subsistence and Travel Policy	2021	Budget and Treasury
33.	Investment and Cash Management Policy	2021	Budget and Treasury
34.	Indigent Policy	2021	Budget and Treasury
35.	Unclaimed Deposit Policy	2021	Budget and Treasury
36.	Writing Off of Irrecoverable Debt Policy	2021	Budget and Treasury
37.	Tariff Policy	2021	Budget and Treasury
38.	Property Rates Policy	2021	Budget and Treasury
39.	Budget Policy	2021	Budget and Treasury
40.	Virement Policy	2021	Budget and Treasury
41.	Risk Management Strategy	2021	Municipal Manager's Office
42.	Risk Management Committee Charter	2021	Municipal Manager's Office

43.	Risk Management Policy	2021	Municipal Manager's Office
44.	Audit Charter	2021	Municipal Manager's Office
45.	Communication Policy	2021	Corporate Services
46.	Communication Strategy	2021	Corporate Services
47.	Telecommunication Policy	2021	Corporate Services
48.	Records Management Policy	2021	Corporate Services
49.	Employee Assistant Policy	2021	Corporate Services
50.	Occupational Health and Safety Policy	2021	Corporate Services
51.	Employment Equity Policy	2021	Corporate Services
52.	Overtime Policy	2021	Corporate Services
53.	Remuneration Policy	2021	Corporate Services
54.	Attendance and Punctuality Policy	2021	Corporate Services
55.	Disability Policy	2021	Corporate Services
56.	Performance Management System Policy and Framework	2021	Corporate Services
57.	Mayor's Bursary Fund Policy	2021	Corporate Services
58.	Municipal Employees Sports Policy	2021	Community Services
59.	Contract Management Policy	2021	Budget and Treasury
60.	Debt Control and Debt Collection Policy	2021	Budget and Treasury
61.	Funding and Reserve Policy	2021	Budget and Treasury
62.	Asset Management Policy	2021	Budget and Treasury
63.	Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy	2021	Budget and Treasury
64.	Supply Chain Management Policy	2021	Budget and Treasury

65.	EPWP Policy	2021	Technical Services
66.	Parking Policy	2021	Corporate Services
67.	Dress Code Policy	2021	Corporate Services
68.	Sexual Harassment Policy	2021	Corporate Services
69.	Danger Allowance Policy	2021 (New)	Corporate Services
70.	Land Disposal Policy	2021	Planning and Development
71.	ICT Service Level Agreement Management (External Service provider/vendor	2021	Corporate Services
72.	Anti-Fraud and Corruption Strategy	2021 (New)	Municipal Manager's Office
73.	Public Participation Policy	2021 (New)	Corporate Services
74.	Paupers Burial By-Law	2021 (New)	Community Services
75.	Waste Management By-Law	2021 (New)	Community Services

The above listed policies were tabled to and approved during the year under review.

4.3. INJURIES, SICKNESSES AND PERFORMANCE REWARD

INJURIES

Number of Injury Incidents on Duty	
Type of injury	Number of Injury incidents on duty
Required basic medical attention	02
Temporary disablement	0
Permanent disablement	0
Fatal	0
Total	02

SICK LEAVE:

The municipality has three types of sick leave (sick leave at full pay, sick leave at half pay, sick leave at no pay), as required by Basic Condition of Employment Act. For the year under review there were 271 sick leave days at full pay taken, 0 sick leave at half pay was taken and 0 sick leave at no pay was taken.

COMMENT ON INJURY

A draft of safety plan has been developed for all contractors to comply with.

All construction project Safety file were assessed and approved for safety considerations during construction

Two injury on duty cases were reported, reported, reported, compensation processes for injured employees are not yet been finalized

All qualifying employees for uniforms were issue with a Protective Clothing.

The Municipality has successfully registered with COIDA.

PERFORMANCE REWARDS

For the year under review the Municipality did implement individual performance management system for Section 56/57 employees

Currently the municipality is implementing the IPMS for Section 56/57 Managers only, and the municipality is in the process of cascading the IPMS down to other levels of management.

There were financial rewards paid out to Section 56/57 employees

COMPONENT C: CAPACITATING MANICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipality afford employees an opportunity to attend trainings that are provided by sector departments and also training employees to acquire necessary skills from time to time depending on the availability of budget for trainings. Annually a skills gap analysis is conducted, workplace skills plan developed, and training provided in terms thereof. Employees are also continuously sent to workshops, seminars etc. to improve their capacity.

4.4. SKILLS DEVELOPMENT AND TRAINING

TRAINING	TOTAL NUMBER OF COUNCILLORS	TOTAL NUMBER OF SENIOR MANAGERS	TOTAL NUMBER OF OFFICIALS BELOW SENIOR MANAGERS	GRAND TOTAL
MUNICIPAL FINANCE MANAGEMENT PROGRAMM	28	3	20	51
ENATIS	-	-	6	6
PAY DAY SYSTEM FINANCE AND HR MODULES)	-	-	28	28
SWIMMING MAINTENANCE	-	-	3	3
OCCUPATIONALLY DIRECTED EDUCATION TRAINING PRACTICE	-	-	18	18
CPMD	-	-	21	21
GEOGRAPHIC INFORMATION SYSTEM	-	-	15	15
ADULT EDUCATION TRAINING(AET)	9	-	22	31
SPORTS ADMINISTRATION	-	-	1	1
SCM CERTIFICATE	-	-	1	1
BURSARY- ADVANCED DIPLOMA IN HRM	-	-	1	1
RECORDS MANAGEMENT	-	-	3	3
SCM BID TRAINING	-	-	18	18
OCCUPATIONAL HEALTH SERVICES	-	-	2	2
EXAMINER OF DRIVERS LICENCE	-	-	2	2

TRAINING	TOTAL NUMBER OF COUNCILLORS	TOTAL NUMBER OF SENIOR MANAGERS	TOTAL NUMBER OF OFFICIALS BELOW SENIOR MANAGERS	GRAND TOTAL
EXAMINER OF MOTOR VEHICLE	-	-	2	2
MONITOR AND EVALUATION	-	-	2	2
MPAC	-	-	5	5
COIDA	-	-	1	1
ENVIRONMENTAL LAW	-	-	2	2
ORGPLUS	-	-	6	6
LOCAL LABOUR FORUM	-	-	1	1
PERFORMANCE MANAGEMENT	-	-	2	2
GAPSKILL SYSTEM	-	-	2	2
SUNDRY REGISTERS TRAINING	-	-	2	2
AARTO	-	-	8	2
MSCOA	-	-	6	6
GRAB	-	1	-	1
CREDITOR SETUP, SCM & PROCUMENT	-	-	6	6
EOV	-	-	2	2
EDL	-	-	3	3
FIRE ARM	-	-	7	7
ACCA	-	-	7	7
MUNICIPAL FINANCE AND ADMINISTRATION	-	-	22	22

TRAINING	TOTAL NUMBER OF COUNCILLORS	TOTAL NUMBER OF SENIOR MANAGERS	TOTAL NUMBER OF OFFICIALS BELOW SENIOR MANAGERS	GRAND TOTAL
TOTAL	TOTAL NUMBER OF COUNCILLORS TRAINED	TOTAL NUMBER OF SENIOR MANAGERS	TOTAL NUMBER OF OFFICIALS	GRAND TOTAL
	37	4	247	288

Chapter 5

Financial Performance

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5. FINANCIAL PERFORMANCE

5.1. STATEMENT OF FINANCIAL PERFORMANCE

OPERATING & CAPITAL EXPENDITURE ANALYSIS THE BELOW TABLE INDICATE THE EXPENDITURE BY TYPE

Financial Overview: 2020/21			
Summary: Statement of financial Performance			
Description	Budget 2020/21	Actual 2020/21	Variance
Total Revenue by Source (Excluding Capital Transfers)	R 60 178 104	R 58 315 197	0
Capital Transfers	R 581 783 688	R 581 485 690	0
Total Revenue by Source (Including Capital Transfers)	R 641 961 792	R 639 800 887	(R 2160 905)
Less: Total Expenditure	R 405 502 157	R 374 641 086	R 30 861 071
Equals: Surplus/ deficit	R 236 459 635	R 265 159 801	R 28 700 166

The municipality has calculated the surplus/deficit based the Total Revenue including Capital Transfers less the Total Expenditure.

Description	Budget 2020/21	YTD Actual 2020/21	Variance
	R'000	R'000	R'000
Employee related costs	131 308	119 480	11 829
Remuneration Of councillors	28 337	26 555	1 781
Debt impairment	0	27 201	(27 201)
Depreciation & asset impairment	25 316	30 055	(4 738)

Finance charges	0	139	(139)
Bulk purchases	0	0	0
Contracted services	110 210	80 143	30 067
Capital Projects (MIG)	0	9 819	(9 819)
Repairs and maintenance	37 479	22 155	15 324
Other expenditure	72 853	55 539	17 313

INCOME ANALYSIS

Description	Budget 2020/21	YTD ACTUAL 2020/21
	R'000	R'000
Property Rates	38 385	35 053
Service Charges	4 139	4 775
Transfer recognized-Operational	481 754	481 456
Transfer recognized-Capital	100 030	100 030
Other Revenue	17 654	18 487
Total Revenue	641 962	639 801

5.2. GRANTS

Details	Opening balance 01 July 2020	Dora allocation 2020/2021	Funds withheld	Received this year	Additional funds received	Expenditure
Municipal Finance Management Grant (FMG)	R 0	R 2 300 000	R 0	R 2 300 000	R 0	R 2 300 000
Municipal Infrastructure Grant (MIG)	R 0	R 81 475 000	R 0	R 81 475 000	R 7 000 000	R 88 475 000
Integrated National Electricity Programme (INEP)	R 894 689	R 10 660 000	R 0	R10 660 000	R 0	R 11 554 689
Extended Public Works Programme (EPWP)	R 0	R 1 161 000	R 0	R 1 161 000	R 0	R 1 161 000
Municipal Disaster Relief Grant	R 0	R 0	R 0	R 0	R 0	R 0

5.3. ASSET MANAGEMENT

TREATMENT OF THE MUNICIPALITY'S LARGEST ASSETS

ASSET 1	
Name	Property plant and equipment
Description	Electricity Network
Key staff involved	Makhuvele T
Staff Responsibilities	Ensure that the Electricity network is in good working order in order to ensure that all communities have access to electricity.
Asset Value	R 80 126 865
Capital Implications/ Financing	Department of Energy for new projects and internal finance for maintenance and other non-funded electrical projects.
Policies in place to manage asset	Yes
ASSET 2	
Name	Property plant and equipment
Description	Land and Buildings
Key staff involved	Radali CA & Shimange TR
Staff Responsibilities	To ensure that out keeping and maintenance of the buildings at all times.
Asset Value	R 43 359 177
Capital Implications/ Financing	Repairs and maintenance are funded internally.
Policies in place to manage asset	Yes
ASSET 3	
Name	Roads
Description	Roads
Key staff involved	Mabasa T
Staff Responsibilities	To ensure that all roads are maintained and utilised at their optimal levels.
Asset Value	R 382 258 531
Capital Implications/ Financing	All roads constructions are funded by MIG but maintenance is funded internally.
Policies in place to manage asset	Yes

5.4. ANNUAL FINANCIAL STATEMENT



Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

General Information

Nature of business and principal activities	Providing municipal services and maintaining the best interest of the local community.
Accounting Officers	Shilenge RR (Acting MM)
Registered office	Municipal Offices 125 Hospital Street Malamulele 0982
Business address	Municipal Offices 125 Hospital Street Malamulele 0982
Postal address	Private Bag X9271 Malamulele 0982
Bankers	First National Bank
Auditors	Auditor-General South Africa (AGSA)

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

General Information

Mayoral Committee

Mayor

Cllr Maluleke M

Speaker

Cllr Lebea ME

Chief whip

Cllr Chauke MG

Members of the Executive Committee

Cllr Maluleke SG

Cllr Mashimbye FP

Cllr Mutele TM

Cllr Mavikane SX

Cllr Mukhaha AJ

Cllr Chauke HG

Cllr Fungheni MC (Retired on 27 September 2020)

Cllr Baloyi DL

Cllr Mazibuko MP

Other members of Municipal Council

Cllr Shivambu S

Cllr Mabasa D

Cllr Khoza TG

Cllr Matamela MS

Cllr Masangu GD

Cllr Bila TJ

Cllr Chauke TR

Cllr Maluleke ET

Cllr Simango MR

Cllr Hlongwane SG - Resigned 05 October 2020

Cllr Makhubele HT

Cllr Ndove HD

Cllr Mudau TS

Cllr Mabasa KK

Cllr Ngobeni MR

Cllr Mabasa J

Cllr Baloyi HR

Cllr Rivombo KE

Cllr Sunduza ZW

Cllr Chabangu TC

Cllr Khosa HJ

Cllr Mabunda MC

Cllr Chauke NS

Cllr Munyai N

Cllr Mukhomi VN

Cllr Maluleke MP

Cllr Ngobeni NE

Cllr Mahlale S

Cllr Moyo MT

Cllr Mathonsi NP

Cllr Sambo TM

Cllr Sithole MW

Cllr Shandukani MJ

Cllr Chavani PJ

Cllr Mashakeni

Cllr Mulaudzi TN

Cllr Mudau RP

Cllr Maswanganyi TC

Cllr Ndzovela NG

Cllr Rekhotsi SM

Cllr Nkuna DT

Cllr Miyambo ZQ

Cllr Baloyi MJ

Cllr Baloyi NJ

Cllr Mahlangu D

Cllr Mabasa RC

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

General Information

Cllr Baloyi OC
Cllr Vukeya HM
Cllr Machovani RG
Cllr Tshiredo CE
Cllr Hlabangwani TL
Cllr Radzivhoni CM
Cllr Masia TM
Cllr Mathoma MP
Cllr Rikhotso GM
Cllr Thovhakale MS
Cllr Ngobeni NL
Cllr Muavha SM
Cllr Maswanganyi TC
Cllr Mathavha HF - Appointed 02 March 2021
Cllr Baloyi ME - Appointed 31 August 2020

Audit Committee members:

Mudau FJ (Chairperson)
Phaleng Podile MH
Nchabeleng MF
Nevhutalu TG CA(SA)
Baloyi NT

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Index

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

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Accounting Officer's Responsibilities and Approval	5
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Abbreviations

COIDA	Compensation for Occupational Injuries and Diseases Act
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
CFO	Chief Financial Officer
GRAP	Generally Recognised Accounting Practice
AGSA	Auditor-General South Africa
MM	Municipal Manager
CCLM	Collins Chabane Local Municipality
CIGFARO	Chartered Institute of Government Finance Audit and Risk Officers
IPSAS	International Public Sector Accounting Standards
WIP	Work in progress
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant

Preparer

Maluleke NV

Chief Financial Officer

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Accounting Officer's Responsibilities and Approval

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

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

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

The accounting officers acknowledge that they are ultimately responsible for the system of internal financial control established by the municipality place considerable importance on maintaining a strong control environment. To enable the accounting officers 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 officers are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

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

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

The annual financial statements set out on pages 6 to 72, which have been prepared on the going concern basis, were approved and signed on behalf of Council on August 31, 2021 by:



Shilenge RR (Acting MM)
Acting Municipal Manager

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Accounting Officer's Report

The accounting officers submit their report for the year ended June 30, 2021.

1. Incorporation

The municipality was incorporated on August 10, 2016 and commenced business on the same day.

The Municipality was established in terms of section 12 of the Municipal Structures Act, No. 117 of 1998 and is a category B municipality. It consists of 71 elected councilors and 36 wards.

2. Going concern

We draw attention to the fact that at June 30, 2021, the municipality had accumulated surplus of R 1,357,054,436 and that the municipality's total assets exceed its liabilities by R 1,357,054,436.

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

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officers continue to secure funding for the ongoing operations for the municipality and that sound annual financial statements will remain in force for as so long as it takes to maintain the solvency of the municipality.

Covid 19 had no significant impact on the municipality going concern. The Municipality will continue to receive its quitable shares for the financial year 2021/22

3. Subsequent events

Refer to note no. 45 for subsequent event disclosure

4. Accounting policies

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

5. Accounting Officer

The accounting officers of the municipality during the year and to the date of this report are as follows:

Name	Nationality	Changes
Ngobeni TC	South African	Resigned Sunday, February 28, 2021
Shilenge RR (Acting MM)	South African	

6. Auditors

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

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Statement of Financial Position as at June 30, 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Inventories	9	4,590,828	3,892,151
Other receivables from exchange transactions	10	1,672,242	1,127,055
Receivables from non-exchange transactions	11	6,680,827	7,026,821
Consumer receivables from exchange transaction	12	962,052	1,612,499
VAT receivable	13	37,329,736	18,508,145
Cash and cash equivalents	14	401,480,276	374,012,734
		452,715,961	406,179,405
Non-Current Assets			
Investment property	3	3,800,092	7,140,083
Property, plant and equipment	4	1,022,060,749	759,545,424
Intangible assets	5	3,757,592	4,513,822
Heritage assets	6	1,126,500	1,126,500
Other financial assets	7	2	2
		1,030,744,935	772,325,831
Total Assets		1,483,460,896	1,178,505,236
Liabilities			
Current Liabilities			
Finance lease obligation	15	2,156,328	1,911,909
Payables from exchange transactions	17	111,666,051	71,184,027
Employee benefit obligation	8	5,853,072	4,887,676
Unspent conditional grants and receipts	16	-	894,694
		119,675,451	78,878,306
Non-Current Liabilities			
Finance lease obligation	15	953,555	3,109,883
Employee benefit obligation	8	5,777,457	4,622,405
		6,731,012	7,732,288
Total Liabilities		126,406,463	86,610,594
Net Assets		1,357,054,433	1,091,894,642
Accumulated surplus		1,357,054,436	1,091,894,644

* See Note 41

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	4,774,999	3,583,061
Rendering of services	18	4,733,190	1,313,554
Agency services	18	2,278,364	1,888,807
Licences and permits	18	2,658,734	3,015,106
Rental income	20	47,483	13,858
Interest income	21	7,279,234	10,674,171
Total revenue from exchange transactions		21,772,004	20,488,557
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	22	35,053,505	34,729,475
Transfer revenue			
Government grants & subsidies	23	581,485,690	476,504,345
Public contributions and donations	24	244,220	-
Gain on assets/ Fair value adjustments	18	556,466	3,634,344
Traffic fines	18	689,002	531,450
Total revenue from non-exchange transactions		618,028,883	515,399,614
Total revenue	18	639,800,887	535,888,171
Expenditure			
Employee related costs	25	(119,479,535)	(106,284,764)
Remuneration of councillors	26	(26,555,380)	(26,743,146)
Depreciation and amortisation	27	(30,054,578)	(24,007,019)
Impairment loss/ Reversal of impairments	28	(9,819,234)	(11,835,089)
Finance costs	29	(138,679)	(110,625)
Debt Impairment	30	(27,201,205)	(62,568,803)
Repairs and maintenance	4	(22,154,748)	(5,991,219)
Contracted services	31	(80,142,750)	(58,679,926)
General Expenses	32	(55,539,341)	(56,486,285)
Total expenditure		(371,085,450)	(352,706,876)
Operating surplus		268,715,437	183,181,295
Fair value adjustments	34	(3,339,991)	(8,429,917)
Loss on disposal of assets	33	(215,645)	-
		(3,555,636)	(8,429,917)
Surplus for the year		265,159,801	174,751,378

* See Note 41

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at July 1, 2019	917,143,266	917,143,266
Changes in net assets		
Surplus for the year	174,751,378	174,751,378
Total changes	174,751,378	174,751,378
Opening balance as previously reported	1,089,902,014	1,089,902,014
Adjustments		
Prior year adjustments (Note 41)	1,992,621	1,992,621
Restated* Balance at July 1, 2020 as restated*	1,091,894,635	1,091,894,635
Changes in net assets		
Surplus for the year	265,159,801	265,159,801
Total changes	265,159,801	265,159,801
Balance at June 30, 2021	1,357,054,436	1,357,054,436
Note(s)		

* See Note 41

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Property rates		13,631,454	3,277,608
Service charges		1,932,718	1,323,616
Grants and subsidies		580,591,000	477,399,000
Interest income		7,279,234	10,674,171
Other receipts		10,928,283	7,536,416
		<u>614,362,689</u>	<u>500,210,811</u>
Payments			
Employee costs		(143,750,767)	(131,089,049)
Suppliers and other payments		(139,245,321)	(126,730,806)
		<u>(282,996,088)</u>	<u>(257,819,855)</u>
Net cash flows from operating activities	36	<u>331,366,601</u>	<u>242,390,956</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(301,418,306)	(192,240,652)
Purchase of other intangible assets	5	(430,245)	(4,485,962)
Purchases of heritage assets	6	-	(1,126,500)
Net cash flows from investing activities		<u>(301,848,471)</u>	<u>(197,853,114)</u>
Cash flows from financing activities			
Finance lease payments		(2,050,588)	(1,481,387)
Net increase/(decrease) in cash and cash equivalents		<u>27,467,542</u>	<u>43,056,455</u>
Cash and cash equivalents at the beginning of the year		374,012,734	330,956,279
Cash and cash equivalents at the end of the year	14	<u>401,480,276</u>	<u>374,012,734</u>

* See Note 41

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges - refuse	3,338,856	800,000	4,138,856	4,774,999	636,143	Note 52
Other income	22,214,468	(14,782,000)	7,432,468	4,733,190	(2,699,278)	
Agency services	2,148,648	-	2,148,648	2,278,364	129,716	
Licence and permits	5,784,120	-	5,784,120	2,658,734	(3,125,386)	
Rental income	30,996	-	30,996	47,483	16,487	
Interest income - Bank	14,190,096	(12,552,084)	1,638,012	7,279,234	5,641,222	
Total revenue from exchange transactions	47,707,184	(26,534,084)	21,173,100	21,772,004	598,904	

Revenue from non-exchange transactions

Taxation revenue

Property rates	32,384,736	6,000,000	38,384,736	35,053,505	(3,331,231)	
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Transfer revenue

Government grants & subsidies	496,571,000	85,212,688	581,783,688	581,485,690	(297,998)	
Public contributions and donations	-	-	-	244,220	244,220	
Gain on asset/ fair value adjustments	-	-	-	556,466	556,466	
Traffic fines	620,268	-	620,268	689,002	68,734	

Total revenue from non-exchange transactions	529,576,004	91,212,688	620,788,692	618,028,883	(2,759,809)	
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Total revenue	577,283,188	64,678,604	641,961,792	639,800,887	(2,160,905)	
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Expenditure

Personnel	(130,886,736)	(421,660)	(131,308,396)	(119,479,535)	11,828,861	
Remuneration of councillors	(28,336,656)	-	(28,336,656)	(26,555,380)	1,781,276	
Depreciation and amortisation	(24,259,332)	(1,056,572)	(25,315,904)	(30,054,578)	(4,738,674)	
Impairment loss/ Reversal of impairments	-	-	-	(9,819,234)	(9,819,234)	
Finance costs	-	-	-	(138,679)	(138,679)	
Debt Impairment	-	-	-	(27,201,205)	(27,201,205)	
Repairs and maintenance	(8,241,000)	(29,238,000)	(37,479,000)	(22,154,748)	15,324,252	
Contracted Services	(78,591,780)	(31,617,884)	(110,209,664)	(80,142,750)	30,066,914	
General Expenses	(92,505,912)	19,653,375	(72,852,537)	(55,539,341)	17,313,196	

Total expenditure	(362,821,416)	(42,680,741)	(405,502,157)	(371,085,450)	34,416,707	
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Operating surplus	214,461,772	21,997,863	236,459,635	268,715,437	32,255,802	
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Fair value adjustments	-	-	-	(3,339,991)	(3,339,991)	
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Loss on disposal of assets	-	-	-	(215,645)	(215,645)	
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	-	-	-	(3,555,636)	(3,555,636)	
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Surplus	214,461,772	21,997,863	236,459,635	265,159,801	28,700,166	
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Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 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						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	214,461,772	21,997,863	236,459,635	265,159,801	28,700,166	
Reconciliation						

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 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	1,258,993	-	1,258,993	4,590,828	3,331,835	Note 52
Other receivables from exchange transactions	11,289,020	-	11,289,020	1,672,242	(9,616,778)	
Receivables from non-exchange transactions	41,146,086	-	41,146,086	6,680,827	(34,465,259)	
VAT receivable	-	-	-	37,329,736	37,329,736	
Consumer debtors - other	1,604,706	-	1,604,706	962,052	(642,654)	
Cash and cash equivalents	166,665,618	33,271,924	199,937,542	401,480,276	201,542,734	
	221,964,423	33,271,924	255,236,347	452,715,961	197,479,614	

Non-Current Assets

Investment property	15,570,000	-	15,570,000	3,800,092	(11,769,908)	
Property, plant and equipment	1,203,180,606	17,725,304	1,220,905,910	1,022,060,749	(198,845,161)	
Intangible assets	5,359,250	-	5,359,250	3,757,592	(1,601,658)	
Heritage assets	-	-	-	1,126,500	1,126,500	
Other financial assets	-	-	-	2	2	
	1,224,109,856	17,725,304	1,241,835,160	1,030,744,935	(211,090,225)	

Total Assets

	1,446,074,279	50,997,228	1,497,071,507	1,483,460,896	(13,610,611)	
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Liabilities

Current Liabilities

Finance lease obligation	-	-	-	2,156,328	2,156,328	
Payables from exchange transactions	34,776,319	-	34,776,319	111,666,051	76,889,732	
Employee benefit obligation	3,685,316	-	3,685,316	5,853,072	2,167,756	
	38,461,635	-	38,461,635	119,675,451	81,213,816	

Non-Current Liabilities

Finance lease obligation	-	-	-	953,555	953,555	
Employee benefit obligation	5,292,472	-	5,292,472	5,777,457	484,985	
	5,292,472	-	5,292,472	6,731,012	1,438,540	

Total Liabilities

	43,754,107	-	43,754,107	126,406,463	82,652,356	
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Net Assets

	1,402,320,172	50,997,228	1,453,317,400	1,357,054,433	(96,262,967)	
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Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Accumulated surplus	1,402,320,172	50,997,228	1,453,317,400	1,357,054,433	(96,262,967)	
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Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 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

Cash Flow Statement

Cash flows from operating activities

Receipts

Property rates	12,394,080	-	12,394,080	13,631,454	1,237,374	Note 52
Service charges	1,360,684	-	1,360,684	1,932,718	572,034	
Grant and subsidies	496,571,000	84,019,999	580,590,999	580,591,000	1	
Other receipts	16,016,504	-	16,016,504	10,928,283	(5,088,221)	
Interest - Bank	1,638,012	-	1,638,012	7,279,234	5,641,222	
	527,980,280	84,019,999	612,000,279	614,362,689	2,362,410	

Payments

Employee costs payments	(327,103,044)	(42,049,437)	(369,152,481)	(143,750,767)	225,401,714	
Finance cost	(11,724)	-	(11,724)	-	11,724	
Supplier and other payments	-	-	-	(139,245,322)	(139,245,322)	
	(327,114,768)	(42,049,437)	(369,164,205)	(282,996,089)	86,168,116	

Net cash flows from operating activities

	200,865,512	41,970,562	242,836,074	331,366,600	88,530,526	
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Cash flows from investing activities

Purchase of property, plant and equipment	(350,577,922)	-	(350,577,922)	(301,418,306)	49,159,616	
Proceeds from sale of investment property	-	-	-	(430,245)	(430,245)	
	(350,577,922)	-	(350,577,922)	(301,848,551)	48,729,371	

Cash flows from financing activities

movement in finance lease	-	-	-	(2,050,588)	(2,050,588)	
Net increase/(decrease) in cash and cash equivalents	(149,712,410)	41,970,562	(107,741,848)	27,467,461	137,259,897	
Cash and cash equivalents at the beginning of the year	-	-	-	374,012,734	374,012,734	
	(149,712,410)	41,970,562	(107,741,848)	401,480,195	511,272,631	

Reconciliation

All significant variances +/-10 have been explained under note 52.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

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

1.1 Presentation currency

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

The 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).

1.2 Going concern assumption

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

1.3 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.

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

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

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

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

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

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Accounting Policies

1.3 Investment property (continued)

Fair value

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

The fair value of investment property reflects market conditions at the reporting date.

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

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

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

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

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

1.4 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.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Accounting Policies

1.4 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

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

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

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

Property, plant and equipment of land and building is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses in line with the valuation roll of the municipality.

Depreciation is calculated on the asset's depreciable amount, using the straight line method over useful lives of the asset. The components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives as per the MFMA - Local Government Capital Assets Management Guideline.

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

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

Item	Depreciation method	Average useful life (years)
Boundary walls	Straight line	20 - 40
Buildings/ Building works	Straight line	5 - 30
Electrical supply	Straight line	7 - 80
Fencing	Straight line	10 - 50
On site paving	Straight line	15 - 30
Bins and containers	Straight line	5 - 15
Computer equipment	Straight line	3 - 10
Furniture and fittings	Straight line	3 - 10
Motor vehicles	Straight line	4 - 15
Office equipment	Straight line	3 - 15
Plant and equipment	Straight line	2 - 20
Bridges	Straight line	15 - 80
Road furniture	Straight line	15 - 50
Road structures	Straight line	20 - 100
Storm water drainage	Straight line	20 - 100
Flood lightning	Straight line	5 - 40
Street light	Straight line	5 - 40
Traffic lights	Straight line	5 - 40
Leased assets	Not fixed	Limited to the contract term

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Accounting Policies

1.4 Property, plant and equipment (continued)

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

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

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

Impairment.

The municipality tests for impairment where there is an indication that the asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable (recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount), and an impairment loss is charged to the Statement of Financial Performance. (Impairment loss of a valued asset is treated as a revaluation decrease).

De-recognition.

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).

1.5 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Collins Chabane Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

Accounting Policies

1.5 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Subsequent measurement.

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life (years)
Licenses and franchises	Straight line	2-5
Computer software, other	Straight line	2-5
Other intangible assets	Straight line	2-5

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

De-recognition

Intangible assets are de-recognised when the asset is disposed of or when no future economic benefits or service potential are expected from its use. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sale proceeds and the carrying value and is recognised in the Statement of Financial Performance. The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.6 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.

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.

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1.6 Heritage Assets (continued)

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit.

However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

The municipality assess 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).

1.7 Financial instruments

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

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

A financial asset is:

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

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

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

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

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

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

Consumer deposits are recognised as liabilities

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

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

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1.7 Financial instruments (continued)

Classification

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

Class	Category
Receivables from exchange transaction	Financial asset measured at amortised cost
Receivables from non-exchange transaction	Financial asset measured at amortised cost
Cash and Cash equivalent	Financial asset measured at amortised cost
Other receivables from exchange transaction	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at fair value

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

Class	Category
Payable from exchange transactions	Financial liability measured at amortised cost
Finance lease liability	Financial liability measured at amortised cost
Employee benefits	Financial liability measured at amortised cost

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1.7 Financial instruments (continued)

Initial recognition

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

Financial instruments are initially measured at fair value, plus, (in the case of financial instruments not at fair value through profit or loss), transaction costs. The fair value of a financial instrument that is initially recognised is normally the transaction price, unless the fair value is evident from the observable market data. The municipality uses a discounted cash flow model which incorporates entity-specific variables to determine the fair value of financial instruments that are not traded in an active market. Differences may arise between the fair value initially recognised in (which in accordance with GRAP 104, is generally the transaction price) and the amount initially determined using the valuation technique. Any such differences are subsequently recognised in profit or loss only to the extent that they relate to a change in the factors (including time) that market participants would consider in setting the price.

Subsequent measurement

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to-maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation. The municipality classifies its financial assets into the following categories:

- loans and receivables; a
- fair value through profit and loss.

The classification depends on the purpose for which the financial asset is acquired, and is as follows: Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Fair value through profit and loss financial assets include derivative financial instruments used by the Entity to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a noncurrent asset or liability, and is subsequently measured at fair value at Statement of Financial Position date.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discount) through the expected life of the financial asset, or, where appropriate a shorter period.

Trade and other receivables

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments.

An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

Cash and Cash Equivalent

Cash includes cash on hand and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as current assets.

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1.7 Financial instruments (continued)

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

Fixed deposit Investment

Short-term deposit is cash and cash equivalents which is short-term and highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three to twelve months or less and are subject to an insignificant risk of change in value.

Impairment

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the financial asset.

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

Impairment of non-financial assets

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

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.

1.8 Value Added Tax

Basis

The municipality accounts for VAT on the cash basis when preparing VAT returns, the accrual basis of accounting is applied in capturing vat on the accounting system.

1.9 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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1.9 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.

1.10 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.

“**Land inventory** is recognised at R1 fair value which equate to net realisable value due to illegal occupation.”

Subsequently inventories are measured at weighted average cost method.

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

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

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

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

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

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

The cost of inventories is assigned using the 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.

1.11 Impairment of cash-generating assets

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

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.

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1.11 Impairment of cash-generating assets (continued)

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

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

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

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

Recoverable 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:

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

Criteria developed by the municipality to distinguish cash-generating assets from non-cash-generating assets are as follow:

1.12 Employee benefits

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

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

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

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

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

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

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

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

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

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1.12 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 recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure 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 recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

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

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

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

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1.12 Employee benefits (continued)

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.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.13 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating deficits.

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

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1.13 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 39.

• Contingent liabilities:

"Contingent liabilities shall not be recognized in the statement of financial position, a contingent liability shall be disclosed under the notes unless the possibility of an outflow of resources embodying economic benefits or service potential is remote"

"A disclosure shall be made for each class of contingent liability at the reporting date with a brief description of the nature of the contingent liability and where practicable"

o An estimate of its financial effect,

• Contingent Assets:

"Contingent assets shall not be recognised in the Statement of financial position, a contingent asset usually arises from unplanned or other unexpected events that are not wholly within the control of the municipality that give rise to the possibility of an inflow of economic benefits."

"A contingent asset is disclosed under the notes by providing a brief description of the nature of the contingent assets at the reporting date, and where practicable, an estimate of their financial effect.

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

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

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

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1.13 Provisions and contingencies (continued)

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.14 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.15 Revenue from exchange transactions

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.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners. Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, VAT and other similar allowances. Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges

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

- 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.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

Sale of goods

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1.15 Revenue from exchange transactions (continued)

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

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity 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 entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest

Interest shall be recognised on a time proportionate basis that takes into account the effective interest yield on the asset.

Agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement. The revenue is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Collection charges are recognised when incurred.

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1.15 Revenue from exchange transactions (continued)

Interest

Interest is recognised, on a time proportionate basis that takes into account the effective interest rate method. Interest are earned from primary bank account and short term deposit.

1.16 Revenue from non-exchange transactions

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

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

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

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.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Gain/ loss on assets

Gain/ loss on assets - this apply to assets acquired at no consideration and disposal of assets

Gain/ loss on fair value

Gain/ loss on fair value - this apply to the movement on fair value adjustment on investment property as at yea end

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an 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.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Public contribution and donation

Revenue from donation are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Property rates

The Municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria is met. Revenue from property rates is recognised when the legal entitlement to this revenue arises.

Collection charges are recognised when such amounts are legally enforceable.

Rebates are respectively granted to owner of land on which not more than two dwelling units are erected provided that solely used for residential purpose.

Assessment rates income is recognised when a rates account has been issued to the ratepayers

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

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Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

Government grant and 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.

"The municipality recognizes government grants as revenue upon receipts except for; Grants with conditions on utilization. These grants are only recognized as revenue only upon the fulfilment of the conditions attached to the use of the grants. The grants shall be disclosed as a liability until the conditions attached are met"

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

Traffic 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.

1.17 Investment income

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

1.18 Comparative figures

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

1.19 Unauthorised expenditure

Unauthorised expenditure means:

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

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 Irregular expenditure

Irregular expenditure 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.

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1.21 Irregular expenditure (continued)

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

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

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

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

1.22 Segment information

A segment is an activity of a municipality:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same municipality);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.23 Budget information

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

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

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1.23 Budget information (continued)

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

The approved budget covers the fiscal period from 7/1/2020 to 6/30/2021.

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

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

The Municipality will provide explanation of +/-10% variance on comparison of budget and actual amount

1.24 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

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

1.25 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.

1.26 Expenditure

Expenditure is recognised for in the financial statements on accrual basis

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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 July 1, 2021 or later periods:

Standards/ Interpretation	Effective date	Expected impact
GRAP 25 on Employee benefits (Revised)	To be determined	To be determined
GRAP 104 on Financial instruments (revised)	To be determined	To be determined
IGRAP 7 on The limit on defined benefit assets, minimum funding requirements and their interaction (revised)	To be determined	To be determined
IGRAP 21 on The effect of past decision on materiality	To be determined	To be determined
Guideline on Accounting for landfill sites	To be determined	To be determined

Amendments to the Standard of GRAP on Inventories resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 12 on Inventories (IPSAS 12) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12)
- IPSASB amendments: To align terminology in GRAP 12 with that in IPSAS 12. The term "ammunition" in IPSAS 12 was replaced with the term "military inventories" and provides a description of what it comprises in accordance with Government Finance Statistics terminology

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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	3,800,092	-	3,800,092	7,140,083	-	7,140,083

Reconciliation of investment property - 2021

	Opening balance	Fair value adjustments	Total
Investment property	7,140,083	(3,339,991)	3,800,092

Reconciliation of investment property - 2020

	Opening balance	Fair value adjustments	Total
Investment property	15,570,000	(8,429,917)	7,140,083

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.

Fair Valuation:

The fair values of Investment Property as disclosed in the Annual Financial Statements are based on the valuation by Lutendo Group, an independent valuer who is adequately qualified and has experience in the valuation industry.

The valuation assumptions applied include recent sales comparisons approach investment properties.

Investment property were assessed for impairment as at year end, those which have indicator of impairments were impaired.

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3. Investment property (continued)

There was no repairs and maintenance incurred during the year for Investment Property.

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	8,393,442	-	8,393,442	8,393,442	-	8,393,442
Buildings	39,286,940	(4,321,205)	34,965,735	25,086,419	(3,387,563)	21,698,856
Movable assets	103,179,454	(30,745,152)	72,434,302	65,493,095	(27,505,472)	37,987,623
Community assets	131,448,642	(18,079,070)	113,369,572	90,031,306	(13,357,077)	76,674,229
Road infrastructure	429,752,639	(47,494,108)	382,258,531	399,757,137	(31,644,469)	368,112,668
Leased assets	6,400,628	(3,555,393)	2,845,235	6,400,628	(1,532,186)	4,868,442
WIP - Infrastructure	327,667,067	-	327,667,067	216,700,774	-	216,700,774
Electricity assets	81,937,396	(1,810,531)	80,126,865	25,887,001	(777,611)	25,109,390
Total	1,128,066,208	(106,005,459)	1,022,060,749	837,749,802	(78,204,378)	759,545,424

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers received	Transfers	Depreciation	Impairment loss	Impairment reversal	Total
Land	8,393,442	-	-	-	-	-	-	-	8,393,442
Buildings	21,698,856	-	-	14,200,521	-	(901,996)	(31,646)	-	34,965,735
Movable assets	37,987,623	38,409,423	(215,645)	1,309,901	-	(7,154,020)	(931,644)	3,028,664	72,434,302
Community assets	76,674,229	-	-	41,417,336	-	(4,721,993)	-	-	113,369,572
Road infrastructure	368,112,668	-	-	29,995,501	-	(13,033,966)	(2,815,672)	-	382,258,531
Leased Assets	4,868,442	-	-	-	-	(2,023,207)	-	-	2,845,235
WIP - Infrastructure	216,700,774	263,008,883	-	-	(142,973,654)	-	(9,068,936)	-	327,667,067
Electricity Assets	25,109,390	-	-	56,050,395	-	(1,032,920)	-	-	80,126,865
	759,545,424	301,418,306	(215,645)	142,973,654	(142,973,654)	(28,868,102)	(12,847,898)	3,028,664	1,022,060,749

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	8,393,442	-	-	-	-	-	8,393,442
Buildings	22,636,313	-	-	(42,101)	(895,356)	-	21,698,856
Movable assets	41,897,739	9,548,697	104,120	3,098,105	(6,265,470)	(10,395,568)	37,987,623
Community	81,232,389	380,428	-	(210,327)	(4,539,186)	(189,075)	76,674,229
Road - Infrastructure	261,091,499	118,369,580	-	-	(10,136,212)	(1,212,199)	368,112,668
Leased Assets	388,072	6,004,797	-	-	(1,524,427)	-	4,868,442
WIP - Infrastructure	172,890,031	182,691,955	-	(138,881,212)	-	-	216,700,774
Electrical assets	4,911,342	20,252,658	148,309	-	(164,672)	(38,247)	25,109,390
	593,440,827	337,248,115	252,429	(136,035,535)	(23,525,323)	(11,835,089)	759,545,424

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4. Property, plant and equipment (continued)

The Municipality reviewed the Property, Plant and equipment useful lives and residual values as at 30 June 2021. The Municipality assessed the assets conditions for impairment as at year-end resulting in some assets been impaired. Impairment reversal was as a results of improved condition of assets which were poor in previous years

Pledged as security

During the financial year ended 30 June 2021, no components of property, plant and equipment were pledged as security for borrowings or banking facilities.

Included in the Work in Progress - Infrastructure, are electrification of villages WIP assets amounting to 2019: R27 555 400 funded from INEP grant. These assets will be transferred to a third party (Eskom), upon completion and are not the asset of the Municipality.

Other information

The completion of the following projects were delayed:

Vuwani projects: due to reasons which include strikes and community disputes to fall under CCLM and the Municipality did not have access at Vuwani.

ICT Infrastructure: The project completion was delayed due to budget constraints, the project has been budgeted for completion in the coming financial year 2021/22. The municipality is still committed to complete the project and was not discontinued hence no indication for impairment were identified.

Malamulele Bus Terminal: There was a delay in starting the project due to budget constraints. During 2020 financial year the project was at design stage, subsequently the project has started during the current year 2020/21. WIP not impaired as it is in progress.

Vuwani Sibudi Vyeboom road	14,591,940	4,715,090
Malamulele D streets	41,969,488	41,969,488
Sasekane Ring Road	-	5,033,523
Upgrading of vuwani sport facilities	1	9,068,936
ICT Infrastructure	6,544,196	6,544,196
Malamulele Bus terminal	1,119,916	175,867
	64,225,541	67,507,100

Cummulative expenditure for Work in Progress (WIP) as at year end was as follows:

Road Infrastructure	158,427,552	82,610,365
Electrical Infrastructure	33,777,014	29,824,984
Community assets	79,335,251	70,771,592
Building assets	49,583,056	26,949,637
ICT Infrastructure	6,544,196	6,544,196
	327,667,069	216,700,774

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4. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

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

Electricity	7,478,650	898,112
Buildings	979,003	703,408
Machinery and equipment	2,958,672	865,168
Roads infrastructure	10,261,949	3,199,349
Motor vehicles	446,128	229,216
Community assets	30,346	95,966
	22,154,748	5,991,219

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, other	6,016,067	(2,258,475)	3,757,592	5,585,822	(1,072,000)	4,513,822

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software, other	4,513,822	430,245	(1,186,475)	3,757,592

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software, other	509,250	4,485,962	(481,390)	4,513,822

The municipality has reviewed the useful lives, residual values and performed assessment of impairment as at 30 June 2021

6. Heritage assets

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Mayoral chain and gowns	1,126,500	-	1,126,500	1,126,500	-	1,126,500

Reconciliation of heritage assets 2021

	Opening balance	Total
Mayoral chain and gowns	1,126,500	1,126,500

Reconciliation of heritage assets 2020

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Notes to the Annual Financial Statements

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6. Heritage assets (continued)			
	Opening balance	Additions	Total
Mayoral chain and gowns	-	1,126,500	1,126,500
7. Other financial assets			
Residual interest at cost			
Investment - VBS		122,410,521	122,410,521
		122,410,521	122,410,521
Impairments		(122,410,519)	(122,410,519)
		2	2
Non-current assets			
Residual interest at cost		2	2

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8. Employee benefit obligations

Defined benefit plan

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

Defined benefit obligation: Long service award	3,834,000	3,139,000
Defined benefit Obligation: Unused leave days	7,796,529	6,371,081
	11,630,529	9,510,081

8.1 Long-Service award

The municipality provides long service awards to its permanent employees. The municipality offers rewards for specified year intervals of completed years of services.

In accordance with prevailing legislation, the defined benefits funds are actuarially valued at intervals of every year. The latest valuation was performed by ARCH Actuarial Consulting for 30 June 2021.

Long service awards relate to the legal obligation to provide long service awards. Actuarial benefits have been calculated for 201 eligible employee as at 30 June 2021 that are entitled to long service awards.

The long service awards liability is not a funded arrangement. i.e no assets have been set aside to meet this liability. The municipality offers rewards as per specified year intervals of completed service.

	2021	2020
Long term portion	R3 191 000	R3 004 000
Current portion	R643 000	R135 000
	R3 834 000	R3 139 000

Reconciliation of long service award:

	2021	2020
Opening liability	R3 139 000	R2 549 000
Current-service cost	R472 000	R399 000
Interest cost	R228 000	R201 000
Expected benefit vesting	R135 000	(R139 000)
Actuarial loss/ (gain)	R130 000	R129 000

Closing liability

R3 834 000 **R3 139 000**

The plan is a final salary pension / flat plan or a post employment medical benefit plan.

Key assumptions

	2021	2020
Discount rate (%)	10	7
General salary inflation (%)	6	4
Net discount rate (%)	4	3
Average retirement age (Years)	62	62
	-	-

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8. Employee benefit obligations (continued)

8.2 Unused leave days.

This is the present value of the total unused leave benefit expected to become payable under the employer's current service arrangements and based on the assumption made.

This may be regarded as the amount of money that should be set aside in present day terms to cover all expected unused leave benefit for current employees.

	2021	2020
Long term portion	R2 586 457	R1 618 405
Current portion	R5 210 072	R4 752 676
	R7 796 529	R6 371 081

Reconciliation of of unused leave provision:

	2021	2020
Opening liability	R6 371 081	R6 458 699
Current service cost	R1 003 673	R829 120
Interest cost	R622 290	R574 005
Expected benefits vesting	(R289 455)	(R356 185)
Actuarial Loss/ (gain)	R88 940	(R1 134 558)

Closing liability

R7 796 529 **R6 371 081**

Assumption used at the reporting date

	2021	2020
Discount rates used	9.82%	10.14%
General salary inflation	6.15%	5.76%
Net discount rate	3.46%	4.15%
Average retirement age	62	62

9. Inventories

Consumable stores	4,590,815	3,892,138
Land inventory	13	13
	4,590,828	3,892,151

Inventories recognised as an expense during the year 483,556 5,830,269

"Land inventory is recognised at R1 fair value which equate to net realisable value due to illegal occupation."

10. Other receivables from exchange transactions

Deposits	1,418,760	862,295
Sundry debtors	7,628,755	8,659,084
Sundry debtors - impairment	(7,375,273)	(8,394,324)
	1,672,242	1,127,055

There was no sundry debtors which was pledged as collateral

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11. Receivables from non-exchange transactions		
Traffic fines	1,129,802	584,750
Traffic fines - Impairment	(985,852)	(279,800)
Property rates	105,233,407	83,811,356
Property rates - impairment	(98,696,530)	(77,089,485)
	6,680,827	7,026,821
Ageing for rates.	2021	2020
Current (0-30 days)	2,636,594	17,800,727
31-60 days	2,431,497	2,782,611
61- 90 days	2,416,233	2,569,804
91-120 days	2,368,201	2,813,984
121-365 days	18,143,719	17,061,971
> 365 days	77,237,163	40,782,259
	105,233,407	83,811,356
Less: Allowance for impairment	(98,696,530)	(77,089,485)
	6,536,877	6,721,871
Fair value of consumer debtors approximates the carrying amount thereof.		
12. Consumer receivables from exchange transaction		
Gross balances		
Refuse	21,000,111	18,157,830
Consumer debtors - other	81,325,893	81,325,893
	102,326,004	99,483,723
Less: Allowance for impairment		
Refuse	(20,038,061)	(16,545,333)
Others	(81,325,891)	(81,325,891)
	(101,363,952)	(97,871,224)
Net balance		
Refuse	962,050	1,612,497
Other	2	2
	962,052	1,612,499
Refuse		
Current (0 -30 days)	332,626	7,754,280
31 - 60 days	320,120	254,141
61 - 90 days	315,540	492,308
91 - 120 days	318,418	239,387
121 - 365 days	2,113,883	1,605,043
> 365 days	17,599,524	7,812,671
Less: Allowance for impairment	(20,038,061)	(16,545,333)
	962,050	1,612,497
Other		
> 365 days	81,325,893	81,325,893
Less: Allowance for impairment	(81,325,891)	(81,325,891)
	2	2

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
12. Consumer receivables from exchange transaction (continued)		
Summary of debtors by customer classification		
Residential		
Current (0 -30 days)	1,105,531	72,242,920
31 - 60 days	1,086,042	849,567
61 - 90 days	1,067,096	836,476
91 - 120 days	1,063,758	830,199
121 - 365 days	7,274,736	5,994,415
> 365 days	122,962,208	43,967,242
	134,559,371	124,720,819
Industrial/ Commercial		
Current (0 -30 days)	500,405	6,248,545
31 - 60 days	400,236	241,299
61 - 90 days	398,644	117,230
91 - 120 days	393,120	115,229
121 - 365 days	1,286,507	834,753
> 365 days	12,533,578	5,621,918
	15,512,490	13,178,974
Government		
Current (0 -30 days)	986,036	2,570,562
31 - 60 days	1,304,229	1,983,929
61 - 90 days	1,303,916	1,903,898
91 - 120 days	1,273,817	1,794,013
121 - 365 days	11,380,662	14,875,018
> 365 days	41,238,890	22,188,392
	57,487,550	45,315,812
	-	-
Total		
Current (0 -30 days)	2,591,972	81,062,026
31 - 60 days	2,790,507	3,074,794
61 - 90 days	2,769,656	2,857,604
91 - 120 days	2,730,695	2,739,441
121 - 365 days	19,941,905	21,704,186
> 365 days	176,734,676	71,777,553
	207,559,411	183,215,604
13. VAT receivable		
VAT	37,329,736	18,508,145

Provision for impairment- VAT

Included in the VAT Receivable balance is a provision for impairment related to VAT disputed by SARS amount to R5 075 730 2020: R2 667 826

The municipality accounts for VAT on the cash basis when preparing VAT returns, the accrual basis of accounting is applied in capturing vat on the accounting system.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

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Notes to the Annual Financial Statements

Figures in Rand

14. Cash and cash equivalents (continued)

Cash on hand	-	69,404
Bank balances	300,816,954	373,943,330
Investments (Fixed deposit)	100,663,322	-
	401,480,276	374,012,734

New 12 month fixed deposits were made with Nedbank and Standard bank during the year ended 30 June 2021.

There difference between the bank statement and cash book was due to cash on hand as at 30 June 2020. There was no short-term investment made during the year ended 30 June 2020.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2021	June 30, 2020	June 30, 2019
FNB Current Account - 62632407020	300,816,954	373,943,330	330,956,279	300,816,954	374,012,733	330,956,279
Nedbank 12 Months Fixed Deposit - 03/7881166908/000	50,319,315	-	-	50,319,315	-	-
Standard Bank 12 Months Fixed Deposit - 00258624817	50,344,007	-	-	50,344,007	-	-
Total	401,480,276	373,943,330	330,956,279	401,480,276	374,012,733	330,956,279

15. Finance lease obligation

Minimum lease payments due

- within one year	2,156,328	1,911,909
- in second to fifth year inclusive	953,555	3,109,883

Present value of minimum lease payments

3,109,883	5,021,792
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Non-current liabilities	953,555	3,109,883
Current liabilities	2,156,328	1,911,909

3,109,883	5,021,792
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Municipality has entered into a contract to lease photocopier machines for a non-renewable period of 36 month. The lease agreement provides for monthly payments with 10% annual escalation.

16. Unspent conditional grants and receipts

The Municipality has no unspent conditional grant as at 30 June 2021. The unspent grant was there for 30 June 2020. Below is the detail reconciliation:

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

INEP	-	894,694
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Collins Chabane Local Municipality

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Figures in Rand	2021	2020
17. Payables from exchange transactions		
Trade payables	55,926,486	31,213,387
Payments received in advance from customers	3,865,936	3,668,980
Sundry creditors	6,370,410	3,976,657
Accrued bonus - 13th cheque	2,729,978	2,571,278
Unallocated deposits	400,542	561,264
Retention	41,201,005	27,765,728
Department of Transport	1,171,694	1,426,733
	111,666,051	71,184,027

Payables increase is linked to the growth of the municipality on project implementation and invoices not paid at year end.

18. Total revenue

Rendering of services	4,733,190	1,313,554
Service charges	4,774,999	3,583,061
Agency services	2,278,364	1,888,807
Licences and permits	2,658,734	3,015,106
Rental income	47,483	13,858
Interest earned - bank	7,279,234	10,674,171
Property rates	35,053,505	34,729,475
Government grants & subsidies	581,485,690	476,504,345
Traffic fines	244,220	-
Gain or (Loss) on assets/ Fair value adjustments	556,466	3,634,344
Traffic fines	689,002	531,450
	639,800,887	535,888,171

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

Service charges	4,774,999	3,583,061
Rendering of services	4,733,190	1,313,554
Agency services	2,278,364	1,888,807
Licences and permits	2,658,734	3,015,106
Rental income	47,483	13,858
Interest income - bank	7,279,234	10,674,171
	21,772,004	20,488,557

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

Taxation revenue		
Property rates	35,053,505	34,729,475
Transfer revenue		
Government grants & subsidies	581,485,690	476,504,345
Traffic fines	244,220	-
Gain on assets/ Fair value adjustments	556,466	3,634,344
Traffic fines	689,002	531,450
	618,028,883	515,399,614

Nature

Rendering of services - This include revenue for sale of tender documents, approval of building plans and proof of residence fees.

Service revenue - Is the revenue from refuse removal services provided by the municipality

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Figures in Rand	2021	2020
19. Service charges		
Refuse removals	4,774,999	3,583,061
20. Rental income		
Rental income - third party	47,483	13,858
21. Interest revenue		
Interest revenue		
Interest income	7,279,234	10,674,171
During the current year interest were earned from the primary bank account and 12 month fixed deposit.		
22. Property rates		
Rates received		
Property rates	35,053,505	34,729,475
Valuations		
Residential	1,494,398,591	1,272,602,591
Commercial	462,528,000	399,216,000
Agricultural	926,186,000	858,186,000
Government	1,063,067,004	1,035,227,004
	3,946,179,595	3,565,231,595

Collins Chabane Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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23. Government grants and subsidies

Operating grants

Equitable share	477,995,000	369,556,035
Financial Management Grant (FMG)	2,300,000	2,345,000
Extended Public Works Programme Grant (EPWP)	1,161,000	1,169,000
Disaster Relief Grant (DRG)	-	298,000
	481,456,000	373,368,035

Capital grants

Municipal Infrastructure Grant (MIG)	88,475,000	94,031,000
Integrated National Electrification Program Grant (INEP)	11,554,690	9,105,310
	100,029,690	103,136,310
	581,485,690	476,504,345

Equitable Share

In terms of the constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy which is funded from the grant.

Finance Management Grant (FMG)

Current-year receipts	2,300,000	2,345,000
Conditions met - transferred to revenue	(2,300,000)	(2,345,000)
	-	-

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

This grant is used to promote and support reforms to municipal financial management and implementation of MFMA, 2003. The conditions of the grant were met. No funds have been withheld.

Municipal Infrastructure Grant (MIG)

Current-year receipts	88,475,000	94,031,000
Conditions met - transferred to revenue	(88,475,000)	(94,031,000)
	-	-

The grant conditions were met.

This grant was used to construct Municipal Infrastructure to provide basic services for the benefit of communities.

Integrated National Electrification Programme

Balance unspent at beginning of year	894,689	-
Current-year receipts	10,660,000	10,000,000
Conditions met - transferred to revenue	(11,554,689)	(9,105,311)
	-	894,689

Grant Conditions were met for 2021 - remain liabilities (see note 16). The grant conditions were not met in 2020. The Municipality has applied for the Roll - Over of the grant

The grant is used for electrification of villages projects

Extended Public Works Program (EPWP)

Collins Chabane Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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23. Government grants and subsidies (continued)

Current-year receipts	1,161,000	1,169,000
Conditions met - transferred to revenue	(1,161,000)	(1,169,000)
	-	-

Grant conditions were met. The grant is used to create temporarily work for unemployed people.

Municipal Disaster Relief Grant

Current-year receipts	-	298,000
Conditions met - transferred to revenue	-	(298,000)
	-	-

No grant was received during the current year. All grant conditions were met in 2020. The grant was used for Covid-19 Relief

Covid-19 relief grant

Current-year receipts	1,302,000	-
Current - spending	(577,382)	-
	724,618	-

The municipality received an additional Equitable Shares of R82 million during the financial year 2020/21. Out of the additional allocation the municipality allocated a budget of R1 302 000 for Covid-19 expenses for the year under review. Although the grant was allocated through the unconditional grant (Equitable shares), municipalities were requested to apply for unspent grant allocated to Covid-19 relief as per MFMA Circular 108.

24. Public contributions and donations

Public contributions and donations	244,220	-
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The municipality received donation of books for the benefit of the community. Tools with values of less than R2000 rand each were also received for use in the provision of services deliveries.

Collins Chabane Local Municipality

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Annual Financial Statements for the year ended June 30, 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
25. Employee related costs		
Basic	76,474,703	73,365,741
Cellphone allowance	283,300	5,000
Bonus	6,616,627	4,338,968
Medical aid - company contributions	3,868,690	3,489,204
UIF	366,745	408,470
Other payroll levies	21,846	21,293
Leave pay provision charge	1,765,617	(502,386)
Travel, motor car, accommodation and other allowances	10,558,207	9,821,112
Overtime payments	4,747,632	2,792,653
Long-service awards	791,688	134,366
Housing benefits and allowances	163,002	178,998
Pension fund contribution	13,811,478	12,221,304
Uniform allowance	10,000	10,041
	119,479,535	106,284,764
Remuneration of Municipal Manager		
Annual Remuneration	658,875	967,866
Car Allowance	209,066	278,061
Bonus	137,265	-
Termination benefits	422,355	-
Leave payments	259,090	-
	1,686,651	1,245,927
The Municipal Manager resigned effective 28 February 2021		
Remuneration of Chief Finance Officer		
Annual Remuneration	811,455	402,058
Car Allowance	228,872	113,468
Acting allowance	-	71,921
	1,040,327	587,447
Remuneration of Senior Manager - Corporate Services		
Annual Remuneration	811,455	803,383
Car Allowance	228,872	226,742
Acting allowance	198,946	93,334
	1,239,273	1,123,459
Remuneration of Senior Manager - Spatial Planning and Development		
Annual Remuneration	405,728	803,383
Car Allowance	114,436	226,742
Leave pay	199,743	-
	719,907	1,030,125
Senior Manager- Spatial Planning and Development resigned effective December 2020. There was an Acting Senior Manager effective from February 2021		
Remuneration of Senior Manager - Technical service		
Annual Remuneration	749,035	742,798

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
25. Employee related costs (continued)		
Car Allowance	228,872	226,742
Bonus	62,420	62,420
	1,040,327	1,031,960
Remuneration of Senior Manager - Community Services		
Annual Remuneration	811,455	803,383
Car Allowance	228,872	226,742
	1,040,327	1,030,125
Acting Senior Manager Spatial Planning and Development		
Acting Allowance	103,590	-
Manager- Building and control Mr. C Radali started acting on the position of Senior Spacial Planning and Development effective from February 2021		
26. Remuneration of councillors		
Mayor	860,859	848,415
Speaker	550,950	547,842
Remuneration and allowances for other councillors	25,143,571	25,346,889
	26,555,380	26,743,146
27. Depreciation and amortisation		
Property, plant and equipment	28,868,103	23,525,629
Amortisation of assets	1,186,475	481,390
	30,054,578	24,007,019
28. Impairment of assets		
Impairments		
Property, plant and equipment	12,847,898	11,835,089
Reversal of impairments		
Property, plant and equipment	(3,028,664)	-
Total impairment losses (recognised) reversed	9,819,234	11,835,089
The Impairment reversal was as a results of improved condition (through repairs) of assets which were poor in previous years		
29. Finance cost		
Finance leases	138,679	110,625
30. Impairment		
Debt impairment	27,201,205	62,568,803

Collins Chabane Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
31. Contracted services		
Outsourced services		
Security services	13,743,932	11,379,454
Consultants and professional services		
Business advisory	20,313,502	27,644,861
Legal costs	11,887,836	8,001,285
IT services and others	34,197,480	11,654,326
	80,142,750	58,679,926
32. General expenses		
Advertising	927,070	1,816,441
Auditors remuneration	4,045,784	4,117,953
Bank charges	414,426	281,353
Consumables	8,227,545	5,711,456
Insurance	4,424,530	7,627,414
Printing and stationery	1,473,962	705,769
Protective clothing	605,883	1,531,129
Subscriptions and membership fees	51,877	33,835
Telephone and fax	446,288	346,145
Transport and freight	-	4,680
Venue, conference and catering	2,703,018	5,312,455
Accommodation	1,708,499	3,366,206
Ward committees	4,894,440	6,123,803
Travel - local	691,880	1,091,269
Electricity	7,209,806	4,595,864
Licences and permits (non-vehicle)	1,495,836	295,465
IDP forum and other trainings	5,841,209	6,819,000
Bursary	1,505,154	343,516
Workmens compensation	66,850	37,490
Information and technology	3,733,919	1,684,942
Indigent expenses	5,071,365	4,529,745
Social relief	-	110,355
	55,539,341	56,486,285
33. Loss on disposal of assets		
Loss on disposal of assets	(215,645)	-
34. Fair value adjustments		
Investment property (Fair value model)	(3,339,991)	(8,429,917)
35. Auditors' remuneration		
Fees	4,045,784	4,117,953

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
36. Cash generated from operations		
Surplus	265,159,801	174,751,378
Adjustments for:		
Depreciation and amortisation	30,054,578	24,007,019
Gain on sale of assets and liabilities	215,645	-
Fair value adjustments	3,339,991	8,429,917
Finance costs - Finance leases	138,679	110,625
Impairment deficit	9,819,234	11,835,089
Debt impairment	27,201,205	62,568,803
Prior year adjustment	-	(1,992,623)
Gain/ loss on assets	-	4,831,847
Employee benefit obligations	-	502,382
Accrued Bonus	-	1,436,480
Changes in working capital:		
Inventories	(698,677)	(2,633,158)
Other receivables from exchange transactions	(545,187)	(695,645)
Receivable from non-exchange	(26,925,517)	(31,451,867)
Consumer receivables from exchange	2,297,758	(2,259,445)
Payables from exchange transactions	41,025,376	1,006,078
VAT receivable	(18,821,591)	(7,469,232)
Unspent conditional grants and receipts	(894,694)	894,695
Finance lease liabilities	-	(1,481,387)
	331,366,601	242,390,956

37. Financial instruments disclosure

Categories of financial instruments

2021

Financial assets

	Fair value	Total
Trade and other receivables from non-exchange transactions	6,680,827	6,680,827
Trade and other receivables from exchange transactions	962,052	962,052
Cash and cash equivalent	401,480,276	401,480,276
Other receivables from exchange transactions	1,672,242	1,672,242
Other financial assets	2	2
	410,795,399	410,795,399

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	111,666,051	111,666,051
Finance lease obligation	3,109,883	3,109,883
Employee benefit obligations	11,630,528	11,630,528
	126,406,462	126,406,462

2020

Financial assets

	At fair value	Total
Trade and other receivables from non-exchange transactions	7,026,821	7,026,821
Trade and other receivables from exchange transactions	1,612,499	1,612,499

Collins Chabane Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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37. Financial instruments disclosure (continued)

Cash and cash equivalent	374,012,734	374,012,734
Trade and other receivables from exchange transactions	1,127,055	1,127,055
Other financial assets	2	2
	383,779,111	383,779,111

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	71,184,027	71,184,027
Finance lease obligation	5,021,792	5,021,792
Employee benefits obligations	9,510,081	9,510,081
	85,715,900	85,715,900

38. Commitments

:

Already contracted for but not provided for

• Property, plant and equipment	308,050,003	338,042,807
• Operational	10,680,587	43,699,943
	318,730,590	381,742,750

Commitments in respect of capital and operational expenditure are disclosed inclusive of VAT

Collins Chabane Local Municipality

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Figures in Rand	2021	2020
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39. Contingencies

Litigation comprised of the lawsuits which are deemed to be possible obligation and neither the expense nor the accompanying liability was recognised. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely.

Contingent Liabilities:

1. Nyari Violet & Others Versus LIM345 (Collins Chabane) Local Municipality

Nyari Violet and her twenty-five (25) other colleagues, Extended Public Works Programme (EPWP) contract termination by the Municipality). The municipality lawyers and management consider the likelihood of the action against the municipality being successful as unlikely. R0 2020: R0

2. Midiro Civils and Construction cc (First Applicant) & Lebaka Construction (Pty) Ltd (Second Applicant) versus Engineerex (Pty) Ltd (First Responded) & Collins Chabane Local Municipality(Second Respondent); and Engineerex (Pty) Ltd (Applicant) versus Collins Chabane Local Municipality (Second Defendant),

Disputed Payment Certificate for Xikundu Ring Road. The municipality lawyers and management consider the likelihood of the action against the municipality being successful as unlikely. R17 165 134.00 2020:R17 165 134.00

3. Khethwayo Construction CC (Plaintiff) versus Ndhuna Civil Engineering Services CC, Firts Defendant and LIM345 Local Municipality i.e Collins Chabane Local Municipality, Second Defendant

Disputed allegation that the Municipality paid the amount wrongfully to the bank account of the partner of the Joint Venture instead of paying the same amount to the Joint Venture bank account. The municipality lawyers and management consider the likelihood of the action against the municipality being successful as unlikely and remote. R0 2020:R0

4. Tiyani Confidence Chauke & 37 Others (Applicant) versus Collins Chauke Local Municipality (Respondent)

Dispute over permanent employment of EPWP workers within Collins Chabane Local Municipality. Legal assessment of the case put the prospect of losing the case very low. The municipality lawyers and management consider the likelihood of the action against the municipality being successful as unlikely. R0 2020:R0

5. Nkuna, Jan Wisani(First Applicant); Bila Solly Khatani (Second Applicant); The Masingita Group of Companies (Third Applicant); Mavambe Tribal Authority (Fourth Applicant); and Mavambe Tribal Council of the Mavambe Tribe(Fifth Applicant) versus Collins Chabane Municipality (12th Respondent)

The dispute is about title to ownership/control of a huge piece of Land worth 7384 hectares. The Land in question now falls under the Jurisdiction of the Collins Chabane Local Municipality. The municipality lawyers and management consider the likelihood of the action against the municipality being successful as unlikely. R0 2020:R0

6. Collins Chabane Local Municipality (Applicant) versus Mpho Richard Mshiloane N.O (First Respondent) and Tsakani Charlotte Ngobeni (Second Respondent)

Labour court application for review of the disciplinary process which cleared by Municipal Manager of any wrong doing pertaining to the investment of R120 000 000 worth of the Municipality funds with the Venda Building Society (VBS). The municipality lawyers and management consider the likelihood of the action against the municipality being successful as unlikely. R0 2020: R0

7. Collins Chabane Local Municipality Versus Sithole H.P

The applicant referred a dispute for conciliation and arbitration alleging that the municipality has unfairly dismissed him. The municipality lawyers and management consider the likelihood of the action against the municipality being successful as unlikely. R0 2020: R0.

8. Ma-Africa Party Versus Collins Chabane Local Municipality and Eight other municipalities

The applicant made an urgent application in the High Court Polokwane for an order for dissolution of amongst other the Council of Collins Chabane municipality on ground that it made an unlawful investment of R120 000 000 worth of its funds on VBS. The municipality lawyers and management consider the likelihood of the action against the municipality being successful as unlikely. R0 2020: R0

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Figures in Rand	2021	2020
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40. Related parties

Relationships

Remuneration of key management personnel (Refer to note 25)

TC Ngobeni (Municipal Manager)
RR Shilenge (Acting Municipal Manager)
NV Maluleke (Chief Financial Officer)
RR Shilenge (Senior Manager Corporate Services)
HC Mukwevho (Senior Manager Spatial Planning and Development)
RI Mabunda (Senior Manager Technical Services)
GL Maluleke (Senior Manager Community Services)
C Radali (Acting Senior Manager Spatial Planning and Development)

Refer to detail remuneration below:

Councillors

Remuneration of councillors

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Figures in Rand

40. Related parties (continued)

Councillors

2021

Name	Basic salary	Car allowance and Other allowances	Telephone allowance	Total
Cllr Maluleke M (Mayor)	860,859	-	44,400	905,259
Cllr Lebea ME (Speaker)	550,950	137,738	44,400	733,088
Cllr Chauke MG (Chief Whip)	516,517	129,129	44,400	690,046
Cllr Maluleke SG	516,517	129,129	44,400	665,213
Cllr Mashimbye FP	516,517	129,129	44,400	665,213
Cllr TM Mutele	288,154	72,829	44,400	390,739
Cllr Mavikane SX	516,517	129,129	44,400	690,046
Cllr Makhaha AJ	288,154	72,039	44,400	404,593
Cllr Chauke HG	288,154	72,039	44,400	404,593
Cllr Fungheni MC	24,013	6,003	3,700	33,716
Cllr Baloyi DL	288,154	72,039	44,400	404,593
Cllr Shivambu SS	217,944	54,486	44,400	316,830
Cllr Mabasa D	238,527	57,059	44,400	340,446
Cllr Khoza TG	217,944	54,486	44,400	316,830
Cllr Matamela MS	217,944	54,486	44,400	316,830
Cllr Masangu GD	217,944	54,486	44,400	316,830
Cllr Chauke TR	217,944	54,486	44,400	316,830
Cllr Maluleke ET	217,944	54,486	44,400	316,830
Cllr Simango MR	217,944	54,486	44,400	316,830
Cllr Maluleke LR	281,281	70,100	44,400	395,781
Cllr Hlongwane SG	93,231	23,308	14,800	131,339
Cllr Makhubele HT	217,944	54,486	44,400	316,830
Cllr Ndove HD	279,694	69,924	44,400	394,018
Cllr Mudau TS	506,139	126,544	44,400	677,083
Cllr Mabasa KK	217,944	54,486	44,400	316,830
Cllr Ngobeni MR	217,944	54,486	44,400	316,830
Cllr Mabasa JM	279,694	69,924	44,400	394,018

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40. Related parties (continued)

Cllr Baloyi HR	217,944	54,486	44,400	316,830
Cllr Rivombo KE	217,944	54,486	44,400	316,830
Cllr Sunduza ZW	217,944	54,486	44,400	316,830
Cllr Chabangu TC	217,944	54,486	44,400	316,830
Cllr Khosa HJ	217,944	54,486	44,400	316,830
Cllr Mabunda MC	217,944	54,486	44,400	316,830
Cllr Chauke NS	217,944	54,486	44,400	316,830
Cllr Munyai N	217,944	54,486	44,400	316,830
Cllr Mukhomi VN	217,944	54,486	44,400	316,830
Cllr Maluleke MP	217,944	54,486	44,400	316,830
Cllr Ngobeni NE	217,944	54,486	44,400	316,830
Cllr Mahlale S	217,944	54,486	44,400	316,830
Cllr Moyo MT	279,694	69,924	44,400	394,018
Cllr Mathonsi NP	217,944	54,486	44,400	316,830
Cllr Sambo TM	217,944	54,486	44,400	316,830
Cllr Sithole MW	217,944	54,486	44,400	316,830
Cllr Shandukani	279,694	69,924	44,400	394,018
Cllr Chavani PJ	217,944	54,486	44,400	316,830
Cllr Mashakeni KE	217,944	54,486	44,400	316,830
Cllr Mulaudzi TN	279,694	69,923	44,400	394,017
Cllr Mudau RP	279,694	69,924	44,400	394,018
Cllr Ndzovela NG	217,944	54,486	44,400	316,830
Cllr Rekhoto SM	279,694	69,924	44,400	394,018
Cllr Nkuna DT	217,944	54,486	44,400	316,830
Cllr Miyambo ZQ	279,694	69,924	44,400	394,018
Cllr Baloyi MJ	217,944	54,946	44,400	317,290
Cllr Baloyi NL	217,944	54,486	44,400	316,830
Cllr Mahlangu D	279,694	69,924	44,400	394,018
Cllr Mabasa RC	279,694	69,924	44,400	394,018
Cllr Baloyi OC	217,944	54,486	44,400	316,830
Cllr Vukeya TE	217,944	54,486	44,400	316,830
Cllr Chauke HM	217,944	54,486	44,400	316,830
Cllr Machovani RG	217,944	54,486	44,400	316,830
Cllr Tshiredo CE	217,944	54,486	44,400	316,830
Cllr Hlabangwani TL	217,944	54,486	44,400	316,830
Cllr Radzivhoni CM	217,944	55,406	44,400	317,750

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40. Related parties (continued)

Cllr Masia TM	288,154	72,384	44,400	404,938
Cllr Mathoma MP	217,944	54,486	44,400	316,830
Cllr Rikhotso GM	217,944	54,486	44,400	316,830
Cllr Thovhakale MS	217,944	54,946	44,400	317,290
Cllr Ngobeni	217,944	54,486	44,400	316,830
Cllr Muavha S	217,944	54,486	44,400	316,830
Cllr Maswanganyi TC	217,944	54,486	44,400	316,830
Cllr Bila TJ	217,944	54,486	44,400	316,830
Cllr Mathavha HF	93,231	-	1,200	94,431
Cllr Baloyi ME	181,620	45,405	37,000	264,025
	18,941,116	4,493,964	3,120,300	26,555,380

2020

Name	Basic salary	Car allowance	Telephone allowance	Total
Cllr Maluleke M (Mayor)	848,415	-	44,400	892,815
Cllr Lebea ME (Speaker)	547,842	132,882	44,400	725,124
Cllr Chauke MG (Chief Whip)	513,603	124,576	44,400	682,579
Cllr Maluleke SG	513,602	124,576	44,400	682,578
Cllr Mashimbye FP	514,472	124,576	44,400	683,448
Cllr Mutele MT	287,617	69,499	44,400	401,516
Cllr Mavikane SX	514,472	124,574	44,400	683,446
Cllr Makhaha AJ	287,545	69,499	44,400	401,444
Cllr Chauke DG	287,545	67,057	44,400	399,002
Cllr Fungheni MC	287,545	69,499	44,400	401,444
Cllr Baloyi DL	287,545	69,499	44,000	401,044
Cllr Shivambu SS	217,483	56,565	44,400	318,448
Cllr Mabasa D	217,483	52,565	44,400	314,448
Cllr Khoza TG	217,483	52,565	44,400	314,448
Cllr Matamela MS	217,483	52,565	44,400	314,448
Cllr Masangu GD	217,483	52,565	44,400	314,448
Cllr Chauke TR	217,483	52,565	44,400	314,448
Cllr Maluleke ET	217,483	52,565	44,400	314,448

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40. Related parties (continued)

Cllr Simango MR	217,483	52,565	44,400	314,448
Cllr Mauleke LR	280,309	67,458	44,400	392,167
Cllr Hlongwane SG	280,309	67,458	44,400	392,167
Cllr Makhubela HT	229,731	52,565	44,400	326,696
Cllr Ndove HD	292,557	67,458	44,400	404,415
Cllr Mudau TS	515,532	122,074	44,400	682,006
Cllr Mabasa KK	229,731	52,565	44,400	326,696
Cllr Ngobeni MR	229,731	52,565	44,400	326,696
Cllr Mabasa J	280,309	67,458	44,400	392,167
Cllr Baloyi HR	217,483	52,565	44,400	314,448
Cllr Rivombo KE	217,483	52,565	44,400	314,448
Cllr Sunduza ZW	217,483	52,565	44,400	314,448
Cllr Chabangu TC	217,483	52,565	44,400	314,448
Cllr Khosa HJ	217,483	52,565	44,400	314,448
Cllr Mabunda MC	217,843	52,565	44,400	314,808
Cllr Chauke NS	217,843	52,565	44,400	314,808
Cllr Munyai N	217,843	52,565	44,400	314,808
Cllr Mukhomi VN	217,843	52,565	44,400	314,808
Cllr Maluleke MP	217,843	52,565	44,400	314,808
Cllr Ngobeni NE	217,843	52,565	44,400	314,808
Cllr Mahlale S	217,843	52,565	44,400	314,808
Cllr Moyo MT	280,309	67,458	44,400	392,167
Cllr Mathonsi NP	217,843	52,565	44,400	314,808
Cllr Sambo TM	217,843	52,565	44,400	314,808
Cllr Sithole MW	217,843	52,565	44,400	314,808
Cllr Shandukani MJ	292,557	67,458	44,400	404,415
Cllr Chavani PJ	217,843	52,565	44,400	314,808
Cllr Mashakeni KE	217,843	52,565	44,400	314,808
Cllr Mulaudzi TN	292,557	67,458	44,400	404,415
Cllr Mudau RP	292,557	67,458	44,400	404,415
Cllr Ndzovela NG	217,843	52,565	44,400	314,808
Cllr Rekhoto SM	280,309	67,458	44,400	392,167
Cllr Nkuna DT	217,483	52,565	44,400	314,448
Cllr Miyambo ZQ	292,557	67,458	44,400	404,415
Cllr Baloyi MJ	217,843	52,565	44,400	314,808
Cllr Baloyi NL	217,843	52,565	44,400	314,808

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40. Related parties (continued)

Cllr Mahlangu D	292,557	67,458	44,400	404,415
Cllr Mabasa RC	292,557	67,458	44,400	404,415
Cllr Baloyi OC	217,843	52,565	44,400	314,808
Cllr Vukeya TE	217,843	52,565	44,400	314,808
Cllr Chauke HM	217,843	52,565	44,400	314,808
Cllr Machovani RG	217,843	52,565	44,400	314,808
Cllr Tshiredo CE	217,843	52,565	44,400	314,808
Cllr Hlabangwani TL	217,843	52,565	44,400	314,808
Cllr Radzivho CM	217,843	52,565	44,400	314,808
Cllr Masia TM	287,545	69,499	44,400	401,444
Cllr Mathoma MP	217,843	52,565	44,400	314,808
Cllr Rikhotso GM	195,883	52,565	44,400	292,848
Cllr Thovhakale MS	217,843	52,565	44,400	314,808
Cllr Ngobeni NL	217,843	52,565	44,400	314,808
Cllr Muavha S	217,843	52,565	44,400	314,808
Cllr Maswanganyi TC	217,843	52,565	44,400	314,808
Cllr Bila TJ	217,843	52,565	44,400	314,808
	19,161,723	4,395,303	3,142,200	26,743,146

Refer to the general information for a full list of councillors

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41. Prior-year adjustments

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

2020:

Statement of financial position and disclosures

Trade payables

Trade payables was misstated by R1 992 621 as at 30 June 2020. The error was corrected in current year by restating the opening balance

2020:

Statement of financial performance

Contracted Services

Contracted services was misstated by R1 265 311 as at 30 June 2020. The error was corrected in the current year by restating the opening balances

General Expenses

General expenses was misstated by R727 310 as at 30 June 2020. The error was corrected in the current year by restating the opening balances

Statement of financial position

2020

	Note	As previously reported	Correction of error	Restated
Trade payables		(33,206,008)	1,992,621	(31,213,387)
Accumulated surplus		(1,089,902,022)	(1,992,621)	(1,091,894,642)
		-	-	-

Statement of financial performance

2020

	Note	As previously reported	Correction of error	Restated
Contracted services		(59,945,238)	1,265,311	(58,679,926)
General expenditure		(57,213,595)	727,310	(56,486,285)
Surplus for the year		-	1,992,621	-

42. Comparative figures

Item in the annual financial statements are presented with their corresponding comparative figures for the previous financial year period.

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43. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Interest rate risk

The municipality has interest-bearing assets which include short-term deposits and main account. The municipality's income and operating cashflows are substantially independent of changes in market interest rate.

Interest rate exposure:	2021	2020
Short-term Investment (12 Months fixed deposit)	R100 663 322	R0

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.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. In assessing and managing credit risks management have assessed receivables for impairment.

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

	2021	2020
Maximum credit exposure		
Other receivables from exchange transactions	1,672,242	1,127,055
Receivables from non-exchange transactions	6,680,827	7,026,821
Consumer debtors from exchange transactions	962,052	1,612,499
Cash and cash equivalents	401,480,276	374,012,734
Other financial assets	2	2
	410,795,399	383,779,111

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.

Future commitment will be covered with through cash reserves and approved MTEF budget.

At June 30, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payable from exchange transactions	111,666,051	-	-	-
Finance lease obligation	2,156,328	953,555	-	-
Employee benefits obligation	5,853,072	5,777,457	-	-
At June 30, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transaction	70,649,563	-	-	-
Finance lease obligation	1,911,909	3,109,883	-	-
Employee benefits obligation	4,887,676	4,622,405	-	-
Unspent conditional grants	894,694	-	-	-

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43. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

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

	2021	2020
Financial instrument		
Finance lease obligation	3,109,883	5,021,792
Payable from exchange transactions	111,666,051	72,955,511
Employee Benefits	11,630,529	9,510,081

44. Going concern

We draw attention to the fact that at June 30, 2021, the municipality had accumulated surplus of R 1,357,054,436 and that the municipality's total assets exceed its liabilities by R 1,357,054,436.

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

Covid 19 had no significant impact on the municipality going concern. The Municipality will continue to receive its quitable shares for the financial year 2021/22

45. Events after the reporting date

No subsequent events were identified.

46. Unauthorised expenditure

Opening Balance	227,608,435	154,213,313
Incurred: Current year	45,453,428	83,758,985
Written-off	-	(10,363,863)
	273,061,863	227,608,435

Unauthorised expenditure for the financial year ended 30 June 2021: R45 453 428 and 30 June 2020: R83 758 985. This was caused by non-cash items which include depreciation and impairment of property, plant and equipment, debt impairments and fair value adjustments for investment properties, and loss on disposal of assets.

The unauthorised expenditure incurred previous year was investigated by MPAC and the Council on a meeting held on 27 August 2020 approves for the write-off amounting to R10 363 863 (Council Resolution no. A04/31/05/2019)

47. Fruitless and wasteful expenditure

Opening Balance	914,414	814,298
Add: Current year	4,605	399,787
Written-off	-	(299,671)
	919,019	914,414

The fruitless expenditure was due to the overpayment of supplier, Telkom, Eskom and SARS interest and penalties charged to the municipality.

The fruitless expenditure incurred was investigated by MPAC and the Council on a meeting held on 27 August 2020 approves for the write-off amounting to R259 876 (Council Resolution no. A20/27/08/2020)

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47. Fruitless and wasteful expenditure (continued)

The amount recovered consist of the repayment of amounts owed by the Councillors on the usage of cellphone and data on overpayment of cellphone allowances.

48. Irregular expenditure

Opening balance	18,101,411	137,582,935
Add: Irregular Expenditure - current year	82,341,432	57,517,111
Less: Amounts condoned	(85,250,413)	(176,998,635)
	15,192,430	18,101,411

The Irregular expenditure incurred were investigated by MPAC and the Council on a meeting held on January 2021 and June 2021 approves for the write-off for specific transactions totaling R85 250 413

The Irregular expenditure incurred was investigated by MPAC and the Council on a meeting held on 27 August 2020 approves for the write-off for specific transactions related to 2017/18, 2018/19 and 2019/20 amounting to R176 998 635 (Council Resolution no. A20/27/08/2020

The above amount was incurred as a result of not following the proper tender and quotation processes and procedures.

49. Additional disclosure in terms of Municipal Finance Management Act

VAT

VAT receivable	37,329,736	18,508,145
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Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at June 30, 2021:

June 30, 2021	Outstanding more than 90 days R	Total R
Cllr Baloyi NL	- 12,713	12,713
Cllr Mahlale S	- 91,443	91,443
Cllr Makhubele HT	- 5,006	5,006
Cllr Mabasa KK	- 5,257	5,257
	- 114,419	114,419

June 30, 2020	Outstanding more than 90 days R	Total R
Cllr Baloyi NL	- 8,070	8,070
Cllr Mahlale S	- 53,841	53,841
Cllr Makhubele HT	- 3,109	3,109
	- 65,020	65,020

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50. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements. Total deviation for current year was R6 379 039 2020: R6 669 505

51. Segment information

General information

Identification of segments

The municipality is organised and reports to Council on the basis of Seven (7) major functional areas or segments. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

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51. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2021

	Finance	Spatial Planning and Development	Community Services	Mayor's Office	Corporate Services	Technical Services	Municipal Manager	Total
Revenue								
Service charges	-	-	4,774,999	-	-	-	-	4,774,999
Rendering of services	1,346,830	3,222,888	163,472	-	-	-	-	4,733,190
Agency fees	-	-	2,278,364	-	-	-	-	2,278,364
Lience and permits	-	-	2,658,734	-	-	-	-	2,658,734
Rental income	-	-	47,483	-	-	-	-	47,483
Interest income	-	7,279,234	-	-	-	-	-	7,279,234
Property rates	-	35,053,505	-	-	-	-	-	35,053,505
Government grant and subsidies	480,295,000	-	-	-	-	101,190,690	-	581,485,690
Gain on assets/ Fair value	556,465	-	-	-	-	-	-	556,465
Traffic fines	-	-	689,002	-	-	-	-	689,002
Public contribution and donation	-	-	244,220	-	-	-	-	244,220
Total segment revenue	482,198,295	45,555,627	10,856,274	-	-	101,190,690	-	639,800,886
Total revenue								639,800,886

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	Finance	Spatial Planning and Development	Community Services	Mayor's Office	Corporate Services	Technical Services	Municipal Manager	Total
51. Segment information (continued)								
Expenditure								
Employee related costs	19,241,814	23,454,426	33,661,374	1,151,153	20,630,442	13,726,570	7,613,756	119,479,535
Remuneration of Councillors	-	-	-	26,555,380	-	-	-	26,555,380
Depreciation and amortisation	7,154,020	-	5,623,989	-	-	14,066,886	3,209,682	30,054,577
Impairment loss/ reversal	(2,097,020)	-	9,100,581	-	-	2,815,672	-	9,819,233
Finance cost	138,679	-	-	-	-	-	-	138,679
Debt impairment	27,201,205	-	-	-	-	-	-	27,201,205
Repairs and maintenance	-	-	11,240,952	-	476,475	10,437,321	-	22,154,748
Contracted services	14,213,596	12,408,966	14,364,684	-	32,268,571	-	6,886,932	80,142,749
General expenses	7,931,159	1,105,218	2,365,310	1,260,097	26,879,325	7,238,770	8,759,475	55,539,354
Loss on disposal of assets	215,465	-	-	-	-	-	-	215,465
Fair value adjustments	3,339,991	-	-	-	-	-	-	3,339,991
Total segment expenditure	77,338,909	36,968,610	76,356,890	28,966,630	80,254,813	48,285,219	26,469,845	374,640,916
Total segmental surplus/(deficit)								265,159,970
Assets								
Investment properties	-	-	3,800,092	-	-	-	-	3,800,092
Property, Plant and equipment	72,434,301	8,393,441	139,266,372	-	-	799,121,399	2,845,235	1,022,060,748
Intangible assets	-	-	-	-	-	-	3,757,592	3,757,592
Heritage assets	-	-	-	1,126,500	-	-	-	1,126,500
Other financial assets	2	-	-	-	-	-	-	2
Inventory	4,590,815	-	-	-	-	-	-	4,590,815
Other receivables from exchange	1,672,242	-	-	-	-	-	-	1,672,242
Receivables from non-exchange transaction	6,680,827	-	-	-	-	-	-	6,680,827
Consumer receivables from exchange	962,052	-	-	-	-	-	-	962,052
VAT receivables	37,329,736	-	-	-	-	-	-	37,329,736
Cash and cash equivalent	401,480,276	-	-	-	-	-	-	401,480,276
Total segment assets	525,150,251	8,393,441	143,066,464	1,126,500	-	799,121,399	6,602,827	1,483,460,882

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	Finance	Spatial Planning and Development	Community Services	Mayor's Office	Corporate Services	Technical Services	Municipal Manager	Total
51. Segment information (continued)								
Total assets as per Statement of financial Position								1,483,460,882
Liabilities								
Finance Lease	-	-	-	-	-	-	2,156,328	2,156,328
Payable from exchange transactions	111,666,051	-	-	-	-	-	-	111,666,051
Employee benefits obligations	5,853,072	-	-	-	-	-	-	5,853,072
Finance lease obligation	-	-	-	-	-	-	953,555	953,555
Employee benefits obligations	5,777,457	-	-	-	-	-	-	5,777,457
Total segment liabilities	123,296,580	-	-	-	-	-	3,109,883	126,406,463
Total liabilities as per Statement of financial Position								126,406,463

52. Budget differences

Material differences between budget and actual amounts

The municipality explains all excess of actual expenditure over the final budget of 10% over approved budget.

A. Explanation of variances for statement of financial performance

Revenue:

Interest income - variance was caused by increase in the bank balance during the year. The interest from the primary bank account was budgeted under other revenue. No external investment was made during the year.

Rental income - The variance is due to government spheres that are utilising the municipal properties (boxing gym and guesthouse) at no fee, including the local radio station.

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52. Budget differences (continued)

Licence and permits - There was anticipation that the upgrade of testing station will be completed and in use during the year and there were delays.

Other revenue – The variance is caused by the interest on primary bank account which was budgeted under this line item. The actual interest received was reported under Interest Income.

Gain on assets - Variance was due to fair valuation of investment properties performed at year end.

Traffic fines – The variance is due to the cancellation of tickets by the magistrate, and reduction of traffic summons by the public prosecutor.

Depreciation and amortisation - The variance was caused by an increase in capital projects completed and capitalised during the year.

Repairs and maintenance - Savings was achieved as a number of municipality plant were new and in good condition.

Debt impairment - Improved impairment methodology was used

Finance cost – The variance relates to finance lease liability and it was not budgeted for.

General expenditure - The variance was linked to the growth of the municipality in line with new appointments and implementation of projects. No electrification projects were transferred in the current year. The decrease in costs relating to venue, conference, catering, accommodation, travelling and advertising due to national lockdown

B. Explanation of variances for statement of financial position

Assets

Inventory – The variance is caused by an increase in the inventory usage in relation to the increase in employees

Other receivables from exchange transaction – The variance is decrease due to impairment of debtors.

Receivables from non- exchange transaction- The variance was due to impairment assessment of receivables.

Property Plant and equipment - The budget was due to increase in estimation for capital projects. There was a delay in finalisation of other projects.

Intangible assets - Less than budgeted intangible assets were acquired during the year under review.

Investment Property - Variance was caused by fair valuation of investment properties at year end.

Consumer debtors - The variance was as a result of low collection rate and high debt impairment.

VAT Receivables - line budget was not budgeted for in the current

Current Liabilities

Payable from exchange transactions - The variance was due to high amount of accrued invoices at year end and the growth of the municipality.

Finance lease liabilities - line item not budgeted for

Long term liabilities - increase in the number of employees due to new appointments made during the year.

Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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52. Budget differences (continued)

C. Explanation of variances for Cash Flow Statements

Service charges - The variance was due to improved controls on Refuse removal billing for the during the year.

Other receipts- The variance is due to SARS recoveries received during the year.

Interest - Bank – The variance is caused by interest earned on primary bank and Investments made

Employee costs - savings due to delay in appointments of vacant positions and impact on overtime payments due to National Lockdown, where some employees were working from home.

Suppliers and other payments - Variance was due to growth of the municipality size and spending. There was a savings on travelling, accommodation and catering costs due to lockdown restrictions which prohibited travelling and mass gatherings.

Purchase of Property plant and equipment - Delay on appointment and implementation of some Capital projects as a result of National lockdown due to Covid19.

Proceeds from sale of investment property - There was no sale of investment properties during the year

Purchases of Heritage assets: The budget for Mayoral gowns and chain was budgeted under other assets, and was reclassified to heritage assets during the year.

Chapter 6

Auditor General Audit Findings

CHAPTER 6: AUDITOR - GENERAL FINDINGS



Audit Report

Collins Chabane Local Municipality 30 June 2021



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to Limpopo Provincial Legislature and the council of Collins Chabane Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Collins Chabane Local 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 information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Collins Chabane Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Recognised Accounting Practice (Standards of GRAP), the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and Division of Revenue Act, 2020 (Act No 4 of 2020) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Litigations and claims

7. With reference to note 39 to the financial statements, the municipality is the defendant in a law suit. The municipality is opposing the claim, as it believes that the claim can be successfully defended. The ultimate outcome of this matter could not be determined and no provision for any liability that may result was made in the financial statements

Restatement of corresponding figures

8. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2021.

Material losses/impairment

9. As disclosed in note 7 to the financial statements, material impairments amounting to R122 410 519 was made to other financial assets as a result of irrecoverable loans and investments.
10. As disclosed in note 10, 11, and 12 to the financial statements, material impairments amounting to R7 375 273, R100 225 735 and R42 527 275 were made to trade and other receivables as a result of irrecoverable trade and other receivables.
11. As disclosed in note 13 to the financial statements, material impairments amounting to R5 075 730 was made to VAT receivables as a result of a dispute between the municipality and South African Revenue Services.

Other matters

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

Unaudited disclosure notes

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. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon following emphasis of matter paragraphs will be included in our auditor's report to draw the users' attention to matters presented or disclosed in the financial statements:

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 South African Standards of Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and Division of Revenue Act, 2018 (Act No 1 of 2018) (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 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 priority presented in the municipality's annual performance report for the year ended 30 June 2021:

Development priority	Pages in the annual performance report
KPA 3 – Basic service delivery and infrastructure development	12 – 31

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. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority:
- KPA 3 – Basic service delivery and infrastructure development

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. Refer to the annual performance report on pages 6 to 61 for information on the achievement of planned targets for the year and management's explanations provided for the under achievement of targets.

Adjustment of material misstatements

26. I identified material misstatement in the annual performance report submitted for auditing. This material misstatement was in the reported performance information of Basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

27. 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.
28. The material findings on compliance with specific matters in key legislation are as follows:

Financial statements, performance and annual reports

29. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.
30. Material misstatements of non-current assets, current assets, current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently.

Expenditure management

31. Reasonable steps were not taken to prevent irregular expenditure amounting to R82 341 432 as disclosed in note 48 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.
32. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R45 453 428, as disclosed in note 46 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.

Asset management

33. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.
34. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Consequence management

35. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
36. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
37. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Procurement and contract management

38. Some of the invitation to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 Preferential Procurement Regulation 8(2).
39. Some of the commodities designated for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by the 2017 Preferential Procurement Regulation 8(5).

40. The preference point system was not applied some of the procurement of goods and services above R30 000 as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
41. Some of the contracts and quotations were awarded to bidders based on preference points that were not calculated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act and its regulations

Other information

42. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, The other information does not include the financial statements, the auditor's report and those selected development priority presented in the annual performance report that have been specifically reported in this auditor's report.
43. 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.
44. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

45. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
46. Management did not always provide the required supervision and review over daily and monthly recording and reconciliation of transactions to ensure that the municipality complies with the applicable financial reporting.
47. Management did not prepare regular accurate and complete financial and performance reports that are supported and evidenced by reliable information.
48. The municipality developed an action plan to address internal and external audit findings however, there is slow implementation of actions towards resolving findings.

Material irregularities

49. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Prohibited investment with a mutual bank

50. The local municipality invested R 120 million on 31 October 2017 made up of a 3 months' fixed deposit with Venda Building Society (VBS) Mutual Bank, and interest of R 2 410 521 accrued on the VBS mutual bank account. VBS Mutual Bank was placed under curatorship on 11 March 2018 and was subsequently liquidated after the North Gauteng High Court issued the final order to liquidate the bank on 13 November 2018. In terms of regulation 6 of the Municipal Investment Regulations, a municipality may only invest deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990). The local municipality did not comply with the Municipal Investment Regulations as VBS Mutual Bank is not registered in terms of the Banks Act. The non-compliance is likely to result in a financial loss of R122 410 521 for the municipality if the amount invested is not recovered in full from the estate of VBS Mutual Bank.
51. The accounting officer was notified of the material irregularity on 4 November 2021 and invited to make a written submission on the actions taken and that will be taken to address the material irregularity. On 25 November 2021 the accounting officer submitted as written response with the following actions taken:
- On 9 November 2018, the municipality through a council resolution placed both former accounting officer and chief financial officer on precautionary suspension. On 5 April 2019, the chief financial officer resigned and the council of the municipality accepted the resignation.
 - The disciplinary hearing of the accounting officer predisposed to a verdict that the accounting officer was not guilty of all misconduct charges relating to investment in VBS. On 18 February 2021, the accounting officer entered into a settlement agreement with council in terms of which the accounting officer resigned from the employ of the municipality.
52. I will follow up on the material irregularity during my next audit.

Auditor-General

Polokwane

03 December 2021



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 priority 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 Collins Chabane Local 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.

**COLLINS CHABANE
LOCAL MUNICIPALITY**
Since 2016



APPENDICES

APPENDICES

APPENDIX A: MPAC OVERSIGHT REPORT ON ANNUAL REPORT :2020/21 FINANCIAL YEAR

FOREWORD BY THE CHAIRPERSON OF MPAC

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regard to the Annual Report and the preparation of an Oversight Report. Given the process required by Council to effectively undertake its oversight role, the establishment of the Municipal Public Accounts Committee (MPAC) of Council provides the appropriate mechanism in which Council would fulfil its oversight responsibilities. MPAC's primary role is to consider the Annual Report, receive input from the various role players and prepare a draft Oversight Report for consideration by Council.

In the light of this responsibility, 1st Ordinary Council on 31st January 2022, tabled the 2020/21 Draft Annual Report of the Collins Chabane Local Municipality for consideration. Council subsequently referred the 2020/21 Annual Report to the MPAC for interrogation so that an Oversight Report could be developed. MPAC in fulfilling its responsibility assigned to it by Council, held its meetings on the following dates:

- 01 February 2022
- 07 February 2022
- 08 February 2022
- 09 February 2022
- 10 February 2022
- 11 February 2022

- 16 February 2022
- 17 February 2022
- 18 February 2022
- 24 February 2022
- 01 March 2022
- 03 March 2022
- 10 March 2022

During these meetings the Annual Report of Collins Chabane Local Municipality was assessed with due attentiveness by all MPAC members. The oversight process included a page by page scrutiny of the Annual Report where questions for clarity and concerns were raised.

MPAC noted both improvements in certain performance areas, as reflected in the 2020/21 Annual Report, but also unsatisfactory performance in some areas as reflected in the Oversight Report. As a result, MPAC has raised concerns and made recommendations on a number of issues that require immediate intervention.

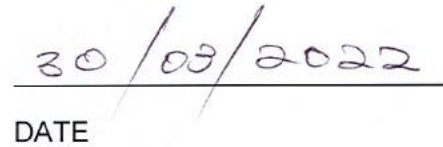
MPAC will furthermore ensure that recommendations developed in the 2020/21 Oversight Report are fully implemented by the municipal administration and this will be monitored through quarterly reports by MPAC. In considering the 2020/21 Annual Report, MPAC also consulted the 2019/20 Oversight Report to establish those areas that are still outstanding that could be incorporated into the 2020/21 Oversight Report. It is my belief that if Council considers these recommendations and the administration implements them fully, the CCLM should move to another better audit position.

Finally, I would like to extend special appreciation to the members of MPAC for their contribution, dedication and hard work in ensuring that this report was compiled and tabled in time for Council and for the administration for their administrative support in developing the Oversight Report.

A handwritten signature in dark ink, appearing to read 'Mudau', is written over a horizontal line.

CLLR MUDAU T. S

CHAIRPERSON

A handwritten date '30/03/2022' is written in dark ink over a horizontal line.

DATE

2. PURPOSE

Each municipality and its entities are enjoined by the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA) to prepare Annual Reports which are based on their annual service delivery processes and overall municipal performance, for the inspection of its relevant stakeholder groups. The Collins Chabane Local Municipality has accordingly prepared its Annual Report 2020/21 in accordance to its key performance areas to account to the communities it serves.

The Annual Reporting process is followed by an Oversight Report, which is the report of Council on the Annual Reports of the Municipality and its municipal entities. In the Collins Chabane Local Municipality, the process of oversight is referred to the Municipal Public Accounts Committee which acts as the Oversight Committee of Council. The Oversight Report is a product of the Municipal Public Accounts Committee's deliberations on the Annual Report.

The Oversight Report is adopted after the Oversight Committee has fulfilled its tasks pertaining to:

- Undertaking a review and analysis of the Annual Report.
- Inviting, receiving and considering inputs from Councillors and Support Committees.
- Considering written comments received on the Annual Report through the public consultation process.
- Conducting Public Participation and Public Hearing to allow the local community or any organs of state to make representations on the Annual Report.
- Receiving and Considering Council's Audit Committee's views and comments on the Annual Financial Statements and the Performance Report.
- Preparing the draft Oversight Report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organs of state, Council's Audit Committee and Councillors.

3. INTRODUCTION

The Collins Chabane Local Municipality has been guided by the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA) and National Treasury Circulars in the process of drafting the Annual Report. In adhering to these, the Municipal Administration has submitted the Annual Report 2020/21 to the Council at the Council meeting held on 31st January 2022 for consideration. This process was followed by the preparation of the oversight report. The Collins Chabane Local Municipality Council has resolved that the Municipal Public Accounts Committee is the relevant committee within the Municipality to carry out the activities of the Oversight Committee. The Municipal Public Accounts Committee, as prescribed in the MFMA, has been holding meetings to discuss the performance of the overall municipality through the use of the 2020/21 Annual Report. The Committee has performed its oversight role within the MFMA specified municipal oversight completion period.

The main components of the Annual Report submitted to Council were the following:

- The annual performance report, as required in terms of Section 46 of the Municipal Systems Act (MSA).
- Annual Financial Statements submitted to the Auditor-General.
- The Auditor General's audit report on the financial statements in terms of Section 126 (3) of the MFMA.
- The Auditor-General's audit report on performance in terms of Section 45 (b) of the MSA.

One of the key responsibilities of the Municipal Public Accounts Committee in fulfilling its oversight role is to prepare the draft oversight report, considering the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

4. COLLINS CHABANE LOCAL MUNICIPALITY MPAC MEMBERS

The MFMA Circular No.32 (Municipal Finance Management Act No.56 of 2003) states that the Oversight Committee should be made up of only non-executive Councillors. It further provides that municipal officials cannot serve as members of an oversight committee. All meetings of the oversight committee must be open to the public and timely notice of meetings should be given to enable representations to be made.

The formation of the Oversight Committee varies from municipality to municipality. Some of the municipalities in South Africa appoint members from its Council to carry out the activities of an oversight committee. However, in the CCLM this role is referred to the Municipal Public Accounts Committee. The Collins Chabane Local Municipality's 2020/21 financial year MPAC membership is constituted as follows:

1. African National Congress (ANC) – 7 members.
2. Economic Freedom Fighters (EFF)– 2 members.
3. Democratic Alliance (DA) – 1 member.
4. African Christian Democratic Party (ACDP) – 1 member.
5. All Progressives Congress (APC) – 1 member.
6. Able Leadership (AL) – 1 member.

MPAC is constituted as follows:

- 4.1 Cllr T.S Mudau (Chairperson)
- 4.2 Cllr G.D Masangu
- 4.3 Cllr E Bamuza
- 4.4 Cllr S Makhubele
- 4.5 Cllr T.M Mutele
- 4.6 Cllr K.R Chabalala
- 4.7 Cllr M.J Baloyi
- 4.8 Cllr T.M Masia
- 4.9 Cllr T.L Hlabangwani
- 4.10 Cllr B.S Maluleke
- 4.11 Cllr K.K Mabasa
- 4.12 Cllr K.R Muthubi
- 4.13 Cllr T Yingwani

In assessing the report, MPAC was guided by the following pieces of legislations:

- a) Report from Auditor General
- b) National Treasury MFMA Circular no. 63
- c) National Treasury MFMA Circular no. 32
- d) MPAC Guide and Toolkit Circular no. 92

5. TIME CONSIDERATIONS

5.1 Meeting Schedule

The National Treasury's MFMA Circular No. 32 further provides for certain provisions with regard to the compilation of the Oversight report. These provisions cover the following areas:

- Managing the process and forming committees;
- Timing considerations;
- Understanding the annual report and determining conclusions.

The Annual Report 2020/21 was received by the Collins Chabane Local Municipality Council on 31st January 2022 and referred to the MPAC as an Oversight Committee in the municipality. The MFMA prescribes that the oversight must be submitted to the Council on or before 31 March 2022 and be adopted by 31 March of the same year.

The meeting schedule of the Municipal Public Accounts Committee from 01 February 2022 to 30 March 2022 is outlined below:

DATE TIME VENUE

DATE	TIME	VENUE
01 February 2022	10h00	DCO Hall
07 – 11 February 2022	09h00	Tshipise Forever Resort
16 – 18 February 2022	09h00	Mopani Rest Camp
24 February 2022	09h00	DCO
01 March 2022	09h00	DCO
03 March 2022	09h00	DCO
08 March 2022	10h00	Malamulele Town Hall

10 March 2022	15h00	Virtual meeting
15 March 2022	10h00	Malamulele Town Hall
30 March 2022	11h00	Virtual meeting

6. LEGAL FRAMEWORK

The preparation of this oversight report is in accordance with Section 129 (1) of the Municipal Financial Management Act (2003), which stipulates that a municipal Council must consider the Annual Report and refer the Annual Report to an Oversight Committee, and that the Oversight Committee must prepare an Oversight Report containing comments and recommendations. The Council must at the adoption stage of the Oversight report state as to whether it (the Council) has approved the Annual Report with or without reservations; has rejected the Annual Report; or has referred the Annual Report back for revision of those components that can be revised.

The establishment of the Oversight Committee is therefore important for the Council to carry out functions of the Annual Report oversight or overview. The Collins Chabane Local Municipality Council has in this case referred or delegated its authority to carry out its oversight functions to the Municipal Public Accounts Committee. The establishment of the MPAC was undertaken in terms of Section 79 of the Municipal Structures Act, which allows for the co-option of advisory members to a committee of Council, who are not members of the Council.

Circular No. 32 of the Municipal Finance Management Act, Act 56 of 2003 recommends that councils should consider the establishment of an Oversight Committee under Sections 33 and 79 of the Municipal Structures Act 1998. The Circular states that this

committee and, if needed, sub-committees, could be responsible for the detailed analysis and review of the Annual Report and then drafting an Oversight Report that may be taken to full Council for discussion. Such committee, according to this Circular, may receive and review representations made by the public and also seek inputs from other Councillors and Council Portfolio Committees.

7. PUBLIC HEARING (PARTICIPATION) IN OVERSIGHT PROCESS

Section 130 of the MFMA stipulates that public participation must be a central element of all processes relating to an Annual Report. In so doing, the aforementioned Section instructs that the meetings of a municipal council or committee established by Council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state.

As part of promoting public participation in the oversight process, municipalities are obliged to undertake the following additional actions:

- Invite written submissions from the local community or organs of state on the Annual Report.
- Make public all meetings at which the Annual Report will be discussed.
- Representatives of the Auditor-General are entitled to attend and to speak at any meeting that deals with the Annual Report.
- Engage in a process of public participation on the Annual Report.

In this regard, the Municipality undertook the following initiatives to promote public participation in the oversight process:

MECHANISM TO PROMOTE PUBLIC PARTICIPATION AND PUBLIC HEARING	STATUS	COMMENTS
Invitation to public to submit comments on the Annual Report	DONE	The municipality conducted a Public Participation on the 08 th of March 2022, and a Public Hearing on the 15 th of March 2022.
Make public all meetings of Council's oversight committee that will consider the Annual Report	DONE	All meetings were advertised on local media platforms within the Municipality.
Representatives of the Auditor-General invited to meetings of Council that will consider Annual Report	DONE	Auditor-General's representatives invited to the CCLM Council that took place on the 31 st of January 2022, invited to MPAC meetings convened to consider Annual Report, the assessment took place on the 15-18 February 2022. They were also part of MPAC hearing that took place on the 15 th of March 2022.

8. OVERSIGHT COMMITTEE RECOMMENDATIONS

At the first meeting of MPAC held on 16th of February 2022 to consider the Annual Report, the meeting agreed that it would exercise its oversight functions in the following manner: That MPAC would attend as follows to its work in respect of the 2020/21 Annual Report and the Audit Report by the Auditor-General for the year ended 30 June 2021:

- First meeting: performance scorecard meeting.
- Second meeting: Annual Consolidated Financial Statements and Auditor-General's Audit Findings.
- Third meeting: Chapters 1 to 6 of the Annual Report.
- Fifth and sixth meetings: meeting the public
- Seventh meeting: Start developing Oversight Report

The discussions and recommendations of MPAC will be presented in accordance with the areas identified above, namely:

Area 1 Auditor-General's Audit findings

Area 2 Annual Consolidated Financial Statements

Area 3 Performance Scorecard Reports

Area 4 Annual Report (Chapters 1 to 6)

9. QUESTIONS FOR CONSIDERATION BY MPAC (2018-19)

Items	Audit findings	Questions	Response by Management
MAYOR'S FOREWORD AND EXECUTIVE SUMMARY	1. Page 9-10 poverty still pervasive, millions of people remain unemployed and many working households live close to the poverty line	• What is the municipality doing to contribute towards the reduction of poverty and unemployment to its citizens?	• The Municipality through tribal authorities is availing land for business development. • In the Municipal proclaimed areas land is being disposed for business development • The municipality is assisting Ward Based Cooperatives through cooperative support grant to do agricultural activities which assist in alleviating poverty and job creation. • An increase in number of informal businesses helps in poverty reduction
		• What are plans in place for the municipality to create jobs?	• Jobs are created through the implementation of municipal infrastructure projects

	2. On page 10 (the municipality reflected the statement on construction of high masts lights and streets lights)	• What plans does the municipality have in place to make sure that the lights are not stolen?	• The lights were relocated and installed where there is visibility of households and since relocated there was no vandalism and theft experienced
		• Is there a maintenance plan for the lights?	• Implementation of Municipal Maintenance Plan. The Municipality is also planning to appoint a pool of service providers for supply maintenance materials

POLITICAL AND ADMINISTRATIVE GOVERNANCE	1. Page 22 state that the municipality since its establishment was in category C (grade 3)	• How is the Municipality planning to improve its grading? Example: moving from grade 3 to grade 4.	• The councillors and all stakeholder during IEC Registrations must encourage communities to register to vote and the municipality to encourage communities to pay for the services • Establishment of more townships.
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	2. Page 37 reflects that municipality mayoral imbizo meetings were not done physical due to COVID-19 regulations		• The Municipality to obtain electricity licence. • Industrialization (Business Park and Portion 10)
		• What are the requirements for the Municipality to have Municipal entity?	• Option Assessment to be conducted as per Municipal Systems Act No. 32 of 2000 Section 86b and 86 C
		• Are there plans to enhance revenue collection?	• Full implementation of the revenue enhancement strategy • The Municipality planned to hand deliver the monthly statements • To implement property transfer owner of the properties • To create a working relations with both the

			District Municipality and Eskom to assist in switching of services for non-payment • Land proclamation • Introducing PTO (Occupation of Properties to home owners at villages)
			• The Municipality planned to hand deliver the monthly statements • To implement property transfer owner of the properties • To create a working relations with both the District Municipality and Eskom to assist in switching of services for non-payment • Land proclamation • Introducing PTO (Occupation of

	3. The municipality identified 10 top risks 4. The municipality is currently using the district anti-fraud and corruption hotline and premier hotline for reporting of fraud and corruption cases.	• What are the plans in place for the next unknown disaster? • Which are the measures that the Municipality have to mitigate these risks? • Is there a plan to have our own hotline?	Properties to home owners at villages) • The Development, approval and Implementation of the Disaster Management Plan • Utilization of Radio Stations, Social Media Platforms and Virtual Platforms where possible • The Municipality developed both Strategic and Operational Risk Registers to continuously monitor progress on the implementation of risk management activities and report progress to the Risk Management Committee and Audit Committee on quarterly basis
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	5. Page 39 state that all documents of municipality are published on the municipality website. 6. Page 40 states that the municipality developed by-laws which are not yet gazetted	• Why is the 2020/2021 budget and adjusted budget not published in the municipality website? • FU – Can we get evidence as we have checked in the website and there is nothing. • Can we be updated on the process of gazetting by-laws?	• Yes, The Municipality is currently conducting a feasibility study and research with Municipalities having their hotline to learn the best practice • The Municipal 2020/2021 budget and adjusted budget were published in the municipality website. • Evidence submitted to the committee. • The by-laws were developed, submitted to COGHSTA for inputs and currently they are submitted to Municipal Legal Unit for inputs and legal advice before gazetting
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SERVICE DELIVERY PRFORMANCE	1. Page 44 of the annual report reflects that the national, provincial and local roads.	Does the municipality do not have district roads within its jurisdiction?	Yes, The Municipality does have District Roads however they are maintained by RAL
	2. Page 53 state that the municipality to build 700 units for approved beneficiaries and only 30 units were built.	Can we be clarified about why the 670 units were not built or constructed?	COGHSTA budgeted for 700 Units and submitted to the Municipality but before implementation covid-19 disaster occurred and the budget was re-directed to address covid-19 challenges
	3. Page 54 states that customers qualifying for services levels (eg indigent households)	Do we have qualifying households that the municipality is supplying with free basic electricity?	Yes, The Municipality developed Indigent Register in place and total number of 6113 households received free basic electricity

	4. Page 54 states that the municipality extended the refuse removal services daily in town and once a week in every household within proclaimed areas	• At what cost did the municipality provide the extended services	• The Municipality charging R78.00 per household as per the municipal tariffs for refuse removal.
		• What are the plans to make sure that communities are paying in rural areas?	• The Municipality benchmarked with the Municipality implementing development levy and in the process to submit the request to the ministry.
	5. Page 55 states that 12 environmental educations, awareness and clean-up campaign were conducted during the period under review.	• Can MPAC be highlighted on these 12 environmental educations, awareness and clean-up campaigns?	• During the environmental educations, awareness and clean-up campaigns the municipality offered education to its communities and Schools to conserve the environment and restoration of natural resources. • Encouraging Communities to establish recycling business

			• To build knowledge and skills in address climate change • To address Waste Management and encourage communities to abstain from illegal dumping. • Councillors also form part of the campaigns.
	6. Page 56 states that the municipality managed to obtain the operating licence of Xigalo landfill site, however the construction is not complete.	• When is the landfill site project expected to be completed?	• The landfill site will be completed by the end of 2021/22 financial year as per the plan.
	7. Page 56 states that the municipality retains 20% of revenue generated from licencing.	• What is the proposal in place to solve 20% of revenue generated from licencing?	• The matter is affecting all municipalities and it is as per the Memorandum of Understanding entered into by Municipalities and the department. It was even discussed in the IGR forum for it to be escalated further

	8. Page 58 states that the LED is also responsible for advocating policies and by-laws that are favourable to the business community and more importantly the SMMEs	• What is the total number of SMMEs that are established and are these SMMEs sustainable? • FU: How many SMMEs that are established.	• SMME's are being supported through the pool of contractors for maintenance (Roads and Storm Water and Electricity). • Information submitted – 59 SMMEs
	9. LED forum (the municipality has been able to form partnerships with community association, tourism association, agricultural forum, taxi association and hawkers association.	• How often do the municipality review the LED strategy?	• LED Strategy reviewed in five-year, but the LED Projects are prioritized on annual basis •
	10. Page 59 states that the municipality constructed 45 market stalls for the hawkers.	• Are all these 45 market stalls occupied? If not what is the reason?	• The Municipality signed lease agreements for all 45 Market Stalls, technically all 45 Market Stalls are occupied and all those who signed the lease agreements
	11. Page 59 states that the municipality in collaboration with Shingwedzi TVET College has managed to train 40	• What is the total number of jobs created and what are plans going forward to	• The Purpose of the training was imparting knowledge and skills on project management which will assist the

	SMMEs on project management.	make sure that we cover the whole area of Collins Chabane Local Municipality	SMME's to manage their own business projects and creation of jobs.
	12. Page 62 states that the municipality continued maintaining the cemeteries of Vuwani and Malamulele	• What is the maintenance that was done?	• Maintenance of Vuwani and Malamulele the municipality was cutting the grass and cleaning
		• Why does Vuwani only sold 5 graves during 2020/21 financial year?	• The Municipality started to utilize the grave site from last financial year towards the end of the financial year and only five requested to utilize municipal grave site.
	13. Page 62 Municipal building (horticulture extend its services for beautification and landscaping services along the roads and within all municipal building including traffics station, community halls, municipal offices and stadium.)	• When is the information centre is going to be fully functional	• As soon as the Art Gallery is completed the Centre will be fully functional which will be end of December 2022

ORGANISATIONAL DEVELOPMENT (MUNICIPAL PERSONNEL)	1. page 111 states that the vacancy rate is seating at 51,93%	• Are those positions budgeted for? • If yes, why are they not filled?	• Not all Positions on the Organization structure are budgeted for. The Organizational Structure Consists of 545 Positions, and 211 are filled and 334 vacant, of the 334 vacant positions 93 are budgeted for and 241 are not budgeted for
		• What are the plans in place to fill those positions?	• The Budgeted Position will be advertised and filled before end of May 2022.

	2. Page 116 the municipality is implementing the IPMS for section 56/57 managers only and the municipality is in the process of cascading the IPMS down to other levels of management	• What is the timeframe for implementing, how are you going to implement the cascading of IPMS?	• The Municipality approved a PMS framework Policy which clearly outline that the cascading of IPMS will be implemented in a phase-in approach. For 2021/22 IPMS is cascaded to managers and during the 2022/2023 it will be cascaded to all employees as per approved Municipal Staff Regulation by COGTA
	3. Page 118 states that the total number of officials are 5.	• What informed you to this number?	Organisational structure consists of positions that are filled and that are not filled, and it can be reviewed on annual basis.
FINANCIAL PERFORMANCE	1. page 120 state that the municipality has calculated the surplus/deficit based on the total revenue including capital transfers less the total expenditure.	• What led to the overspending? Can you expatiate in detail?	The municipal budgeted surplus was R 236 459 635 and incurred an actual surplus of R 265 159 801 for the period under review. There was no overspending on the budget.

	2. page 125 shows the members of municipal council. The late cllr Fungheni M.C (retired in September 2020) and cllr Hlogwane S.G (resigned 05 October 2020)	Why is not the same for both councillors meanwhile they are all deceased? <i>FU – If it was an error, which one is correct?</i>	It was an error the misalignment will be updated in the 2022 Financial Statements. It is noted, and there will be improvement going forward. The correct word is, both Councillors are diseased.
AUDITOR GENERAL AUDIT FINDINGS	1. Page 210 the municipality doesn't have the fraud prevention plan and fraud policy.	When is the municipality going to develop the fraud prevention plan and the policy? FU – can we get evidence that it was submitted to council?	The fraud policy was subsequently developed and submitted to council for approval and approved. Evidence will be submitted to the committee within the period of 7days. Evidence is submitted to the MPAC office.

	2. Page 210 reflects that there was no evidence that MPAC members were trained on how to report on the process to be followed when dealing with UIF&W	Why did management not submit the records/evidence to show that MPAC members were trained? FU – If the evidence was submitted to AGSA, why did the finding occur? What is it that the management is doing to ensure that MPAC is continuously trained? <i>FU – Can we get evidence for this?</i>	Training of MPAC committee members was conducted and evidence was submitted to AGSA. Evidence will be submitted to the committee within the period of seven days. – Evidence is submitted to the MPAC office. New MPAC will also be trained, the request for training was escalated to Provincial Treasury. The previous committee was trained; evidence will be submitted within the period of 7 period of seven days. The new committee will be trained during the 1st or 2nd week of April 2022.
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	3. Page 211 reflects the late submission of the reports to Council and the MPAC committee	Why late submission of the reports to the council? What is it that the management is doing to make sure that there no late submission?	Management developed the action plan and monitors the implementation of the Audit Action Plan on a monthly basis. The submission process for the reports to Council started in February 2022.
	4. Page 212 reflects that the UIF&W registers are not in line with the MFMA circular 68	Why is the UIFW registers not in line with the MFMA circular 68, what is it that the management is doing to solve this problem?	Treasury has compiled a new template for the recording and submission of UIFW registers and also provides quarterly training sessions to officials and the CFO. The training sessions with Treasury will assist the municipality to ensure that registers are in line with Circular 68.

	5. Page 212 reflects that there were no reasonable steps taken to recover the over-payments of back pay.	• What caused the overpayment of back pay?	• There were insufficient reviews of the back pays. The back-pays were done during a period when the municipality had immense pressure for industrial strike.
		• What is it that the management is doing to make sure that the reports are properly reviewed?	• Management has developed standard operating procedures with cut-off dates for recording of claims to ensure sufficient review prior to payment of salaries. • The matter is in the process of being referred to the Financial Misconduct Board and as a continued improving tool the review on the proposed calculations for any further repayments will be sufficiently reviewed prior to approval for repayment.

	6. Page 214 reflects delays in the appointment of service provider to deal with issues regarding IT Environment.	What is it that the management is doing to make sure that there is delegation of responsibility to identify the personnel and that training is implemented?	Training needs for the IT security has been identified, the memo approved and the quotation sourced. SCM process in progress. Some of the officials have started attending training.
	7. Revenue management, page 219 reflects the misstatement caused by errors made during the capturing of tariff charges.	How far is the process of putting in place systems of internal controls that will prevent, detect and correct errors.	The exceptions identified by the AGSA based on sample have been corrected. We are currently interrogating the entire population in order to identify and correct other misstatements that may exists. Revenue personnel are also attending training courses to ensure correct capturing of transactions.
	8. Page 220 (procurement) reflects the lack of personnel to fully implement SCM policy.	What is management doing to make sure that there are personnel?	Management has appointed 3 SCM clerks in the SCM unit in the current year. The commenced working on the 01 July 2021. SCM officials are also

			attending training with system vendor (Munsoft) and The National School of Government to ensure municipality can attain full compliance in SCM matters.
	9. Page 220, revenue management, the misstatements caused by errors made during the categorisation of traffic fine register.	• What system is there in place to make sure that traffic fines are captured in the correct financial year, and how often does the management review this report?	• Management is currently implementing the Standard Operating Procedures as prescribed by National Treasury. Monthly reviews occur for revenue transactions captured for reporting.
	10. Page 220 reflects the differences between the general ledger and supplier invoice.	• What is the management doing to make sure that these differences do not occur?	• SCM Manager reviews that transactions are captured correctly prior to authorisation. Further reviews are done by Expenditure manager to ensure that payments made are also recorded correctly.

	11. Page 221, 222 reflects the expenditure incurred incorrectly classified. (recurring)	What is the reason for this recurring finding? What are the measures in place to make sure that the finding does not recur?	SCM is utilising the SCM module wherein the budget confirmation is done electronically to mitigate the usage of incorrect segment. The request for stores and Purchase are now processed on the system.
	12. Page 222 reflects SCM limitation of scope-non-submission of office building bid and the document was taken by another law enforcement.	What is the current status of the document taken by law enforcement agency?	The documents have not yet been returned to the municipality.

10 RECOMMENDATIONS

- 10.1 That all high mast lights must be connected and energised as soon as possible.**
- 10.2 That the Municipality must work hard to encourage communities to pay for services, register to vote, establish more townships etc., in order to move from grade 3 to grade 4.**
- 10.3 That the Internal Audit Unit must continuously conduct audit in order to detect any irregularities.**
- 10.4 That the AFS must be prepared and submitted in time, following compliance.**
- 10.5 That outsourcing must be reduced and the service providers must work with municipal employees in order to capacitate them.**
- 10.6 That MPAC members must be capacitated with trainings in order to perform their responsibilities effectively.**

11. OVERSIGHT COMMITTEE RESOLUTIONS:

Having fully considered the Collins Chabane Local Municipality's 2020/21 Annual Report, the Oversight Committee (MPAC) resolves to recommend to Council the following:

- a) That the Council, having fully considered the Annual Report of the CCLM for the 2020/21 financial year, adopts the Oversight Report, to this agenda, as presented by MPAC.**
- b) That the recommendations of the Municipal Public Accounts Committee reflected in Section 10 of its 2020/21 Oversight Report, be adopted and that the progress with the implementation thereof, be reported in the Quarterly Reports to MPAC.**
- c) That the Oversight Report be made public in accordance with Section 129(3) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.**
- d) That the Oversight Report for the 2020/21 financial year be submitted to the Provincial Legislature in accordance with Section 132(2) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.**

12. CONCLUSION.

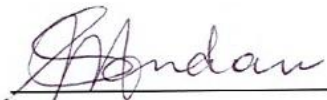
MPAC would like to commend the Mayor, Acting Municipal Manager and Senior Managers for the support provided during the engagement processes. The content of the Annual Report has been interrogated and found to be compliant with all legislative guidelines. MPAC is pleased that all the recommendations made to the Annual Report has been captured.

MPAC would like to appreciate the cooperation and support received from the Mayor, Acting Municipal Manager and all Senior managers during the Public Hearing.

It is therefore recommended that Collins Chabane Local Municipal Council adopt the Annual Report 2020/21 without any reservation and place the report on the municipal website for public consumption.

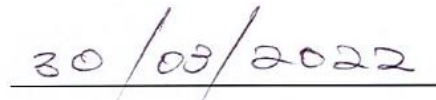
The MPAC committee wishes to extend its gratitude to the following parties:

- The Management for the support to the committee during its operations, and for the relevant documentation the committee received.
- The Acting MM for his interventions to enable the committee to deliver on its mandate.
- The Corporate Services Department for assisting in coordinating all MPAC activities.
- The Speaker for giving MPAC positive support all the times.



CLLR MUDAU T. S

CHAIRPERSON



DATE

APPENDIX B: REVENUE COLLECTION PERFORMANCE BY VOTE

	2019/20				2020/21				
VOTE DESCRIPTION	AUDITED OUTCOME	ORIGINAL BUDGET	ADJUSTED BUDGET		ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	VARIANCE ORIGINAL BUDGET	VARIANCE ADJUSTMENT BUDGET
	R'000	R'000	R'000		R'000	R'000	R'000	R'000	R'000
Revenue by Vote									
Vote 1 - CORPORATE SERVICES	-	-	-		-	-	-		
Vote 2 - COMMUNITY SERVICES	165.00	-	343.00		5 626.00	3 464.00	4 314.00	- 2 162.00	- 1 312.00
Vote 3 - SPATIAL PLANNING & DEVELOPMENT	304.00	1 234.00	1 234.00		3 223.00	20 860.00	5 820.00	17 637.00	2 597.00
Vote 4 - BUDGET & TREASURY	404 564.00	401 466.00	430 168.00		529 761.00	446 730.00	522 406.00	- 83 031.00	- 7 355.00
Vote 5 - TECHNICAL SERVICES	122 389.00	115 106.00	124 606.00		101 191.00	106 229.00	109 123.00	5 038.00	7 932.00
Vote 6 - OFFICE OF THE MUNICIPAL MANAGER	-	-	-		-	-	-		
TOTALS	527 422.00	517 806.00	556 351.00		639 801.00	577 283.00	641 663.00	- 62 518.00	1 862.00

APPENDIX C: AUDIT ACTION PLAN 2020/21

No of findings	Comaf No	FINANCIAL YEAR	2020/21					
		Municipality Name	Collins Chabane Local Municipality					
		Audit Opinion	Unqualified					
		Reporting Period						
		Audit Findings	Description of Finding	Finding status	Root Cause	Action Plan Description	Action Date	Responsible Official
1	1	Review of the financial statements	Misstatement 1.1 Gains on assets/ Fair value adjustments – No accounting/descriptive note to explain what the amount represents. The amount reduced significantly from prior period.	New	Insufficient review of the financial statements	The respective accounting policy and AFS note will be included in the financial statements during audit adjustment.	12/3/2021	CFO
2		Review of the financial statements	Notes to the annual financial statements 1. Note 16 – Unspent conditional grants and receipts: The narration provided is incorrect as there is only one grant mentioned. Furthermore, there is a zero-amount in the current year, stated in the narration.	New	Insufficient review of the financial statements	The narration on Note 16 will be corrected during audit adjustment to indicate “One unspent grant”	12/3/2021	CFO
3		Review of the financial statements	2. Note 23 – Government grants and subsidies: Financial Management Grant - disclosure results in the difference of R45 000	New	Insufficient review of the financial statements	The grant recon will be updated during audit adjustment.	12/3/2021	CFO

4		Review of the financial statements	3. Note 30 - General expenditure – EPWP expenditure cannot be verified whether it has been appropriately included in the financial statements or not.	New	Insufficient review of the financial statements	EPWP has been included in General expenditure, as can be seen from the inspection of the lead sheets the EPWP amount has been noted under learnerships and internship which is mapped to Ward Committee on the face of the AFS note 30. Additional description will be included under note 30 to be Ward Committee, Learnership & EPWP	12/3/2021	CFO
5		Review of the financial statements	4. Note 41 – Unauthorised expenditure – Narration should read “Unauthorised expenditure for the year ended 30 June 2021: R31 390 817 2020: R83 758 985” in order to be clear to the user.	New	Insufficient review of the financial statements	The narration on note 41 will be corrected during audit adjustment.	12/3/2021	CFO
6		Review of the financial statements	5. Note 43 – Irregular expenditure – Amounts condoned: The narration does not specify which funding was utilised for processes and procedures not followed during the tendering and quotation processes. This impacts on which authority was supposed to have condoned the irregular expenditure incurred, i.e. Council or Treasury, etc.	New	Insufficient review of the financial statements	The disclosure will be updated during audit adjustment.	12/3/2021	CFO
7		Review of the financial statements	Cash flow statement 1. The cash flow statement does not balance, the net cash flow from employee costs amounts to R143 750 767 whereas the line item amounts to R145 686 559	New	Insufficient review of the financial statements	There is not difference noted, refer below to the correct working of payment to employees:	12/3/2021	CFO

			resulting in the misstatement of the cash flow statement by R1 935 792.					
8		Review of the financial statements	Budget figures as per budget statement differs with budget figures as per adjusted budget	New	Insufficient review of the financial statements	The Budget template does not have standing line items for repairs and maintenance, the repairs and maintenance has been added under General Expenses. Furthermore, the difference of R 4 350 000 is as a result of the virements that were captured in financial system after the approval of the Budget adjustment by the municipal Council.	12/3/2021	CFO
9	2	Review of the financial statements	The financial statements do not fairly present in all material respect the financial position, performance and cash flow of the municipality.	New	Insufficient review of the financial statements	The accounting policy will be updated during audit adjustments for consistency. The misstatements/discrepancies were that were noted have been adjusted during the audit adjustment.	12/3/2021	CFO
10	3	Consequence management	1. No fraud prevention plan or policy in place as well as a policy to address consequence management	New	Lack of fraud prevention plan and fraud policy	The development of fraud and prevention policy and its submission to council for approval and the implementation of the approved policy by council.	30/11/2021	Acting Municipal Manager

11		Consequence management	2. Process to be followed when dealing with unauthorised, irregular and fruitless and wasteful expenditure (MPAC report not alligned to circular 63)	New	Lack of capacity	The following action plan will be taken: 2.1 Arrange of MPAC members and Coordinators training on Circular 63 to ensure that future MPAC investigation reports are worded adequately. 2.2 The MPAC Investigation report drafting will improved to be consistence with Circular 63 as per the AG recommendation. 2.3 The wording of Council resolutions will be written in line with auditor's recommendations and will and will reflect the following as per section 32(2)(b) of the MFMA.	28/02/2022	Acting Municipal Manager
12		Consequence management	3. No evidence that MPAC members were trained	New	3.Training conducted with MPAC members not suitably structured to fully equip them for their roles.	3. Structured training of MPAC members	28/02/2022	Acting Municipal Manager
13	5	Understanding the IT Environment	Inadequate physical and environmental security control within municipality server room	New	Server room does not have concrete slab roofing and it has windows	Permanent location for the server room that will have concrete slab roofing and not have windows at all or should have minimal/micro-	2023-24 FY	Manager: IT

						window shall be identified in the new municipal building upon completion. Access register will be developed and implemented.		
14		Understanding the IT Environment	Lack of skills development at the ICT division	New	Inadequate training needs assessment not developed and implemented within the division	The development and submission of training needs to HR for the updating of the work place plan and implementation thereof on the plan.	30/06/2022	Manager: IT
15		Understanding the IT Environment	No Information Technology security officer at the municipality	New	Lack of delegation of responsibility	Management will internally identify and train personnell who will oversee information security.	3/30/2022	Manager: IT
16		Understanding the IT Environment	Disaster recovery plan (DRP) not in place	New	Delays in the appointment of service provider	The municipality will appoint an external service provider to develop the DRP	6/30/2022	Manager: IT
17		Understanding the IT Environment	No off Site data backup storage for all the municipal system in place.	New	Delays in the appointment of service provider	The municipality will appoint an external service provider to develop the DRP	6/30/2022	Manager: IT
18		Understanding the IT Environment	Inadequate patch management process	New	Delays in the development of the patch management process	To develop and implement a patch management procedure, monitor exception reports and follow up on unsuccessful patches.	6/30/2022	Manager: IT

						Delegation of patch management process to a specific individual		
19		Understanding the IT Environment	Independent review of the activities of the person responsible for granting users access to the financial systems/Network or application systems.	New	Non-compliance with formalized user access management policies and procedures	User access management policy shall be updated to include ICT Steering Committee as an independent reviewer of the activities done on the systems by the Manager IT	6/30/2022	Manager: IT
20		Understanding the IT Environment	No cyber-security framework	New	Failure to update the strategic plan for ICT division.	Cyber-security framework shall be developed and approved	6/30/2022	Manager: IT
21	6	Consequence management	Unauthorized expenditure incurred not investigated by MPAC	New	Late submission of the reports to Council and to the committee	Unauthorised expenditure to be prepared and submitted to Council for referral to the committee for investigation.	3/31/2022	Acting Municipal Manager
22	10	Procurement	1.BSC responsibilities include BEC responsibility	New	Oversight on review of the documents outlining of BSC and BEC responsibilities.	The responsibilities will be updated appropriately according the specific committees and improved review on the documents.	Ongoing	Manager - SCM
23			2. Local content requirements not complied with.	New	Lack of review on specifications done on local	The review of the specifications to ensure that all requirements relating to local content are included in the	Ongoing	Manager - SCM

					content requiring procurements	specifications as required by DTI.		
24	12	Consequence management	UIFW registers not in line with MFMA Circular 68	New	Financial and performance management: management did not prepare regular, accurate and complete registers and performance reports that are supported and evidenced by reliable information.	The UIFW registers templates will be improved and include all the columns and details as per Circular 68.	31-Mar-22	Acting Municipal Manager
25	17	Finance Lease Liability	Present value of finance lease calculation misstated	New	Incorrect calculation submitted to Auditors	Correct calculations will be submitted for review during the audit	12/3/2021	CFO
26	18	Consequence management	Reasonable steps not taken to recover over-payments of back-pay	New	Inadequate review of reports	The matter will be referred to the Financial Misconduct Board and as a continued improving tool the review on the proposed calculations for any further repayments will be sufficiently reviewed prior to approval for repayment	3/31/2022	Acting Municipal Manager & CFO
27	21	Investment Property	No unique identification for the investment property capitalized (Market Stalls)	New	Inadequate review and lack of monitoring compliance with	To sufficiently review the asset register so as to ensure appropriate compliance with all	6/30/2022	Manager - Assets

					applicable framework for financial reporting	reporting standards that govern the preparation of the asset register.		
28	23	Revenue Management	Receivables from non-exchange transactions - Differences noted between the General Ledger and the AFS	New	The differences identified was caused by mixed TB mapping on between the Gross Receivables- Other and Provision for Impairment- Consumer debtors other.	Management have investigated the TB mapping and will be adjusted during audit adjustment.	12/3/2021	Manager: Revenue
29	26	Revenue Management	Differences noted between the debtors age analysis, general ledger and the annual financial statements	New	The differences identified was caused by mixed TB mapping on between the Gross Receivables- Other and Provision for Impairment- Consumer debtors other.	AFS reclassification journals will be updated during audit adjustment under AFS note 12- Consumer receivable from exchange	12/3/2021	Manager: Revenue
30	27	Expenditure Management	Suppliers not paid within 30 days legislated period	Recurring	Late submission of payment vouchers by user departments, and non-compliance of supporting	Improve our internal controls, from the point when an invoice is received, there must be a date stamp to acknowledge receipt of the invoice, make regular follow ups	31-Mar-22	User departments, SCM and Expenditure

					documents attached by service providers.	with service providers to ensure that they submit compliant supporting documents.		
31		SCM	Quantity of goods received as per the invoice differs with quantity of goods received as per the goods received voucher	New	Lack of review process	To improve our Internal controls, particularly reviewing of documents after being captured on the system to ensure that the quantity is captured accordingly on the GRV.	Immediately	Manager: Expenditure
32	28	PPE	Depreciation Incorrect calculation of depreciation (Differences in the depreciation expense)	New	Incorrect calculation used	The adjusting journals were processed based on differences in the depreciation expense.	12/3/2021	Manager - Assets
33	31	Revenue Management	Revenue Management - Understatement of property rates as a result of billing performed on the incorrect market value	New	Inaccurate market values were erroneously levied on property 85/0/26 and 450/0/D	Management will put in place systems of internal controls that will prevent, detect and correct errors and or omission on the application of market values on properties in accordance with the approved valuation roll.	31-03-2022	Manager: Revenue
34		Revenue Management	Understatement of property rates as a result of billing performed on the incorrect market value	New	The misstatement is caused by errors made during the capturing of property market values per valuation roll in the billing	Management will put in place systems of internal controls that will prevent, detect and correct errors and or omission on the application of market values on properties in	28-Feb-22	Manager: Revenue

					system wherein properties market values were mistakenly captured incorrectly.	accordance with the approved valuation roll.		
35		Revenue Management	Property transferred from Thulamela Municipality not included in the valuation roll	New	The misstatement is caused by errors made during the reconciliation of properties per billing system and the valuation roll wherein exceptions identified were mistakenly not implemented.	Management will put in place systems of internal controls that will prevent, detect and correct inclusion of properties in the billing system that are not included in the approved valuation roll..	31-03-2022	Manager: Revenue
36		Revenue Management	Incorrect classification of property between the valuation roll and MunSoft	New	The misstatement is caused by errors made during the capturing of property categories per valuation roll in the billing system wherein properties were mistakenly classified incorrectly in the billing system.	Management will put in place systems of internal controls that will prevent, detect and correct errors and or omissions on the classification of properties. Furthermore, management will accordingly reclassify the properties in question together with these identified after revisiting the entire population.	31-03-2022	Manager: Revenue

37		Revenue Management	Tariff amount as per the approved tariff structure not used when billing for refuse	New	The misstatement is caused by errors made during the capturing of tariff charges per the tariff structure were mistakenly captured in the billing system.	Management will put in place systems of internal controls that will prevent, detect and correct errors and omissions on the application of tariff levies on properties	28-Feb-22	Manager: Revenue
38	36	Procurement	SCM Non-compliance with Local content requirements	New	Lack of personnel to fully implement supply chain management policy in SCM unit (Local Content -the DTI)	Management to follow all treasury regulations to ensure that all relevant officials get training on every update of DTI/ treasury regulations.	Ongoing	Manager: SCM
39	37	Revenue Management	Traffic fines that were not issued in the current year included in the current year amount	New	The misstatement is caused by errors made during the categorisation of traffic fine register wherein fines issued in the 2019/20 financial year were mistakenly included in the 2020/21 financial year.	Management will put in place systems of internal controls by implementing cut-off procedures to ensure that accounting for traffic fines is done in the correct accounting period.	31-04-2022	Manager: Revenue

40		Revenue Management	Revenue Management - Donations in Kind (Gifts and Donations) not recognised and disclosed	New	Donation letter not communicated to finance department.	Fixed assets register to be adjusted during the audit adjustment process	3-Dec-21	CFO
41	39	Expenditure Management	Differences between the general ledger and supplier invoice	Recurring	Insufficient review of transactions captured on financial system against the supporting documents provided in support of the entries	To improve our Internal controls, particularly reviewing of documents after being captured on the system to ensure that VAT is correctly captured/recorded.	Immediately	Manager: Expenditure
42	40	Expenditure Management	Difference between amount recorded in the general ledger and supporting documents	Recurring	Inadequate review of AFS	To improve Internal controls To review journal after being captured on the system To ensure that supporting documents aligned to the journal processed are attached.	Ongoing	Manager: Expenditure
43	41	Expenditure Management	Expenditure incurred incorrectly classified: The amounts for the following transaction was recorded as ward committees whereas the description of the goods per the supplier invoice is catering	Recurring	Insufficient review of transactions captured on financial system against the supporting documents provided in	To improve our Internal controls, particularly reviewing of documents after being captured on the system, and also to ensure that the correct segment is used.	Immediately	Manager: Expenditure & SCM

					support of the entries			
44	43	Procurement and Contract Management	Non submission of a deviation voucher	New	Lack of proper records for supply chain management.	To check all deviations and ensure completeness prior appointment To request quarterly internal audit of all documents	Ongoing	Manager: SCM
45	48	Expenditure management	Expenditure incurred incorrectly classified The amounts for the following transaction was recorded as repairs and maintenance whereas the description of the goods per the supplier invoice does not relate to it	Recurring	Misclassification of entries to GL	To improve the review of documents after being captured on the system, and also to ensure that the correct segment is used.	Ongoing	Manager : Expenditure
46		Procurement and Contract Management	SCM Limitation of scope-non submission of office building bid	Recurring	Document was taken by another law enforcement agency	Submission of documents as soon as they are made available by the law enforcement agency	Ongoing	Manager: SCM
47	49	Revenue Management	Payment received in advance overstated	New	Incorrect register used to perform calculation's	Recalculations were performed and confirmed a factual difference of R 534 464.52 for payment in advance. The audit adjusting corrective journal was processed.	12/3/2021	Manager: Revenue

48		Revenue Management	Multiple valuation rolls submitted where valuation reconciliation was performed on each	New	Incorrect version of valuation roll submitted to auditors	To put in place internal controls that will prevent, detect, and correct errors and or omission on the Property valuation. The AFS disclosure for Valuations summary under note 22 will be updated	12/3/2021	Manager: Revenue
49	51	Consequence management	Fruitless and wasteful expenditure incurred not investigated by MPAC	New	Late submission of the reports to Council and to the committee	Fruitless and wasteful expenditure to be submitted to council for investigation as and when the expenditure is incurred	3/31/2022	Acting Municipal Manager
50	52	Procurement and Contract Management	Deviation not approved by the Accounting officer	New	Lack of review of report	To ensure that all supply chain regulations are implemented accordingly including the treatment of approved deviations.	Ongoing	Manager: SCM
51		Procurement	Quotations not evaluated on PPPF ACT	New	Inadequate implementation of the preferential procurement framework.	Management will ensure that SCM staff are inducted on supply chain processes as required by the preferential procurement framework, furthermore ensure implementation of the preferential procurement framework on all municipal procurements	Ongoing	Manager: SCM

52	53	Irregular expenditure	VAT not accounted for properly	New	Financial and performance management: management did not prepare regular, accurate and complete registers and performance reports that are supported and evidenced by reliable information.	Management will ensure that the AFS review processes are improved in order to be compliant with all relevant GRAP requirements on the presentation and disclosure of Annual financial Statements.	Ongoing	Manager: SCM
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APPENDIX D: CAPITAL EXPENDITURE – NEW & UPGRADE / RENEWAL PROGRAMMES: INCLUDING MIG GRANTS

DETAILS	OPENING BALANCE 01 JULY 2020	DORA ALLOCATION 2020/2021	FUNDS WITHHELD	RECEIVED THIS YEAR	ADDITIONAL FUNDS RECEIVED	EXPENDITURE
Municipal Finance Management Grant (FMG)	R 0	R 2 300 000	R 0	R 2 300 000	R 0	R 2 300 000
Municipal Infrastructure Grant (MIG)	R 0	R 81 475 000	R 0	R 81 475 000	R 7000 000	R 88 475 000
Municipal Demarcation Transitional Grant (MDTG)	R 0	R 0	R 0	R 0	R 0	R 0
Integrated National Electricity Programme (INEP)	R 894 689	R 10 660 000	R 0	R 10 660 000	R 0	R 11 554 689
Extended Public Works Programme (EPWP)	R 1 161 000	R 1 161 000	R 0	R 1 161 000	R 0	R 1 161 000
Municipal System Improvement Grant (MSIG)	R 0	R 0	R 0	R 0	R 0	R0

