



# COLLINS CHABANE LOCAL MUNICIPALITY

## ANNUAL REPORT 2021/2022

“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

<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>AGSA</b>	Auditor General South Africa
<b>ANC</b>	African National Congress
<b>CCLM</b>	Collins Chabane Local Municipal
<b>CFO</b>	Chief Finance Officer
<b>CIBD</b>	Construction Industry Development Board
<b>Cllr</b>	Councillor
<b>CoGHSTA</b>	Corporative Government Human Settlement and Traditional Affairs
<b>CoGTA</b>	Corporative Government and Traditional Affairs
<b>DA</b>	Democratic Alliance
<b>DMP</b>	Disaster Management Plan
<b>DMS</b>	Disaster Management Structure
<b>DoE</b>	Department of Education
<b>DoRT</b>	Department of Roads and Transport
<b>DSCR</b>	Department of Sports, Culture and Recreation
<b>DSS</b>	Department of Safety and Security
<b>DWA</b>	Department of Water Affairs
<b>EPWP</b>	Expanded Public Works Programme
<b>FBO</b>	Faith Based Organisations
<b>FBS</b>	Free Basic Services
<b>FY</b>	Financial Year
<b>GDS</b>	Growth and Development Summit
<b>HH</b>	Households
<b>HIV</b>	Human Immunodeficiency virus
<b>IDP</b>	Integrated Development Plan
<b>INEP</b>	Integrated National Electrification Programme
<b>ISF</b>	Mpumalanga Integrated Spatial Framework
<b>LED</b>	Local Economic Development
<b>KL</b>	Kilolitre
<b>KM</b>	Kilometres
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LAC</b>	Local Aids Council
<b>LED</b>	Local Economic Development
<b>LEDF</b>	Local Economic Development Forum
<b>MFMA</b>	Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
<b>MIG</b>	Municipal Infrastructure Grant
<b>MISA</b>	Municipal Infrastructure Support Agent
<b>MM</b>	Municipal Manager
<b>MNDs</b>	Minimum Notified Demands
<b>MPAC</b>	Municipal Public Accounts Committee

<b>MSA</b>	Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NGO</b>	Non-Government Organisations
<b>NPO</b>	Non-Profit Organisations
<b>PAFPA</b>	Plator and Area Fire Protection Association
<b>PGDS</b>	Provincial Growth Development Strategy
<b>PLHWA</b>	People Living with HIV/AIDS
<b>PMC</b>	Provincial Management Committee
<b>PMS</b>	Performance Management System
<b>PMU</b>	Project management Unit
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>SPLUM</b>	Spatial Planning and Land Use Management Act
<b>STI</b>	Sexually Transmitted Infections
<b>VDM</b>	Vhembe District Municipality
<b>TB</b>	Tuberculosis
<b>WSIG</b>	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



The Annual Report covers the activities of 2021/22 Financial Year which incorporated two Council terms. The portion of this report was during the reign of the late Mayor, Cllr Maluleke Moses who was later succeeded by Mayor, Cllr Maluleke SG who will be tabling the report to Council.

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 2021/22 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 2021/22 Financial Year**

- 270 street lights connected at 18 wards (2,3,6,7,8,11,12,16, 17,18,19,22,23,27 ,28, 29,31,35)
- 60 Flood lights installed and supplied at Municipal Infrastructure at Malamulele Community Hall (10), Malamulele Information Centre, (12) Ntjhanjhaka Community Hall (08), Vuwani Traffic Offices (20) & Vuwani sub
- Solar Panels supplied and installed at Civic centre (1) Malamulele Traffic Office (1) and Malamulele community hall (1)
- 3 generators supplied and installed at Malamulele (1) information centre and Vuwani (1) sub office and traffic station (1)
- 11 Households constructed and connected with electricity at Mavambe Makumeke
- 2 km Ring Road upgraded at Bevhula
- 3 KM Ring Road upgraded at Mdavula up to base layer
- 4.5 km Ring Road upgraded at Mphambo up to paving and Kerbing
- Detailed designs for construction of 7.26 km Ring Road at Xihosana developed
- Detailed designs for construction 8.7km Ring Road at Josefa developed
- Detailed designs for construction of 2.5km Ring Road at Phaphazela developed
- Detailed designs for construction of 2.5 km Ring Road at Oliphantshoek developed
- Detailed designs for construction of 2.5 km Altein Road developed
- Detailed designs for construction of 2.5 km Magomani Road developed
- Bus Terminals for long and short distances constructed at Malamulele up to practical Completion

- 7km internal streets rehabilitated at Malamulele
- 7 Low Level Bridges Constructed at Ward 21,22,23,24,26,27 and 28
- Davhana Stadium phase 2 constructed
- Detailed designs for upgrading of Bungeni Stadium developed
- Malamulele Stadium upgraded up to racing track and finishing of grand stand
- Detailed designs for Upgrading of Vuwani Sports Centre developed
- 5400 Sites Demarcated and Surveyed at Tiyani (2000), Mahatlani (300), Makumeke (500), Rikaka (100), Mphambo (1000), Altein (100), Shigamani (300), Mulenzhe (100), Khakhanwa( 100), Makhasa (200), Mabidi (200), Davhana ( 200), and Makhubele (300)
- Township established at portion 10 of the farm Malamulele 234lt
- Consultation with Community for community resolution for establishment of a township at Majosi conducted
- Consultation with Community for community resolution for establishment of a township at Mavandla conducted

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 five top management positions. The Position of the Senior Manager corporate services was vacant from the first of April 2022.

The Municipality received MIG funds of **R 86 758 000 (plus 28 000 000 additional funding received)**

The total MIG expenditure for the year under review was R 114 758 000.

Mayor: Cllr. Maluleke SG

## 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 2021/22 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 2021/22 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 5 467.216km<sup>2</sup> (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.

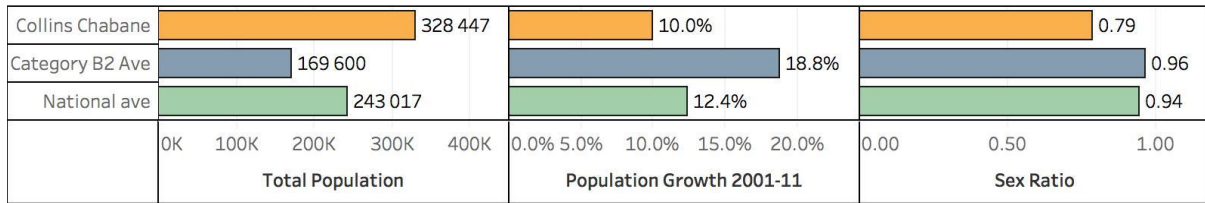
### 1.1.3 POPULATION SIZE AND COMPOSITION

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 following<sup>1</sup>:

- 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

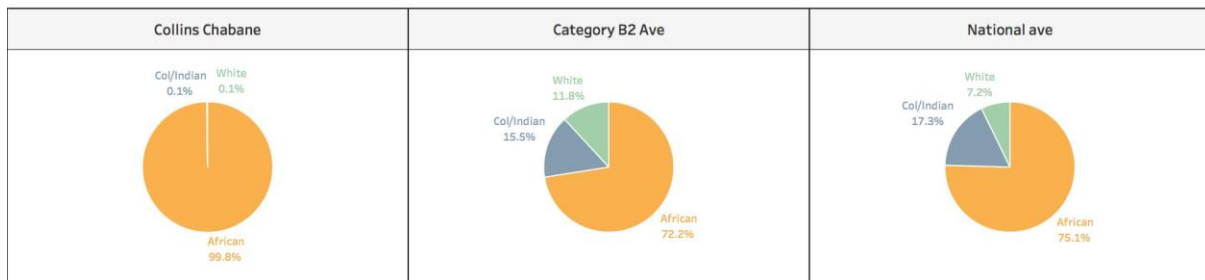
### Demographic Overview



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

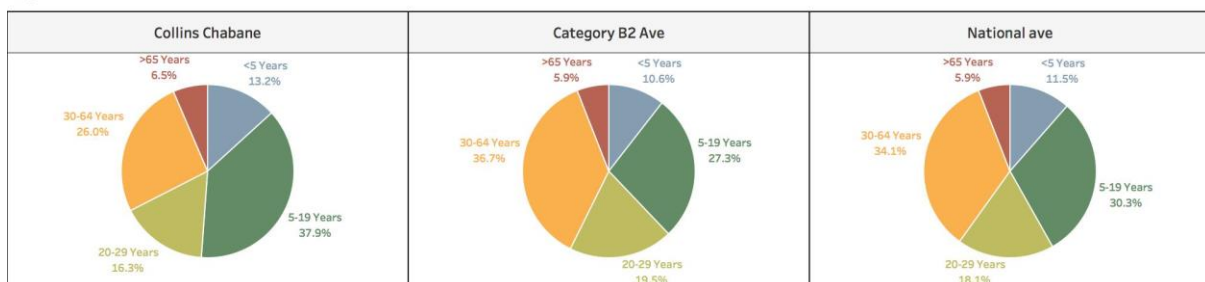


## Age structure

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

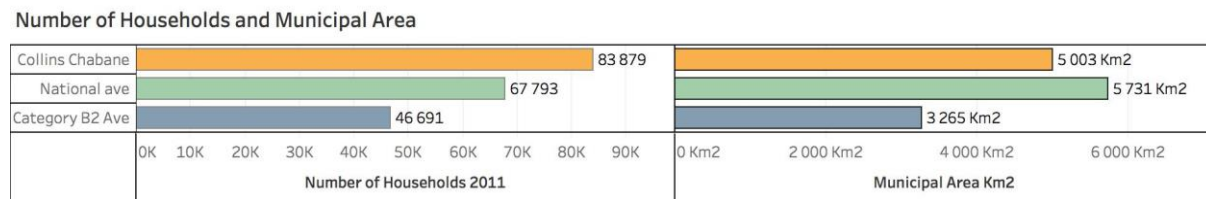


## Households and density

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**

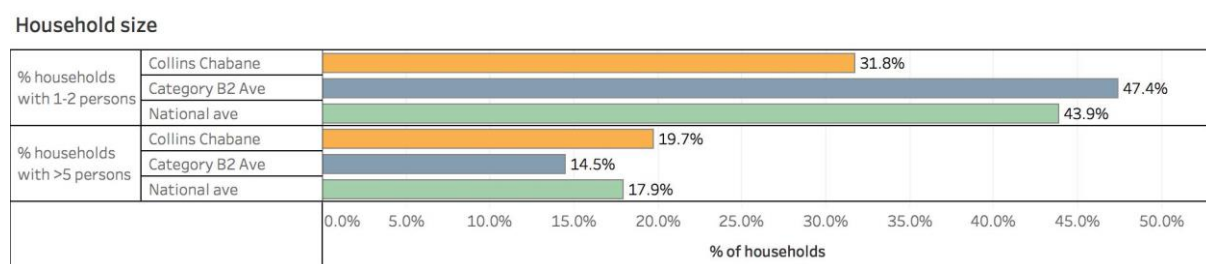


Importantly, though, the relative size of households and the density of population are more useful indicators of human settlements and the extent to which municipalities need to respond to challenges. This is particularly the case for relatively small households (1-2 persons) and large (over 5 persons) 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:

<b>DATE</b>	<b>VENUE</b>	<b>WARDS</b>	<b>TIME</b>
<b>15 April 2021</b>	Saselamani Library	27, 28, 29, 30, 31, 32, 33, 34, 35 & 36	10H00
<b>16 April 2021.</b>	Njhakanjhaka Community Hall	1, 2, 3, 4, 5, 6, 7, 8, 9 & 10	10H00
<b>19 April 2021.</b>	Malonga Sports Ground	11, 12, 13 & 14	10H00
<b>20 April 2021.</b>	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.

<b>Financial Overview: 2021/22</b>		
<b>Summary: Statement of financial Performance</b>		
<b>Description</b>	<b>Budget 2021/22</b>	<b>Actual 2021/22</b>
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
<b>Equals: Surplus/ deficit</b>	<b>R 236 459 635</b>	<b>R 265 159 801</b>

### 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:**

Municipal Manager	Filled
Senior Manager Technical Services	Filled
Senior Manager Corporate Services	<b>Vacant</b>
Senior Manager Community Services	Filled
Chief Finance Officer	Filled
Senior Manager Planning and Development	Filled

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

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**

Cllr Mbedzi TS **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 Baloyi ME

### **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:**

<b>Mayor</b>	Cllr Maluleke M
<b>Speaker</b>	Cllr Mbedzi TS (Appointed Effective November 2021)
<b>Chief whip</b>	Cllr Baloyi ME (Appointed Effective November 2021)
<b>Speaker</b>	Cllr Lebea ME (Resigned November 2021)
<b>Chief whip</b>	Cllr Chauke MG (Resigned November 2021)
Members of the Executive Committee	Cllr Mabasa D Cllr Thovhakale MS Cllr Chauke HG Cllr Maluleke LR (Appointed effective February 2022) Cllr Baloyi DL Cllr Lebea ME Cllr Mashila D (Appointed effective November 2021) Cllr Mahlawule TP (Appointed effective November 2021) Cllr Maluleke SG Cllr Mashimbye FP (Resigned November 2021) Cllr Mutele TM (Resigned November 2021) Cllr Mavikane SX (Resigned November 2021) Cllr Mukhaha AJ (Resigned November 2021) Cllr Mazibuko MP (Resigned November 2021)
Other members of Municipal Council	Cllr Maremane HR (Appointed effective January 2022) Cllr Bila ST Cllr Mashimbye FP Cllr Mutele ST

Cllr Mavikane SX  
Cllr Shivambu S  
Cllr Matamela SM  
Cllr Masangu GD  
Cllr Chauke ST  
Cllr Maluleke ET  
Cllr Ndove HD  
Cllr Mudau TS  
Cllr Mabasa KK  
Cllr Ngobeni MR  
Cllr Mabasa J  
Cllr Baloyi HR  
Cllr Sunduza SZ  
Cllr Chabangu ST  
Cllr Mabunda MC  
Cllr Munyai N  
Cllr Sithole SM  
Cllr Shandukani SM  
Cllr Rekhoto SS  
Cllr Miyambo SZ  
Cllr Baloyi MJ  
Cllr Hlabangwani TL  
Cllr Masia TM  
Cllr Rikhotso GM  
Cllr Mathavha HF  
Cllr Baloyi HJ (Appointed effective November 2021)  
Cllr Manganyi HL (Appointed effective November 2021)  
Cllr Mabasa W (Appointed effective November 2021)  
Cllr Mhangwani C (Appointed effective November 2021)  
Cllr Khange G (Appointed effective November 2021)  
Cllr Makhubela S (Appointed effective November 2021)  
Cllr Bamuza E (Appointed effective November 2021)  
Cllr Hlatswayo TG (Appointed effective November 2021)  
Cllr Mafanela RM (Appointed effective November 2021)  
Cllr Maluleka RM (Appointed effective November 2021)  
Cllr Mathebula ML (Appointed effective November 2021)  
Cllr Rasiuba NR (Appointed effective November 2021)

	<p>Cllr Maluleke HM (Appointed effective November 2021)</p> <p>Cllr Tshoteli LD (Appointed effective November 2021)</p> <p>Cllr Maloleka SB (Appointed effective November 2021)</p> <p>Cllr Chabalala KR (Appointed effective November 2021)</p> <p>Cllr Chauke MC (Appointed effective November 2021)</p> <p>Cllr Hlungwani S (Appointed effective November 2021)</p> <p>Cllr Mathebula ME (Appointed effective November 2021)</p> <p>Cllr Chauke GP (Appointed effective November 2021)</p> <p>Cllr Makhomisanani SS (Appointed effective November 2021)</p> <p>Cllr Maringa RE (Appointed effective November 2021)</p> <p>Cllr Manganye MJ (Appointed effective November 2021)</p> <p>Cllr Manganyi MN (Appointed effective November 2021)</p> <p>Cllr Muthubi KR (Appointed effective November 2021)</p> <p>Cllr Mulaudzi MM (Appointed effective November 2021)</p> <p>Cllr Chaoke TS (Appointed effective November 2021)</p> <p>Cllr Khosa TE (Appointed effective November 2021)</p> <p>Cllr Chauke MG (Appointed effective December 2021)</p> <p>Cllr Munarini TJ (Appointed effective December 2021)</p> <p>Cllr Yingwani T (Appointed effective December 2021)</p> <p>Cllr Maluleke LR (Appointed effective February 2022)</p> <p>Cllr Chauke FT (Appointed effective March 2022)</p> <p>Cllr Mukhaha SA (Resigned November 2021)</p> <p>Cllr Khoza ST (Resigned November 2021)</p> <p>Cllr Simango MR (Resigned November 2021)</p> <p>Cllr Maluleke SL (Resigned December 2021)</p> <p>Cllr Makhubele HT (Resigned September 2021)</p> <p>Cllr Rivombo KE (Resigned November 2021)</p> <p>Cllr Khosa HJ (Resigned November 2021)</p>
--	---

	Cllr Chauke SN (Resigned October 2021) Cllr Mukhomi VN (Resigned November 2021) Cllr Maluleke MP (Resigned November 2021) Cllr Ngobeni SN (Resigned February 2021) Cllr Mahlale S (Resigned November 2021) Cllr Moyo MT (Resigned November 2021) Cllr Mathonsi (Resigned November 2021) Cllr Sambo ST (Resigned November 2021) Cllr Chavani PJ (Resigned November 2021) Cllr Mashakeni SK (Resigned November 2021) Cllr Mulaudzi TN (Resigned November 2021) Cllr Mudau SR (Resigned November 2021) Cllr Ndzovela SN (Resigned November 2021) Cllr Nkuna SD (Resigned November 2021) Cllr Baloyi NL (Resigned November 2021) Cllr Mahlangu D (Resigned November 2021) Cllr Mabasa SR (Resigned November 2021) Cllr Baloyi OC (Resigned November 2021) Cllr Vukeya ST (Resigned November 2021) Cllr Chauke HM (Resigned November 2021) Cllr Machovani SR (Resigned November 2021) Cllr Tshiredo SC (Resigned November 2021) Cllr Radzivhoni CM (Resigned November 2021) Cllr Mathoma MP (Resigned November 2021) Cllr Ngobeni NL (Resigned November 2021) Cllr Muavha S (Resigned November 2021) Cllr Maswanganyi TC (Resigned November 2021) Cllr Mabunda RJ (Resigned February 2022)
--	--

### 2.1.1. ADMINISTRATIVE GOVERNANCE STRUCTURE AS AT 30 JUNE 2022

<b>Municipal Manager</b>	FILLED
<b>Senior Manager Technical Services</b>	FILLED
<b>Senior Manager Corporate Services</b>	VACANT
<b>Senior Manager Community Services</b>	FILLED
<b>Chief Finance Officer</b>	FILLED
<b>Senior Manager Development &amp; Planning</b>	FILLED

### 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.

	<p><b>TOP ADMINISTRATIVE STRUCTURE</b></p> <p><b>MUNICIPAL MANAGER SHILENGE RR</b></p> <p><b>Functions of the Municipal Manager</b></p> <ul style="list-style-type: none"><li>▪ Strategic Management Planning of Corporate Support Services</li><li>▪ Strategic Management</li><li>▪ Strategic Management Support of Finance Services – Budget and Treasury</li><li>▪ Strategic Management Support of Technical and Engineering Services</li><li>▪ Strategic Management Support of Local Economic Development and Planning</li><li>▪ Strategic Leadership for Risk Management Services</li><li>▪ Strategic Leadership for Internal Audit Services</li><li>▪ Operational Leadership of Institutional Performance Management and Reporting</li><li>▪ Administrative Leadership of Mayor and EXCO Support</li><li>▪ Coordinate Intergovernmental Relations</li><li>▪ Operational Leadership Communication Services</li></ul>
--	---



**ACTING SENIOR MANAGER: CORPORATE SERVICES  
MAPUTLA TMD**

**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



**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 all its 36 wards during the 2021/22 financial year and they are functional. For the year under review the term of office for ward committees lapsed with the term of Councillors and the newly ward committees were established after the new term of council was established.

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	108

#### 2.4.2. MAYORAL IMBIZO

The Municipality mayoral Imbizo's meetings were conducted in both physically and virtual due to COVID-19 regulations that were still in place. The Municipality conducted 4 Mayoral Imbizo's of which 3 were conducted on a virtual Platforms e.g. live radio broadcast, use of social media network and one physical Malamulele boxing gym.

## **COMPONENT D: CORPORATE GOVERNANCE**

### OVERVIEW OF CORPORATE GOVERNANCE

For the 2021/22 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 2021/22. 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 2021/22, 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 Audit committee noted an improvement in the percentage of audit findings resolved by management.

The Audit 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 Chief Audit Executive 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 Audit Chief Executive 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 2021/2022 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 implemented 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 2021/22, 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 are gazetted

- 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:

<b>Documents published on the municipality`s /entity`s website</b>	<b>Yes/No</b>
<b>Current annual and adjustment budgets and all budget related documents</b>	Yes
<b>All current budget related policies</b>	Yes
<b>The previous annual report (2020/21)</b>	Yes
<b>The annual report (2021/22) to be published</b>	Yes
<b>All current performance agreements required in terms of section 54/56 (1) (b) of the MSA and resulting score cards</b>	Yes
<b>All service delivery agreements (2021/22)</b>	Yes
<b>All long term borrowing contracts (2021/22)</b>	No
<b>All supply chain management contracts above a prescribed value (give value) for 2021/22</b>	Yes
<b>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 2021/22</b>	N/A
<b>Contracts agreed in 2021/22 to which subsection (1) of section 33 apply, subject to subsection (3) of that section</b>	N/A
<b>All quartely reports tabled in the council in terms of section 52 (d) during 2021/22</b>	YES

Access to Municipal Website

Municipal Website:  
[www.collinschabane.gov.za](http://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 2020/21	2 237.87km	0	13.5	7920
2021/22	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	
2020/21	15.5 KM	13.5 KM	2 KM	4	4 KM	
2021/22	14.5 KM	11.5 KM	3 KM	3	3 KM	

Cost of construction/Maintenance R'000			
	Tar/Paving		
	New	Re-worked	Maintained
2021/22	8,500,000.00	4,000,000.00	800,000.00

Capital Expenditure year 2021/22: Road service R'000					
Capital projects	Year 2021_22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project values
Year 2021-22	116,253,318.28	116,253,318.28	116,253,318.28	0	116,253,318.28

MIG Expenditure year 2021/22: Road service R'000					
Capital projects	Year 2021_22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project values
Year 2021-22	86 758 000	114 758 000.	114 758 000.	28 000 000	88,475,000.00

The Municipality has procured a service provider who is assisting in developing maintenance plans. The plan will give the municipal 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 storm water.

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

### 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 2021/22 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 (2021/22)	YEAR (2020/21)	YEAR (2019/20)
	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 <b>sub-total</b>	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 <b>sub-total</b>	0	0	0
Below minimum service level percentage	0	0	0
<b>Total number of households</b>	<b>348</b>	<b>600</b>	<b>1443</b>

HOUSEHOLDS - ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM HOUSEHOLDS					
DESCRIPTION	2021/22			2020/21	2019/20
	ORIGINAL BUDGET NO.	ACTUAL NO.	ACTUAL NO.	ACTUAL NO.	ACTUAL NO.
<b>Formal Settlements</b>					
Total Households	348	0	348	600	1443
Households below minimum service level	348	0	348	600	1443
Proportion of households below minimum service level	0	0	0	0	0
<b>Informal Settlements</b>					

Total households	348	0	348	600	1443
Households below minimum service level	348	0	348	600	1443
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 2021/2022 financial year. The projects were implemented within various villages. The projects reached practical completion stage and are currently awaiting energization by Eskom.

<b>PROJECT NAME</b>	<b>CONSULTANT / CONTRACTOR</b>	<b>BUDGET</b>
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 household's 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
	Contractor: Mpfumelelo MM Industries	40,000,000.00
Construction of Mahatlane Access Bridge	Consultant: None	R 1,700,000.00
	Contractor: FJRIC Construction	
Construction of Bevhula Ring Road	Consultant: Morula Consulting	R
	Contractor: Mokatemong Nkemeleng JV	18,526,659.14
	Consultant: MVE Constulting	

Upgrade 3.7 KM of Road at Sebudi/Vyeboom road phase 2	Contractor: Koephu Construction	R 33,000,000.00
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	R 18,526,659.14
	Contractor: MMqomo Construction	
Upgrading of Sasekani Ring Road	Consultant: Smec SA	R 4,000,000.00
	Contractor: Shalati Construction	
Upgrading of Malamulele Ext D Road	Consultant: Moba Consulting	R 1,000,000.00
	Contractor: None	
Construction of Mphambo Ring road	Consultant: MVE Consulting Engineers	R 1,000,000.00
	Contractor: None	
Construction of Nwa-Matatani ring road 2.2km	Consultant: Marungane Consulting Engineers	R 20,000,000.00
	Contractor: Gombameni Construction	
Upgrading of Malamulele Traffic Station	Consultant: 2MC Consulting Engineers	R 10,000,000.00
	Contractor:	
Construction of Davhana stadium	Consultant: Tshwane Consulting Engineers	R 7,321,681.72
	Contractor: Dalas Enterprise	
Upgrading of Malamulele stadium	Consultant: Nemorango Consulting Engineers	R 20,243,881.00
	Contractor: Phetlago Construction	
Construction of Vuwani Sports Centre	Consultant: None	R 5,000,000.00
	Contractor: None	
Construction Tourism Inform Centre	Consultant: Rixongile Consulting Engineers	R 3,500,000.00
	Contractor: Dalas Business Enterprise	
Construction of Xigalo land fill site	Consultant: Mamadi & Co	R 20,000,000.00
	Contractor: Tainama Civils	

### 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 2021/22 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)		
2021/22	91936	69952	76%

Housing				
Service Objective	Service Indicator	Service Target	2021/22	
			Target	Actual
To Build 700 Units for Approved Beneficiaries	Number of Units Built to Approved Beneficiaries	700	700	30

### 3.7. FREE BASIC SERVICES

The municipality has an indigent policy that was adopted in 2021

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 bakkie

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 14 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 DEMARCATIONS

5400 Sites Demarcated and Surveyed at Tiyani (2000), Mahatlani (300), Makumeke (500), Rikaka (100), Mphambo (1000), Altein (100), Shigamani (300), Mulenzhe (100), Khakhanwa (100), Makhasa (200), Mabidi (200), Davhana (200), and Makhubele (300)

### 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 marking. 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

## 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 2021/2022 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
2021/2022	IG-REFUSE REMOVAL	53
2021/2022	IG-PARKS AND BEAUTIFICATION	07
2021/2022	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 2021/2022 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 157 business certificates have been issued.

## **COMPONENT C: COMMUNITY & SOCIAL SERVICES**

### **3.12. LIBRARIES**

The Municipality play 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 forty (40) student have completed their studies and the remaining 02 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 2021/22 FINANCIAL YEAR:

LOCATION:	2019/20	2020/2021	2021/22
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 2021 Collins Chabane local Municipality 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 in August 2021 released a statement on a virtual platform 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 review 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 2021-2022 financial year.

#### ROADSIDE CHECK DEPLOYMENT

- 711 were conducted across the entire municipality during 2021/22 financial year.

#### SPEED DEPLOYMENT

- 179 Speed deployments were conducted within the municipality during 2021/22 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 2021/22 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 2021/22 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 2021/22 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 2021/22 Financial Year:

LOCATION	MALAMULELE	VUWANI	SASELAMANI	HLANGANANI
Number of vehicle road accidents 2021/2022 FY	458	101	68	149
Number of Vehicle fatalities 2021/ 2022 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



### ADJUSTED ANNUAL PERFORMANCE REPORT 2021-22

## TABLE OF CONTENTS

<u>1.</u>	<u>TABLE OF ACRONYMS AND ABBREVIATIONS</u>	63
<u>2.</u>	<u>INTRODUCTION AND LEGISLATION</u>	64
<u>3.</u>	<u>VISION AND MISSION OF COLLINS CHABANE LOCAL MUNICIPALITY</u>	65
<u>4.</u>	<u>DEPARTMENTS</u>	65
<u>4.</u>	<u>KPA ANALYSIS</u>	65
<u>5.</u>	<u>MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</u>	66
<u>6.</u>	<u>SPATIAL RATIONALE</u>	68
<u>7.</u>	<u>BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</u>	70
<u>8.</u>	<u>LOCAL ECONOMIC DEVELOPMENT</u>	Error! Bookmark not defined.
<u>9.</u>	<u>MUNICIPAL FINANCE MANAGEMENT AND VIABILITY</u>	80
<u>10.</u>	<u>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</u>	83
<u>11.</u>	<u>PRIOR YEAR COMPARISON</u>	86
<u>12.</u>	<u>ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2021/22 FINANCIAL YEAR</u>	86

## 1. TABLE OF ACRONYMS AND ABBREVIATIONS

AG	Auditor-General
CCLM	Collins Chabane Local Municipality
CWP	Community Works Programme
DMP	Disaster Management Plan
DoE	Department of Energy
EMP	Environmental Management Plan
EPW	Expanded Public Works Programme
FBW	Free Basic Water
FY	Financial Year
GIS	geographic information system
IDP	Integrated Development Plan
IGR	Intergovernmental Relation
INST	Institutional
LED	Local Economic Development
MFMA	Municipal Finance Management Act, No, 56 of 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPC	Municipal Public Account Committee
MSIG	Municipal Systems Improvement Grant
SLA	Service Level Agreement
PIA	Project Implementing Agent
PMS	Performance Management System
PMU	Project Management Unit
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
VDM	Vhembe District Municipality

## **2. INTRODUCTION AND LEGISLATION**

### **INTRODUCTION**

The purpose of this report is to present the Annual Performance Report of Collins Chabane Local Municipality for the 2021/22 financial year.

### **LEGISLATION**

Annual Performance Report is compiled in line with Section 46 (1) (a) of the Municipal Systems Act which states that:

(1) A Municipality must prepare for each financial year an Annual Performance Report should reflecting-

(a) the performance of the municipality and of each external service provider during that financial year;

(b) a comparison of the performance referred to in paragraph(a) with targets set for a performance in the previous financial year; and

(c) measures taken to improve performance

(2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act

The Performance of the Municipality is reviewed in terms of paragraph 14 (1) (c) of Municipal Planning and Performance Regulations which stipulates that:

A municipality's Internal Auditors must -

(1) On a continuous basis audit the performance measurements of the municipality; and

(i) Submit quarterly reports on their audits to the Municipal Manager and the Audit Committee.

The Performance Management System is still a manual system that uses the approved Service Delivery Budget and Implementation Plan (SDBIP) as its basis. The Annual Performance Report includes the below listed Key Performance Areas (KPA's):

1. Municipal Transformation and Organizational Development
2. Spatial Planning
3. Basic Delivery and Infrastructure Development
4. Local Economic Development
5. Municipal Finance Management and Viability
6. Good Governance and Public Participation

### 3. VISION AND MISSION OF COLLINS CHABANE LOCAL MUNICIPALITY

**Vison:**

“A spatially integrated and 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 benefit of all citizens

### 4. DEPARTMENTS

Collins Chabane Municipality Departments

Collins Chabane Local Municipality administration is composed of the following departments:

1. Office of the Municipal Manager,
2. Corporate Services,
- 3.Planning and development
4. Budget and Treasury,
5. Technical Services,
6. Community Services

### 4. KPA ANALYSIS

KPA	TOTAL KPIs	TOTAL ACHIEVED	TOTAL NOT ACHIEVED	ACHIEVED PERCENTAGE	UNACHIEVED PERCENTAGE
Municipal Transformation and Organisational Development	10	9	1	90%	10%
Spatial Rationale	6	6	0	100%	-
Basic Service Delivery and Infrastructure Development	43	36	7	84%	16%
Local Economic Development	4	4	0	100 %	-
Municipal Finance Management and Viability	14	13	1	93%	7%
Good Governance and Public Participation	20	15	5	75%	25%
<b>Total</b>	<b>97</b>	<b>83</b>	<b>14</b>	<b>86%</b>	<b>14%</b>

5. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

NO	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
DEVELOPMENT OBJECTIVE: IMPROVED GOVERNANCE AND ADMINISTRATION															
01	To review 71 Municipal policies and submit to Council for approval by 30 June 2022	68 Municipal policies to be reviewed by Council	71 Municipal policies reviewed and approved by Council by 30 June 2022	Municipal Policies review	OWN FUNDING	OPEX	01/07/2021	30/06/2022	Target achieved	71 Municipal policies reviewed by Council	None	None	None	Q4: Policies & Council Resolutions	CORPS
02	To review and submit the Organogram to Council for approval by 30 June 2022	Organogram reviewed and approved by Council	Organogram reviewed and approved by Council by 30 June 2022	Organogram review	OWN FUNDING	OPEX	01/07/2021	30/06/2022	Target achieved	Organogram reviewed and approved by Council	None	None	None	Q:3: Draft Organogram and Council Resolution Q4: Final Organogram and Council Resolution	CORPS
03	% litigation cases attended to by 30 June 2022 (Number of Litigation cases received by Number of Litigation Cases attended to)	100% litigation cases attended to (Number of litigation cases received by number of litigation cases attended to)	100% litigation cases attended to by 30 June 2022 (Number of litigation cases received by number of litigation cases attended to)	Management of litigations	OWN FUNDING	OPEX	01/07/2021	30/06/2022	Target Achieved	100% litigation cases attended to (14/14)	None	None	None	Q1 -Q4: Litigation Register	CORPS/OM
04	To fill 20 posts in line with the approved Organogram by 30 June 2022	12 posts filled in in line with the approved Organogram	20 posts filled in line with the approved Organogram by 30 June 2022	Personnel Recruitment	OWN FUNDING	OPEX	01/07/2021	30/06/2022	Target Not Achieved.	10 posts filled in line with Organogram	None	Delay in appointment processes	The Processes fast tracked and 13 Position appointment end of June and commenced in July	Q-4 Appointment Letters and Acceptance Letters by Candidates	CORPS
05	Number of LLF Meetings convened by 30 June 2022	12 LLF Meetings convened	12 LLF Meetings convened by 30 June 2022	LLF Meetings	OWN FUNDING	OPEX	01/07/2021	30/06/2022	Target Achieved	12 LLF Meetings convened	None	None	None	Q1- Q4: Minutes & Attendance Registers	CORPS
06	To develop and Submit the workplace skills plan and Annual Training Report to LGSETA 30 April 2022	Workplace skills plan and annual training report developed and	Workplace skills plan and annual training report developed and	Workplace skills plan and Annual Training Report	OWN FUNDING	OPEX	01/07/2021	30/06/2022	Target Achieved	Workplace skills plan and annual training report developed and submitted to LGSETA	None	None	None	Q4: Acknowledgement letter from LGSETA	CORPS

NO	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
		submitted to LGSETA	submitted to LGSETA by 30 April 2022												
07	Number of organisational performance reports developed by 30 June 2022	8 organisational performance report developed	8 organisational performance report developed by 30 June 2022	Organisational performance reports	OWN FUNDING	OPEX	01/07/2021	30/06/2022	Target Achieved	8 organisational performance report developed	None	None	None	Q1-2020/21 Annual Performance report ,2020/21 4th quarter report. Q2 2021/22 1st quarter SDBIP report. Q3 2021/22 2nd quarter SDBIP report ,2021/22 Mid-year Report, Q4 2020/21 Annual Report & Oversight report 2020/21 3rd quarter SDBIP report.	CORPS
08	Number of Section 57 Managers with signed performance agreements by 30 June 2022	5 Section 57 Managers with signed performance agreements	6 Section 57 Managers with signed performance agreements by 30 June 2022	Performance Agreement	OWN FUNDING	OPEX	01/07/2021	30/06/2022	Target achieved	6 Section 57 Managers signed performance agreements	None	None	None	Q1: Signed Performance Agreements	CORPS/OM
09	To implement 16 training and development programmes by 30 June 2022	16 training and development programmes implemented	16 training and development programmes implemented by 30 June 2022	Training and development	OWN FUNDING	OPEX	01/07/2021	30/06/2022	Target achieved	16 training and development programmes implemented	None	None	None	Q1-Q4 Invitation, Attendance Register	CORPS
10	To Conduct Employee Assistance Programme by 30 June 2022	Employee Assistance Programme conducted	Employee Assistance Programme conducted by 30 June 2022	Employee Assistance Programme	OWN FUNDING	OPEX	01/07/2021	30/06/2022	Target achieved	Employee Assistance Programme conducted	None	None	None	Q-4 Invitation, attendance register and report	CORPS

6. SPATIAL RATIONALE

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT .
<b>DEVELOPMENT OBJECTIVE: INTEGRATED SPATIAL AND HUMAN SETTLEMENT</b>															
11	To demarcate and Survey 5400 sites at Tiyani (2000), Mahatlani ( 300), Makumeke ( 500),Rikaka( 100), Mphambo (1000), Altein (100), Shigamani (300),Mulenzhe (100), Khakhanwa( 100), Makhasa (200), Mabidi (200), Davhana ( 200), and Makhubele (300) Villages by 30 June 2022	NEW INDICATOR	5400 Sites Demarcated and Surveyed at Tiyani (2000), Mahatlani ( 300), Makumeke ( 500),Rikaka( 100), Mphambo (1000), Altein (100), Shigamani (300),Mulenzhe (100), Khakhanwa( 100), Makhasa (200), Mabidi (200), Davhana ( 200), and Makhubele (300) Villages by 30 June 2022	Demarcation and survey of sites.	Own Funding	R 10 050 004	01/07/2021	30/06/2022	Target Achieved.	5400 Sites Demarcated and Surveyed at Tiyani (2000), Mahatlani ( 300), Makumeke ( 500),Rikaka( 100), Mphambo (1000), Altein (100), Shigamani (300),Mulenzhe (100), Khakhanwa( 100), Makhasa (200), Mabidi (200), Davhana ( 200), and Makhubele (300)	None	None	None	Q1: Inception Report & Topographical Survey Q2: Draft Layout Plan Q3: Specialists Reports: EIA; Geotech; Engineering Report. Q4: Draft SG Diagram	P&D
12	To develop Supplementary Valuation Roll across the municipality by 30 June 2022	NEW INDICATOR	Supplementary Valuation roll developed across the municipality by 30 June 2022	Supplementary Valuation Roll	Own Funding	R 1 899 996	01/07/2021	30/06/2022	Target Achieved.	Supplementary Valuation roll developed across the municipality	None	None	None	Q1: Appointment letter Q2: Inception Report Q3: Draft Valuation Report Q4: Q4: Final Supplementary Valuation Roll.	P&D
13	To establish township at portion 10 of the farm Malamulele 234lt by 30 June 2022	Consultation for Establishment of Township at Portion 10 of the farm Malamulele 234 LT by completed	Township established at portion 10 of the farm Malamulele 234lt by 30 June 2022	Township establishment of	Own Funding	R 7 599 996	01/07/2021	30/06/2022	Target Achieved.	Township established at portion 10 of the farm Malamulele 234lt	None	None	None	Q1: Inception Report Q2: Draft Layout Plan Q3: Attendance Register Q4: Attendance Register	P&D

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT
14	To conduct 4 Municipal Tribunal Sittings by 30 June 2022	NEW INDICATOR	4 Municipal Tribunal Sitting meetings conducted by 30 June 2022	SPLUMA Implementation	Own funding	OPEX	01/07/2021	30/06/2022	Target Achieved.	4 Municipal Tribunal Sitting meetings conducted	None	None	None	Q1- Q4: Attendance Register & Report	P & D
15	To consult with community for community resolution for establishment of a township at Majosi by 30 June 2022	NEW INDICATOR	Consultation with Community for community resolution for establishment of a township at Majosi by 30 June 2022	Township Establishment at Majosi	Own funding	OPEX	01/07/2021	30/06/2022	Target Achieved.	Consultation with Community for community resolution for establishment of a township at Majosi conducted	None	None	None	Q3: Appointment Letter, Inception Report, Application and Acknowledgement from DRDLR & Attendance Register Q4: Attendance Register	P & D
16	To consult with community for community resolution for establishment of a township at Mavandla by 30 June 2022	NEW INDICATOR	Consultation with Community for community resolution for establishment of a township at Mavandla by 30 June 2022	Township Establishment at Mavandla	Own funding	OPEX	01/07/2021	30/06/2022	Target Achieved.	Consultation with Community for community resolution for establishment of a township at Mavandla conducted	None	None	None	Q3: Appointment Letter, Inception Report, Application and Acknowledgement from DRDLR & Attendance Register Q4: Attendance Register	P & D

7. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	AJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
<b>DEVELOPMENT OBJECTIVE: IMPROVED ACCESS TO SUSTAINABLE BASIC SERVICES</b>															
17	To Construct and Connect 270 street lights at 32 Wards by 30 June 2022 (Wards 2,3,4,5,6,7,8,9,10,11,12,14,15,16,17,18,19,20,21,22,23,24,26,27,28,29,30,31,32,34,35 & 36)	NEW INDICATOR	270 street lights connected at 32 wards by 30 June 2022 (Wards 2,3,4,5,6,7,8,9,10,11,12,14,15,16,17,18,19,20,21,22,23,24,26,27,28,29,30,31,32,34,35 & 36)	Street lights at 32 wards (270) excluding ward 1,13,33 and 25	Own funding	R 12 800 000,00	01/07/2021	30/06/2022	Target Achieved	270 street lights connected at 18 wards (2,3,6,7,8,11,12,16,17,18,19,22,23,27,28,29,31,35)	Wards (4,5,9,10,14,15,20,21,24,26,30,32,34 and 36)	Service delivery demand on the Wards the projects started	The remaining Wards to be catered in the near future	Q:1 specification, advert and appointment letter Q:2 Site hand over minutes, Progress meeting minutes Q:3 completion certificates	TECH
18	To construct and connect 1464 households with electricity by 30 June 2022. (221) 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	Bush clearing, digging of holes, planting of poles for 1464 done at. (221) 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 and only (97) Masia Tandavale connected with electricity	1464 households constructed and connected with electricity by 30 June 2022. (221) 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 households at various villages	Own funding	R 10 000 000,00	01/07/2021	30/06/2022	Target Not Achieved.	House connection of 1 358 households ((221) 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, done	106) households at Malamulele D Ext not connected	Dispute at Malamulele D Ext Regarding demarcation of site	Malamulele D Ext case resolved	Q 1 Progress reports Q 2 Progress reports Q 3 Progress reports Q 4 completion certificates	TECH
19	To construct and connect 660 Households with electricity at various villages by 30 June	NEW INDICATOR	660 Households constructed and connected with	Electrification of households at	INEP	R 15 000 000,00	01/07/2021	30/06/2022	Target Not Achieved.	House connection of 310 households (	0 Connection of the 350	Eskom requested the contractor to	The contractor is busy moving	Q:1 appointment letters for Rikaka, Mabiligwe and	TECH

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
	2022(Mbuti Phase 3, 142 Households, Rikaka 350 Households & Mabiligwe 168 Households)		electricity at various villages by 30 June 2022 ((Mbuti Phase 3 142 Households, Rikaka 350 Households & Mabiligwe 168	various villages						(142) Mbuti Phase 3 and 168 Mabiligwe) done	Households at Rikaka not connected	move the line at Rikaka	the line at Rikaka	mbuti phase 3 Q:2 site meeting minutes Q:3 progress report Q:4 progress report , practical and completion certificates	
20	To construct and connect 150 Households with electricity at Malamulele B Extension by 30 June 2022	NEW INDICATOR	150 Households constructed and connected with electricity at Malamulele B Extension by 30 June 2022	Electrification of Malamulele B Extension	Own Funding	R 2 000 004,00	01/07/2021	30/06/2022	Target Not Achieved.	House connection of 23 households at Malamulele B Extension done	House connection of 127 households at Malamulele B Extension not done	Stand blocking the street where MV line have to pass according to the designs and delayed the implementation of the project	The owner of the site was engaged and the road was opened For the MV line to pass	Q:1 appointment letters for of Malamulele B Extension Q:2 site meeting minutes Q:3 Progress report Q:4 Progress report and completion certificate	TECH
21	To supply and Install 60 flood lights at municipal infrastructure at Malamulele Community Hall(10), Malamulele Information Centre,(12) Ntjhanjhaka Community Hall(08) , Vuwani Traffic Offices(20) & Vuwani sub office(10) by 30 June 2022	NEW INDICATOR	60 Flood lights installed and supplied at Municipal Infrastructure at Malamulele Community Hall(10), Malamulele Information Centre,(12) Ntjhanjhaka Community Hall(08) , Vuwani Traffic Offices(20) & Vuwani sub office(10) by 30 June 2022	Supply and installation of flood lights at municipal infrastructure	Own Funding	R 925 546,00	01/07/2021	30/06/2022	Target Achieved	60 Flood lights installed and supplied at Municipal Infrastructure at Malamulele Community Hall(10), Malamulele Information Centre,(12) Ntjhanjhaka Community Hall(08) , Vuwani Traffic Offices(20) & Vuwani sub office(10)	None	None	None	Q:1 Specification, advert and appointment letter Q:2 site hand over minutes Q:3 completion certificates	TECH
22	To supply and install 3 solar panels at Civic centre ( 1) Malamulele Traffic Office ( 1) and Malamulele community hall (1) by 30 June 2022	NEW INDICATOR	3 Solar Panels supplied and installed at Civic centre ( 1) Malamulele Traffic Office ( 1) and Malamulele community hall (1) by 30 June 2022	Supply and installation of solar panels at Civic centre, Malamulele Traffic Station and Malamulele community hall	Own Funding	R 3 999 996,00	01/07/2021	30/06/2022	Target Achieved	3 Solar Panels supplied and installed at Civic centre ( 1) Malamulele Traffic Office ( 1) and Malamulele community hall (1	None	None	None	Q:1 Specification, advert and appointment letter Q:2 site hand over minutes Q:3 Progress report completion certificates	TECH
23	To supply and install 3 generators at Malamulele (1) information centre and Vuwani (1) sub office and traffic station (1) by 30 June 2022	NEW INDICATOR	3 generators supplied and installed at Malamulele (1) information centre and Vuwani (1) sub office and traffic	Supply and installation of generator at Malamulele information centre and Vuwani sub	Own Funding	R 2 000 000,00	01/07/2021	30/06/2022	Target Achieved	3 generators supplied and installed at Malamulele (1) information centre and Vuwani (1) sub office and traffic station (1	None	None	None	Q:1 Specification, advert, appointment letter and site hand over minutes Q:2 Progress report Q:3 Progress report	TECH

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	AJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
			station (1) by 30 June 2022	office and traffic station										Q:4 completion certificates	
24	To Construct and Connect 11 Households with electricity at Mavambe Makumeke by 30 June 2022	NEW INDICATOR	11 Households constructed and connected with electricity at Mavambe Makumeke by 30 June 2022	Electrification of Mavambe Makumeke	Own Funding	R 189 058,00	01/07/2021	30/06/2022	Target Achieved	11 Households constructed and connected with electricity at Mavambe Makumeke	None	None	None	Q:1 Memo, approval letter and Final completion certificates	TECH
25	To upgrade 2 km Bevhula Ring Road by 30 June 2022	2.4km of 4.5 KM Ring Road constructed at Bevhula	2 km Ring Road upgraded at Bevhula by 30 June 2022	Bevhula Ring Road	Own Funding	R 14 949 274,00	01/07/2021	30/06/2022	Target Achieved	2 km Ring Road upgraded at Bevhula	None	None	None	Q:1 Progress report Q:2 Progress report Q:3 Certificate of practical completion and completion certificate	TECH
26	To upgrade 3 km Mdavula Ring Road up to base layer by 30 June 2022	Development of detailed design for construction of 6.5 KM of Ring Road at Mdavula done	3 KM Ring Road upgraded at Mdavula up to base layer by 30 June 2022	Mdavula ring road	MIG	R 21 343 899	01/07/2021	30/06/2022	Target Achieved	3 KM Ring Road upgraded at Mdavula up to base layer	None	None	None	Q:1 Appointment letter and site handover minutes Q:2 Progress report Q:3 Progress report Q:4 Progress report	TECH
					Own Funding	R 2 612 789									
27	To upgrade 4.5 km Mphambo Ring Road up to paving and kerbing by 30 June 2022	Development of detailed design for construction of 4.5 KM of Ring Road at Mphambo done	4.5 km Ring Road upgraded at Mphambo up to paving and kerbing by 30 June 2022	Mphambo ring road	MIG	R 17 026 513	01/07/2021	30/06/2022	Target Achieved	4.5 km Ring Road upgraded at Mphambo up to paving and kerbing	None	None	None	Q:1 Appointment letter and site handover minutes Q:2 Progress report Q:3 Progress report Q:4 Progress report	TECH
					Own Funding	R 237 076									
28	To develop detailed designs for construction of 7.26 km Ring Road at Xihosana by 30 June 2022	NEW INDICATOR	Detailed designs for construction of 7.26 km Ring Road at Xihosana developed by 30 June 2022	Xihosana ring road	Own Funding	R 999 996,00	01/07/2021	30/06/2022	Target Achieved	Detailed designs for construction of 7.26 km Ring Road at Xihosana developed	None	None	None	Q:1 Appointment letter Q:2 Preliminary design reports Q:3 Detailed design report	TECH
29	To develop detailed designs for construction of 8.7 km Ring Road at Josefa by 30 June 2022	NEW INDICATOR	Detailed designs for construction 8.7km Ring Road at Josefa developed by 30 June 2022	Josefa ring road	Own Funding	R 999 996,00	01/07/2021	30/06/2022	Target Achieved	Detailed designs for construction 8.7km Ring Road at Josefa developed	None	None	None	Q:1 Appointment letter Q:2 Preliminary design reports Q:3 Detailed design report	TECH
30	To develop detailed designs for construction of 2.5 km Ring Road at Phaphazela by 30 June 2022	NEW INDICATOR	Detailed designs for construction of 2.5km Ring Road at Phaphazela developed by 30 June 2022	Phaphazela road 2.5 km	Own Funding	R 999 996,00	01/07/2021	30/06/2022	Target Achieved	Detailed designs for construction of 2.5km Ring Road at Phaphazela developed	None	None	None	Q:1 Appointment letter Q:2 Preliminary design reports Q:3 Detailed design report	

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
31	To develop detailed designs for construction of 2.5 km Ring Road at Oliphantshoek by 30 June 2022	NEW INDICATOR	Detailed designs for construction of 2.5 km Ring Road at Oliphantshoek developed by 30 June 2022	Oliphantshoek road 2.5 km	Own Funding	R 999 996,00	01/07/2021	30/06/2022	Target Achieved	Detailed designs for construction of 2.5 km Ring Road at Oliphantshoek developed	None	None	None	Q:1 Appointment letter Q:2 Preliminary design reports Q:3 Detailed design report	
32	To develop detailed designs for construction of 2.5km Altein Road by 30 June 2022	NEW INDICATOR	Detailed designs for construction of 2.5 km Altein Road developed by 30 June 2022	Altein road 2.5 km	Own Funding	R 999 996,00	01/07/2021	30/06/2022	Target Achieved	Detailed designs for construction of 2.5 km Altein Road developed	None	None	None	Q:1 Appointment letter Q:2 concept and viability report Q:3 Detailed design report	
33	To develop detailed designs for construction of 2.5 km at Magomani Road by 30 June 2022	NEW INDICATOR	Detailed designs for construction of 2.5 km Magomani Road developed by 30 June 2022	Magomani road 2.5 km	Own Funding	R 999 996,00	01/07/2021	30/06/2022	Target Achieved	Detailed designs for construction of 2.5 km Magomani Road developed	None	None	None	Q:1 Appointment letter Q:2 Preliminary design reports Q:3 Detailed design report	TECH
34	To Construct Bus Terminals for long and short distances at Malamulele by 30 June 2022	NEW INDICATOR	Bus Terminals for long and short distances constructed at Malamulele by 30 June 2022	construction of bus terminals	Own Funding	R 4 500 004,00	01/07/2021	30/06/2022	Target not Achieved	Bus Terminals for long and short distances constructed at Malamulele up to practical Completion	Waiting for final inspection .	Delays in steel material supply and rain fall	Requested extension of time and granted	Q:1 Progress report Q:2 Progress report Q:3 Progress report Q:4 Progress report and completion certificate	TECH
35	To upgrade 3.7 km Sibudi to Vyeboom road by 30 June 2022	3.7 KM Road upgraded at Sebudi/Vyeboom road phase 2 up to subbase	3.7 km Sibudi to Vyeboom road upgraded by 30 June 2022	Construction of Sibudi to vyeboom road	Own Funding	R 17 299 996,00	01/07/2021	30/06/2022	Target not Achieved	3.7 km Sibudi to Vyeboom road upgraded up to practical completion	Finalisation of Culverts .	Strike and rain delay	Work resumed and by the end of the financial year the road was practical completion	Q:1 Progress report Q:2 Progress report Q:3 Progress Q:4 Progress report and completion certificate	TECH
36	To upgrade 1.9 km internal street at Malamulele D extension 3 by 30 June 2022	Development of detailed design for upgrading of 1.9KM Road at Malamulele D Ext done	1.9 km internal street upgraded at Malamulele D extension 3 by 30 June 2022	Upgrading of 1.9 km Street Malamulele D Extension 3	MiG	R 6 500 004,00	01/07/2021	30/06/2022	Target not Achieved	1.9 of Site establishment ,setting out, site clearance ,box cut exaction and roadbed preparation done	1.9 of V drain excavation ,v drain casting ,selected layer ,lower sub-base layer (c4),upper sub-base layer ,kerb laying ,base layer ,asphalt ,concrete block paving ,Gabions and	-Encroachment has been causing delays on the project due to some houses being on the centre of the road -delay due to rain	The municipality to assist in clearing the way by means of demolition	Q:1 appointment letter and site handover minutes Q:2 Progress report Q:3 Progress Q:4 Progress report and completion certificate	TECH

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
											completion not done				
37	To open and widen 5.6 km street at Malamulele Business up to Prefabricated culverts park by 30 June 2022	Development of detailed design for opening and widening streets at Malamulele Business Park done	5.6 km street opened and widened at Malamulele Business Park up to Prefabricated culverts by 30 June 2022	Opening and Widening of Malamulele Business Park Streets	MiG	R 12 100 000,00	01/07/2021	30/06/2022	Target Achieved	5.6 km street opened and widened at Malamulele Business Park up to Prefabricated culverts	None	None	None	Q:1 appointment letter and site handover minutes Q:2 Progress report Q:3 Progress report Q:4 Progress report .	TECH
38	To rehabilitate 6.9 km internal Streets at Vuwani up to Sub-base layer and subsoil drainage by 30 June 2022	Development of detailed design for upgrading of 3 KM of Internal Streets at Vuwani Phase 1 done	6.9 km internal streets rehabilitated at Vuwani up to Sub-base layer and subsoil drainage by 30 June 2022	Rehabilitation of Vuwani Internal streets	Own Funding	R 12 999 996,00	01/07/2021	30/06/2022	Target Achieved	6.9 km internal streets rehabilitated at Vuwani up to Sub-base layer and subsoil drainage	None	None	None	Q:1 appointment of contractor and site handover minutes Q:2 Progress report Q:3 Progress report Q:4 Progress report .	TECH
39	To construct Speed humps at newly constructed DCO road by 30 June 2022	NEW INDICATOR	Speed Humps constructed at newly constructed DCO road by 30 June 2022	Construction of speed humps on newly constructed roads	Own Funding	R 399 996,00	01/07/2021	30/06/2022	Target Achieved	Speed Humps constructed at newly constructed DCO road	None	None	None	Q :1 Memorandum Q:2 appointment letter Q:3 completion Certificate	TECH
40	To rehabilitate 5 km internal streets at Malamulele by 30 June 2022	Box cut – Excavation ,Road bed preparation and selected layer at Malamulele Internal Streets done for 2KM	5km internal streets rehabilitated at Malamulele by 30 June 2022	Rehabilitation of Malamulele Internal streets	Own Funding	R 6 999 996,00	01/07/2021	30/06/2022	Target Achieved	7km internal streets rehabilitated at Malamulele	2 km internal streets rehabilitated at Malamulele	None	None	Q :1 Memorandum, appointment letter and site handover minutes Q:2 Progress report Q:3 completion Certificate	TECH
41	To Construct Low 7 Level Bridges at Ward 21,22,23,24,26,27 and 28 by 30 June 2022 ( 1 bridge per ward )	Upgrading of Low-level bridges/culverts at Municipal roads done culverts at Municipal roads at Mtititi, Lombard, Magona, Saselamani and Makuleke	7 Low Level Bridges Constructed at Ward 21,22,23,24,26, 27 and 28 by 30 June 2022 ( 1 bridge per ward )	Construction of Low-Level Bridges	Own Funding	R 5 500 000,00	01/07/2021	30/06/2022	Target Achieved	7 Low Level Bridges Constructed at Ward 21,22,23,24,26,27 and 28	None	None	None	Q :1 Memorandum, appointment letter and site handover minutes Q:2 Progress report Q:3 completion Certificate	TECH
42	To construct Xigalo Land fill Site Phase 2 up to Completion of landfill cell	Construction Xigalo land fill Site Phase 2	Xigalo Land fill Site Phase 2 constructed up	Construction of Xigalo	Own	R 5 000 004,00	01/07/2021	30/06/2022	Target Achieved	Xigalo Land fill Site Phase 2 constructed up to	None	None	None	Q:1 Project progress report Q:2 Project	TECH

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
	No.1 ,Leachate Dam and storm water drainage by 30 June 2022	up to massive earthworks done	to Completion of landfill cell No.1 ,Leachate Dam and storm water drainage by 30 June 2022	Land Fill Site Phase 2	MiG	R 15 007 173,00				Completion of landfill cell No.1 ,Leachate Dam and storm water drainage				progress report Q:3 Project progress report Q:4 Project progress report practical , and completion certificates	
43	To develop the detailed design for construction of traffic and licensing admin block at Vuwani Station by 30 June 2022	NEW INDICATOR	Detailed designs for construction of Traffic and licensing admin block at Vuwani Station developed by 30 June 2022	construction of Vuwani traffic and licensing admin block	Own Funding	R 500 004,00	01/07/2021	30/06/2022	Target Achieved	Detailed designs for construction of Traffic and licensing admin block at Vuwani Station developed	None	None	None	Q:1 Appointment letter Q:2 Inception report reports Q:3 Detailed design report	TECH
44	To construct Municipal Office Building up to first floor slab curved section and wing section at Malamulele by 30 June 2022	Construction of Municipal office building main structure up to concrete slap done	Municipal Office Building constructed up to first floor slab curved section and wing section at Malamulele by 30 June 2022	Construction of Municipal Office Building at Malamulele (new)	Own Funding	R 24 700 000,00	01/07/2021	30/06/2022	Target Achieved	Municipal Office Building constructed up to first floor slab curved section and wing section at Malamulele	None	None	None	Q:1 Project progress report Q:2 Project progress report Q:3 Project progress report Q:4 Project progress report	TECH
45	To construct pavement at Malamulele Information Centre by 30 June 2022	NEW INDICATOR	Pavement at Malamulele Information Centre Constructed by 30 June 2022	Paving of the Malamulele Information Centre	Own Funding	R 2 006 086,00	01/07/2021	30/06/2022	Target Achieved	Pavement at Malamulele Information Centre Constructed	None	None	None	Q:1 appointment letter and site handover minutes Q:2 Completion certificate	TECH
46	To construct 38 Market Stalls at Vuwani by 30 June 2022	35 Market Stalls at Vuwani not constructed	38 Market Stalls constructed at Vuwani by 30 June 2022	Construction of Vuwani Market Stalls	Own Funding	R 4 912 004,00	01/07/2021	30/06/2022	Target not Achieved	30 Market Stalls constructed at Vuwani	08 Market Stalls not constructed at Vuwani	The project was under budgeted	To make recommendation as whether an adjustment budget is necessary in future	Q-1 Site meeting minute and project progress report Q:2 Project progress report Q:3 Project progress report Q-4 practical and completion certificates	TECH
47	To develop the detailed design for construction of sub-offices traffic/DLTC and VTS at Hlanganani and Saselemani by 30 June 2022	NEW INDICATOR	Detailed designs for construction of Sub-offices traffic/DLTC and VTS at Hlanganani and Saselemani developed by 30 June 2022	Construction of sub-offices traffic/DLTC and VTS at Hlanganani and Saselemani	Own Funding	R 999 996,00	01/07/2021	30/06/2022	Target Achieved	Detailed designs for construction of Sub-offices traffic/DLTC and VTS at Hlanganani and Saselemani developed	None	None	None	Q-1 Appointment letter, Q-2 preliminary design reports Q-3 detailed design reports,	TECH
48	To develop the detailed design for upgrading Bungeni Stadium by 30 June 2022	NEW INDICATOR	Detailed designs for upgrading of Bungeni Stadium	Upgrading of Bungeni stadium	Own Funding	R 999 996,00	01/07/2021	30/06/2022	Target Achieved	Detailed designs for upgrading of Bungeni Stadium developed	None	None	None	Q-1 Appointment letter Q-2 Preliminary design reports, Q-2 detailed design reports,	TECH

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
			developed by 30 June 2022												
49	To construct Davhana Stadium phase 2 by 30 June 2022	Davhana Stadium Phase 1 completed/ Finalized and Phase 2 constructed up to massive earthworks	Davhana Stadium phase 2 constructed by 30 June 2022	Construction of Davhana Stadium phase 2	MIG	R 16 315 029	01/07/2021	30/06/2022	Target Achieved	Davhana Stadium phase 2 constructed	None	None	None	Q:1Project progress report Q21Project progress report Q:3 Project progress report ,practical and final completion certificate	TECH
50	To upgrade Malamulele Stadium up to racing track and finishing of grand stand by 30 June 2022	Slow Progress by the Contractor due to cash flow problems and the contractor was terminated	Malamulele Stadium upgraded up to racing track and finishing of grand stand by 30 June 2022	Upgrading of Malamulele Stadium	Own Funding	R 16 999 996,00	01/07/2021	30/06/2022	Target Achieved	Malamulele Stadium upgraded up to racing track and finishing of grand stand	None	None	None	Q:1Project progress report Q:2Project progress report Q:3Project progress report Q:4Project progress report	TECH
					MiG	R 8 794 061,00									
51	To develop the detailed designs for upgrading of Vuwani Sports Centre by 30 June 2022	The engineer appointed by Makhado was terminated due to the company being liquidated	Detailed designs for Upgrading of Vuwani Sports Centre developed by 30 June 2022	Upgrading of Vuwani Sports Centre	Own Funding	R 999 996,00	01/07/2021	30/06/2022	Target Achieved	Detailed designs for Upgrading of Vuwani Sports Centre developed	None	None	None	Q: 1 Appointment letter Q:2 preliminary Q: 3 detailed design reports	TECH
DEVELOPMENT OBJECTIVE: PROMOTE COMMUNITY WELL-BEING AND ENVIRONMENTAL WELFARE															
52	Number of Environmental education and Cleaning Programmes conducted by 30 June 2022	14 Environmental educations and cleaning programme conducted	12 Environmental education and Cleaning Programmes conducted by June 2022	Environmental education and Cleaning Programmes (Good green deed Campaign)	Own Funding	R 1 000 000,00	01/07 /2021	01/06/2022	Target Achieved	14 Environmental education and Cleaning Programmes conducted	02 extra Environmental education and Cleaning Programmes conducted	None	None	Q;1 Invite, Report, Attendance Register and Pictures Q;2 Invite, Report, Attendance Register and Pictures Q;3 Invite, Report, Attendance Register and Pictures Q;4 Invite, Report, Attendance Register and Pictures	COM
53	To Purchase 40 Skip bins and distribute them at 20 wards by 30 June 2022 (wards 4,6,11,12,14,15,16,17,19,21,	Skip bins purchased	40 Skip bins Purchased and distributed at 20 wards by June 2022 (wards 4,6,11,12,14,15,	Purchase of Refuse Bins	OWN FUNDING	R 1 700 000,00	01/07 /2021	01/06/2022	Target Achieved	40 refuse Bins Purchased and distributed at 20 wards	None	None	None	Q1-Specification Q-2 advert and appointment letter Q-3 Delivery note and allocation list	COM

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	AJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
	23,25,26,27,28,29,30,31,32,33		16,17,19,21,23,25,26,27,28,29,30,31,32,33												
54	Number of Arrive Alive Awareness campaigns conducted by 30 June 2022	02 Arrive Alive awareness campaigns conducted	2 of Arrive Alive Awareness campaigns conducted by 30 June 2022	Arrive Alive awareness campaigns	Own Funding	R 150 000	01/07 /2021	01/06/2022	Target Achieved	2 of Arrive Alive Awareness campaigns conducted	None	None	None	Q:1 Invitation ,Report ,attendance register and pictures Q:2 Invitation ,Report ,attendance register and pictures	COM
55	Number of transport council conducted by 30 June 2022	02 transport Council meeting held	4 of transport council conducted by 30 June 2022	Transport Council	Own funding	R40 000,00	01/07/2022	01/06/2022	Target Achieved	4 of transport council conducted	None	None	None	Q:1 Invitation, minutes ,attendance register and pictures Q:2 Invitation, minutes ,attendance register and pictures	COM
56	To Establish Malamulele Park up to Paving infill, wooden bridge and installation of wheelchair guard house and ablution facilities by 30 June 2022	NEW INDICATOR	Malamulele Park Established up to Paving infill, wooden bridge and installation of wheelchair guard house and ablution facilities by 30 June 2022	Establishment of Malamulele Park	Own Funding	R 1 300 004,00	01/07 /2021	01/06/2022	Target Achieved	Malamulele Park Established up to Paving infill, wooden bridge and installation of wheelchair guard house and ablution facilities	None	None	None	Q-1 Specification Q-2 Advert & Appointment letter Q:3 progress report Q:4 progress report	COM
57	% application for learner's driver permit attended to by 30 June 2022(Number of learner's driver permit application received by number of learner's driver's permit application attended)	NEW INDICATOR	100 % learner's driver permit application attended to by 30 June 2022 (Number of learner's drivers' permit application received by number of learner's application attended)	Learners Drivers Permit	Operation Income	OPEX	01/07/2021	30/06/2022	Target Achieved	100% of leaners drivers permit application attended (9 145 learners applications received and 9145 attended)	None	None	None	Q1-Q4 Register and report	COM
58	% application for learner's driver licences attended to by 30 June 2022 (Number of learner's driver licences application received by number of learner's driver's application attended)	NEW INDICATOR	100 % driver licences application attended to by 30 June 2022 (Number of learner's driver licences application	Drivers Licences	Operation Income	OPEX	01/07/2019	30/06/2020	Target Achieved	100% of driver's licences application attended (3 328 drivers application received and 3 328 driver's application attended to)	None	None	None	Q1-Q4 Register and report	COM

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	AJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
			received by number of learner's driver's application attended)												
59	% application for motor vehicles attended to by 30 June 2022 (Number of motor vehicles application received by number of motor vehicles application attended)	NEW INDICATOR	100 % motor vehicles attended to by 30 June 2022(Number of motor vehicles application received by number of motor vehicles application attended)	Motor Vehicles testing	Operation Income	OPEX	01/07/2019	30/06/2020	Target Achieved	100% of Motor attended to (236 motor vehicles applied and 236 motor vehicles tested)	None	None	None	Q1-Q4 Register and report	COM

8. LOCAL ECONOMIC DEVELOPMENT

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	AJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIENCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
DEVELOPMENT OBJECTIVE: INTEGRATED LOCAL ECONOMY															
60	To Support 20 Cooperatives at Four Municipal Nodal Points with equipment by 30 June 2022	20 Cooperatives at Four Municipal Nodal Points not supported with equipment	20 Cooperatives at Four Municipal Nodal Points supported with equipment by 30 June 2022	Cooperative support	Own Funding	R 1 497 812	01/07 /2021	01/06/2022	Target Achieved.	23 Cooperatives at Four Municipal Nodal Points supported with equipment	None	None	None	Q-1 list of identified cooperatives to be supported Q-2 Needs assessment Q-3 Specifications and appointment letter Q-4 Delivery note	P&D/OM M
61	Number of Libra Campaign conducted at Malamulele and Saselemani by 30 June 2022	2 LIBRA Campaign conducted at Hlanganani and Saselemani	2 Libra Campaign conducted at Malamulele (1) and Saselemani (1) by 30 June 2022	LIBRA Campaign	Own Funding	R 33 000	01/07 /2021	01/06/2022	Target achieved	2 Libra Campaign conducted at Malamulele and Saselemani	None	None	None	Q-1 Invite and attendance register Q-2 Invite and attendance register	P&D
62	Number of new businesses registered by 30 June 2022	50 new Business registered	100 new businesses registered by 30 June 2022	Business registration	Own Funding	OPEX	01/07 /2021	01/06/2022	Target Achieved.	157 New business registered	57 New business registered	None	None	Q-1 Business certificates Q-2 Business certificates Q-3 Business certificates Q-4 Business certificates	P&D
63	Number of LED Forums held by 30 June 22	NEW INDICATOR	Two (02) LED forums held by 30 June 2022	LED Forums	Own Funding	OPEX	01/07/2021	01/06/2022	Target achieved	Two (02) LED forums held	None	None	None	Q-1 Invite and attendance register Q-3 Invite and attendance register	P&D

9. MUNICIPAL FINANCE MANAGEMENT AND VIABILITY

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIENCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
<b>DEVELOPMENT OBJECTIVE: SOUND FINANCIAL MANAGEMENT AND VIABILITY</b>															
64	To purchase Road Technical Service & Machinery Plant by 30 June 2022 ( Tar broom, Two wheel drive tractor ,16m Electricity self-propelled scissor lift ,Cable fault location machine, Ride on tractor lawn mower and slasher and road work machineries )	Plant and Machinery purchased	Road Technical Service & Machinery Plant purchased by 30 June 2022 ( Tar broom, Two wheel drive tractor ,16m Electricity self-propelled scissor lift ,Cable fault location machine, Ride on tractor lawn mower and slasher and road work machineries )	Road Tech Service Plant & Machinery	OWN FUNDING	R 5 999 996,00	01/07 /2021	01/06/2022	Target achieved	Road Technical Service & Machinery Plant purchased	None	None	None	Q4-Appointment letter and Delivery note	B&T
65	To purchase new equipment by 30 June 2022 (pressure pump,5000l water tank and water stand ,grader blades and grader blades bolt and nuts and electric wall box and electricity equipment's)	NEW INDICATOR	New equipment purchased by 30 June 2022 (pressure pump,5000l water tank and water stand ,grader blades and grader blades bolt and nuts and electric wall box and electricity equipment's)	Purchasing of new Equipment	Own Funding	R 7 949 996,00	01/07 /2021	01/06/2022	Target achieved	New equipment purchased	None	None	None	Q1-Terms of reference and Advert Q2-Appointment letter and Delivery note	B&T
66	To update the GRAP Asset Management Register by 30 June 2022	Asset Register updated	GRAP Asset Management Register updated by 30 June 2022	GRAP Asset Management Register	Own Funding	R 2 000 000,00	01/07 /2021	01/06/2022	Target achieved	GRAP Asset Management Register updated	None	None	None	Q1-Q4 Updated Asset Register	B&T
67	% Own Revenue collected by 30 June 2022	38.2% Projected Revenue collected R15 029 707 of Projected	100% Own Revenue collected by 30 June 2022	Revenue Management	Operation Income	OPEX	01/07 /2021	01/06/2022	Target not achieved	30% Actual collection of R 14 041 180 against billing of R 46 796 620	-R 32 755 440	*Low revenue base (Introduction of new revenue sources needed) *Weak customer	*Debt write-off to encourage consumers to pay *An independent contractor will be appointed to	Q1-Q4 Financial Report	B&T/OM

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIENCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
		amount of R39 372 356										statement distribution due to SA Post Office Inefficiencies (Need to explore alternatives) *Weak debt collection (Need for customer education) *Lack of personnel	distribute statements *Early Settlements discounts *Consultants were appointed		
68	% Capital budget spent by 30 June 2022	85.9% Projected Capital Budget Spent (R301 848 751 of R 351 578 931 (Own Funded Projects and Grants Projects.	100% Capital budget spent by 30 June 2022	Capital Budget	Operation Income	OPEX	01/07 /2021	01/06/2022	Target achieved	108% Projected Capital Budget Spent (R325 255 000 of R 319 828 000 (Own Funded Projects and Grants Projects) We need to put more details for spending over 100 %	+ R5 427 000	N/A	N/A	Q1-Q4 Financial Report	B&T/OM
69	% advertised tenders adjudicated within legislative timeframe by 30 June 2022 (Bids awarded within 90 days after advertisement )	100% advertised tenders adjudicated within legislative timeframe	100% advertised tenders adjudicated within legislative timeframe by 30 June 2022 (Bids awarded within 90 days after advertisement )	SCM	Operation Income	OPEX	01/07 /2021	01/06/2022	Target Achieved.	100% advertised tenders adjudicated within legislative timeframe	None	None	None	Q1-Q4 Tender Register and Report	B&T/OM
70	To develop one interim Financial Statement and Submit to Municipal Manager by 30 June 2022	Interim Financial Statement developed and Submitted to Municipal	One interim Financial Statement developed and Submitted to Municipal Manager by 30 June 2022	Quarterly Financial Statement	Operation Income	OPEX	01/07 /2021	01/06/2022	Target Achieved	One interim Financial Statement developed and Submitted to Municipal Manager	None	None	None	Q:3 Interim Financial Statement	B&T
71	To submit the Annual Financial Statement to AGSA, Treasuries and COGHSTA by 31 August 2021	AFS submitted to AGSA, Treasuries and COGHSTA	Annual Financial Statement submitted to AGSA, Treasuries	AFS	Operation Income	OPEX	01/07 /2021	01/06/2022	Target Achieved	Annual Financial Statement submitted to AGSA, Treasuries and COGHSTA	None	None	None	Q1: AFS and Acknowledgements of Submission	B&T/OM

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIENCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
		by 31/08/2020	and COGHSTA by 31/08/2021												
72	To adjust the budget and submit to Council for approval by 28 February 2022	2020/21 Adjustment budget submitted and approved by Council	2021/22 Budget adjusted and approved by Council by 28 February 2022	Budget adjustment	Operation Income	OPEX	01/07 /2021	01/06/2022	Target Achieved	2021/22 Budget adjusted and approved by Council	None	None	None	Q3: Adjusted budget & Council Resolution	B&T/OM
73	To submit 22/23 draft budget to Council for approval by 31 March 2022	2021/22 draft budget submitted to Council.	22/23 Draft Budget Submitted to Council for approval by 31 March 2022	Budget development	Operation Income	OPEX	01/07 /2021	01/06/2022	Target Achieved	22/23 Draft Budget Submitted to Council for approval	None	None	None	Q3: Draft Budget and Council Resolution	B&T/OM
74	To submit 22/23 Final budget to Council for approval by 31 May 2022	Final Budget submitted to Council.	22/23 Final Budget Submitted to Council for approval by 31 May 2022	Budget development	Operation Income	OPEX	01/07 /2021	01/06/2022	Target Achieved.	22/23 Final Budget Submitted to Council for approval	None	None	None	Q4: Final Budget & Council Resolution	B&T/OM
75	Number of section 52 report submitted to Council within 30 days after the end of the quarter by 30 June 2022	1 section 52 report submitted to Council within 30 days after the end of the quarter	4 section 52 report submitted to Council within 30 days after the end of the quarter by 30 June 2022	Section 52	Operation Income	OPEX	01/07 /2021	01/06/2022	Target Achieved.	4 section 52 report submitted to Council within 30 days after the end of the quarter	None	None	None	Q1-Q4 Section 52 Reports Submitted in & Council Resolutions	B&T/OM
76	Number of section 71 report submitted to Mayor & Provincial Treasury within 10 days after the end of the Month by 30 June 2022	12 Section 71 report submitted Mayor & Provincial Treasury within 10 days after the end of the Month.	12 section 71 report submitted Mayor & Provincial Treasury within 10 days after the end of the Month by 30 June 2022	Section 71	Operation Income	OPEX	01/07 /2021	01/06/2022	Target Achieved	12 section 71 report submitted Mayor & Provincial Treasury within 10 days after the end of the Month.	None	None	None	Q1-Q4 71 Reports and Acknowledgement of Receipts	B&T/OM
77	To compile section 72 report and submit to the Mayor and Treasuries by 25 January 2022	Section 72 report submitted to the Mayor and Treasuries.	Section 72 report compiled and submitted to the Mayor and Treasuries by 25 January 2022	Section 72 reporting	Operation Income	OPEX	01/07 /2021	01/06/2022	Target Achieved	Section 72 report compiled and submitted to the Mayor and Treasuries	None	None	None	Q:3 Section 72 report and Acknowledgement of Receipts	B&T/OM

10. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTIONS	PORTFOLIO EVIDENCE	DEPT.	
DEVELOPMENT OBJECTIVE: IMPROVED GOVERNANCE AND ADMINISTRATION																
78	To implement IT Disaster Recovery and backup solution by 30 June 2022	NEW INDICATOR	IT Disaster Recovery and backup solution by implemented 30 June 2022	Implementation of IT Disaster Recovery and Backup Solution	Own Funding	R 1 200 000,00	01/07/2021	01/06/2022	Target achieved	Not	IT Disaster Recovery and backup solution not implemented	None	Delays in relocation of the server to address the audit finding	Server room relocation completed	Q1- Specification Q2- Advert and Appointment letter Q3- minutes of the meeting Q4- Completion certificate	CORPS
79	To implement IT Drones Programmes by 30 June 2022	NEW INDICATOR	IT Drones Programmes implemented by 30 June 2022	Implementation of IT Drones Programmes	Own Funding	R 1 000 004,00	01/07/2021	01/06/2022	Target achieved	Not	IT Drones Programmes not implemented	None	Delays in the appointment of Bid Committees	To fully implement the procurement plan in the next financial year	Q1- Specification Q2- Advert and Appointment letter Q3- minutes of the meeting Q4- Completion certificate	CORPS
80	To conduct Own IT network feasibility study by 30 June 2022	NEW INDICATOR	Own IT network feasibility study conducted by 30 June 2022	IT Own Network Towers Feasibility Study	Own Funding	R 600 000,00	01/07/2021	01/06/2022	Target achieved	Not	Own IT network feasibility not conducted	None	Delays in the appointment of Bid Committees	To fully implement the procurement plan in the next financial year	Q1- Specification Q2- Advert and Appointment letter Q3- minutes of the meeting Q4- Completion certificate	CORPS
81	To Purchase fleet by 30 June 2022(Refuse removal bakkie, two horticulture Vehicles and one double cab licencing bakkie)	NEW INDICATOR	Fleet purchased by 30 June 2022(Refuse removal bakkie, two horticulture Vehicles and one double cab licencing bakkie)	Purchasing of motor vehicles	Own Funding	R 3 000 000,00	01/07/2021	01/06/2022	Target Achieved.		Fleet purchased	None	None	None	Q1-Terms of reference and Advert Q2- Appointment letter and Delivery note	CORPS
82	To purchase new IT Licences by 30 June 2022	NEW INDICATOR	New IT Licences purchased by 30 June 2022	Renewal of IT Licensing & Incremental	Own Funding	R 2 300 004,00	01/07/2021	01/06/2022	Target Achieved.		New IT Licences purchased	None	None	None	Q1: none Q2: Approved Memo Q3: invoice or Payment certificate Q4: None	CORPS
83	To Renew IT licences by 30 June 2022	NEW INDICATOR	IT licences renewed by 30 June 2022	IT Licensing Renewal	Own Funding	R 7 200 000,00	01/07/2021	01/06/2022	Target Achieved.	Not	Requests received from the end user department for IT licensing. Specifications prepared and engaged the Service Providers and IT licence renewed	None	Delays in the appointment of Bid Committees	To fully implement the procurement plan in the next financial year	Q2- Delivery Note Q3 Delivery Note Q4 Delivery Note	CORPS
84	To perform IT Security Vulnerability Scan by 30 June 2022	NEW INDICATOR	IT Security Vulnerability Scan performed by 30 June 2022	IT Security Vulnerability Scan	Own Funding	R 500 004,00	01/07/2021	01/06/2022	Target Achieved.	Not	IT Security Vulnerability Scan performed not done	None	Delays in the appointment of Bid Committees	To fully implement the procurement plan in the next financial year	Q1- Specification Q2- Advert and Appointment letter Q3- minutes of the meeting	CORPS

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTIONS	PORTFOLIO EVIDENCE	DEPT.
														Q4- Completion certificate	
85	% of IT equipment purchased by 30 June 2022 (Number of IT equipment requested vs Number of purchased)	IT equipment by purchased	100 % of IT equipment purchased by 30 June 2022 (Number of IT equipment requested vs Number of purchased)	IT Acquisition of IT Equipment	Own Funding	R 7 899 996,00	01/07 /2021	01/06/2022	Target Achieved	100 % of IT equipment purchased (1181 /1181)	None	None	None	Q1-Q4 Delivery note / invoice	CORPS
86	To procure office furniture for all offices including sub-offices by 30 June 2022	Office Furniture Procured	Office furniture procured for all offices including sub-offices by 30 June 2022	Procurement of office furniture	Own Funding	R 999 996,00	01/07 /2021	01/06/2022	Target Achieved.	Office furniture procured for all offices including sub-offices	None	None	None	Q1: terms of reference and advert Q2: -Q3: Appointment Letter and Report Q4: Proof of purchase/delivery note	CORPS
87	Number of communicators forums held by 30 June 2022	2 Communicator forums not held	4 Communicator forums held by 30 June 2022	Communicators forum	Operational Income	OPEX	01/07 /2021	01/06/2022	Target Achieved.	4 Communicator forums held	None	None	None	Q1-Q4 Minutes and attendance register	CORPS
88	Number of ordinary and Special Council meetings held by 30 June 2022	4 ordinary Council and 8 Special Council meetings held	4 ordinary Council and 8 Special Council meetings held by 30 June 2022	Council Services	Operational Income	OPEX	01/07 /2021	01/06/2022	Target Achieved.	4 Ordinary and 8 special Council meetings held	None	None	None	Q1-Q4 Council Minutes and attendance register	CORPS
89	Number of ordinary EXCO meetings held by 30 June 2022	12 ordinary EXCO meetings held	12 ordinary EXCO meetings held by 30 June 2022	Council Services	Operational Income	OPEX	01/07 /2021	01/06/2022	Target Achieved.	4 Ordinary and 8 special EXCO meetings held	None	None	None	Q1-Q4 EXCO Minutes and attendance register	CORPS
90	Number of audit and Performance committee meetings held by 30 June 2022	4 audit and Performance committee meetings held	4 audit and Performance committee meetings held by 30 June 2022	Auditing	Own Funding	R 700 000,00	01/07 /2021	01/06/2022	Target Achieved.	4 audit and Performance committee meetings held	None	None	None	Q1-Q4 attendance register and minutes	OM
91	To develop business continuity plan up to Continuity Risk Profile and Impact analysis report by 30 June 2022	New Indicator	Business continuity plan developed up to Continuity Risk Profile and Impact analysis report by 30 June 2022	Business continuity plan	Own funding	R600 000,00	01/07/ 2021	30/06/2022	Target Achieved	Development of the Continuity Risk Profile and impact analysis report facilitated and coordinated	None	None	None	Q3- Request letter to SITA & Acknowledgement by SITA Cost proposal from SITA Q4-Business Continuity Risk Profile Report Bus & Business Impact Analysis Report	OM
92	Number of risk management committee meetings held by 30 June 2022	4 risk management committee meetings held	4 risk management committee meetings held by 30 June 2022	Risk management committee meetings	Own Funding	R 110 000,00	01/07 /2021	01/06/2022	Target Achieved.	4 risk management committee meetings held	None	None	None	Q1-Q4 Minutes and attendance register	OMM

NO.	KEY PERFORMANCE INDICATORS/MEASURABLE OBJECTIVE	BASELINE	ANNUAL TARGETS	PROJECT NAME	FUNDING SOURCE	ADJUSTED BUDGET 21/22	START DATE	END DATE	STATUS OF ACHIEVEMENT	ACTUAL ANNUAL PERFORMANCE	VARIANCE	CHALLENGES	INTERVENTION	PORTFOLIO OF EVIDENCE	DEPT.
93	Number of bursary beneficiaries awarded with mayoral bursary by 30 June 2022	10 bursary beneficiaries awarded with mayoral bursary	10 bursary beneficiaries awarded with mayoral bursary by 30 June 2022	Mayoral bursary	Own Funding	R 2 500 000,00	01/07/2021	01/06/2022	Target Achieved.	10 bursary beneficiaries awarded with mayoral bursary	None	None	None	Q-2 advert and bursary application form Q-3 Confirmation letter	OMM
<b>DEVELOPMENT OBJECTIVE: EFFECTIVE COMMUNITY PARTICIPATION</b>															
94	To conduct 4 Mayoral Imbizo by 30 June 2022	4 Mayoral Imbizo Held	4 Mayoral Imbizo conducted by 30 June 2022	Mayoral Imbizo	Own Funding	R 1 200 000	01/07/2021	01/06/2022	Target Achieved.	4 Mayoral Imbizo conducted	None	None	None	Q1-Q4 Invitation, pictures and attendance register	OMM
95	To review and submit the 2022/23 IDP to Council for approval by 31 May 2022	IDP reviewed by 31 May 2021	2022/23 IDP reviewed and submitted to Council for approval by 31 May 2022	IDP Review	Own Funding	OPEX	01/07/2021	01/06/2022	Target Achieved.	2022/23 IDP reviewed and submitted to Council for approval	None	None	None	<b>Q1:</b> IDP Process Plan and Council Resolution. <b>Q2:</b> Attendance Registers. <b>Q3:</b> Invite and attendance register Draft IDP and Council Resolution. <b>Q4:</b> invite and Attendance register and Final IDP and Council Resolution	PD/OMM
96	To conduct IDP Strategic Planning by 30 June 2022	IDP Strategic Planning conducted	IDP Strategic Planning conducted by 30 June 2022	Strategic Planning	Own Funding	R 700 004	01/07/2021	01/06/2022	Target Achieved.	IDP Strategic Planning conducted	None	None	None	Q3: Invite & Attendance Registers	MM
97	To conducted 4 IDP public Participation by 30 June 2022	IDP public Participation conducted	4 IDP public Participation conducted by 30 June 2022	IDP Public Participation	Own Funding	R 295 356	01/07/2021	01/06/2022	Target Achieved.	4 IDP public Participation conducted	None	None	None	Q4: Notices and Attendance Registers	MM

**11. PRIOR YEAR COMPARISON**

KPA	2020/21					2021/22				
	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	10	10	0	100%	0%	10	9	1	90%	10%
Spatial Rationale	7	6	1	86%	14%	6	6	0	100%	-
Basic Service Delivery and Infrastructure Development	56	43	13	77%	23%	43	36	7	84%	16%
Local Economic Development	3	2	1	67%	33%	4	4	0	100 %	-
Municipal Finance Management and Viability	12	10	2	83%	17%	14	13	1	93%	7%
Good Governance and Public Participation	21	17	4	81%	19%	20	15	5	75%	25%
<b>Total</b>	<b>109</b>	<b>88</b>	<b>21</b>	<b>81%</b>	<b>19%</b>	<b>97</b>	<b>83</b>	<b>14</b>	<b>86%</b>	<b>14%</b>

**12. ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2021/22 FINANCIAL YEAR**

ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2021/22 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/01/2018/2019	REFURBISHMENT OF VUWANI TRAFFIC STATION	NEA PROJECTS	TECHNICAL SERVICES	Own Funding	R 500 004,00	01/07 /2021	01/06/2022	Detailed designs for construction of Traffic and licensing admin block at Vuwani Station developed	None	EXCELLENT
02	CCLM/02/2021/22/TSE	SUPPLY AND INSTALLATION OF SOLAR PANELS AT CIVIC CENTRE, MALAMULELE TRAFIC STATION AND MALAMULELE COMMUNITY HALL	M N D JV SEBCOR	TECHNICAL SERVICES	Own Funding	R 3 999 996,00	01/07 /2021	01/06/2022	3 Solar Panels supplied and installed at Civic centre ( 1) Malamulele Traffic Office ( 1) and Malamulele community hall (1)	None	EXCELLENT
03	CCLM/04/2021/2022/TSE	PLANNING, DESIGN, CONSTRUCTION UNTIL COMMISSION (TURKEY) OF ELECTRIFICATION PROJECT IN RIKAKA, MBHUTI PHASE 3, AND MALILIGWE AND MALAMULELE EXT-B	RIVIS ELECTRICAL - URANUS JV	TECHNICAL SERVICES	INEP	R 15 000 000,00	01/07 /2021	01/06/2022	House connection of 660 households (Mbuti Phase 3, 142 Households, Rikaka 350 Households & Mabiligwe 168 Households) not completed. Still busy with household's connections House connection of 150 households at Malamulele not completed. Still busy with households connections	Eskom requested the contractor to move the line at Rikaka There was a house that was constructed along the construction line	SATISFACTORY
04	CCLM/021/2021/22/TSE	SUPPLY AND INSTALLATION OF FLOOD LIGHTS AT MUNICIPAL INFRASTRUCTURE	NGOTHEMBA TRADING ENTERPRISE	TECHNICAL SERVICES	Own Funding	R 925 546,00	01/07 /2021	01/06/2022	60 Flood lights installed and supplied at Municipal Infrastructure at Malamulele Community Hall(10), Malamulele Information Centre,(12) Ntjhanjhaka Community Hall(08) , Vuwani Traffic Offices(20) & Vuwani sub office(10)	None	EXCELLENT
05	CCLM/06/2021/22/TSE	SUPPLY AND INSTALLATION OF 90 SMART SOLAR LED STREET LIGHTD AT MALAMULELE NORTH	ZEVOFUSION PTY LTD	TECHNICAL SERVICES	Own funding	R 12 800 000,00	01/07 /2021	01/06/2022	270 street lights connected at 32 wards (Wards 2,3,4,5,6,7,8,9,10,11,12,14,15,16,17,18,19,20,21,22,23,24,26,27,28,29,30,31,32,34,35 & 36	None	EXCELLENT
06	CCLM/05/2021/22/TSE	SUPPLY AND INSTALLATION OF 90 SMART SOLAR LED STREET LIGHTD AT MALAMULELE EAST	HAMONEI SOMBS JOINT VENTURE	TECHNICAL SERVICES		01/07 /2021	01/06/2022	EXCELLENT			
07	CCLM/07/2021/22/TSE	SUPPLY AND INSTALLATION OF 90 SMART SOLAR LED STREET LIGHTD AT MALAMULELE WEST	MILLBOARD TRADING AND PROJECTS	TECHNICAL SERVICES		01/07 /2021	01/06/2022	EXCELLENT			

**ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2021/22 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/03/2021/22 /TSE	SUPPLY AND INSTALLATION OF 200KVA SILENT BACK-UP GENERATOR AT MALAMULELE INFORMATION CENTRE, VUWANI SUB OFFICE AND TRAFFIC STATION.	TSHABALALA MUTLI-SERVICE WORKSHOP	TECHNICAL SERVICES	Own Funding	R 2 000 000,00	01/07 /2021	01/06/2022	3 generators supplied and installed at Malamulele (1) information centre and Vuwani (1) sub office and traffic station (1)	None	EXCELLENT
09	CCLM/19/21/22-TS	UPGRADING OF VUWANI INTERNAL STREET	HTE CONSTRUCTI ON CC	TECHNICAL SERVICES	Own Funding	R 12 999 996,00	01/07 /2021	01/06/2022	.9 km internal streets rehabilitated at Vuwani up to Sub-base layer and subsoil drainage	None	EXCELLENT
10	CCCLM/23/21/22/ -TS	UPGRADING OF MPHAMBO RING ROAD	MAKGETSI CONSTRUCTI ON ENTERPRISE	TECHNICAL SERVICES	MIG Own Funding	R 17 026 513 R 237 076	01/07 /2021	01/06/2022	4.5 km Ring Road upgraded at Mphambo up to paving and kerbing	None	EXCELLENT
11	CCLM/25/21/22-TS	UPGRADING OF MALAMULELE D EXT 3 STREET	SHWINGS CONSTRUCTO N AND PROJECTS	TECHNICAL SERVICES	MiG	R 6 500 004,00	01/07 /2021	01/06/2022	1.9 km internal street upgraded at Malamulele D extension	None	EXCELLENT
12	CCLM/24/21/22-TS	OPENING AND WIDENING OF STREET IN BUSINESS PARK MALAMULELE	SASAVONA HOLDINGA	TECHNICAL SERVICES	MiG	R 12 100 000,00	01/07 /2021	01/06/2022	5.6 km street opened and widened at Malamulele Business Park up to Prefabricated culverts	None	EXCELLENT
13	CCLM/22/21/22-TS	UPGRADING OF MDAVULA RING ROAD	GUMELA PROJECTS	TECHNICAL SERVICES	MIG Own Funding	R 21 343 899 R 2 612 789	01/07 /2021	01/06/2022	3 KM Ring Road upgraded at Mdavula up to base layer	None	EXCELLENT
14	CCLM/01/201/2019	CONSTRUCTION OF PAVEMENT AT MALAMULELE INFORMATION CENTRE	NWANDOBE TRADING ENTERPRISE	TECHNICAL SERVICES	Own Funding	R 2 006 086,00	01/07 /2021	01/06/2022	Pavement at Malamulele Information Centre Constructed	None	EXCELLENT
16	CCLM/05/2020/2021/PDS	SURVEY OF SITES : TIYANI VILLAGE : 2000 SITE	N KHOZA LAND SURVEYORS	PLANNING AND DEVELOPMENT	Own Funding	R2 000 000. 00	01/07 /2021	01/06/2022	5400 Sites Demarcated and Surveyed at Tiyani (2000), Mahatlani ( 300), Makumeke ( 500),Rikaka( 100), Mphambo (1000), Altein (100), Shigamani (300),Mulenzhe (100), Khakhanwa( 100), Makhasa (200), Mabidi (200), Davhana ( 200), and Makhubele (300)	None	EXCELLENT
17	CCLM/04/2020/2021/PDS	DEMARCATI ON OF SITES: MAKUMEKE , SHIGAMANI AND MAKHUBELE VILLAGES	TECHNILANO DEVELOPMEN T STRATEGISTS	PLANNING AND DEVELOPMENT	Own Funding	R1 650 000.00	01/07 /2021	01/06/2022		None	EXCELLENT
18	CCLM/04/2020/2021/PDS	DEMARCATI ON OF SITES : MPHAMBO , RIKAKA AND ALTEIN VILLAGES	NGOTI DEVELOPMEN T CONSULTANT	PLANNING AND DEVELOPMENT	Own Funding	R1 800 000.00	01/07 /2021	01/06/2022		None	EXCELLENT
19	CCLM/04/2020/2021/PDS	FORMALIZATION AND PROCLAMATION OF SETTLEMENT : MAVANDLA :MALAMULELE NODAL POINT	MAHLORI DEVELOPMEN T CONSULTANT S	PLANNING AND DEVELOPMENT	Own Funding	R11 000 000.00	01/07 /2021	01/06/2022		None	EXCELLENT
20	CCLM/04/2020/2021/PDS	ESTABLISHMENT OF A TOWNSHIP	PFUKANI-KUSILE CONSULTING	PLANNING AND DEVELOPMENT	Own Funding	R11 000 000.00	01/07 /2021	01/06/2022		None	EXCELLENT

**ASSESSMENT OF SERVICE PROVIDER PERFORMANCE FOR 2021/22 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
21	CCLM/04/2020/2021/PDS	DEMACATION OF SITES: TIYANI VILLAGE: 2000 SITE	MATETE & ASSOCIATES CONSULTING	PLANNING AND DEVELOPMENT	Own Funding	R3 000 000.00	01/07 /2021	01/06/2022		None	EXCELLENT
22	CCLM/05/2020/2021/PDS	DEMARICATION OF SITE : MPHAMBO, RIKAKA AND ALTEIN	THOM NDHLOVU LAND SARVEYORS	PLANNING AND DEVELOPMENT	Own Funding	R1 200 000.000	01/07 /2021	01/06/2022		None	EXCELLENT
23	CCLM/05/2020/2021/PDS	SURVEY OF SITES : MABIDI, MAKHASA, DAVHANA, KHAKHANWA, MULENZHE, MAHATLANI VILLAGES	TAKALANI LAND SARVEYORS (PTY) LTD	PLANNING AND DEVELOPMENT	Own Funding	R1 100 000.00	01/07 /2021	01/06/2022		None	EXCELLENT
24	CCLM/04/2020/2021/PDS	DEMARICATIONS OF SITES : MABIDI, MAKHASA, DAVHANA, KHAKHANWA, MULENZE, MAHATLANE VILLAGES : 11 00 SITES	DAS PLANNING & DEVELOPMENT	PLANNING AND DEVELOPMENT	Own Funding	R1 650 000.00	01/07 /2021	01/06/2022		None	EXCELLENT
25	CCLM/01/2020/21 T	ACQUISITIONS CORP SERV CONSTRUCTION OF MUNICIPAL OFFICE BUILDING(NEW)	MPFUMELELO MM INDUSTRIES JV	TECHNICAL	Own Funding	R 24 700 000,00	01/07/2021	30/06/2022	Building constructed up to first floor slab curved section and wing section at Malamulele	None	EXCELLENT
26	CCLM/07/2020/21 T	ACQUISITIONS CONSTRUCTION OF DAVHANA STADIUM	PHASE 2 (DALLAS BUSINESS ENTERPRISE)		MIG	R 16 315 029	01/07/2021	30/06/2022	Davhana Stadium phase 2 constructed	None	EXCELLENT
27	CCLM/09/2020/21 T	ACQUISITIONS ELECTRIFICATION OF VARIOUS VILLAGES	JESSEN ENGINEERING SERVICES	TECHNICAL	Own funding	R 10 000 000,00	01/07/2021	30/06/2022	House connection of 1464 households ((242) 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 not completed. Still busy with households connections	Dispute at Malamulele D Ext Regarding demarcation of site  Malamulele D Ext case resolved	SATISFACTORY
28	CCLM/015/2020/21 T	ACQUISITIONS BEVHULA RING ROAD-MIG	MOKATEMONE CONSTRUCTION AND PROJECTS / NKEMELENG HOLDINGS JV	TECHNICAL	Own Funding	R 14 949 274,00	01/07/2021	30/06/2022	2 km Ring Road upgraded at Bevhula	None	EXCELLENT

**CONCLUSION**

A total 83 out of 97 KPIs were achieved which results to 86 % of SDBIP KPIs being achieved.

Approval by the Municipal Manager

\_\_\_\_\_  
**SHILENGE R. R  
MUNICIPAL MANAGER**

\_\_\_\_\_  
**DATE**

# **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:

<b>Employee Totals, Turnover and Vacancies for 2021/22 FY</b>					
<b>Division (As per organogram)</b>	<b>Approved posts in organogram (No.)</b>	<b>Filled posts (No.)</b>	<b>Vacant (No.)</b>	<b>Vacancy Rate (%)</b>	
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 cascaded the IPMS down to other levels of manager and will continues to cascade to all employees in the 2022/23 financial year

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

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

<b>TRAINING</b>	<b>TOTAL NUMBER OF COUNCILLORS</b>	<b>TOTAL NUMBER OF SENIOR MANAGERS</b>	<b>TOTAL NUMBER OF OFFICIALS BELOW SENIOR MANAGERS</b>	<b>GRAND TOTAL</b>
<b>TOTAL</b>	<b>TOTAL NUMBER OF COUNCILLORS TRAINED</b>	<b>TOTAL NUMBER OF SENIOR MANAGERS</b>	<b>TOTAL NUMBER OF OFFICIALS</b>	<b>GRAND TOTAL</b>
	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**

<b>Financial Overview: 2021/22</b>			
<b>Summary: Statement of financial Performance</b>			
<b>Description</b>	<b>Budget 2021/22</b>	<b>Actual 2021/22</b>	<b>Variance</b>
Total Revenue by Source (Excluding Capital Transfers)	R 60 178 104	R 58 315 197	o
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
<b>Equals: Surplus/deficit</b>	<b>R 236 459 635</b>	<b>R 265 159 801</b>	<b>R 28 700 166</b>

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

<b>Description</b>	<b>Budget 2021/22</b>	<b>YTD Actual 2021/22</b>	<b>Variance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
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 2021/22	YTD ACTUAL 2021/22
	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
<b>Total Revenue</b>	<b>641 962</b>	<b>639 801</b>

## 5.2. GRANTS

Details	Opening balance 01 July 2021	Dora allocation 2021/2022	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 86 758 000	R 0	R 86 758 000	R 28 000 000	R 114 758 000
Integrated National Electricity Programme (INEP)	R 894 689	R 15 000 000	R 0	R 15 000 000	R 0	R 12 000 000
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

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

## 5.4. ANNUAL FINANCIAL STATEMENT

**COLLINS CHABANE  
LOCAL MUNICIPALITY**  
Since 2016



### **Collins Chabane Local Municipality Annual Financial Statements for the year ended June 30, 2022**

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### General Information

---

<b>Nature of business and principal activities</b>	Providing municipal services and maintaining the best interest of the local community.
<b>Accounting Officer</b>	Shilenge RR
<b>Registered office</b>	Municipal Offices 125 Collins Chabane Drive Malamulele 0982
<b>Business address</b>	Municipal Offices 125 Collins Chabane Drive Malamulele 0982
<b>Postal address</b>	Private Bag X9271 Malamulele 0982
<b>Bankers</b>	First National Bank
<b>Auditors</b>	Auditor-General South Africa (AGSA)

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## General Information

---

### Mayoral Committee

**Mayor**

**Speaker**

**Chief whip**

**Speaker**

**Chief whip**

Members of the Executive Committee

Cllr Maluleke M  
Cllr Mbedzi TS (Appointed Effective November 2021)  
Cllr Baloyi ME (Appointed Effective November 2021)  
Cllr Lebea ME (Resigned November 2021)  
Cllr Chauke MG (Resigned November 2021)

Cllr Mabasa D  
Cllr Thovhakale MS  
Cllr Chauke HG  
Cllr Maluleke LR (appointed effective February 2022)  
Cllr Baloyi DL  
Cllr Lebea ME  
Cllr Mashila D (Appointed effective November 2021)  
Cllr Mahlawule TP (Appointed effective November 2021)  
Cllr Maluleke SG  
Cllr Mashimbye FP (Resigned November 2021)  
Cllr Mutele TM (Resigned November 2021)  
Cllr Mavikane SX (Resigned November 2021)  
Cllr Mukhaha AJ (Resigned November 2021)  
Cllr Mazibuko MP (Resigned November 2021)

Other members of Municipal Council

Cllr Maremane HR (Appointed effective January 2022)  
Cllr Bila ST  
Cllr Mashimbye FP  
Cllr Mutele ST  
Cllr Mavikane SX  
Cllr Shivambu S  
Cllr Matamela SM  
Cllr Masangu GD  
Cllr Chauke ST  
Cllr Maluleke ET  
Cllr Ndove HD  
Cllr Mudau TS  
Cllr Mabasa KK  
Cllr Ngobeni MR  
Cllr Mabasa J  
Cllr Baloyi HR  
Cllr Sunduza SZ  
Cllr Chabangu ST  
Cllr Mabunda MC  
Cllr Munyai N  
Cllr Sithole SM  
Cllr Shandukani SM  
Cllr Rekhoto SS  
Cllr Miyambo SZ  
Cllr Baloyi MJ  
Cllr Hlabangwani TL  
Cllr Masia TM  
Cllr Rikhotso GM  
Cllr Mathavha HF  
Cllr Baloyi HJ (Appointed effective November 2021)  
Cllr Manganyi HL (Appointed effective November 2021)  
Cllr Mabasa W (Appointed effective November 2021)  
Cllr Mhangwani C (Appointed effective November 2021)  
Cllr Khange G (Appointed effective November 2021)  
Cllr Makhubela S (Appointed effective November 2021)  
Cllr Bamuzi E (Appointed effective November 2021)  
Cllr Hlatswayo TG (Appointed effective November 2021)  
Cllr Mafanela RM (Appointed effective November 2021)  
Cllr Maluleka RM (Appointed effective November 2021)  
Cllr Mathebula ML (Appointed effective November 2021)

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### General Information

---

Cllr Rasiuba NR (Appointed effective November 2021)  
Cllr Maluleke HM (Appointed effective November 2021)  
Cllr Tshoteli LD (Appointed effective November 2021)  
Cllr Maloleka SB (Appointed effective November 2021)  
Cllr Chabalala KR (Appointed effective November 2021)  
Cllr Chauke MC (Appointed effective November 2021)  
Cllr Hlungwani S (Appointed effective November 2021)  
Cllr Mathebula ME (Appointed effective November 2021)  
Cllr Chauke GP (Appointed effective November 2021)  
Cllr Makhomisanani SS (Appointed effective November 2021)  
Cllr Maringa RE (Appointed effective November 2021)  
Cllr Manganye MJ (Appointed effective November 2021)  
Cllr Manganyi MN (Appointed effective November 2021)  
Cllr Muthubi KR (Appointed effective November 2021)  
Cllr Mulaudzi MM (Appointed effective November 2021)  
Cllr Chaoke TS (Appointed effective November 2021)  
Cllr Khosa TE (Appointed effective November 2021)  
Cllr Chauke MG (Appointed effective December 2021)  
Cllr Munarini TJ (Appointed effective December 2021)  
Cllr Yingwani T (Appointed effective December 2021)  
Cllr Maluleke LR (Appointed effective February 2022)  
Cllr Chauke FT (Appointed effective March 2022)  
Cllr Mukhaha SA (Resigned November 2021)  
Cllr Khoza ST (Resigned November 2021)  
Cllr Simango MR (Resigned November 2021)  
Cllr Maluleke SL (Resigned December 2021)  
Cllr Makhubele HT (Resigned September 2021)  
Cllr Rivombo KE (Resigned November 2021)  
Cllr Khosa HJ (Resigned November 2021)  
Cllr Chauke SN (Resigned October 2021)  
Cllr Mukhomi VN (Resigned November 2021)  
Cllr Maluleke MP (Resigned November 2021)  
Cllr Ngobeni SN (Resigned February 2021)  
Cllr Mahlale S (Resigned November 2021)  
Cllr Moyo MT (Resigned November 2021)  
Cllr Mathonsi (Resigned November 2021)  
Cllr Sambo ST (Resigned November 2021)  
Cllr Chavani PJ (Resigned November 2021)  
Cllr Mashakeni SK (Resigned November 2021)  
Cllr Mulaudzi TN (Resigned November 2021)  
Cllr Mudau SR (Resigned November 2021)  
Cllr Ndzovela SN (Resigned November 2021)  
Cllr Nkuna SD (Resigned November 2021)  
Cllr Baloyi NL (Resigned November 2021)  
Cllr Mahlangu D (Resigned November 2021)  
Cllr Mabasa SR (Resigned November 2021)  
Cllr Baloyi OC (Resigned November 2021)  
Cllr Vukeya ST (Resigned November 2021)  
Cllr Chauke HM (Resigned November 2021)  
Cllr Machovani SR (Resigned November 2021)  
Cllr Tshiredo SC (Resigned November 2021)  
Cllr Radzivhoni CM (Resigned November 2021)  
Cllr Mathoma MP (Resigned November 2021)  
Cllr Ngobeni NL (Resigned November 2021)  
Cllr Muavha S (Resigned November 2021)  
Cllr Maswanganyi TC (Resigned November 2021)  
Cllr Mabunda RJ (Resigned February 2022)

Audit Committee members:

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

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Index

---

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

<b>Index</b>	<b>Page</b>
Accounting Officer's Responsibilities and Approval	5
Accounting Officer's Report	6
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	11 - 14
Accounting Policies	15 - 34
Notes to the Annual Financial Statements	35 - 80

### 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 of 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, 2022

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

---

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to June 30, 2023 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 80, which have been prepared on the going concern basis, were approved and signed on behalf of Council on August 31, 2022 by:

---

**Shilenge RR**  
**Municipal Manager**

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Officer's Report

---

The accounting officer submits his report for the year ended June 30, 2022.

### 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, 2022, the municipality had accumulated surplus of R 1,575,596,000 and that the municipality's total assets exceed its liabilities by R 1,575,596,000.

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 officer 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 2022/23

### 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 officer of the municipality during the year and to the date of this report is as follows:

Name	Nationality
Shilenge RR	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, 2022

### Statement of Financial Position as at June 30, 2022

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	9	3,845,729	4,590,828
Other receivables from exchange transactions	10	2,620,111	1,672,242
Receivables from non-exchange transactions	11	7,373,307	6,680,827
Consumer receivables from exchange transaction	12	2,977,723	962,052
VAT receivable	13	42,354,324	42,431,994
Cash and cash equivalents	14	296,869,186	401,480,276
		<b>356,040,380</b>	<b>457,818,219</b>
<b>Non-Current Assets</b>			
Investment property	3	2,060,022	3,800,092
Property, plant and equipment	4	1,323,055,479	1,019,991,563
Intangible assets	5	5,076,243	3,757,592
Heritage assets	6	1,126,500	1,126,500
Other financial assets	7	2	2
		<b>1,331,318,246</b>	<b>1,028,675,749</b>
<b>Total Assets</b>		<b>1,687,358,626</b>	<b>1,486,493,968</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	15	953,555	2,156,328
Trade and other payables from exchange transactions	18	84,879,075	112,822,893
Employee benefit obligation	8	5,911,783	5,957,072
Unspent conditional grants and receipts	16	2,849,976	-
		<b>94,594,389</b>	<b>120,936,293</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	15	-	953,555
Employee benefit obligation	8	16,368,816	14,803,457
Provisions	17	799,426	-
		<b>17,168,242</b>	<b>15,757,012</b>
<b>Total Liabilities</b>		<b>111,762,631</b>	<b>136,693,305</b>
<b>Net Assets</b>		<b>1,575,595,995</b>	<b>1,349,800,663</b>
Accumulated surplus		1,575,596,000	1,349,800,666

\* See Note 42

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Sale of stands	19	2,343,000	100,000
Service charges	20	4,875,772	4,774,999
Rendering of services	19	3,506,221	4,733,190
Interest on arrear receivables		1,124,255	-
Agency services	19	3,148,086	2,278,364
Licences and permits	19	5,097,338	2,658,734
Rental income	21	165,813	47,483
Interest income	22	12,783,061	7,279,234
<b>Total revenue from exchange transactions</b>		<b>33,043,546</b>	<b>21,872,004</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	23	35,500,164	35,053,505
<b>Transfer revenue</b>			
Government grants & subsidies	24	569,426,024	581,485,690
Public contributions and donations	25	5,400,931	244,220
Interest on arrear receivables	19	6,459,326	-
Gain on assets/ Fair value adjustments	19	2,631,735	556,466
Traffic fines	19	372,150	689,002
<b>Total revenue from non-exchange transactions</b>		<b>619,790,330</b>	<b>618,028,883</b>
<b>Total revenue</b>	19	<b>652,833,876</b>	<b>639,900,887</b>
<b>Expenditure</b>			
Employee related costs	26	(122,762,015)	(128,609,535)
Remuneration of councillors	27	(26,555,060)	(26,555,380)
Depreciation and amortisation	28	(45,940,836)	(32,300,621)
Impairment loss/ Reversal of impairments	29	(2,277,187)	(9,819,234)
Finance costs	30	(71,769)	(138,679)
Debt Impairment	31	(25,440,478)	(22,125,475)
Repairs and maintenance	4	(28,654,301)	(22,154,748)
Contracted services	32	(96,524,624)	(80,142,750)
General Expenses	33	(77,342,292)	(56,592,798)
<b>Total expenditure</b>		<b>(425,568,562)</b>	<b>(378,439,220)</b>
<b>Operating surplus</b>		<b>227,265,314</b>	<b>261,461,667</b>
Fair value adjustments	35	(1,469,979)	(3,339,991)
Loss on disposal of assets	34	-	(215,645)
		<b>(1,469,979)</b>	<b>(3,555,636)</b>
<b>Surplus for the year</b>		<b>225,795,335</b>	<b>257,906,031</b>

\* See Note 42

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
<b>Balance at July 1, 2020</b>	<b>1,091,894,635</b>	<b>1,091,894,635</b>
Changes in net assets		
Surplus for the year	257,906,031	257,906,031
Total changes	257,906,031	257,906,031
Opening balance as previously reported	1,357,054,436	1,357,054,436
Adjustments		
Prior year adjustments (Note 42)	(7,253,771)	(7,253,771)
<b>Restated* Balance at July 1, 2021 as restated*</b>	<b>1,349,800,665</b>	<b>1,349,800,665</b>
Changes in net assets		
Surplus for the year	225,795,335	225,795,335
Total changes	225,795,335	225,795,335
<b>Balance at June 30, 2022</b>	<b>1,575,596,000</b>	<b>1,575,596,000</b>
Note(s)		

\* See Note 42

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Property rates		19,562,082	13,631,454
Service charges		3,805,877	1,932,718
Grants and subsidies		572,276,000	580,591,000
Interest income		12,783,061	7,279,234
Other receipts		10,740,368	10,928,283
		<u>619,167,388</u>	<u>614,362,689</u>
<b>Payments</b>			
Employee costs		(147,753,792)	(143,750,687)
Suppliers and other payments		(228,772,931)	(139,245,411)
		<u>(376,526,723)</u>	<u>(282,996,098)</u>
<b>Net cash flows from operating activities</b>	37	<b><u>242,640,665</u></b>	<b><u>331,366,591</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(344,714,950)	(301,418,306)
Proceeds from sale of property, plant and equipment	4	2,500,963	-
Purchase of other intangible assets	5	(2,809,671)	(430,245)
<b>Net cash flows from investing activities</b>		<b><u>(345,023,658)</u></b>	<b><u>(301,848,551)</u></b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(2,228,097)	(2,050,588)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(104,611,090)</b>	<b>27,467,452</b>
Cash and cash equivalents at the beginning of the year		401,480,276	374,012,734
<b>Cash and cash equivalents at the end of the year</b>	14	<b><u>296,869,186</u></b>	<b><u>401,480,186</u></b>

\* See Note 42

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Statement of Comparison of Budget and Actual Amounts

#### Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<b>Figures in Rand</b>						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Sales of goods	-	-	-	2,343,000	2,343,000	
Service charges - refuse	4,300,272	622,900	4,923,172	4,875,772	(47,400)	Note 53
Rendering of services	87,660,348	7,496,064	95,156,412	3,506,221	(91,650,191)	
Interest on arrear receivables	1,500,000	(750,000)	750,000	1,124,255	374,255	
Agency services	2,148,648	397,850	2,546,498	3,148,086	601,588	
Licence and permits	4,784,124	2,429,712	7,213,836	5,097,338	(2,116,498)	
Rental income	170,208	30,000	200,208	165,813	(34,395)	
Interest income - Bank	6,888,876	16,105,437	22,994,313	12,783,061	(10,211,252)	
<b>Total revenue from exchange transactions</b>	<b>107,452,476</b>	<b>26,331,963</b>	<b>133,784,439</b>	<b>33,043,546</b>	<b>(100,740,893)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	33,184,512	-	33,184,512	35,500,164	2,315,652	
<b>Transfer revenue</b>						
Government grants & subsidies	544,276,004	28,000,000	572,276,004	569,426,024	(2,849,980)	
Public contributions and donations	-	-	-	5,400,931	5,400,931	
Interest on arrears receivables	-	-	-	6,459,326	6,459,326	
Gain on asset/ fair value adjustments	-	-	-	2,631,735	2,631,735	
Traffic fines	644,460	-	644,460	372,150	(272,310)	
<b>Total revenue from non-exchange transactions</b>	<b>578,104,976</b>	<b>28,000,000</b>	<b>606,104,976</b>	<b>619,790,330</b>	<b>13,685,354</b>	
<b>Total revenue</b>	<b>685,557,452</b>	<b>54,331,963</b>	<b>739,889,415</b>	<b>652,833,876</b>	<b>(87,055,539)</b>	
<b>Expenditure</b>						
Personnel	(154,283,000)	2,080,000	(152,203,000)	(122,762,015)	29,440,985	
Remuneration of councillors	(28,336,656)	-	(28,336,656)	(26,555,060)	1,781,596	
Depreciation and amortisation	(40,650,000)	(2,000,000)	(42,650,000)	(45,940,836)	(3,290,836)	
Impairment loss/ Reversal of impairments	-	-	-	(2,277,187)	(2,277,187)	
Finance costs	-	-	-	(71,769)	(71,769)	
Debt Impairment	(11,451,912)	-	(11,451,912)	(25,440,478)	(13,988,566)	
Repairs and maintenance	(38,600,000)	(12,600,000)	(51,200,000)	(28,654,301)	22,545,699	
Contracted Services	(85,418,000)	(54,003,752)	(139,421,752)	(96,524,624)	42,897,128	
General Expenses	(84,488,000)	(4,536,248)	(89,024,248)	(77,342,292)	11,681,956	
<b>Total expenditure</b>	<b>(443,227,568)</b>	<b>(71,060,000)</b>	<b>(514,287,568)</b>	<b>(425,568,562)</b>	<b>88,719,006</b>	
<b>Operating surplus</b>	<b>242,329,884</b>	<b>(16,728,037)</b>	<b>225,601,847</b>	<b>227,265,314</b>	<b>1,663,467</b>	
Fair value adjustments	-	-	-	(1,469,979)	(1,469,979)	
<b>Surplus</b>	<b>242,329,884</b>	<b>(16,728,037)</b>	<b>225,601,847</b>	<b>225,795,335</b>	<b>193,488</b>	

**Collins Chabane Local Municipality**

(Registration number LIM345)  
 Annual Financial Statements for the year ended June 30, 2022

**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						
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	242,329,884	(16,728,037)	225,601,847	225,795,335	193,488	
<b>Reconciliation</b>						

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### 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						
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Inventories	2,214,000	-	2,214,000	3,845,729	1,631,729	Note 53
Other receivables from exchange transactions	11,289,000	-	11,289,000	2,620,111	(8,668,889)	
Receivables from non-exchange transactions	43,395,000	-	43,395,000	7,373,307	(36,021,693)	
Consumer debtors - other	1,605,000	-	1,605,000	2,977,723	1,372,723	
Cash and cash equivalents	281,381,000	(423,000)	280,958,000	296,869,186	15,911,186	
	<b>339,884,000</b>	<b>(423,000)</b>	<b>339,461,000</b>	<b>313,686,056</b>	<b>(25,774,944)</b>	
<b>Non-Current Assets</b>						
Investment property	15,570,000	-	15,570,000	2,060,022	(13,509,978)	
Property, plant and equipment	1,199,158,000	23,423,000	1,222,581,000	1,323,055,479	100,474,479	
Intangible assets	5,400,000	-	5,400,000	5,076,243	(323,757)	
Heritage assets	-	-	-	1,126,500	1,126,500	
Other financial assets	-	-	-	2	2	
	<b>1,220,128,000</b>	<b>23,423,000</b>	<b>1,243,551,000</b>	<b>1,331,318,246</b>	<b>87,767,246</b>	
<b>Total Assets</b>	<b>1,560,012,000</b>	<b>23,000,000</b>	<b>1,583,012,000</b>	<b>1,645,004,302</b>	<b>61,992,302</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Finance lease obligation	-	-	-	953,555	953,555	
Trade and other payables from exchange transactions	74,150,000	(5,000,000)	69,150,000	84,879,075	15,729,075	
Employee benefit obligation	-	-	-	5,911,783	5,911,783	
Unspent conditional grants and receipts	-	-	-	2,849,976	2,849,976	
Provisions	3,829,000	-	3,829,000	-	(3,829,000)	
	<b>77,979,000</b>	<b>(5,000,000)</b>	<b>72,979,000</b>	<b>94,594,389</b>	<b>21,615,389</b>	
<b>Non-Current Liabilities</b>						
Employee benefit obligation	5,292,472	-	5,292,472	16,368,816	11,076,344	
Provisions	-	-	-	799,426	799,426	
	<b>5,292,472</b>	<b>-</b>	<b>5,292,472</b>	<b>17,168,242</b>	<b>11,875,770</b>	
<b>Total Liabilities</b>	<b>83,271,472</b>	<b>(5,000,000)</b>	<b>78,271,472</b>	<b>111,762,631</b>	<b>33,491,159</b>	
<b>Net Assets</b>	<b>1,476,740,528</b>	<b>28,000,000</b>	<b>1,504,740,528</b>	<b>1,533,241,671</b>	<b>28,501,143</b>	
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
Accumulated surplus	1,476,740,528	28,000,000	1,504,740,528	1,533,241,671	28,501,143	

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Statement of Comparison of Budget and Actual Amounts

#### Budget on Cash Basis

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

Figures in Rand

#### Cash Flow Statement

##### Cash flows from operating activities

###### Receipts

Property rates	9,476,000	-	9,476,000	19,562,083	10,086,083	Note 53
Service charges	1,911,000	-	1,911,000	3,805,876	1,894,876	
Grant and subsidies	544,276,000	28,000,000	572,276,000	572,276,000	-	
Interest income	105,761,000	-	105,761,000	12,783,061	(92,977,939)	
Other receipts	22,994,000	-	22,994,000	10,740,368	(12,253,632)	
	<b>684,418,000</b>	<b>28,000,000</b>	<b>712,418,000</b>	<b>619,167,388</b>	<b>(93,250,612)</b>	

###### Payments

Employee costs and supplier payments	(434,971,000)	-	(434,971,000)	(376,526,723)	58,444,277	
--------------------------------------	---------------	---	---------------	---------------	------------	--

<b>Net cash flows from operating activities</b>	<b>249,447,000</b>	<b>28,000,000</b>	<b>277,447,000</b>	<b>242,640,665</b>	<b>(34,806,335)</b>	
---	--------------------	-------------------	--------------------	--------------------	---------------------	--

##### Cash flows from investing activities

Purchase and proceed of property, plant and equipment	(320,203,000)	(28,423,000)	(348,626,000)	(344,714,950)	3,911,050	
Proceeds from sale of property, plant and equipment	-	-	-	2,500,963	2,500,963	
Purchase of other intangible assets	-	-	-	(2,809,671)	(2,809,671)	
<b>Net cash flows from investing activities</b>	<b>(320,203,000)</b>	<b>(28,423,000)</b>	<b>(348,626,000)</b>	<b>(345,023,658)</b>	<b>3,602,342</b>	

##### Cash flows from financing activities

Finance lease payments	-	-	-	(2,228,097)	(2,228,097)	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(70,756,000)</b>	<b>(423,000)</b>	<b>(71,179,000)</b>	<b>(104,611,090)</b>	<b>(33,432,090)</b>	
Cash and cash equivalents at the beginning of the year	352,888,000	-	352,888,000	401,480,186	48,592,186	
<b>Cash and cash equivalents at the end of the year</b>	<b>282,132,000</b>	<b>(423,000)</b>	<b>281,709,000</b>	<b>296,869,096</b>	<b>15,160,096</b>	

#### Reconciliation

All significant variances +/-10 have been explained under note 53.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 1. Presentation of Annual Financial Statements

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

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

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, 2022

## 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, 2022

## 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.

#### Susequat measurement

Property, plant and equipment is carried at cost, being the cost /fair value at the date of acquisition or transfer less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Property, plant and equipment of Land is carried at cost. The land is not depreciated.

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.

---

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

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

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

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

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

The 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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 1.5 Intangible assets (continued)

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

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

---

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 1.6 Heritage Assets (continued)

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

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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 1.7 Financial instruments (continued)

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.

#### Classification

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

Class	Category
Consumer Receivable from exchange transaction	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalent	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost
Other Financial assets	Financial asset measured at amortised cost

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

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Finance lease liability	Financial liability measured at amortised cost

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 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 40.

#### • 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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 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, a 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

## **Collins Chabane Local Municipality**

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### **Accounting Policies**

---

#### **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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 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 and 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 was 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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## 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 is recognised as revenue when capital expenditure is incurred. 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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 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.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Accounting Policies

---

### 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 7/1/2021 to 6/30/2022.

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

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand

2022

2021

### 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, 2022 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

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 3. Investment property

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	2,060,022	-	2,060,022	3,800,092	-	3,800,092

#### Reconciliation of investment property - 2022

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	3,800,092	(270,091)	(1,469,979)	2,060,022

#### Reconciliation of investment property - 2021

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

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.

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand 2022 2021

#### 3. Investment property (continued)

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

#### 4. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	8,473,442	-	8,473,442	8,393,442	-	8,393,442
Buildings	41,212,022	(6,100,217)	35,111,805	39,286,940	(4,321,205)	34,965,735
Movable assets	131,037,770	(40,363,616)	90,674,154	109,723,650	(32,208,183)	77,515,467
Community assets	165,574,171	(27,397,518)	138,176,653	143,943,155	(18,862,082)	125,081,073
Road infrastructure	586,582,941	(65,588,199)	520,994,742	429,752,639	(47,494,108)	382,258,531
Leased assets	6,005,173	(5,161,537)	843,636	6,400,628	(3,555,393)	2,845,235
WIP - Infrastructure	433,997,623	-	433,997,623	308,805,215	-	308,805,215
Electricity assets	99,883,090	(5,099,666)	94,783,424	81,937,396	(1,810,531)	80,126,865
<b>Total</b>	<b>1,472,766,232</b>	<b>(149,710,753)</b>	<b>1,323,055,479</b>	<b>1,128,243,065</b>	<b>(108,251,502)</b>	<b>1,019,991,563</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 4. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	8,393,442	-	-	80,000	-	-	-	8,473,442
Buildings	34,965,735	341,598	-	1,583,485	-	(1,504,805)	(274,208)	35,111,805
Movable assets	77,515,467	21,190,448	(427,568)	5,400,931	-	(12,517,544)	(487,580)	90,674,154
Community assets	125,081,073	188,850	-	21,442,165	-	(7,728,551)	(806,884)	138,176,653
Road infrastructure	382,258,531	-	-	156,830,302	-	(17,385,581)	(708,510)	520,994,742
Leased Assets	2,845,235	-	-	-	-	(2,001,599)	-	843,636
WIP - Infrastructure	308,805,215	322,783,278	-	-	(197,590,870)	-	-	433,997,623
Electricity Assets	80,126,865	210,776	-	17,734,918	-	(3,289,135)	-	94,783,424
	<b>1,019,991,563</b>	<b>344,714,950</b>	<b>(427,568)</b>	<b>203,071,801</b>	<b>(197,590,870)</b>	<b>(44,427,215)</b>	<b>(2,277,182)</b>	<b>1,323,055,479</b>

##### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers received	Transfers out	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	43,068,788	38,409,423	(215,645)	1,309,901	-	(7,154,020)	(931,644)	3,028,664	77,515,467
Community	88,385,730	-	-	41,417,336	-	(4,721,993)	-	-	125,081,073
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	197,838,922	263,008,883	-	-	(142,973,654)	-	(9,068,936)	-	308,805,215
Electrical assets	25,109,390	-	-	56,050,395	-	(1,032,920)	-	-	80,126,865
	<b>757,476,238</b>	<b>301,418,306</b>	<b>(215,645)</b>	<b>142,973,654</b>	<b>(142,973,654)</b>	<b>(28,868,102)</b>	<b>(12,847,898)</b>	<b>3,028,664</b>	<b>1,019,991,563</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand 2022      2021

#### 4. Property, plant and equipment (continued)

The Municipality reviewed the Property, Plant and equipment useful lives and residual values as at 30 June 2022. 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

##### Plledged as security

During the financial year ended 30 June 2022, 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 R55 064 799, 2021: R33 777 014 funded from INEP grant. These assets will be transfered to a third party (Eskom), upon completion and are not the asset of the Municipality.

##### Other information

##### Completion of the following projects were delays due to budget constraints and community disputes:

Vuwani, Sibudi, Vyeboom road	36,641,368	19,307,038
Malamulele D streets	41,969,488	41,969,488
Upgrading of Vuwani Stadium	869,566	1
Malamulele Bus Terminal	6,584,272	1,119,916
Upgrading of Municipal workshop	910,775	910,775
Electrification of Xigalo and Nghezini	17,961,979	17,961,979
Electrification of Malamulele B Extension	2,037,697	2,037,697
Malamulele Street naming	840,000	840,000
	<b>107,815,145</b>	<b>84,146,894</b>

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

Roads Infrastructure	172,350,409	158,427,552
Electrical Infrastructure	56,438,873	33,777,014
Community assets	135,998,491	67,017,594
Building assets	69,209,850	49,583,056
	<b>433,997,623</b>	<b>308,805,216</b>

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

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

Electricity	15,974,134	7,478,650
Buildings	2,071,985	979,003
Machinery and equipments	7,835,135	2,958,672
Roads infrastructure	1,508,980	10,261,949
Motor vehicles	1,240,567	446,128
Community assets	23,500	30,346
	<b>28,654,301</b>	<b>22,154,748</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

2022

2021

#### 5. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	8,825,739	(3,749,496)	5,076,243	6,016,067	(2,258,475)	3,757,592

#### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software, other	3,757,592	2,809,671	(1,491,020)	5,076,243

#### Reconciliation of intangible assets - 2021

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

The municipality has reviewed the useful lives, residual values and performed assessment of impairment as at 30 June 2022

#### 6. Heritage assets

	2022			2021		
	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 2022

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

#### Reconciliation of heritage assets 2021

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

#### 7. Other financial assets

##### Residual interest at cost

Investment - VBS	113,841,784	122,410,521
Impairments	113,841,784 (113,841,782)	122,410,521 (122,410,519)
	<b>2</b>	<b>2</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand 2022      2021

---

#### 7. Other financial assets (continued)

##### Non-current assets

Residual interest at cost 2      2

---

##### Allowance for impairment

##### Reconciliation of provision of impairment of other financial assets - 2022

	Opening balance	Reversals	Closing balance
Investment - VBS	(122,410,519)	8,568,737	(113,841,782)

---

##### Reconciliation of provision of impairment of other financial assets - 2021

	Opening balance	Closing balance
Investment - VBS	122,410,519	122,410,519

---

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand 2022      2021

#### 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	3,941,000	3,834,000
Defined benefit obligation: Unused leave days	7,790,599	7,796,529
Defined benefit obligation: Post employment medical	10,549,000	9,130,000
	<b>22,280,599</b>	<b>20,760,529</b>

##### 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 2022.

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 2022 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.

	<b>2022</b>	<b>2021</b>
Long term portion	R3 419 000	R3 191 000
Current portion	R522 000	R643 000
	<b>R3 941 000</b>	<b>R3 834 000</b>

##### Reconciliation of long service award:

	<b>2022</b>	<b>2021</b>
Opening liability	R3 834 000	R3 139 000
Current-service cost	R522 000	R472 000
Interest cost	R344 000	R228 000
Expected benefit vesting	(R643 000)	(R135 000)
Actuarial loss/ (gain)	(R116 000)	R130 000
<b>Closing liability</b>	<b>R3 941 000</b>	<b>R3 834 000</b>

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

##### Key assumptions

	<b>2022</b>	<b>2021</b>
Discount rate (%)	11	10
General salary inflation (%)	8	6
Net discount rate (%)	4	4
Average retirement age (Years)	62	62
	-	-

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand 2022                      2021

#### 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.

	2022	2021
Long term portion	R2 511 816	R2 586 457
Current portion	R5 278 783	R5 210 072
	<b>R7 790 599</b>	<b>R7 796 529</b>

##### Reconciliation of of unused leave provision:

	2022	2021
Opening liability	R7 796 529	R6 371 081
Current service cost	R1 159 327	R1 003 673
Interest cost	R746 180	R622 290
Expected benefits vesting	(R406 293)	(R289 455)
Actuarial Loss/ (gain)	(R1 505 144)	R88 940
<b>Closing liability</b>	<b>R7 790 599</b>	<b>R7 796 529</b>

##### Assumption used at the reporting date

	2022	2021
Discount rates used	11.41%	9.82%
General salary inflation	7.67%	6.15%
Net discount rate	3.47%	3.46%
Average retirement age	62	62

##### Post employment medical aid

The municipality provides Post-Employment Medical Aid (PEMA) to its permanent employees. .

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 2022.

PEMA relate to the legal obligation to provide medical aid contribution after retirement. Acturial benefits have been calculated for eligible employee as at 30 June 2022 that are entitled to Post employment medical aid.

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.

	2022	2021
Long term portion	R10 438 000	R9 026 000
Current portion	R111 000	R104 000
	<b>R10 549 000</b>	<b>R9 130 000</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>8. Employee benefit obligations (continued)</b>		
<b>Reconciliation of PEMA award:</b>		
	<b>2022</b>	<b>2021</b>
Opening liability	R9 130 000	R7 589 000
Current-service cost	R620 000	R531 000
Interest cost	R973 000	R857 000
Expected benefit vesting	(R104 000)	(R103 000)
Actuarial loss/ (gain)	(R70 000)	R256 000
<b>Closing liability</b>	<b>R10 549 000</b>	<b>R9 130 000</b>
Key financial assumption		
Discount rate = 11.85%		
Health care cost inflation rate = 8.46%		
Net discount rate = 3.13%		
<b>9. Inventories</b>		
Consumable stores	3,655,625	4,590,815
Land inventory	190,104	13
	<b>3,845,729</b>	<b>4,590,828</b>
Inventories recognised as an expense during the year	5,771,672	483,556
"Land inventory is recognised at fair value which equate to net realisable value due to illegal occupation."		
<b>10. Other receivables from exchange transactions</b>		
Deposits	1,850,653	1,418,760
Sundry debtors	8,144,731	7,628,755
Sundry debtors - impairment	(7,375,273)	(7,375,273)
	<b>2,620,111</b>	<b>1,672,242</b>
There was no sundry debtors which was pledged as collateral		
<b>Reconciliation of provision for impairment of other receivables from exchange transaction</b>		
<b>Impairment reconciliation - sundry debtors</b>		
Opening balance	(7,375,273)	-
Contribution to allowance	-	(8,394,324)
Unused amounts reversed	-	1,019,051
	<b>(7,375,273)</b>	<b>(7,375,273)</b>
<b>11. Receivables from non-exchange transactions</b>		
Traffic fines	1,287,780	1,129,802
Traffic fines - Impairment	(1,073,607)	(985,852)
Property rates	121,171,489	105,233,407
Property rates - impairment	(114,012,355)	(98,696,530)
	<b>7,373,307</b>	<b>6,680,827</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>11. Receivables from non-exchange transactions (continued)</b>		
<b>Ageing for rates.</b>	<b>2022</b>	<b>2021</b>
Current (0-30 days)	4,342,058	2,636,594
31-60 days	2,540,441	2,431,497
61- 90 days	2,684,346	2,416,233
91-120 days	2,476,786	2,368,201
121-365 days	33,922,296	18,143,719
> 365 days	75,205,562	77,237,263
	<u>121,171,489</u>	<u>105,233,507</u>
Less: Allowance for impairment	(114,012,355)	(98,696,530)
	<u><b>7,159,134</b></u>	<u><b>6,536,977</b></u>
Fair value of consumer debtors approximates the carrying amount thereof.		
<b>Reconciliation of provision for impairment of receivables from non-exchange transactions</b>		
Opening balance	(98,696,530)	(77,089,485)
Contribution to allowance	(15,315,825)	(21,607,045)
	<u>(114,012,355)</u>	<u>(98,696,530)</u>
<b>12. Consumer receivables from exchange transaction</b>		
<b>Gross balances</b>		
Refuse	22,070,006	21,000,111
Consumer debtors - other	92,011,135	81,325,893
	<u>114,081,141</u>	<u>102,326,004</u>
<b>Less: Allowance for impairment</b>		
Refuse	(21,090,074)	(20,038,061)
Others	(90,013,344)	(81,325,891)
	<u>(111,103,418)</u>	<u>(101,363,952)</u>
<b>Net balance</b>		
Refuse	979,932	962,050
Other	1,997,791	2
	<u><b>2,977,723</b></u>	<u><b>962,052</b></u>
<b>Refuse</b>		
Current (0 -30 days)	429,862	332,626
31 - 60 days	384,189	320,120
61 - 90 days	362,708	315,540
91 - 120 days	363,342	318,418
121 - 365 days	2,694,763	2,113,883
> 365 days	17,835,142	17,599,524
	<u>(21,090,074)</u>	<u>(20,038,061)</u>
	<u><b>979,932</b></u>	<u><b>962,050</b></u>



## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>12. Consumer receivables from exchange transaction (continued)</b>		
<b>Other</b>		
Current (0 -30 days)	757,567	-
31 - 60 days	782,981	-
61 - 90 days	736,373	-
91 - 120 days	719,292	-
121 - 365 days	5,409,842	-
> 365 days	83,605,080	81,325,893
	(90,013,344)	(81,325,891)
	<b>1,997,791</b>	<b>2</b>
<b>Summary of debtors by customer classification</b>		
<b>Residential</b>		
Current (0 -30 days)	1,841,324	1,105,531
31 - 60 days	1,442,856	1,086,042
61 - 90 days	1,401,559	1,067,096
91 - 120 days	1,394,095	1,063,758
121 - 365 days	11,867,143	7,274,736
> 365 days	123,137,842	122,962,208
	<b>141,084,819</b>	<b>134,559,371</b>
<b>Industrial/ Commercial</b>		
Current (0 -30 days)	729,544	500,405
31 - 60 days	565,452	400,236
61 - 90 days	729,580	398,644
91 - 120 days	520,835	393,120
121 - 365 days	5,101,154	1,286,507
> 365 days	12,832,401	12,533,578
	<b>20,478,966</b>	<b>15,512,490</b>
<b>Government</b>		
Current (0 -30 days)	2,984,033	986,036
31 - 60 days	1,673,891	1,304,229
61 - 90 days	1,652,287	1,303,916
91 - 120 days	1,644,489	1,273,817
121 - 365 days	25,058,603	11,380,662
> 365 days	40,675,542	41,238,890
	<b>73,688,845</b>	<b>57,487,550</b>
	-	-
<b>Total</b>		
Current (0 -30 days)	5,554,901	2,591,972
31 - 60 days	3,682,198	2,790,507
61 - 90 days	3,783,427	2,769,656
91 - 120 days	3,559,420	2,730,695
121 - 365 days	42,026,900	19,941,905
> 365 days	176,645,785	176,734,676
	<b>235,252,631</b>	<b>207,559,411</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand 2022 2021

#### 12. Consumer receivables from exchange transaction (continued)

##### Reconciliation of allowance for impairment of receivables from exchange transactions

Balance at beginning of the year	(101,363,952)	(97,871,224)
Contributions to allowance	(9,739,466)	(3,492,728)
	<b>(111,103,418)</b>	<b>(101,363,952)</b>

The carrying amount of receivables at year-end equates to its fair value

#### 13. VAT receivable

VAT	42,354,324	42,431,994
-----	------------	------------

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:

Bank balances	296,869,186	300,816,954
Investments (Short-term fixed deposit)	-	100,663,322
	<b>296,869,186</b>	<b>401,480,276</b>

The 12 month fixed deposits were made with Nedbank and Standard bank. The investments matured during the year and were withdrawn.

#### The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2022	30 June 2021	June 30, 2020	June 30, 2022	June 30, 2021	June 30, 2020
FNB Current Account - 62632407020	296,869,186	300,816,954	374,012,733	296,869,186	300,816,954	374,012,733
Nedbank 12 Months Fixed Deposit - 03/7881166908/000	-	50,319,315	-	-	50,319,315	-
Standard Bank 12 Month Fixed deposit - 00258624817	-	50,344,007	-	-	50,344,007	-
<b>Total</b>	<b>296,869,186</b>	<b>401,480,276</b>	<b>374,012,733</b>	<b>296,869,186</b>	<b>401,480,276</b>	<b>374,012,733</b>

#### 15. Finance lease obligation

##### Minimum lease payments due

- within one year	953,555	2,156,328
- in second to fifth year inclusive	-	953,555

**Present value of minimum lease payments** **953,555 3,109,883**

Non-current liabilities	-	953,555
Current liabilities	953,555	2,156,328
	<b>953,555</b>	<b>3,109,883</b>

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.

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand 2022 2021

#### 16. Unspent conditional grants and receipts

The Municipality has no unspent conditional grant as at 30 June 2021. There was unspent grant related to INEP as at 30 June 2022.

Unspent conditional grants and receipts comprises of:

<b>Unspent conditional grants and receipts</b>		
INEP	2,849,976	-

#### 17. Provisions

##### Reconciliation of provisions - 2022

	Opening Balance	Additions	Total
Provision for performance bonus	-	799,426	799,426

#### 18. Trade and other payables from exchange transactions

Trade payables	25,007,038	56,979,943
Payments received in advance from customers	2,269,940	3,865,936
Sundry creditors	2,544,419	6,270,410
Accrued bonus - 13th cheque	2,773,191	2,729,978
Unallocated deposits	260,155	400,542
Retention	50,558,003	41,404,390
Department of Transport	1,466,329	1,171,694
	<b>84,879,075</b>	<b>112,822,893</b>

#### 19. Total revenue

Sale of stands	2,343,000	100,000
Rendering of services	3,506,221	4,733,190
Service charges	4,875,772	4,774,999
Interest on arrear receivables - exchange transaction	1,124,255	-
Agency services	3,148,086	2,278,364
Licences and permits	5,097,338	2,658,734
Rental income	165,813	47,483
Interest earned - bank	12,783,061	7,279,234
Property rates	35,500,164	35,053,505
Government grants & subsidies	569,426,024	581,485,690
Traffic fines	5,400,931	244,220
Interest on receivables - non exchange transactions	6,459,326	-
Gain or (Loss) on assets/ Fair value adjustments	2,631,735	556,466
Traffic fines	372,150	689,002
	<b>652,833,876</b>	<b>639,900,887</b>

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand

2022

2021

### 19. Total revenue (continued)

The amount included in revenue arising from exchanges transactions are as follows:

Sale of stands	2,343,000	100,000
Service charges	4,875,772	4,774,999
Rendering of services	3,506,221	4,733,190
Interest on arrear receivables	1,124,255	-
Agency services	3,148,086	2,278,364
Licences and permits	5,097,338	2,658,734
Rental income	165,813	47,483
Interest income - bank	12,783,061	7,279,234
	<b>33,043,546</b>	<b>21,872,004</b>

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

#### Taxation revenue

Property rates	35,500,164	35,053,505
----------------	------------	------------

#### Transfer revenue

Government grants & subsidies	569,426,024	581,485,690
Traffic fines	5,400,931	244,220
Interest on arrears receivables	6,459,326	-
Gain on assets/ Fair value adjustments	2,631,735	556,466
Traffic fines	372,150	689,002
	<b>619,790,330</b>	<b>618,028,883</b>

#### 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

### 20. Service charges

Refuse removals	4,875,772	4,774,999
-----------------	-----------	-----------

### 21. Rental income

Rental income - third party	165,813	47,483
-----------------------------	---------	--------

### 22. Interest revenue

#### Interest revenue

Interest income - Bank	12,783,061	7,279,234
------------------------	------------	-----------

During the current year interest were earned from the primary bank account and 12 month fixed deposit.

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>23. Property rates</b>		
<b>Rates received</b>		
Property rates	35,500,164	35,053,505
<b>Valuations</b>		
Residential	1,447,267,500	1,382,610,591
Commercial	429,239,001	441,213,001
Agricultural	433,368,000	191,733,000
Government	1,287,617,503	1,223,161,003
	<b>3,597,492,004</b>	<b>3,238,717,595</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>24. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	412,284,000	477,995,000
Financial Management Grant (FMG)	2,450,004	2,300,000
Extended Public Works Programme Grant (EPWP)	1,784,000	1,161,000
Disaster Relief Grant (DRG)	26,000,000	-
	<b>442,518,004</b>	<b>481,456,000</b>
<b>Capital grants</b>		
Municipal Infrastructure Grant (MIG)	114,758,000	88,475,000
Intergrated National Electrification Program Grant (INEP)	12,150,020	11,554,690
	<b>126,908,020</b>	<b>100,029,690</b>
	<b>569,426,024</b>	<b>581,485,690</b>

#### 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	2,450,000	2,300,000
Conditions met - transferred to revenue	(2,450,000)	(2,300,000)
	-	-

The grant conditions were met as at year-end.

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	114,758,000	88,475,000
Conditions met - transferred to revenue	(114,758,000)	(88,475,000)
	-	-

The grant conditions were met as at year-end.

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

#### Intergrated National Electrification Programme

Balance unspent at beginning of year	-	894,689
Current-year receipts	15,000,000	10,660,000
Conditions met - transferred to revenue	(12,150,020)	(11,554,689)
	<b>2,849,980</b>	-

Grant Conditions were not met for 2022 - remain liabilities (see note 16). The grant conditions were met in 2021.

The grant is used for electrification of villages projects

#### Extended Public Works Program (EPWP)

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>24. Government grants and subsidies (continued)</b>		
Current-year receipts	1,784,000	1,161,000
Conditions met - transferred to revenue	(1,784,000)	(1,161,000)
	<u>-</u>	<u>-</u>

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

#### Municipal Disaster Relief Grant

Current-year receipts	26,000,000	-
Conditions met - transferred to revenue	(26,000,000)	-
	<u>-</u>	<u>-</u>

Grant conditions were met as at year-end. No grant was received during the previous year 2020/21. The grant was used for disaster relief

#### Covid-19 relief grant

Balance unspent at beginning of year	724,618	-
Current-year receipts	-	1,302,000
Conditions met - transferred to revenue	(724,618)	(577,382)
	<u>-</u>	<u>724,618</u>

Conditions were met as at current year-end. The previous year approved roll-over was utilised in full, no new grant was received in the current year.

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.

#### 25. Public contributions and donations

Public contributions and donations	<u>5,400,931</u>	<u>244,220</u>
------------------------------------	------------------	----------------

##### 2022:

The municipality received a donation of plant and machinery to be used in service delivery.

##### 2021:

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

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>26. Employee related costs</b>		
Basic	80,021,379	76,474,703
Cellphone allowance	6,000	283,300
Bonus	7,569,257	6,616,627
Medical aid - company contributions	5,456,919	12,998,690
UIF	434,520	366,745
Other payroll levies	25,276	21,846
Leave pay provision charge	927,438	1,765,617
Travel, motor car, accommodation and other allowances	11,274,846	10,558,207
Overtime payments	1,888,467	4,747,632
Long-service awards	771,208	791,688
Housing benefits and allowances	73,387	163,002
Pension fund contribution	14,303,318	13,811,478
Uniform allowance	10,000	10,000
	<b>122,762,015</b>	<b>128,609,535</b>

#### Remuneration of Municipal Manager

Annual Remuneration	166,669	658,875
Car Allowance	47,009	209,066
Bonus	62,420	137,265
Termination benefits	-	422,355
Acting allowance	145,567	259,090
	<b>421,665</b>	<b>1,686,651</b>

Senior Manager: Corporate Services acted on the position for the period until April 2022. Municipal Manager was appointed effective May 2022.

#### Remuneration of Chief Finance Officer

Annual Remuneration	811,455	811,455
Car Allowance	228,872	228,872
Bonus	52,016	-
	<b>1,092,343</b>	<b>1,040,327</b>

#### Remuneration of Senior Manager - Corporate Services

Annual Remuneration	676,213	811,455
Car Allowance	190,727	228,872
Bonus	72,823	-
Leave pay	155,799	-
Acting allowance	-	198,946
	<b>1,095,562</b>	<b>1,239,273</b>

Senior Manager: Corporate Services was appointed as Municipal Manager effective from May 2022. Manager PMS started acting as Senior Manager Corporate Services effective from May 2022.

#### Remuneration of Senior Manager - Spatial Planning and Development

Annual Remuneration	135,243	405,728
Car Allowance	38,145	114,436
Leave payments	-	199,743
Acting allowance	215,104	103,590
	<b>388,492</b>	<b>823,497</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

	2022	2021
--	------	------

#### 26. Employee related costs (continued)

Manager - Building and control Mr. C Radali acted on the position until April 2022. The New Senior Manager: Spatial Planning and Development was appointed effective May 2022.

##### Remuneration of Senior Manager - Technical service

Annual Remuneration	749,035	749,035
Car Allowance	228,872	228,872
Bonus	166,452	62,420
	<b>1,144,359</b>	<b>1,040,327</b>

##### Remuneration of Senior Manager - Community Services

Annual Remuneration	811,455	811,455
Car Allowance	228,872	228,872
Bonus	104,033	-
	<b>1,144,360</b>	<b>1,040,327</b>

##### Acting Senior Manager - Corporate Services

Acting allowances	29,440	-
-------------------	--------	---

Manager - Mrs TMD Maputla started acting on the position effective from May 2022.

#### 27. Remuneration of councillors

Mayor	824,330	860,859
Speaker	528,727	550,950
Remuneration and allowances for other councillors	25,202,003	25,143,571
	<b>26,555,060</b>	<b>26,555,380</b>

#### 28. Depreciation and amortisation

Property, plant and equipment	44,449,815	31,114,146
Amortisation of assets	1,491,021	1,186,475
	<b>45,940,836</b>	<b>32,300,621</b>

#### 29. Impairment of assets

##### Impairments

Property, plant and equipment	2,277,187	12,847,898
-------------------------------	-----------	------------

##### Reversal of impairments

Property, plant and equipment	-	(3,028,664)
-------------------------------	---	-------------

##### Total impairment losses (recognised) reversed

<b>2,277,187</b>	<b>9,819,234</b>
------------------	------------------

The Impairment reversal was as a results of improved condition (through repairs) of assets which were poor in previous years

#### 30. Finance cost

Finance leases	71,769	138,679
----------------	--------	---------

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>31. Impairment</b>		
Debt impairment	25,440,478	22,125,475
<b>32. Contracted services</b>		
<b>Outsourced services</b>		
Security services	14,689,043	13,743,932
<b>Consultants and professional services</b>		
Business advisory	18,005,276	20,313,502
Legal costs	15,188,865	11,887,836
IT services and others	48,641,440	34,197,480
	<b>96,524,624</b>	<b>80,142,750</b>
<b>33. General expenses</b>		
Advertising and administrative	2,949,518	927,070
Auditors remuneration	4,633,561	4,045,784
Bank charges	813,427	414,426
Consumables	14,221,588	8,227,545
Insurance	8,071,784	4,424,530
Printing and stationery	1,510,912	1,473,962
Protective clothing	1,858,396	605,883
Subscriptions and membership fees	80,110	51,877
Telephone and fax	921,168	446,288
Venue, conference and catering	5,985,630	2,703,018
Accommodation	3,765,101	1,708,499
Ward committees	2,917,343	4,894,440
Travel - local	1,035,954	691,880
Electricity	5,407,636	8,263,263
Licences and permits (non-vehicle)	3,615,486	1,495,836
IDP forum and other trainings	5,950,506	5,841,209
Bursary	1,020,217	1,505,154
Workmens compensation	-	66,850
Information and technology	6,953,497	3,733,919
Transfers expenditure	1,803,333	-
Indigent expenses	3,827,125	5,071,365
	<b>77,342,292</b>	<b>56,592,798</b>
<b>34. Loss on disposal of assets</b>		
Gains or losses arising from a change in fair value less point of sale costs	-	(215,645)
<b>35. Fair value adjustments</b>		
Investment property (Fair value model)	(1,469,979)	(3,339,991)
<b>36. Auditors' remuneration</b>		
Fees	4,633,561	4,045,784

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>37. Cash generated from operations</b>		
Surplus	225,795,335	257,906,031
<b>Adjustments for:</b>		
Depreciation and amortisation	45,940,836	32,300,621
(Loss) gain on sale of assets and liabilities	(2,631,735)	215,645
Fair value adjustments	1,469,979	3,339,991
Finance costs - Finance leases	71,769	138,679
Impairment deficit	2,277,187	9,819,234
Debt impairment	25,440,478	22,125,475
Movements in provisions	799,426	-
Public contribution and donations	(5,400,931)	-
Prior year error	-	15,185,705
<b>Changes in working capital:</b>		
Inventories	745,099	(698,677)
Other receivables from exchange transactions	(947,869)	(545,187)
Receivable from non-exchange	(27,162,021)	(26,925,517)
Consumer receivables from exchange	1,259,284	2,297,758
Trade and other payables from exchange transactions	(27,943,818)	41,025,376
VAT receivable	77,670	(23,923,849)
Unspent conditional grants and receipts	2,849,976	(894,694)
	<b>242,640,665</b>	<b>331,366,591</b>
<b>38. Financial instruments disclosure</b>		
<b>Categories of financial instruments</b>		
<b>2022</b>		
<b>Financial assets</b>		
	At amortised cost	Total
Receivables from non-exchange transactions	7,373,307	7,373,307
Consumer receivables from exchange transactions	2,977,723	2,977,723
Cash and cash equivalent	296,869,186	296,869,186
	<b>307,220,216</b>	<b>307,220,216</b>
<b>Financial liabilities</b>		
	At amortised cost	Total
Trade and other payables from exchange transactions	84,879,075	84,879,075
Finance lease obligations	953,555	953,555
	<b>85,832,630</b>	<b>85,832,630</b>
<b>2021</b>		
<b>Financial assets</b>		
	At cost	Total
Receivables from non-exchange transactions	6,680,827	6,680,827
Consumer 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
	<b>410,795,399</b>	<b>410,795,399</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>38. Financial instruments disclosure (continued)</b>		
<b>Financial liabilities</b>		
	At amortised cost	Total
Trade and other payables from exchange transactions	112,822,893	112,822,893
Finance lease obligations	3,109,883	3,109,883
	<b>115,932,776</b>	<b>115,932,776</b>
<b>39. Commitments</b>		
:		
<b>Already contracted for but not provided for</b>		
• Capital	318,522,338	308,050,003
• Operational	96,241,638	10,680,587
	<b>414,763,976</b>	<b>318,730,590</b>

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

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

2022

2021

#### 40. 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:

##### 30 June 2022:

#### 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 2021: 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 indeterminable. R17 165 134.00

#### 3. Midiro Civil Construction JV Lebaka Construction (First plaintiff), Lebaka Construction (Pty) Ltd (Second plaintiff) and Midiro Civils and Construction cc (Third Plaintiff) versus Collins Chabane Local Municipality (Second Defendant),

The plaintiff issued summons for the court to compel the municipality to pay them retention fund and interests on upgrading of Xikundu Ring road. The municipality is opposing the case. The municipality lawyers and management consider the likelihood of the action against the municipality being successful as indeterminable. R4 716 691 2021

#### 4. Khethwayo Construction CC (Plaintiff) versus Ndhuna Civil Engineering Services CC, First 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. 2022: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. 2022:R0

#### 6. 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. 2021: R0

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
-----------------	------	------

#### 40. Contingencies (continued)

30 June 2021:

**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. 2021: 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 indeterminable. 2021: R17 165 134.00

**3. Midiro Civil Construction JV Lebaka Construction (First plaintiff), Lebaka Construction (Pty) Ltd (Second plaintiff) and Midiro Civils and COnstruction cc (Third Plaintiff) versus Collins Chabane Local Municipality (Second Defendant),**

The plaintiff issued summons for the court to compel the municipality to pay them retention fund and interests on upgrading of Xikundu Ring road. The municipality is opposing the case. The municipality lawyers and management consider the likelihood of the action against the municipality being successful as indeterminable. R4 716 691 202

**4. 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. 2021: R0

**5. 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. 2021: R0

**6. 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. 2021: R0

**7. 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. 2021: R0

**8. 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. 2021: R0.

**9. 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. 2021: R0.

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand

2022

2021

### 41. Related parties

Relationships

Remuneration of key management personnel (Refer to note 25)

RR Shilenge (Municipal Manager)

NV Maluleke (Chief Financial Officer)

C Radali (Senior Manager Spacial Planning and Development)

RI Mabunda (Senior Manager Technical Services)

GL Maluleke (Senior Manager Community Services)

TMD Maputla (Acting Senior Manager Corporate Services)

Councillors

Refer to the detail remuneration below:

### Remuneration of councillors

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 41. Related parties (continued)

##### Councillors

2022

Name	Basic salary	Car Allowance	Cellphone Allowance	Total
Cllr Maluleke M (Mayor)	824,330	-	44,400	868,730
Cllr Lebea ME (Speaker)	376,809	95,647	44,400	516,856
Cllr Chauke MG (Chief Whip)	194,858	50,159	18,800	263,817
Cllr Mbedzi SM (Speaker)	345,077	82,692	29,095	456,865
Cllr Baloyi ME (Chief Whip)	400,028	101,452	44,400	545,880
Cllr Maremane HR	143,775	27,243	20,400	191,418
Cllr J Bila ST	217,944	55,931	44,400	318,275
Cllr Maluleke SG	498,021	127,464	44,400	669,885
Cllr Mashimbye FP	321,992	81,943	44,400	448,335
Cllr Mutele ST	242,411	62,048	44,400	348,859
Cllr Mavikane SX	321,992	81,943	44,400	448,335
Cllr Mukhaha SA	120,064	30,016	18,500	168,580
Cllr Chauke HG	285,229	72,752	44,400	402,381
Cllr Baloyi DL	285,229	72,752	44,400	402,381
Cllr Shivambu S	217,944	55,931	44,400	318,275
Cllr Mabasa SD	282,409	72,015	44,400	398,824
Cllr Khoza ST	75,950	18,988	15,473	110,411
Cllr Matamela SM	217,944	55,931	44,400	318,275
Cllr Masangu GD	217,944	55,931	44,400	318,275
Cllr Chauke ST	217,944	54,486	44,400	316,830
Cllr Maluleke ET	217,944	55,931	44,400	318,275
Cllr Simamngo MR	75,950	18,988	15,473	110,411
Cllr Maluleke SL	141,152	36,733	22,200	200,085
Cllr Makhubele HT	42,426	10,595	11,100	64,121
Cllr Ndove HD	274,687	67,743	44,400	386,830
Cllr Mudau TS	494,131	124,978	44,400	663,509
Cllr Mabasa KK	217,944	55,931	44,400	318,275
Cllr Ngobeni MR	-	-	600	600

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 41. Related parties (continued)

Cllr Mabasa J	274,687	67,743	44,400	386,830
Cllr Baloyi HR	253,168	62,363	44,400	359,931
Cllr Rivombo KE	75,950	18,988	15,473	110,411
Cllr Sunduza SZ	253,168	62,363	44,400	359,931
Cllr Chabangu ST	217,944	55,931	44,400	318,275
Cllr Khosa HJ	75,950	18,988	15,473	110,411
Cllr Mabunda MC	217,944	55,931	44,400	318,275
Cllr Chauke SN	72,648	18,162	16,000	106,810
Cllr Munyai N	214,642	55,105	44,400	314,147
Cllr Mukhomi VN	75,950	18,988	15,473	110,411
Cllr Maluleke MP	75,950	18,988	15,473	110,411
Cllr Ngobeni SN	127,134	31,784	25,900	184,818
Cllr Mahlale S	75,950	18,988	15,473	110,411
Cllr Moyo MT	97,469	24,367	15,473	137,309
Cllr Mathonsi NP	75,950	18,988	15,473	110,411
Cllr Sambo ST	75,950	18,988	15,473	110,411
Cllr Sithole SM	217,944	55,931	44,400	318,275
Cllr Shandukani SM	274,687	67,743	44,400	386,830
Cllr Chavani PJ	75,950	18,988	15,473	110,411
Cllr Mashakeni SK	90,810	22,703	18,500	132,013
Cllr Mulaudzi TN	97,469	24,367	15,473	137,309
Cllr Mudau SR	97,469	24,367	15,473	137,309
Cllr Ndzovela SN	75,950	18,988	15,473	110,411
Cllr Rekhoto SS	274,687	67,743	44,400	386,830
Cllr Nkuna SD	75,950	18,988	15,473	110,411
Cllr Miyambo SZ	239,463	61,310	44,400	345,173
Cllr Baloyi MJ	217,944	55,931	44,400	318,275
Cllr Baloyi NL	75,950	18,988	15,473	110,411
Cllr Mahlangu D	97,469	24,367	15,473	137,309
Cllr Mabasa SR	97,469	24,367	15,473	137,309
Cllr Baloyi OC	75,950	18,988	15,473	110,411
Cllr Vukeya ST	75,950	18,988	15,473	110,411
Cllr Chauke HM	75,950	18,988	15,473	110,411
Cllr Machovani SR	75,950	18,988	15,473	110,411
Cllr Tshiredo SC	75,950	18,988	15,473	110,411
Cllr Hlabangwani TL	217,944	55,931	44,400	318,275

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 41. Related parties (continued)

Cllr Radzivhoni CM	75,950	18,988	15,472	110,410
Cllr Masia TM	242,411	62,048	44,359	348,818
Cllr Rikhotso GM	75,950	18,988	15,472	110,410
Cllr Thovhakale MS	217,944	55,930	44,400	318,274
Cllr Ngobeni NL	400,028	101,452	44,400	545,880
Cllr Muavha S	75,950	18,988	15,473	110,411
Cllr Maswanganyi TC	75,950	18,988	15,473	110,411
Cllr Mathavha HF	274,687	39,894	30,800	345,381
Cllr Mabunda RJ	86,596	21,621	18,500	126,717
Cllr Baloyi HJ	177,218	43,376	29,095	249,689
Cllr Manganyi HL	146,535	32,403	29,095	208,033
Cllr Mabasa W	177,218	43,376	29,095	249,689
Cllr Mhangwani C	141,994	36,943	29,095	208,032
Cllr Khange G	141,994	36,943	29,095	208,032
Cllr Mashila D	184,812	47,648	29,095	261,555
Cllr Makhubela S	141,994	36,943	29,095	208,032
Cllr Bamuza E	141,994	36,943	29,095	208,032
Cllr Hlatswayo TG	141,994	32,403	29,095	203,492
Cllr Mafanela RM	141,994	32,403	29,095	203,492
Cllr Maluleke RM	141,994	32,403	29,095	203,492
Cllr Mathebula ML	141,994	32,403	29,095	203,492
Cllr Rasiuba NR	141,994	32,403	29,095	203,492
Cllr Mahlawule TP	184,812	47,648	29,095	261,555
Cllr Maluleke HM	177,218	43,376	29,095	249,689
Cllr Tshoteli LD	141,994	36,943	29,095	208,032
Cllr Maloleka SB	141,994	32,403	29,095	203,492
Cllr Chabalala KR	141,994	36,943	29,095	208,032
Cllr Chauke MC	141,994	36,943	29,095	208,032
Cllr Hlungwani S	141,994	35,705	29,095	206,794
Cllr Mathebula ME	141,994	32,403	29,095	203,492
Cllr Chauke GP	141,994	32,403	29,095	203,492
Cllr Makhomisani SS	177,218	43,995	29,095	250,308
Cllr Maringa RE	141,994	36,943	29,095	208,032
Cllr Manganye MJ	141,994	32,403	29,095	203,492
Cllr Manganyi MN	177,218	43,995	29,095	250,308

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 41. Related parties (continued)

ClIr Muthubi KR	141,994	32,403	29,095	203,492
ClIr Mulaudzi MM	141,994	32,403	29,095	203,492
ClIr Chaoke TS	141,994	36,943	29,095	208,032
ClIr Khosa TE	33,022	9,700	6,727	49,449
ClIr Chauke MG	127,134	31,784	25,600	184,518
ClIr Munarini TJ	130,436	32,609	26,572	189,617
ClIr Yingwani T	130,436	32,609	26,572	189,617
ClIr Maluleke LR	258,258	64,564	22,200	345,022
ClIr Chauke FT	114,209	28,552	18,130	160,891
	<b>18,918,533</b>	<b>4,494,666</b>	<b>3,141,862</b>	<b>26,555,060</b>

#### 2021

Name	Basic salary	Car allowance and Other allowances	Telephone allowance	Total
ClIr Maluleke M (Mayor)	860,859	-	44,400	905,259
ClIr Lebea ME (Speaker)	550,950	137,738	44,400	733,088
ClIr Chauke MG (Chief Whip)	516,517	129,120	44,400	690,046
ClIr Maluleke SG	516,517	129,129	44,400	665,213
ClIr Mashimbye FP	516,517	129,129	44,400	665,213
ClIr Mutele MT	288,154	72,829	44,400	390,046
ClIr Mavikane SX	516,517	129,129	44,400	690,046
ClIr Makhaha AJ	288,154	72,039	44,400	404,593
ClIr Chauke HG	288,154	72,039	44,400	404,593
ClIr Fungheni MC	24,013	6,003	3,700	33,716
ClIr Baloyi DL	288,154	72,039	44,400	404,593
ClIr Shivambu SS	217,944	54,486	44,400	316,830
ClIr Mabasa D	238,527	57,059	44,400	339,986
ClIr Khoza TG	217,944	54,486	44,400	316,830
ClIr Matamela MS	217,944	54,486	44,400	316,830
ClIr Masangu GD	217,944	54,486	44,400	316,830
ClIr Chauke TR	217,944	54,486	44,400	316,830
ClIr Maluleke ET	217,944	54,486	44,400	316,830

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 41. Related parties (continued)

Cllr Simango MR	217,944	54,486	44,400	316,830
Cllr Mauleke LR	281,281	70,100	44,400	395,781
Cllr Hlongwane SG	93,231	23,308	14,800	131,339
Cllr Makhubela 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
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 Rekhotso 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

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 41. Related parties (continued)

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
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 NL	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
	<b>18,941,116</b>	<b>4,493,964</b>	<b>3,120,300</b>	<b>26,555,380</b>

Refer to the general information for a full list of councillors

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
-----------------	------	------

#### 42. 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:

2021:

##### Statement of financial position and disclosures

###### VAT Receivables

VAT Receivables was misstated by R26 528 as at 30 June 2021 caused by error on retention. The error was corrected in current year by restating the opening balance

###### VAT Receivables

VAT impairment was misstated by R5 075 730 as at 30 June 2021. The error was corrected in the current year by restating the opening balances

###### Trade payables

Trade payables was misstated by R1 053 457 as at 30 June 2021. The error was corrected in current year by restating the opening balance

###### Employee benefit obligation

Employee benefit obligation was misstated by R9 130 000 as at 30 June 2021 caused by post employment medical aid plan. The error was corrected in the current year by restating the opening balances

###### Trade and other payables - Retentions

Trade payables other payables - Retention was misstated by R203 284 as at 30 June 2021. The error was corrected in current year by reclassifying the opening balance

###### Trade and other payables - Sundry creditors

Sundry creditors was misstated by R100 000 as at 30 June 2021 due to sales of stands revenue recognition error. The error was corrected in the current year by restating the opening balances

###### Property, Plant and Equipment

Property Plant and Equipment was misstated by R176 856 as at 30 June 2021 caused by error on retentions. The error was corrected in the current year by reclassifying the opening balances

Accumulated depreciation for PPE was misstated by R2 246 043 as at 30 June 2021. The error was corrected by restating the opening balances

2021:

##### Statement of financial performance

###### Revenue

Revenue from sales of stands was misstated by R100 000 as at 30 June 2021 due to revenue recognition error. The error was corrected in the current year by restating the opening balances

###### Employee cost

Employee related cost was misstated by R9 130 000 as at 30 June 2021 caused by post employment medical aid plan. The error was corrected in the current year by restating the opening balances

###### Depreciation

Depreciation was misstated by R2 246 043 as at 30 June 2021. The error was corrected in the current year by restating the opening balances

###### General Expenses

General expenses was misstated by R1 053 457 as at 30 June 2021. The error was corrected in the current year by restating the opening balances

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand 2022 2021

#### 42. Prior-year adjustments (continued)

##### Debt impairment

Debt impairment was misstated by R5 075 730 as at 30 June 2021. The error was corrected in the current year by restating the opening balances

#### Statement of financial position

##### 2021

	Note	As previously reported	Correction of error	Re-classification	Restated
Trade and other payables - Trade Payables		(55,926,486)	(953,457)	-	(56,879,943)
Property Plant and Equipment		1,022,060,749	(2,246,043)	176,856	1,019,991,563
VAT Receivables		37,329,736	5,075,730	26,528	42,431,994
Trade and other Payables - Retention		(41,201,005)	-	(203,385)	(41,404,390)
Employee Benefits Obligations		-	(9,130,000)	-	(9,130,000)
Accumulated surplus		-	7,253,770	-	-
		-	-	-	-

#### Statement of financial performance

##### 2021

	Note	As previously reported	Correction of error	Restated
Sale of stands		-	100,000	100,000
Employee costs		(119,479,535)	(9,130,000)	(128,609,535)
General expenditure		(55,539,341)	(1,053,457)	(56,592,798)
Depreciation		(30,054,578)	(2,246,043)	(32,300,621)
Debt impairment		(27,201,205)	5,075,730	(22,126,475)
<b>Surplus for the year</b>		-	<b>(7,253,770)</b>	-

#### 43. Comparative figures

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

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand 2022      2021

#### 44. 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.

<b>Interest rate exposure:</b>	<b>2022</b>	<b>2021</b>
Short-term Investment (12 Months fixed deposit)	R0	R100 663 322

##### 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:

<b>Maximum credit exposure</b>	<b>2022</b>	<b>2021</b>
Other receivables from exchange transactions	2,620,111	1,672,242
Receivables from non-exchange transactions	7,373,307	6,680,827
Consumer debtors from exchange transactions	2,977,723	962,052
Cash and cash equivalents	296,869,186	401,480,276
Other financial assets	2	2
	<b>309,840,329</b>	<b>410,795,399</b>

##### 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.

<b>At June 30, 2022</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Payables from exchange transactions	84,879,075	-	-	-
Finance lease obligations	953,555	-	-	-
<b>At June 30, 2021</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Payables from exchange transactions	111,666,051	-	-	-
Finance lease obligations	2,156,328	953,555	-	-

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022      2021

### 44. 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:

Financial instrument	2022	2021
Finance lease obligations	953,555	3,109,883
Payables from exchange transactions	84,879,075	112,822,893

### 45. Going concern

We draw attention to the fact that at June 30, 2022, the municipality had accumulated surplus of R 1,575,596,000 and that the municipality's total assets exceed its liabilities by R 1,575,596,000.

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 equitable shares for the financial year 2022/23

### 46. Events after the reporting date

#### Adjusting event

Subsequent to year-end in 17 August 2022 the Council approved for the write-off of assets which are in damaged, obsolete, not found and in poor conditions. These assets were impaired as at year end.

#### Non- adjusting event

The Mayor Cllr Maluleke M passed away on 21 July 2022. The Council appointed the new Mayor Cllr. Maluleke SG effective 04 August 2022.

### 47. Unauthorised expenditure

Opeining balances	273,061,863	227,608,435
Incurred Current year	21,098,249	45,453,428
Written-off	(153,056,863)	-
	<b>141,103,249</b>	<b>273,061,863</b>

Unauthorised expenditure for the financial year ended 30 June 2022: R21 098 249 and 30 June 2021: R45 453 428. 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.

There unauthorised expenditure of R153 056 863 investigated by MPAC was written off by Council. 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

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>48. Fruitless and wasteful expenditure</b>		
Opening Balance	919,019	914,414
Add: Current year	507,510	4,605
Written-off	(751,717)	-
	<b>674,812</b>	<b>919,019</b>

The Fruitless and wasteful expenditure incurred were investigated by MPAC and Council approved the write-off of R751 717. The fruitless expenditure was due to the overpayment of supplier, Telkom, Eskom and SARS interest and penalties charged to the municipality.

#### 49. Irregular expenditure

Opening balance	15,192,430	18,101,411
Add: Irregular Expenditure - current year	14,910,807	82,341,432
Less: Amounts written-off	(23,205,828)	(85,250,413)
	<b>6,897,409</b>	<b>15,192,430</b>

The Irregular expenditure incurred were investigated by MPAC and Council approved the write-off of R23 205 828. 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 above amount was incurred as a result of not following the proper tender and quotation processes and procedures.

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

##### VAT

VAT receivable	42,354,324	42,431,994
----------------	------------	------------

##### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at June 30, 2022:

June 30, 2022	Outstanding more than 90 days R	Total R
Cllr Mashila D	- 32,043	32,043
Matamela MS	- 5,707	5,707
	<b>- 37,750</b>	<b>37,750</b>
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
	<b>- 114,419</b>	<b>114,419</b>

# Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand

2022

2021

### 51. 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 059 662 2021: R6 379 039

### 52. Segment information

#### General information

#### Identification of segments

The municipality is organised and reports to Council on the basis of Four (4) 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. Revenue and expenditure relating to these segments are allocated at a transactional level. Cost relating to governance and administration of municipality are not allocated to these business units.

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.

#### The three key segment units comprise of:

- Spatial planning and developemnt which include Town planning, economic developent and Spacial services
- Community services which include traffic services, waste management services and property taxes
- Technical Services which include, roads construction and maintainance, electrical and buildings services

The grouping of these segment is consistant with the functional classification of municipality activities which consider the nature of the services, the beneficiaries of such services and the fees charged for the services rendered.

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 52. Segment information (continued)

##### Segment surplus or deficit, assets and liabilities

2022

	Spatial Planning and Development	Community Services	Technical Services	Unallocated	Total
<b>Revenue</b>					
Sale of stand	2,343,000	-	-	-	2,343,000
Service charges	-	4,875,772	-	-	4,875,772
Rendering of services	3,235,205	271,016	-	-	3,506,221
Agency fees	-	3,148,086	-	-	3,148,086
Lience and permits	-	5,097,338	-	-	5,097,338
Rental income	-	165,813	-	-	165,813
Interest income	-	-	-	12,783,061	12,783,061
Property rates	35,500,164	-	-	-	35,500,164
Government grant and subsidies	-	26,000,000	128,692,020	414,734,004	569,426,024
Gain on assets/ Fair value	2,631,735	-	-	-	2,631,735
Traffic fines	-	372,150	-	-	372,150
Public contribution and donation	-	5,400,931	-	-	5,400,931
Interest on areas receivables	6,459,326	1,124,255	-	-	7,583,581
<b>Total segment revenue</b>	<b>50,169,430</b>	<b>46,455,361</b>	<b>128,692,020</b>	<b>427,517,065</b>	<b>652,833,876</b>
<b>Total revenue</b>					<b>652,833,876</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

	Spatial Planning and Development	Community Services	Technical Services	Unallocated	Total
<b>52. Segment information (continued)</b>					
<b>Expenditure</b>					
Employee related costs	-	-	-	122,762,015	122,762,015
Remuneration of Councillors	-	-	-	26,555,060	26,555,060
Depreciation and amortisation	-	-	-	45,940,836	45,940,836
Impairment loss/ reversal	-	-	-	2,277,187	2,277,187
Finance cost	-	-	-	71,769	71,769
Debt impairment	-	-	-	25,440,478	25,440,478
Repairs and maintenance	-	-	28,654,301	-	28,654,301
Contracted services	-	-	-	96,524,624	96,524,624
General expenses	-	-	-	77,342,292	77,342,292
<b>Total segment expenditure</b>	<b>-</b>	<b>-</b>	<b>28,654,301</b>	<b>396,914,261</b>	<b>425,568,562</b>
<b>Total segmental surplus/(deficit)</b>					<b>227,265,314</b>
<b>Assets</b>					
Inventory	-	-	-	3,845,729	3,845,729
Other receivables from exchange transactions	-	-	-	2,620,111	2,620,111
Receivables from non-exchange transactions	7,373,307	-	-	-	7,373,307
Consumer receivables from exchange transactions	-	2,977,723	-	-	2,977,723
Vat receivables	-	-	-	42,354,324	42,354,324
Cash and cash equivalents	-	-	-	296,869,186	296,869,186
Investment property	-	-	2,060,022	-	2,060,022
Property, Plant and Equipment	8,473,442	138,176,653	1,086,940,735	89,464,649	1,323,055,479
Heritage assets	-	-	-	1,126,500	1,126,500
Other financial assets	-	-	-	2	2
Intangible assets	-	-	-	5,076,243	5,076,243
<b>Total segment assets</b>	<b>15,846,749</b>	<b>141,154,376</b>	<b>1,089,000,757</b>	<b>441,356,744</b>	<b>1,687,358,626</b>
<b>Total assets as per Statement of financial Position</b>					<b>1,687,358,626</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

	Spatial Planning and Development	Community Services	Technical Services	Unallocated	Total
<b>52. Segment information (continued)</b>					
<b>Liabilities</b>					
Finance Lease obligation	-	-	-	953,555	953,555
Payable from exchange transactions	-	1,466,329	50,558,003	32,854,743	84,879,075
Employee benefits obligations	-	-	-	5,911,783	5,911,783
Unspent grants and receipts	-	-	-	2,849,977	2,849,977
Employee benefits obligations Provision	-	-	-	16,368,816	16,368,816
	-	-	-	799,426	799,426
<b>Total segment liabilities</b>	<b>-</b>	<b>1,466,329</b>	<b>50,558,003</b>	<b>59,738,300</b>	<b>111,762,632</b>
<b>Total liabilities as per Statement of financial Position</b>					<b>111,762,632</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 52. Segment information (continued)

2021

	Spacial Plannign and Development	Community Services	Technical Services	Unallocated	Total
<b>Revenue</b>					
Service Charges	-	4,774,999	-	-	4,774,999
Sales of stands	100,000	-	-	-	100,000
Rendering of services	4,569,718	163,472	-	-	4,733,190
Agency fees	-	2,278,364	-	-	2,278,364
Licence and permits	-	2,658,734	-	-	2,658,734
Rental income	-	47,483	-	-	47,483
Interest income	-	-	-	7,279,234	7,279,234
Property rate	35,053,505	-	-	-	35,053,505
Government grant and subsidies	-	-	101,190,690	480,295,000	581,485,690
Gain on assets / Fair value	-	-	-	556,466	556,466
Traffic fines	-	689,002	-	-	689,002
Public contribution and donation	-	244,220	-	-	244,220
<b>Total segment revenue</b>	<b>39,723,223</b>	<b>10,856,274</b>	<b>101,190,690</b>	<b>488,130,700</b>	<b>639,900,887</b>
<b>Entity's revenue</b>					<b>639,900,887</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

	Spacial Plannign and Development	Community Services	Technical Services	Unallocated	Total
<b>52. Segment information (continued)</b>					
<b>Expenditure</b>					
Employee related costs	23,454,426	33,661,374	13,726,570	57,767,166	128,609,536
Remuneration of Councillors	-	-	-	26,555,380	26,555,380
Depreciation and amortisan	-	5,470,091	14,066,886	12,763,644	32,300,621
Impairment loss / reversal	-	6,071,918	2,815,672	931,644	9,819,234
Finance cost	-	-	-	138,679	138,679
Debt impairment	-	-	-	22,125,475	22,125,475
Repairs and maintenance	-	11,240,952	10,437,321	476,475	22,154,748
Contracted Services	12,408,966	14,364,684	-	53,369,099	80,142,749
General Expenses	1,105,218	2,365,310	7,238,770	45,883,500	56,592,798
Loss on disposal of assets	-	-	-	215,665	215,665
Fairvalue adjustment	-	-	-	3,339,991	3,339,991
<b>Total segment expenditure</b>	<b>36,968,610</b>	<b>73,174,329</b>	<b>48,285,219</b>	<b>223,566,718</b>	<b>381,994,876</b>
<b>Total segmental surplus/(deficit)</b>					<b>257,906,011</b>
<b>Assets</b>					
Investment properties	-	3,800,092	-	-	3,800,092
Property, Plant and equipment	8,393,441	130,418,201	799,121,399	82,058,495	1,019,991,536
Intangible assets	-	-	-	3,757,592	3,757,592
Heritage assets	-	-	-	1,126,500	1,126,500
Other financial assets	-	-	-	2	2
Inventory	-	-	-	4,590,828	4,590,828
Other receiveals from exchange transaction	-	-	-	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	-	-	-	42,431,994	42,431,994
Cash and cash equivalents	-	-	-	401,480,276	401,480,276
<b>Total segment assets</b>	<b>15,074,268</b>	<b>135,180,345</b>	<b>799,121,399</b>	<b>537,117,929</b>	<b>1,486,493,941</b>

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

	Spacial Plannign and Development	Community Services	Technical Services	Unallocated	Total
<b>52. Segment information (continued)</b>					
<b>Total assets as per Statement of financial Position</b>					<b>1,486,493,941</b>
<b>Liabilities</b>					
Finance lease liabilities	-	-	-	2,156,328	2,156,328
Payable from exchange transactions	-	1,171,694	41,404,390	70,246,809	112,822,893
Employee benefits obligation	-	-	-	5,957,072	5,957,072
Finance lease Liabilities	-	-	-	953,555	953,555
Finance benefits obligations	-	-	-	14,803,457	14,803,457
<b>Total segment liabilities</b>	<b>-</b>	<b>1,171,694</b>	<b>41,404,390</b>	<b>94,117,221</b>	<b>136,693,305</b>
<b>Total liabilities as per Statement of financial Position</b>					<b>136,693,305</b>

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

#### 53. 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 the decrease in the bank balance during the financial year and inability to pay by consumers due to state of the economy.

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

2022

2021

#### 53. Budget differences (continued)

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

**Licence and permits** - The variance is due to limited number of applicants allowed per day since covid lockdown restrictions. Furthermore, the limited capacity in the testing station and collection rate decreased due to state of economy affecting the community.

**Sale of stands** - The variance is due to the sale of stands that were budgeted and no collection was received during the year.

**Agency services** - Variance was as a result of the municipality taking over full functioning of licencing in Vuwani from provincial department.

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

#### Expenditure

**Depreciation and amortisation** - The variance was due to the assets additions and the completion of assets during the year.

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

**Debt impairment** - Inability to services debt by consumers hence impairment to reflect recoverable amount.

**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.

#### 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 an acceleration in completion 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 increase in debt impairment.

**VAT Receivables** - The variance was due to line item not budgeted for in the current year

##### Current Liabilities

## Collins Chabane Local Municipality

(Registration number LIM345)

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

2022

2021

#### 53. Budget differences (continued)

**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** -The line item was not budgeted for in the financial year ended.

#### 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.

**Suppliers and other payments** - Variance was due to growth of the municipality size and spending.

**Purchase of Property plant and equipment** - Acceleration in the implementation of capital projects.

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

# **Chapter 6**

## **Auditor General Audit Findings**

## CHAPTER 6: AUDITOR - GENERAL FINDINGS

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

#### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Collins Chabane Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Collins Chabane Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (DoRA).

#### Basis for opinion

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

#### Emphasis of matters

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

#### Material impairments

7. As disclosed in note 31 to the financial statements, material impairment of R25 440 478 was incurred as a result of irrecoverable receivables

### Restatement of corresponding figures

8. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2022.

### Other matter

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

### Unaudited disclosure notes

10. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement in note 50 to the financial statements did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

### Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

### Auditor-general's responsibilities for the audit of the financial statements

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

## Report on the audit of the annual performance report

### Introduction and scope

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures 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.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the municipality's annual performance report for the year ended 30 June 2022:

Key performance area (KPA)	Pages in the annual performance report
Basic service delivery and infrastructure development	x – x

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not identify any material findings on the usefulness and reliability of the reported performance information for this key performance area of basic service delivery and infrastructure development.

### Other matters

20. I draw attention to the matters below.

### Achievement of planned targets

21. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year.

### Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of key performance area 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

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

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

### Annual financial statements

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

Material misstatements of current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

### Strategic planning and performance management

26. The performance management system and related controls were not maintained as performance monitoring, review and reporting processes was not conducted and managed, as required by municipal planning and performance management regulation 7(1).

### Expenditure management

27. Reasonable steps were not taken to prevent irregular expenditure amounting to R14 910 807 as disclosed in note 49 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance of supply chain management (SCM) regulations.
28. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R507 510, as disclosed in note 48 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest raised on late payment to a supplier.
29. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R21 098 249, as disclosed in note 47 to the annual financial statements, in contravention of

section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by exceeding its budget by non-cash items.

#### Procurement and contract management

30. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
31. Awards were made to providers who were in the service of other state institutions, in contravention of 112(1)(j) of MFMA and SCM Regulation 44.

#### Other information

32. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected key performance area presented in the annual performance report that have been specifically reported in this auditor's report
33. 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.
34. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
35. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate, However, if it is corrected this will not be necessary.

#### Internal control deficiencies

36. 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.
37. 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.

38. Management did not prepare regular accurate and complete financial and performance reports that are supported and evidenced by reliable information.
39. 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

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

### Status of previously reported material irregularities

#### Prohibited investment in a mutual bank

41. The local municipality invested R120 million on 31 October 2017 made up of a 3 months' fixed deposit with Venda Building Society (VBS) Mutual Bank, and interest of R2 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.
42. 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.
43. 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 matter. The following actions have been taken to address the material irregularity:
- On 9 November 2018 the Municipality through a council resolution placed both former Municipal Manager and Chief Financial Officer precautionary suspension. On 5 April 2019 the Chief Financial Officer raised and Council of the Municipality accepted the resignation concerned.
  - The Disciplinary Hearing of the Municipal Manager predisposed to a verdict that she was not guilty of all misconduct charges against her. The second disciplinary hearing of the Municipal Manager relating to another matter culminated into Settlement Agreement dated 18 February 2021 in terms of which the she (the Municipal Manager) resigned from the employ of the Municipality
  - The municipality appointed attorneys on 1 August 2019 to assist the municipality with lodging a claim against the Liquidator for monies invested in VBS

- The investment in VBS Mutual Bank has since become a subject matter of investigation by the South African Police Service Officers from the Directorate for Priority Crime Investigation (the Hawks). Furthermore, the liquidation process of VBS Mutual Bank is ongoing.

44. The municipality received R8 568 736.44 from VBS curators on the 16<sup>th</sup> of February 2022. No further recoveries have been received since.

45. I will follow up on the material irregularity during my next audit.

#### Other reports

46. I draw attention to the following engagement conducted by an external party which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

47. The South African Police Service's Serious Corruption Investigation Unit is investigating allegations of fraud and corruption at the municipality. The investigation was on-going at the date of the audit report.

*Auditor - General*

Polokwane

30 November 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected key performance area 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 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 :2021/22 FINANCIAL YEAR**

**APPENDIX B: REVENUE COLLECTION PERFORMANCE BY VOTE**

VOTE DESCRIPTION	2019/20			2020/21				
	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
<b>Revenue by Vote</b>								
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 & DELEOPMENT	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	-	-	-	-	-	-		
<b>TOTALS</b>	<b>527 422.00</b>	<b>517 806.00</b>	<b>556 351.00</b>	<b>639 801.00</b>	<b>577 283.00</b>	<b>641 663.00</b>	<b>- 62 518.00</b>	<b>1 862.00</b>

## APPENDIX C: AUDIT ACTION PLAN 2021/22

**APPENDIX D: CAPITAL EXPENDITURE – NEW & UPGRADE / RENEWAL PROGRAMMES: INCLUDING MIG GRANTS**

<b>DETAILS</b>	<b>OPENING BALANCE 01 JULY 2020</b>	<b>DORA ALLOCATION 2020/2021</b>	<b>FUNDS WITHHELD</b>	<b>RECEIVED THIS YEAR</b>	<b>ADDITIONAL FUNDS RECEIVED</b>	<b>EXPENDITURE</b>
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 86 758 000	R 0	R 86 758 000	R 28 000 000	R 114 758 000
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 15 000 000	R 0	R 15 000 000	R 0	R 12 000 000
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	R 0

