

POLOKWANE MUNICIPALITY



DRAFT ANNUAL REPORT FOR 2020-21 FINANCIAL YEAR

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EXECUTIVE MAYOR'S FOREWORD



Section 121(1) of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) stipulates that every municipality and municipal entity must for each financial year prepare an annual report in accordance with its guidelines. Furthermore, the MFMA states that the purpose of the annual report is to provide a record of the activities for the year under review, report on performance against the budget of the Polokwane Municipality for the financial year under review, and to promote accountability to the local community for the decisions made throughout the year. This 2020/21 Annual Report of Polokwane Municipality is compiled to realise and give effect to the provision of the MFMA.

The 2020/21 Annual Report of Polokwane Municipality brings to a conclusion the accountability and reporting cycle of the five-year council term that started in August 2016 and ended June 2021. The term of council was guided by the following key strategic objectives that council approved as part of the Integrated Development Plan (IDP), operationalised and implemented through the Medium Term Expenditure Frameworks:

- Ensure provision of basic and environmental services in a sustainable way to our communities
- Promotion of economic growth, job creation and Sustainable human settlement
- Ensure community confidence in the system of local government
- Enhance Financial Viability and Financial Management

The record of activities and report card of the 2020/21 Annual Report of Polokwane Municipality is based on the above strategic objectives, with the main objective being the provision of basic services to the community of Polokwane. It must be indicated that the COVID 19 pandemic that started towards the end 2019/20 municipal financial year had an impact on the service delivery performance of the municipality. Further, it must be noted that COVID-19 in South Africa has brought to the fore systemic weaknesses in the provision of quality of service delivery such as water and sanitation services, housing, and infrastructure in various communities across the country, including our municipality. Regardless of the COVID 19 challenges, the municipality provided 2565 additional households with access to water to new households, additional 2052 households with sanitation in a form of VIP toilets and connected 1589 households to the electricity grid. Furthermore, the extended waste collection to additional 4 villages.

Polokwane Municipality is still faced with the challenge of audit outcomes that needs to be addressed as a matter of urgency. The municipality has been receiving a Qualified Audit Opinion for the past 5 years, which is not good for the administration, accountability, leadership and governance of the municipality and it doesn't inspire the confidence of the community in our municipality.

As the Executive Mayor of Polokwane Municipality, I therefore present the 2020/21 Annual Report of Polokwane Municipality to all our stakeholders. Furthermore, I would like thank the Members of the Mayoral Committee, Council and Executive Management of the municipality led by the Acting Municipal Manager.

Cllr MJ Mpe

Executive Mayor

MUNICIPAL MANAGER'S STATEMENT

The 2020/21 Annual Report of Polokwane Municipality reflects the performance of the municipality for the period 1st July 2020 to 30th June 2021. The report serves as a key service delivery barometer against the strategic objectives of the municipality as set out in the Integrated Development Plan. The 2020/21 serves as a valuable instrument for all our stakeholders in assessing the performance of the municipality and understanding the real challenges that the municipality was faced with during the year under review.

It is important to indicate that Polokwane Municipality had a full complement of senior management during the year under review. This is critical in ensuring that there is stability in the administration of the municipality and that key decisions of council gets implemented. Furthermore, all council structures were in place and functional as provided by our local government prescripts.

The constitutional mandate of Polokwane Municipality is to provide basic services to our community in a sustainable manner. The performance scorecard of the municipality provided as an annexure to the 2020/21 Annual Report is the evidence of the municipality's commitment to sustained provision of service delivery. Our service delivery was challenged during the second and fourth quarter of the financial year because of the second and third wave of the COVID 19 pandemic. There were unavoidable delays in construction of capital projects which affected the annual performance outputs of our key service delivery mandates. Roads and Storm water projects were the most affected programme, which meant that the planned kilometres to be completed were not met.

The Auditor General's Management Report indicated that the overall financial health of the municipality is good with a positive net cash flow, net assets position and a more than one to one liquidity ratio. The report further highlighted concerns on the number of days it takes the municipality to collect revenue from customers and the days it takes to pay debt to creditors. The municipality is committed to address this main concerns as raised and all the other issues that I have not mentioned yet but contained in the AG Report.

There is no improvement on the audit outcome of the 2020/21 financial year as per the signed report of the Auditor General. The municipality received a qualified audit opinion for the 2020/21 financial year. The municipality is being receiving qualified audit opinion for the past five years, which is a concern that needs to be addressed as a matter of urgency. Management led by the Executive Mayor commits to change this situation and to implement an audit turnaround strategy, which will involve all the key stakeholders of the municipality. Furthermore, the management commits to address all the material audit findings and to address all recurring findings in the 2021/22 audit year.

NR SELEPE

ACTING MUNICIPAL MANAGER

COMPONENT B: EXECUTIVE SUMMARY

Profile of Polokwane Municipality

The Polokwane Local Municipality is a Category B municipality located within the Capricorn District in the Limpopo Province. It is one of four municipalities in the district, making up just under a quarter of its geographical area. It is a city with more than a century of phenomenal growth and prosperity. Polokwane Municipality accounts for 3% of the total surface area of Limpopo, however, over 10% of the population of Limpopo resides within its boundaries. The municipality serves as the economic hub of Limpopo, and has the highest population density in the Capricorn District. It shares its name with the city of Polokwane (previously Pietersburg). In February 2002, the city was renamed Polokwane – a northern Sesotho word that means 'place of safety'. The municipal spatial pattern reflects that of the historic apartheid city model, characterised by segregated settlement. The municipality is demarcated into 45 municipal wards, with a total of 90 councillors elected to serve as council members.

At the centre of the area is the Polokwane economic hub, which comprises the central business district, industrial area, and a range of social services and well-established formal urban areas servicing the more affluent residents of Polokwane. Situated on the outskirts in several clusters are less formal settlement areas, which are experiencing enormous influx from rural urban migration trends. These areas are in dire need of upgraded services and infrastructure, both social and engineering, and are struggling to cope with the informal influx of more and more people who want access to an improved quality and standard of living. The land surface of Polokwane Municipality is approximately 5 054km². The main economic sectors of Polokwane Municipality are: Community services (32.1%), finance (21.5%), wholesale and retail trade (18.3%), transport (11.7%), manufacturing (4.8%), mining (4.2%).

Municipal Powers and Functions

In terms of the Constitution, Municipal Structures Act and other policy frameworks, Polokwane Municipality is responsible for the following functions:

<ul style="list-style-type: none">• Water and Sanitation (Both portable and bulk supply system and domestic waste water and sewage disposal system)• Air Pollution• Building regulations• Child care facilities• Electricity and gas reticulation• Firefighting services• Municipal planning• Municipal public works• Storm water management• Trading regulations• Billboards and the display of advertisements in public places	<ul style="list-style-type: none">• Cemeteries• Cleansing• Control of public nuisances• Local sport facilities• Municipal parks and recreation• Roads• Noise pollution• Pounds• Public places• Waste Management (refuse removal, refuse dumps and solid waste disposal)• Street trading• Street lighting• Traffic and parking
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Vision

The Ultimate in Innovation and Sustainable Development”

Mission

Provide cost effective services which promote sustainable livelihood through socio economic development and good governance”

Value Statements

Values	Description
Sustainable Development	Economic, Social and Environmental friendly approach in the development of our Smart City.
Innovation	Smart way to deliver services differently
Responsiveness	To the needs of the community by treating them as customers in a timely and considerate manner
Value Statement: Sustainable Development through Responsive Innovation	

Population Demographics

The population size is 797 127, with 239 116 households.

The population size is 797 127, with 239 116 households and average of 4 persons per household. 94% of the population is black African, followed by white people at 4.4%. Other population groups make up the remaining 1, 6%. The municipality has number of public schools and tertiary institutions such as University of Limpopo, University of South Africa and Tshwane University of Technology.

Statistical Presentation of the Population of Polokwane Municipality

	2018	2001
Total population	797 127	508,277
Young (0-14)	30,1%	36%
Working Age (15-64)	64,8%	64,8%
Elderly (65+)	5,1%	4,9%
Dependency ratio	54,3	69%
Sex ratio	92,5	86,9

Economic Profile

Economic Opportunities offered by Polokwane Municipality



- Polokwane offers a range of skills development opportunities, not just for Limpopo, but also for the country. Major educational institutions such as University of Limpopo, TUT, Capricorn FET and UNISA are located in Polokwane.
- The city has large tracts of industrial land available within the existing town planning scheme. The city can develop into a virtual and a physical logistics and trading hub.
- Infrastructure development continues to be at peak.
- The district manufacturing sector is mainly located in Polokwane. A key opportunity relates to the need to strengthen forward and backward linkages in the manufacturing sector, especially within the food and beverages cluster as well as agriculture. The meat cluster and the vegetable value chain can be extended to increase the multiplier effect.
- Rich mineral wealth, coal and platinum reserves, large copper and diamond mines within the Limpopo province
- Polokwane town is the province's main centre for industry, commerce, education and medical services.
- Large industrial plants such as Silicon Smelters (one of the biggest in the world) and brewery which run alongside at least 600 industrial enterprises of smaller scale.
- Polokwane has good hotels and conferencing facilities and they are situated as a starting point for tourism trips

and beyond

- The Easter celebrations of the Zion Christian Church at nearby Moria attract up to a million people every year

Service Delivery Highlights for 2020/21

No	Key Performance Area	Number of Planned Indicators for 2019/20 (Audited)	Number of Indicators Achieved for 2019/20 (Audited)	Number of Indicators Not Achieved for 2019/20 (Audited)	Number of Planned Indicators for 2020/21 (Unaudited)	Number of Indicators Achieved for 2020/21 (Unaudited)	Number of Indicators not Achieved for 2020/21 (Unaudited)
1	Municipal Transformation and Institutional Development	6	3 (50%)	3 (50%)	6	3 (50%)	3 (50%)
2	Basic Services Delivery	16	7 (43%)	9 (57%)	12	4 (36%)	8 (64%)
3	Local Economic Development	6	1 (17%)	5 (83%)	6	4 (67%)	2 (33%)
4	Financial Viability	13	7 (53%)	6 (47%)	11	7 (64%)	4 (36%)
5	Good Governance and Public Participation	24	10 (42%)	14 (58%)	26	20 (77%)	6 (23%)
Total		65	28 (43%)	37 (57%)	61	38 (63%)	22 (37%)

Section 43 of the Local Government: Municipal Systems Act, Act 32 of 2000 and the Local Government Performance Regulations of 2001 require the municipality to report on the national general key performance indicators. The table below depicts how Polokwane Municipality performed on the National General Key Performance Indicators.

National General Key Performance Indicator	Annual Target 2017/18	2017/18 Actual Performance Achieved	Baseline 2018/19	Annual Target 2018/19	Actual Performance Achieved 2018/19	Annual Target 2019/20	Actual Performance 2019/20	Annual Target 2020/21	Actual Performance 2020/21
Increase percentage of Households with access to water by 1% (2391 HH) by 30 June 2020	83.4% (199422) (2360 HH connections)	83.00% (198480 HH)	3009 1.26 %	0.75% (1800HH)	0.82 A total of 1967 households were provided with Water. (1614 rural households and 353 urban connections achieved)	1% 2391 Households	0.89% A total of 2146 households were provided with Water. (1827 rural households and 319 urban connections achieved)	0.30%	0.99%
Increase percentage of Households with access to sanitation by 0.61% (1578 HH) by 30 June 2020	Approximately 2295 VIP toilets. 60.46% (144569)	60.34% (144301 HH)	3348 1.40 %	1.15% (2745) [510 & 490 - Sebayeng; 617 - Chuene/Maja; 600 - Mankweni; 528 Moletjii]	1.25 A total of 3002 households were provided with sanitation. (2745 VIP units were completed and 257 urban connections achieved)	0.61% (1578 HH)	1.15% A total of 2753 households were provided with sanitation. (2432 VIP units were completed and 321 urban connections achieved)	1.8%	1.19%
Increase percentage of Households with access to electrification by 0.97% (2333 HH) by 30 June 2020.	96.69% (231217) (2623 HH connections)	96.23% (230177 HH)	1604 0.67 %	0.99% (2367)	0.56 Total of 1344 provided with electricity (305 Urban connections and	0.97% (2333 HH)	0.78% Total of 1874 provided with electricity (244 Urban connections and 1630 Rural connections)	1%	0.26%

National General Key Performance Indicator	Annual Target 2017/18	2017/18 Actual Performance Achieved	Baseline 2018/19	Annual Target 2018/19	Actual Performance Achieved 2018/19	Annual Target 2019/20	Actual Performance 2019/20	Annual Target 2020/21	Actual Performance 2020/21
					1039 Rural connections)				
Percent of Households with access to waste removal services 0,04% (100 HH) by 30 June 2020	43.08% (103015)	43.26 (103463 HH)	476 (0.20 %)	0.08% (200 HH)	0.23% New (541 households) received weekly refuse removal service	0,04% (100 HH)	0.06%	0.04%	0.285%
Percentage of Households with access to free basic services to all qualifying households in the municipal's area of jurisdiction	45 000	34023	30000 (100 %)	100%	100% of indigent registered received benefits	100% of indigent registered received benefits	100%	100% of indigent registered received benefits	100% (13 196)
Percentage of municipality capital budget actually spent on capital projects by 30 June 2020	100%	79.58%	100%	100%	45% was spent in the last 6 months of the financial year. The total capex was 29% at mid-year	100%	93%	100%	84%
Number of job opportunities created through Municipal sponsored trading	25	423	423	180	223 of opportunities created through Municipa l	185	153	2	0

National General Key Performance Indicator	Annual Target 2017/18	2017/18 Actual Performance Achieved	Baseline 2018/19	Annual Target 2018/19	Actual Performance Achieved 2018/19	Annual Target 2019/20	Actual Performance 2019/20	Annual Target 2020/21	Actual Performance 2020/21
					sponsored trading				
Number of job opportunities created through the EPWP by 30 June 2020 (Temporary Job Opportunities)	3525	3288	3288	4249	2771 work opportunities created and reported on the Department of Public Works system supported by ID copies as POE. Reported as per the Department's financial year period	3636	2164	3653	3552
Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's employment equity plan by 30 June 2020 (i.t.o. Employment equity Act only white males and foreigners are excluded)	10	25	25	5	5	n/a	n/a	n/a	n/a
One Percentage of a municipality's	1%	1%	1%	1%	1%	1%	1% (R9.1m)	1%	1% (10.8m)

National General Key Performance Indicator	Annual Target 2017/18	2017/18 Actual Performance Achieved	Baseline 2018/19	Annual Target 2018/19	Actual Performance Achieved 2018/19	Annual Target 2019/20	Actual Performance 2019/20	Annual Target 2020/21	Actual Performance 2020/21
employee (R910m) budget actually spent in implementing its Workplace Skills Plan in line with the National Treasury Norm by 30 June 2020									
Municipal debt coverage by 30 June 2020 (Total Operating Revenue Received -minus Operating Grants/Interest plus Redemption)	17%	27.4%	2.5	17	23.50	2.50	3.77	17%	86.76%
Municipal outstanding service debtors by 30 June 2019 {(Total outstanding debtors-less impairment/Total revenue billed for services) * 365]	1.9	1.97	30	30	609 The debt book remain high due to other areas no credit control and stands without services increasing the collection period	30	127	30	49
Municipal cost coverage by 30 June 2020 (Available cash plus investments/fixed costs) Fixed costs = Bulk purchases plus salaries	200%	51.5%	1	1	1.52	1.52	2.22	200%	226%

SERVICE DELIVERY PERFORMANCE CHALLENGES DURING THE 2020/21 FINANCIAL YEAR

Section 46 (1) of the Local Government: Municipal Systems Act, Act 32 of 2000 requires municipalities to prepare the performance report that reflects the performance of the municipality and that of its external service providers. Polokwane municipality wishes to highlight that some projects were delayed during the 2020/21 implementation year. The said projects were not completed on time due to various challenges such as:

- Poor performance of service providers leading to delays.
- Terminations of contracts.
- Delays in approvals of technical reports.
- Delays in the approval of Implementation Readiness Status (IRS) documents prevent the municipality from conducting long term planning on water and waste water projects.
- Stopping of projects by community members.
- Prolonged procurement process of service providers in some instances.
- Completed but dysfunctional water supply and waste management projects due to outstanding electricity connections by Eskom.
- Vandalism of completed infrastructure.
- Project stoppage due to national lockdown (Recent and critical challenge).
- The sites have to comply with new OHS protocols and Guidelines of the National Institute for Occupational Health and Communicable Diseases taken, which has a potential a delay in resumption of projects after issuing of work permits.

Management Measures taken to improve performance in the 2020/21 Financial Year

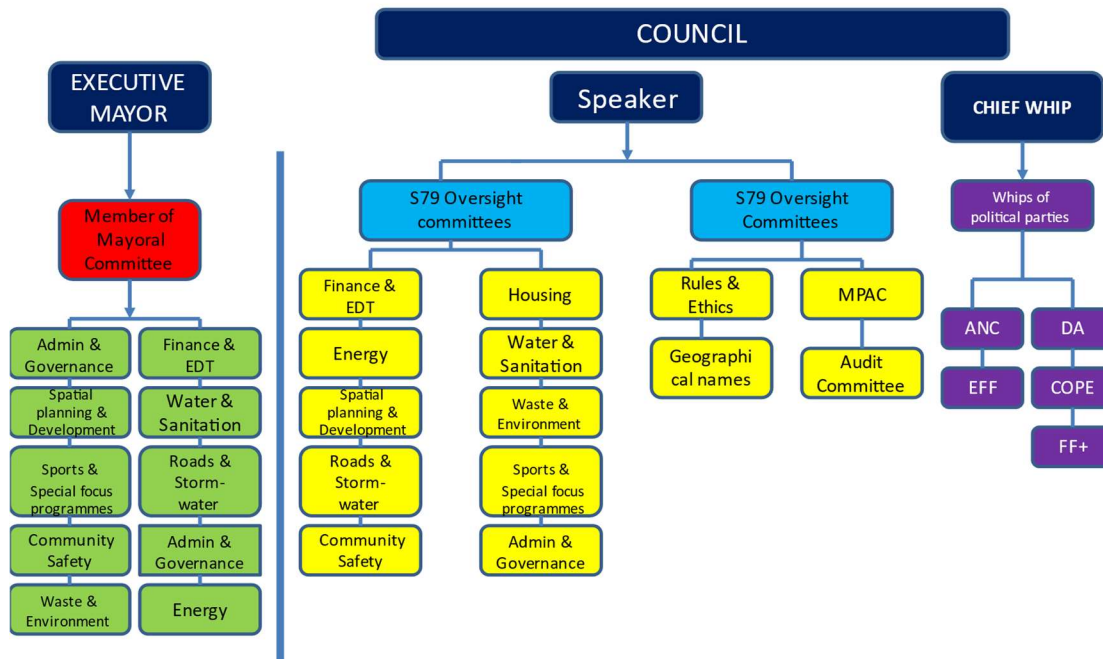
- The municipality continues to improve projects planning across all funding sources. Project planning for each financial year commences in the third and fourth quarter in order to ensure that project implementation is achieved by the first quarter of each implementation year.
- The municipality uses a multiyear implementation approach for medium to long term projects with the aim of improving the rate of service delivery and back log eradication.
- The municipality further uses a three-year panel for professional service providers for project preparations and planning.
- Putting technical support in place for interventions for poor performing projects.
- Adopting new strategies to maintain business continuity while working remotely to combat the spread of COVID 19 virus in the workplace.

1.5 FINANCIAL HEALTH OVERVIEW FOR 2020/21

This component will be completed once the audit process of the 2020/21 financial statements is completed.

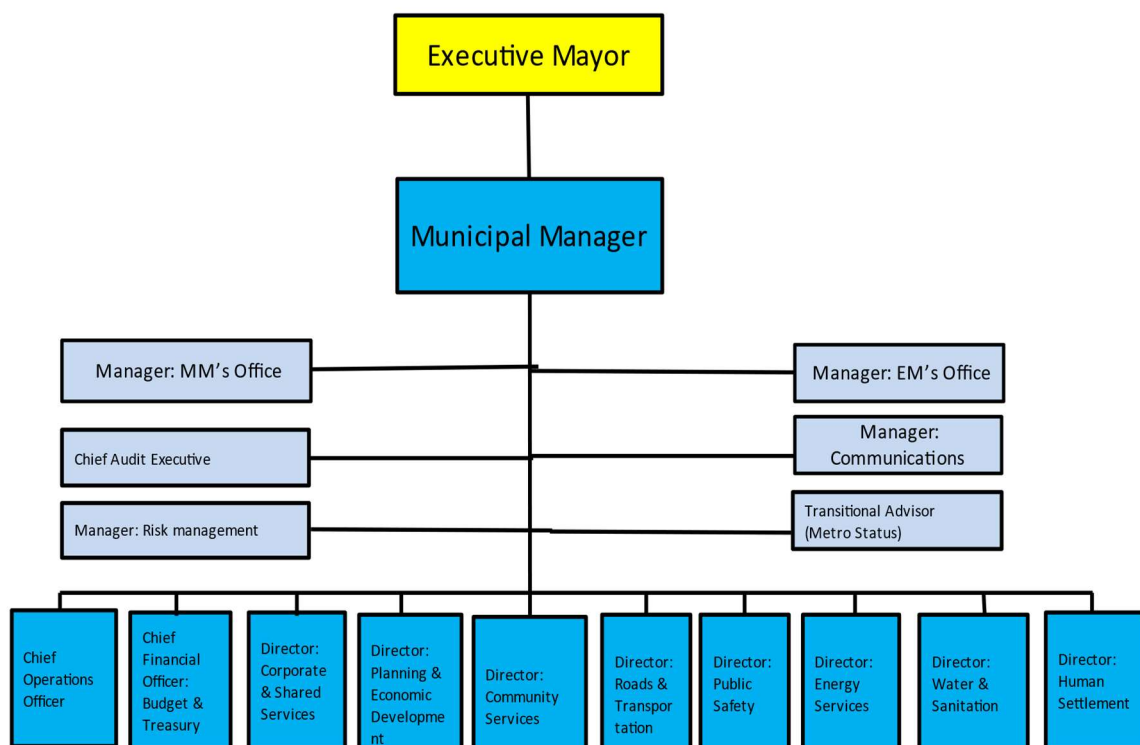
1.6 ORGANISATIONAL OVERVIEW

POLITICAL STRUCTURE OF POLOKWANE MUNICIPALITY



ADMINISTRATIVE STRUCTURE OF POLOKWANE MUNICIPALITY

City Of Polokwane



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1.7 AUDITOR GENERAL'S REPORT FOR 2020/21

Polokwane Municipality has been receiving a Qualified Audit Opinion for the past four (4) financial years starting from the 2016/17 to 2019/20 financial year as reflected on the table below. The audit opinion for the 2020/21 is outstanding as the audit process is underway.

2020/21	2019/20	2018/19	2017/18	2016/17	2015/2016
Pending (audit underway)	Qualified	Qualified	Qualified	Qualified	Unqualified

1.8 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July 2021
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August 2021
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - December 2021
12	Municipalities receive and start to address the Auditor General's comments	January - March 2022
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	March 2022
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	March 2022

CHAPTER 2 – GOVERNANCE

2.1 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1.1 POLITICAL GOVERNANCE

2.1.1.1 INTRODUCTION TO POLITICAL GOVERNANCE

The Local Government: Municipal Structures Act 117 of 1998, provides that a municipality must have a political and administrative component. In line with the provisions of the Municipal Structures Act, Polokwane Municipality has an established political and administrative component. The political component comprises of the Speaker, Chief Whip, Executive Mayor and Councillors. The Municipal Structures Act details the role of the municipal political component. On the part of Council, the Structures Act states that Council is responsible for policy making and overseeing of policy implementation. The key role of Council is to focus on legislative, participatory and oversight roles. The Council is comprised of ruling party, the African National Congress (ANC) **(51)** that has an overwhelming majority in Council. There are **4 (Four)** opposition parties in the Council, namely; Economic Freedom Fighters (EFF) **(27)** Democratic Alliance (DA) **(10)**, Congress of the People (COPE) **(1)**, and Freedom Front Plus (FF+) **(1)**. The functionality of both Council and Administrative legs are aligned and inform each other for decision making processes

The Executive Mayor is the political head championing the strategy of the municipality. Executive Mayor is assisted by the Mayoral Committee made up to 10 councillors of which six are full time councillors. The Mayoral Committee is responsible for individual portfolios and report directly to the Executive Mayor.

POLITICAL GOVERNANCE STRUCTURE

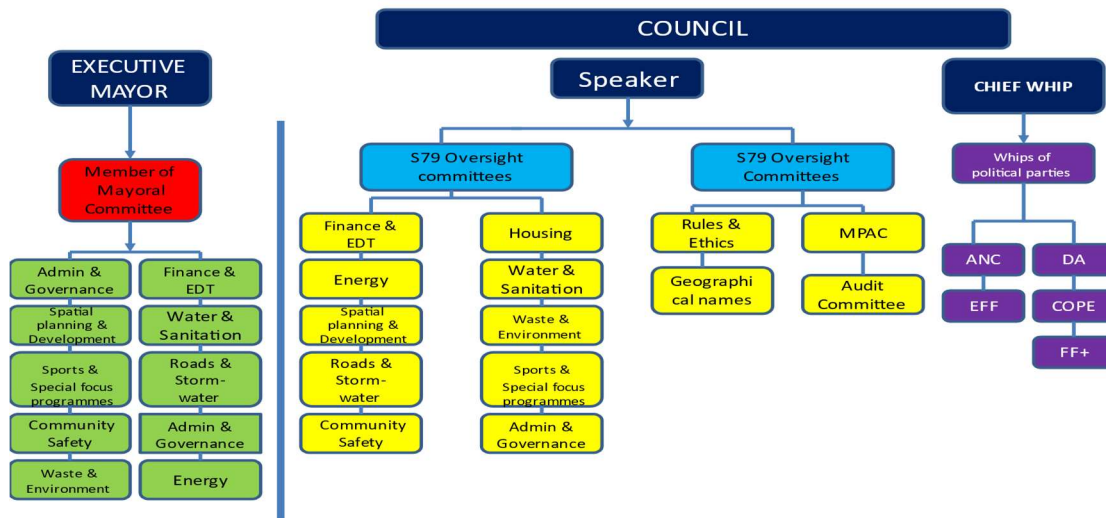


Table 7: MEMBERS OF THE MAYORAL COMMITTEE (MMC's)

Name	MMC
Cllr RC Molepo (Passes away in July 2021)	Finance and LED (Deceased)
Cllr H Shaikh	Land Use Management, Spatial Planning and Development
Cllr MF Kubjana	Roads Transport and Storm water
Cllr MW Kganyago	Water and Sanitation
Cllr LR Setati (Passed away in Feb 2021)	Admin and Governance
Vacant (Since February 2020)	Community Safety
Cllr MJ Maja	Culture, Sports, Recreation and Special Focus
Cllr Malebane	Energy
Cllr T Nkwe	Housing
Cllr SJ Malope	Waste and Environment

TABLE: 8 SECTION 79 COMMITTEES (MUNICIPAL STRUCTURES ACT)

Name	Council Committee
Cllr /Cllr MM Tsiri	Municipal Public Accounts Committee (MPAC)
Cllr MA Moakamedi	Rules and Ethics

COUNCILLORS

Councillors are elected by the communities in different wards to be members of the Council. The South African Local Government Electoral System makes provision for direct ward elections and proportional candidates, which is a political party system. The Council of Polokwane Municipality was functional during the 2020/21 financial year, though there were challenges of physical meetings due to the continuing COVID 19 pandemic. Council adopted a Corporate Calendar that was used to conduct the business of council, including the dates for council meetings and portfolio committee meetings. Meetings were scheduled and held as per the corporate calendar, with exceptions of special meetings when necessary. One councillor, MMC for Admin and Governance, Councillor Setati passed away in February 2021.

POLITICAL DECISION MAKING

In accordance with the delegated powers and function of the executive, all reports discussed by the Executive Management first serve at the Portfolio Committee then escalated to Mayoral committee before they are submitted to Council for decision making. At the Council reports are noted and adopted.

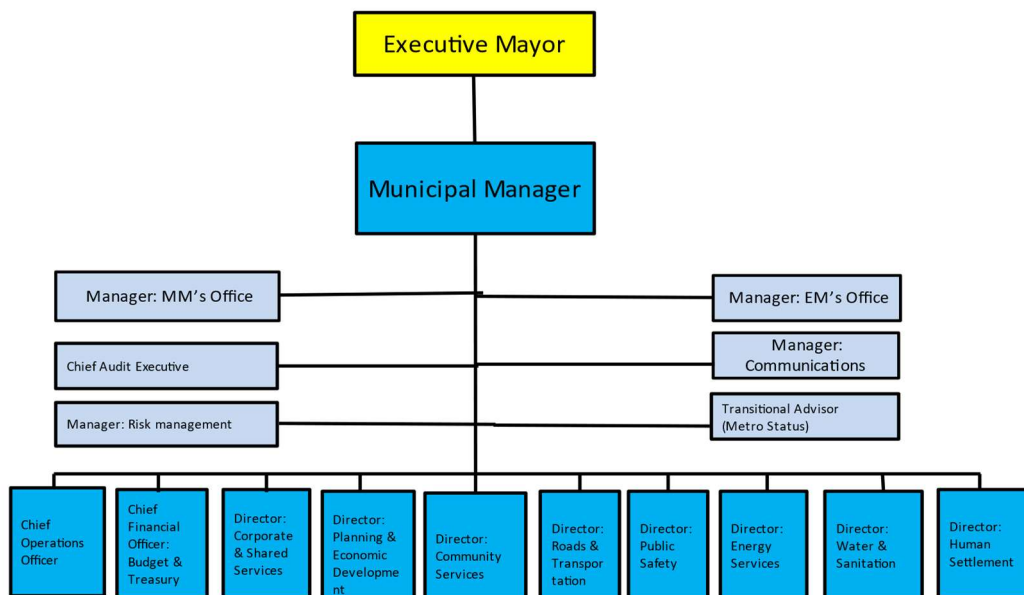
2.1.2 ADMINISTRATIVE GOVERNANCE

2.1.2.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The administrative component of the municipality comprises of Nine (9) Directorates in the 2019/20 financial year and this is according to the organogram that was approved in 2018/19 financial year. The directorates are, namely; Municipal Managers Office, Energy Services, Water and Sanitation, Roads and Transportation Services, Planning and Economic Development, Community Services, Corporate & Shared Services, Chief Financial Officer, and Strategic Planning Monitoring & Evaluation. Each directorate is headed by a Director appointed in terms of the section 57 of the MSA and consists of strategic business units headed by Managers. All Directors report directly to the Municipal Manager. There were two (2) vacancies during the beginning of 2019/20 financial year, that is for Energy Services and Water and Sanitation Services. The two (2) vacancies were filled during the 2019/20 financial year. Polokwane Municipality has a full complement of senior managers including the key positions of the Municipal Manager and Chief Financial Officer.

ADMINISTRATIVE GOVERNANCE STRUCTURE FOR 2020/21

City Of Polokwane



3

2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.2.1. INTRODUCTIONS TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Intergovernmental Relations in South African context concern the interaction of the different spheres of government. The Constitution declares that government is comprised of National, Provincial and Local spheres of government which are distinctive, interdependent and interrelated. According to the Constitution of the Republic of South Africa, Act, No.108 of 1996, Section 41 (2), an Act of Parliament must establish or provide structures and institutions to promote and facilitate Intergovernmental Relations and provide for appropriate mechanisms and procedures to facilitate settlement of Intergovernmental disputes.

Intergovernmental relations processes are further developed to facilitate processes of development and cooperation between spheres of government

2.2.2 INTERGOVERNMENTAL RELATIONS PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Polokwane Municipality participates in the Premiers Inter – Governmental Forum (P-IGF) that is comprised of the Premier as the chair and Members of the Executive Council and all the Executive Mayors supported by their Heads of Departments and Municipal Managers. Through the P-IGF both the Provincial and local sphere of government are able to inform and take decisions on policy and development issues that emanate from National, Provincial and local government level. The P-IGF discussed the implementation of the Limpopo Employment Growth Development Plan. Polokwane Municipality as a Provincial Growth Point participates in the forum to discuss and integrate development plans between the Province and the municipality.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Thabatshweu Housing Company (Pty) Ltd, trading as Polokwane Housing Association was established in 2001, as a Social Housing Institution and an entity of the City of Polokwane with the sole purpose to provide low-to middle-income rental housing through the government's policy of institutional housing. The target market for this service is individuals who earn between R3500 and R7500 per month. The entity was initially established as a Section 21 company (non-profit organization) which was transformed into a registered company and emerged as PTY (Ltd) in line with the Section 84 of the Local Government Municipal Finance Management Act, Act 56 of 2003. The municipality signed a service delivery agreement with the entity in the 2012/2013 financial year. The agreement outlined service delivery targets and performance indicators that the entity must meet to achieve municipal objectives.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Beside the P-IGF the municipality participates in established Capricorn District Municipality. 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 Polokwane Municipality participate in:

- Mayors Forum
- Speakers Forum
- Municipal Managers Forum and other Technical fora

2.3 COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.3.1 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Communities within Polokwane Municipality play a vital role to ensure accountability in municipal affairs. Through established ward committee system and scheduled IDP/Budget/PMS community participation processes Council account to the community. The community participation processes have entrenched a culture of involving

communities in decision making processes and finalising the IDP/Budget/PMS of the municipality. Through the usage of the local media, Council sittings and established Council committee (ward committees) communities are continuously informed on municipal governance, management and development.

2.3.2 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Communication is an important element of good governance. It is through communication that the communities and other stakeholders are informed about the activities of the municipality, and thereby getting empowered to participate in the affairs of the municipality. Section 18 of the Municipal Systems Act stresses the importance of communication between the Council and its communities. It gives guidelines of issues that the municipality must communicate about to its community. Over the years the municipality has utilised different strategies to encourage community participation. This included programmes of mobilising, informing and educating, engaging and empowering communities in municipal affairs.

IDP/Budget/PMS public participation processes and ward committee meetings are the cornerstone sessions that entrenches community participation and accountability to the community on municipal programmes. The IDP/Budget/PMS sessions are held in each cluster during the week and on weekends in accordance with set time schedule. The purpose of these meetings is to give feedback and account to the community on the implementation of the IDP/Budget of the municipality. They are further utilized as a platform to agree on community needs which shapes the budget process.

Further than the IDP/Budget/PMS public participation processes, the municipality involves the community on targeted consultations at ward level, with interested and affected stakeholders (Magoshi, business, etc) and through the IDP/Budget /PMS Rep Forum. Other methods used to communicate with the community include media briefings and utilization of the website. Over and above acquisition and confirmation of needs, the Rep Forum meeting serves as a platform for Polokwane Municipality to engage the different stakeholders during the different stages of the IDP Process as a built up towards the approval of the future budgets, reports on performance on current and past financial years' activities.

WARD COMMITTEES

Ward committees are an institutionalized channel of communication and interaction between communities and municipalities established in terms of the Municipal Structures Act of 1998. Polokwane ward committees were established after the local government election of 2016. The process yielded the establishment of 45 ward committees with 450 ward committee members in accordance with the demarcated wards. Ward Committee meetings are held monthly chaired by the Ward Councillor of the Ward.

As a developmental Municipality, Polokwane Municipality has a responsibility to mobilize, inform, educate and empower local communities to expand their livelihood assets and capabilities, to participate in, negotiate with influence, control and hold accountable institutions, like the Municipality that affect their lives and their well-being.

Guided by these principles, Polokwane Municipality has put Community participation and communication at the centre of its activities and programmes in order to ensure that these are guided and informed by the time aspirations of the community and that the Municipality meets Community needs.

For the very first time, Council set and engaged with religious and traditional healers. There were very insightful and enriching experiences which will remain part of the IDP Consultation Programme. To expand and engage more new stakeholders, invitations are placed through the local media to encourage all Stakeholders within the Municipality jurisdiction to enlist themselves in the Stakeholders register.

Polokwane Municipality acknowledges the needs and intent to build on the Mayoral Imbizos and Council outreach programmes as there take Council closer to the people and afford Council an opportunity to hear from and see the conditions under/which the communities towards live everyday of their life. This consultation initiative contributes a stable Municipality with reduced Community uprisings.

Public Participation process followed by Polokwane Municipality that is COVID-19 regulations compliant

In line with legislative Requirement, Polokwane Municipality undertook the IDP/Budget Public Participation process from the (23 May 2020 - 26 May 2020). Community Consultation Process on the 2020/21 Draft IDP and Budget was conducted using Media Platforms.

Guided by COGTA gazette that guide municipalities on matters of Municipal Operations and Governance, that stipulate that municipalities must ensure that the communities are consulted using media platforms and alternative methods of consultation, instead of contact meetings, to provide comments on the draft IDP and Budget.

Community members were invited to submit their comments through email or WhatsApp line (email: IDPBudgetComments@polokwane.gov.za or WhatsApp line: **065 922 4017**). All Input and comments received from community consultation sessions were taken into consideration.

Public Participation Process followed

New Public Participation process was followed by Polokwane Municipality in compliance with the Gazette that discourage contact meetings. after the adoption of draft IDP and budget by Council on Friday 22 May 2020., the following were done i.e.

2.1 Public Notice Advert Released immediately after Council Meeting

A Public Notice / Newspaper advert was released immediately after virtual Council meeting informing the public about the adoption of the draft IDP/Budget by Council and also specifying where communities can access the documents. The public notice was clearly specifying the period or dates for comments. The municipal website, Facebook, Twitter was used to publish the Public Notice.

The public notice also indicated the email address and WhatsApp for submitting comments to the municipality. A targeted approach was also used in solicit comments from stakeholders, as such, the public notice was circulated to Municipal Stakeholders via emails. Other registered municipal IDP Rep Forum Stakeholders, COGHSTA, CDM and National Treasury were all provided with the public notice and requested to provide comments. Furthermore, the adopted 2020/21 draft IDP and Budget were emailed to the said Stakeholders.

The 2nd public notice was indicating the schedule for the radio slots secured for the Executive Mayor to present the Draft Budget at different radio stations. This notice was also circulated on the municipal website, Municipal Facebook and Twitter. The main purpose was to make the public aware of the date and time that they can listen to the Executive Mayor presenting the Budget in various Radio stations.

2.2 Executive Mayor's presentations in the Radio Stations

The Executive Mayor conducted Budgets Presentations for various Clusters in the community radio stations and the public was given an opportunity to call in and ask questions regarding the presented budget and other Service Delivery matters. The Executive Mayor visited the following Radio Stations to present the 2020/21 Draft IDP and Budget i.e.

Radio Station	Date	Time
Moletji FM	22/05/2021	18h00
Turf FM	22/05/2021	18h00
Tshepo FM	24/05/2021	17h00
Thobela FM	25/05/2021	12h00
Energy FM	26/05/2021	07h30
Capricorn FM	26/05/2021	18h30

The Executive Mayor presented the Budget highlights and Basic Services projects as contained in the 2020/21 draft IDP/Budget and proposed tariffs increases. After the questions were raised, the Executive Mayor answered and also provided clarity on the service delivery questions.

2.3 Municipal Website

After the adoption by Council, the Draft IDP/Budget documents and municipal policies were uploaded on the municipal website, hard copies were delivered to the Moshate and municipal cluster offices for the public to access the documents. All draft Budget policies were also placed on the municipal website.

IDP Presentations for various Clusters were simplified and divided into, seven (7) Clusters. The Draft Budget Presentations were also uploaded on the Municipal website.

2.4 Municipal Facebook and Twitter

Municipal Facebook and Twitter accounts were used to inform the public about the adoption of the draft IDP/Budget. The Twitter and Facebook accounts were also used to show videos of the Executive Mayor's presentations that were done in various Radio Stations. The videos are now on YouTube and will also serve as Portfolio of Evidence during audit period.

2.5 Email and WhatsApp line to receive Public Comments was Created

A specific email address and **WhatsApp line** was used as follows: IDPBudgetComments@polokwane.gov.za. and WhatsApp line: **065 922 4017**. Manager IDP, Manager Budget and Manager Revenue were all having access to this email containing submitted comments. All comments and input received were taken into consideration.

TABLE 9: IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

2.4 COMPONENT D: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4.1 OVERVIEW OF CORPORATE GOVERNANCE

Corporate Governance at its simplest level can be described as the system through which organizations are directed and controlled. It's also defined as the relationship amongst various participants (shareholders, management, and the board of directors) in determining the direction and performance of organizations.

2.4.2 RISK MANAGEMENT

Polokwane Municipality is committed to the optimal management of risk in order to achieve our vision, key objectives and protect our core values. The Council has committed the Municipality to a process of risk management that is aligned to the principles of the King IV Report and the Municipal Finance Management Act (MFMA). The features of this process are outlined in Polokwane Municipality's Risk Management Framework. It is expected that all Directorates, SBUs, operations and processes will be subject to risk management process. All risk management efforts were focused on ensuring that Polokwane Municipality's achieve its objectives.

The Municipality's Risk Management Unit works hand in hand with the Risk Management Committee. The Risk Management Committee is chaired by an Independent person not in the employee of Council. Risk Management Committee reports quarterly to the Audit and Performance Audit Committee. The Following strategic risks were identified for 2020/21 Financial year. The table below lists the top **12 strategic risks** identified;

2.4.2.1 Top 12 Strategic Risks Identified

- Ageing & insufficient infrastructure) facilities
- Electricity losses
- Non-compliance to regulatory framework within OHS practices and Policy
- Theft and vandalism of municipal assets
- Incorrect /Inadequate reporting of performance information
- Ineffective involvement of public in municipal processes
- Illegal land use and illegal advertisement
- Low Revenue collection /Low Revenue Base

- Inadequate ICT infrastructure
- Fraud and Corruption
- Ineffective coordination of spatial planning

2.4.3 ANTI-CORRUPTION AND FRAUD

To curb fraud and corruption the Anti-Fraud and Corruption strategy, the Whistle Blowing Policy is implemented. An Anti-Fraud toll free hotline has been launched to help combat fraud and corruption in partnership with the Capricorn District Municipality. The hotline is a District shared service and is outsourced to an independent party (Deloitte). The hotline provides an opportunity to anyone wishing to report anonymously on unethical activities or dishonest behavior that affects the municipality. Fraud Hotline number is 0800 20 50 53. Polokwane Municipality is committed

to maintaining the highest standards of honesty, integrity and ethical conduct and has adopted a zero tolerance to fraud and corruption. Any fraud and corruption committed against the

Overview of Supply Chain Management

Section 217 of the Constitution of the Republic of South Africa requires that when an organ of State contracts for goods and services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective. The Supply Chain Management Policy of the Municipality has been drawn up to give effect to these principles and the Preferential Procurement Legislation, and furthermore to comply with the provisions of the Local Government: Municipal Finance Management Act and its Regulations promulgated in terms thereof. The SCM policy has recently been reviewed and approved by Council to ensure that controls are tightened to combat fraud and corruption in procurement processes.

Supply Chain Management Unit

Chapter 11 of the MFMA compels the municipalities to establish Supply Chain Management Units and implement the SCM Policy, which gives effect to all SCM functional areas. The Supply Chain Management Unit has been established and operates under a direct supervision of the Chief Financial Officer.

Bid Committees

Regulation 26 of the Municipal Supply Chain Management Regulations stipulates that a municipality's Supply Chain Management system must provide for a committee system for competitive bids consisting of at least a bid specification, bid evaluation and bid adjudication committee. The Municipality has established the following committees: -

- Bid Specification Committee;
- Bid Evaluation Committee and
- Bid Adjudication Committee.

Each Committee consists of a practitioner from Supply Chain Management and officials from key Directorates in the Municipality. The Accounting Officer is responsible for the appointment of bid committees and committees are appointed once a year and reviewed accordingly by the Accounting Officer. Although the chain of work of these Committees is intertwined, they operate separately from each other. All members of the Committees sign an Oath of Secrecy and Declaration of Interest to ensure that the bidding system is fair, transparency, openness and equitable.

2.4.6 BY-LAWS

The incorporation of the former Aganang Municipality to Polokwane Municipality during the 2016/17 financial year necessitated the rationalisation and review of some by-laws. The process was done through the Technical

Change Management Committee facilitated by the CoGHSTA and the Capricorn District Municipality. The following By-Laws were rationalised and reviewed:

Approved By-laws:

- Emergency Services By-law Promulgation Notice drafted and forwarded to Fire Services
- Planning (SPLUMA) By-law (promulgated 18 May 2018)
- Cemeteries & Heroes Acre By-law adopted by Council May/June 2018 currently in Public Participation.

By-laws currently in drafting process:

- ✓ Animal Pound By-law
- ✓ Rules of Order document
- ✓ Parks & Open Spaces By-law
- ✓ Maintenance of trees By-law

2.4.7 WEBSITES

Polokwane Municipality has a functional website that serves as a source of information for the Municipal stakeholders. The website is complying with the requirement of municipal website as set out in MFMA section 75. All municipal documents that are required to be placed on the municipal website are available on the Municipal Website.

Table 10: Municipal Website: Content and Currency of Material

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's website	Yes/No
Current annual and adjusted budget and all budget related documents	Yes
All current budget related policies	Yes
The previous annual report 2020/21	Yes
All current performance agreements required in terms of section 57(1)(b) of the municipal system act	Yes
All service delivery agreements 2020/21	Yes
All long term borrowing contract 2020/21	None
All supply chain management contract above prescribed value that (give value) for 2019/20	None

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's website	Yes/No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during the 2020/21	None
Contracts agreed in 2020/21 to which sub section (1) of section 33 apply, subject to subsection(3) of that section	None
Public private partnership agreements referred to in section 120 made in 2020/21	Yes
All quarterly reports tabled in the Council in terms of section 52(d) during the 2020/21	Yes

2.4.8 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality did not conduct a public satisfaction survey to determine the satisfaction levels of the community with regard to the provision of services. The Municipality doesn't have available budget to conduct the community satisfaction survey.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

3.1 COMPONENT A: BASIC SERVICES

3.1.1 INTRODUCTION TO BASIC SERVICES

Polokwane Municipality is established in terms of the Constitution of the Republic of South Africa to ensure the provision of services to the community in a sustainable manner. To achieve the objective set in section 152 of the Constitution (1996), the IDP of the municipality developed a strategy map to respond to the Constitutional mandate. The strategic objective aligned to the provision of basic services Constitutional mandate to develop and revive infrastructure with the outcome of providing reliable and sustainable services.

The priorities of the municipality in the 2019/20 financial year were aligned to both the National and Provincial priorities which include construction of infrastructure, creation and reduction of basic services backlog. The alignment was further consolidated to meet the development gaps found in the municipality. Reduction of municipal basic services backlog, upgrading and rehabilitation of infrastructure, energy and water efficiency and demand was municipal priorities.

Water Provision

Introduction to Water Provision

Polokwane Municipality as water authority and provider is responsible for reduction of water backlog, managing the scarce resource and to ensure that communities receive reliable and sustainable water. The municipal area is divided into Fifteen (15) Regional Water Schemes namely; Mothapo RWS, Moletjie East RWS, Moletjie North RWS, Moletjie South RWS, Houtriver RWS, Chuene/Maja RWS, Molepo RWS, Laastehoop RWS, Mankweng RWS, Boyne RWS, Segwasi RWS, Badimong RWS, Sebayeng/ Dikgale RWS, Olifants Sand RWS and Aganang RWS.

Reduction of municipal backlog through provisioning, distribution and maintenance of water infrastructure, water demand and quality management are the priority of the municipality.

The municipal Regional Water Schemes depends on the following **water sources**:

Water Scheme Sources

Water Source	RWS Supplied	Average Daily Supply	Source Capacity
Ebenezer	Mankweng RWS	10 MI/Day	19 MI/day
	Rural (Mothapo RWS, Molepo RWS, Segwasi RWS, Boyne RWS, Badimong RWS, Sebayeng Dikgale RWS)	9 MI/Day	
Olifants Sand	Chuene/Maja RWS, Olifants Sand RWS (Seshego, some portion of City and Mmotong wa Perekisi)	26,29 MI/day	27 MI/d
Dap Naude Dam	Olifants Sand RWS (Polokwane City)	12 MI/Day	18 MI/d
Seshego Dam	Olifants Sand RWS (Seshego)	1,6 MI/day	3,9 MI/d
Seshego Borehole	Olifants Sand RWS (Seshego)	1,2 MI/day	2.0MI/d
Ebenezer	City	19 MI/Day	19 MI/Day
Boreholes	Augment water from dams	5,5 MI/Day	25,33 MI/d
Rural dams			
Houtriver Dam	Houtriver RWS	2,0 MI/day	3,9 MI/d
Chuene/Maja Dam	Chuene Maja RWS	2.7 MI/day	2,7 MI/d
Molepo Dam	Molepo RWS	1.1 MI/day	6 MI/d
Mashashane (Utjane) Dam	Moletjie south RWS	1.0 MI/day	

Water Source	RWS Supplied	Average Daily Supply	Source Capacity
Total		99.29 MI/day	124.83MI/d
Peak flow demand		163 MI/day	

Table 11: Water service delivery levels

Water service delivery levels			
Description	2018/19	2019/20	2020/21
Water:			
Piped water inside dwelling	81047	82824	84298
Piped water inside yard (but not in dwelling)	57794	59777	61600
Using public tap (at least min. service level)	38590	39600	39450
Other water supply (at least min. service level)	N/A	N/A	N/A
Minimum Service Level and Above sub-total %	92.55%	93.45%	94.50%
Using public tap (< min. service level)	16045	15890	15045
Other water supply (< min. service level)	965	980	1125
Water tank supply			
Below Minimum Service Level sub-total %	6.2%	5.8%	5.6%
Total number of households	254 425	256 135	280
			825

Table 12: Employee's water and sanitation service 2020/21

Employees water service 2019/20					Employees water service 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies(Full time equivalents	Job Levels	Employee No	Post No	Employees No	Vacancies(Full time equivalents
0-3	4	6	4	2	0-3	4	6	4	2
4-6	12	14	12	2	4-6	12	14	12	2
7-9	28	53	28	25	7-9	28	53	28	25
10-12	15	44	15	16	10-12	15	44	15	16
13-15	33	37	33	4	13-15	33	37	33	4
16-18	209	234	209	25	16-18	209	234	209	25
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	301	388	301	74	Total	301	388	301	74

Table 13: Capital Expenditure 2020/21: Water Services

Comments on water services performance overall

During the financial year the total number of households with water at minimum and above standard increased to 94.50% while the total number of households with below minimum standard was reduced to 5.60%. The total number of households receiving free basic water was (54873) municipal wide. Water conservation awareness campaigns were undertaken and the municipality adopted a Council resolution to restrict water usage. Due to old infrastructure, the Municipality has completed the AC Pipes replacement project and water losses are reduced in CBD, Seshego (B&C) and Annadale. However there are still parts that have AC Pipes that need to be attended to in order to reduce water losses to an acceptable level.

3.1.2 WASTE WATER (SANITATION) PROVISION

Introduction to Sanitation Provision

Sanitation is about dignity. The availability of sanitation facilities not only improves the dignity of people, but also promotes their health. Areas without proper sanitation systems give rise to water borne diseases like cholera, diarrhoea, typhoid, etc. It is therefore important that the Municipality prioritise the service, particularly taking into account the backlog (rural sanitation) and the national target.

Polokwane municipality implemented the provision of dry sanitation facility to increase the number of households in rural areas (including households living in poverty) and connection of sewerage facilities in urban areas. The provision of dry sanitation facilities is aimed at minimising contamination of underground water and reducing diseases. The strategy was fully adopted in the 2011/2012 financial year.

Further than the provision of the dry sanitation facility, households that are in urban areas are provided with sewerage connection upon application. Based on the high backlog in the provision of sanitation service within the municipal area, the priority of the municipality is to increase the number of households with access to minimum service level and above will be on the households without any facility and those with other toilet provisions especially in rural areas. Municipality has also already started addressing the issue of capacity in terms of water-borne sanitation. Through the RBIG funding the Municipality is implementing additional bulk sewer network and the building a new regional wastewater treatment plant to address the current overload and cater for future developments.

Table 14: Sanitation Service Delivery Levels

Sanitation Service Delivery Levels (Households)			
Description	2018/19	2019/20	2020/21
<u>Sanitation/sewerage: (above minimum level)</u>			
	77547	79891	81671
Flush toilet (with septic tank) Chemical toilet	305	280	307
Pit toilet (ventilated)			
Other toilet provisions (above min. service level)	0	0	0
Minimum service level and above sub-total			
Minimum service level and above percentage			
<u>Sanitation/sewerage: (below minimum level)</u>			
	0	0	0

Other toilet provisions (below min service level)	0	0	0
No toilet provisions			
	N/A	N/A	N/A
	30%	30%	30%
*total number of households including informal settlements			

Table 15: Households; Sanitation service delivery levels below the minimum

Waste Water (Sanitation) Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objective xxx							
eg Provision of toilets within standard	Additional Households (HHs) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end)	2650	2745	4300	4300	4300	21760

Table 16: Employee's water and sanitation 2020/21

Employees water service 2019/20					Employees Water Services 2020/21				
Job Levels	Employee No	Post No	Employee s No	Vacancies(Full time equivalents	Job Levels	Employee No	Post No	Employee es No	Vacancies(Full time equivalents
0-3	4	6	4	2	0-3	4	6	4	2
4-6	12	14	12	2	4-6	12	14	12	2
7-9	29	52	29	23	7-9	29	52	29	23
10-12	15	31	15	16	10-12	15	31	15	16
13-15	28	32	28	4	13-15	28	32	28	4
16-117	209	234	209	25	16-117	209	234	209	25
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	297	378	297	72	Total	297	378	297	72

Table 17: Capital Expenditure 2020/21: Sanitation Services

Please provide the water capital expenditure table here

Comments of Sanitation

Polokwane Municipality has high sanitation provision backlog with only 60.36% households with access to the service at minimum and above level in 2017/2018 financial year. By the end of the 2017/18 financial year contractors for construction of VIP have completed the implementation for 2020/21 financial year and the total of 4300 VIP were constructed.

The provision of water and sanitation is manned by the different employees within the water and sanitation Strategic Business unit (SBU). The number of employees responsible for the provision, distribution and maintenance of sanitation facilities is minimal. With the reviewed organisational structure processes, the number of number of employees will increase.

Table 34: Employee Roads 2020/21

Employee roads 2019/20					Employee roads 2020/21				
Job Levels	Employee No	Post No	Employee s No	Vacancies(Full time equivalents	Job Levels	Employee No	Post No	Employee s No	Vacancies(Full time equivalents
0-3	3	3	3	3.443	0-3	1	1	1	0
4-6	6	7	6	6.886	4-6	2	6	2	4
7-9	10	0	10	11.48	7-9	11	23	11	12
10-12	25	18	18	20.661	10-12	23	67	23	44
13-15	0	1	1	1.147	13-15	1	1	1	0
16-18	0	0	0	0	16-18	72	200	72	128
19-20	47	80	66	75.75	19-20	N/A	N/A	N/A	N/A
Total	91	108	104	119.4	Total	110	298	110	188

Table 35: Employees: Storm Water Services 2020/21

Employees: Storm Water Services 2019/20					Employees: Storm Water Services 2020/21				
Job Level	Employee No	Post No,	Employee s No	Vacancies(Full time equivalents	Job Level	Employee No	Post No	Employee s No	Vacancies(Full time equivalents
0-3	0	1	0	0	0	2	4	2	2
4-6	0	2	2	0	2	4	21	4	17
7-9	0	11	3	2.3	9	1	6	1	5
10-12	0	16		3.443	14	0	0	0	0
13-15	0	0	0	0	0	0	0	0	0
16-18	0	0	0	0	0	0	0	0	0
19-20	6	36	7	8.03	18	N/A	N/A	N/A	N/A
TOTAL	8	66	12	13.77	55	7	31	7	24

Table 43: Employees: Local Economic Development 2020/21

Employees: Local Economic Development Services								
Job level	2019/20				2020/21			
	Posts No.	Employees No	Vacancies (fulltime equivalent s) No.	Vacancies (as a % of total posts) %	Posts No.	Employees No	Vacancies (fulltime equivalent s) No.	Vacancies (as a % of total posts) %
0-3	5	4	1	0.03%	5	5	0	0%
4-6	11	10	1	0.03%	26	10	16	62%
7-9	6	4	2	0.06%	11	4	7	64%
10-12	1	0	1	0.03%	4	0	4	100%
13-15	0	0	0	0	-	-	-	0%
16-18	4	3	1	0.03%	-	-	-	0%
19-20	N/A	N/A	N/A	N/A	-	-	-	0%
Total	27	21	6	0.19%	46	19	27	59%

3.1.3 ELECTRICITY

Introduction to Electricity

The Municipality distributes electricity in the City/Seshego cluster while Eskom is the service provider in the rest of the Municipal area. The municipality has functions to provide, distribute and maintain electricity infrastructure in the City/Seshego cluster. Based on the huge electricity demand, the municipal villages are prioritized, approved by council and together with Eskom, we electrify the villages and townships.

The priority of the municipality is to minimise the electricity backlog, undertake energy efficiency programme, manage energy demand and upgrade electricity infrastructure (substations).

Table 18: Electricity Service delivery levels

Electricity Service delivery levels			
Description	2018/19	2019/20	2020/21
Energy:			
Electricity (at least min. service level)	233987	236 141	233372
Electricity - prepaid (min. service level)	49 642 in Polokwane license area	51 682 in Polokwane licence area	52 851 in Polokwane licence area
Minimum Service Level and Above sub-total	233987	236 141	233372
Electricity (< min. service level)	N/A	N/A	N/A
Electricity - prepaid (< min. service level)	N/A	N/A	N/A
Other energy sources	944 (FBAE)	500 (FBAE)	500 (FBAE)
Below Minimum Service Level sub-total	N/A	N/A	N/A
Total number of households	239 116	239 116	239 116

Electricity Service Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
Service Objective xxx							
<i>eg. Provision of minimum supply of electricity</i>	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	1655	910	2000	2 154	1700	2055
<i>Additional Indicators</i>							
Percentage of electricity losses		15%	9%	10%	15%	10%	14%

Table 19: Employees Electricity service 2020/21

Employees Electricity service 2019/20					Employees Electricity service 2020/21				
Job Levels	Employee No	Post No	Employee No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	3	5	3	2	0-3	3	5	2	2
4-6	13	20	13	7	4-6	13	20	2	2
7-9	38	60	38	12 fulltime and 10 temporary	7-9	38	60	5	5
10-12	9	10	9	1	10-12	9	10		
13-15	26	26	26	0	13-15	26	26		
17	40	52	40	12	17	40	52		
N/A					N/A				
Total	129	173	129	34	Total	129	173		

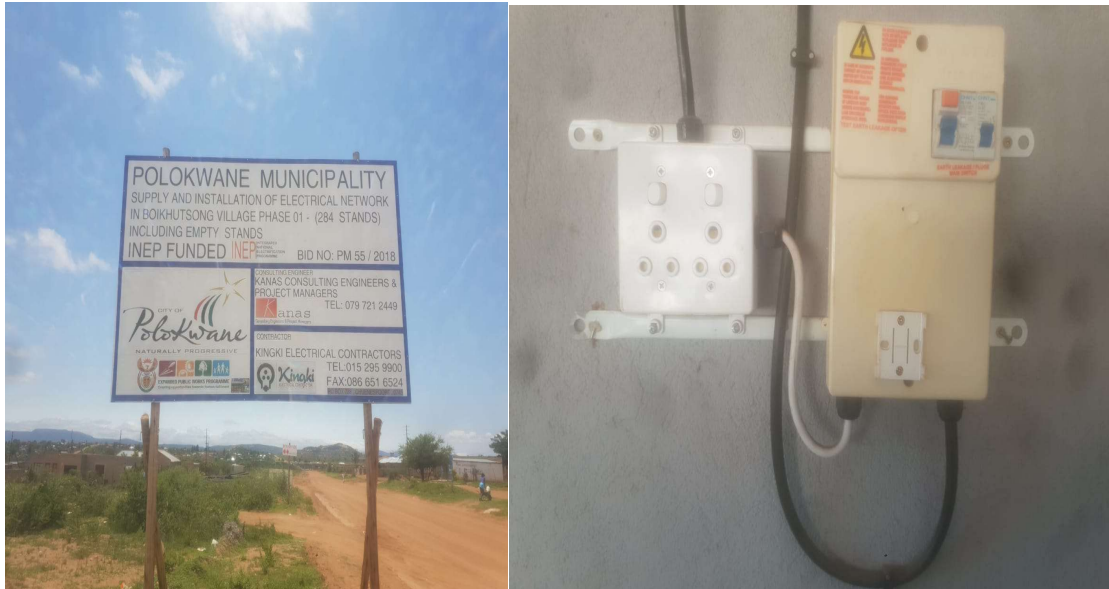
Vacancies Budgeted in 2020/21

Position	Number	Status
Manager Energy Planning and Development	1	Advertised
Secretary Energy Planning and Development	1	Advertised
Manager Operations and Maintenance	1	Advertised
Engineering Technician	1	Advertised
Technical Assistant	2	Not advertised but on budget
Meter Technicians	2	Interviewed but not filled
Electricians	10	Filled
Electricians	5	Filled
Linesman	4	Interviewed but not filled
General worker/artisan Assistant	26	Filled

Table 20: Capital Expenditure 2020/21: Electricity Services

Comment on Electricity Services Performance Overall

The municipality provided 870 households in rural areas with electricity and 1169 connections in the city/Seshego area in the 2020/21 financial year. The increase of new households in villages has a negative impact on the reduction of the backlog.



Households with access to Electricity 2019/20	Target	Actual	Status
Mokgokong Ext	526	486	Completed and Energised
Mothiba Ngwanamago	228	84	144 completed and energised and 84 completed but not energised
Ditshweneng	74	12	Completed and energised
Mabokele	30	30	Completed and energised
Mashamaite, Rampuru, Rapitsi, Selepe,	339	210	Completed and energised
Clenrooi, Bellingsgate, Venus, Mapeding, Madiba	250	250	Completed and Energised
Makibelo	558	526	Completed and energised
New households in Urban area	400	685	Completed and energised
Moduane	39	39	Completed but not energised
Boikutsong phase 1	284 + 758	284	284 completed and energised and 758 delayed by community protests
Molepo EXT	26	0	32 Completed but not energised
Polokwane Ext 78 Phase 2	557	173 +450	Busy with 384 connections

Households with access to Electricity 2019/20	Target	Actual	Status
TOTAL 2019/20	2827 stands	2 154 households	Empty sites done but excluded on actual connected.

Polokwane municipality has planned to electrify the following villages in 2020/21 financial year.

Households with access to electricity by 2020/21	Target	Actual	Status
New applications households Urban	500	685	As and when houses are built
Polokwane Ext78 Phase 2&3	280	450	Multiyear contractor appointed
Matshelapata	25	0	No capacity, Referred to 2022/23
Cloedsdam	596	586	Completed and Energised
Saaiplaas	132	126	126 completed but not energised
Sebati	74	0	Waiting Eskom capacity confirmation
Lekgothoane	238	0	Waiting Eskom capacity confirmation
Dihlopaneng	237	0	Waiting Eskom capacity confirmation
Boikhutsong phase 2	807	758	Contractor appointed and project delayed by protests
TOTAL for 2020/21	2 126	1721 completed	Matshelapata referred to 2021/22

3.1.4 WASTE MANAGEMENT

Introduction to Waste Management

Waste management is one of the key thrust that promote sustainable development. Provision of waste removal services is found mainly in the City, Seshego, Mankweng and Sebayeng areas. The municipality has two licensed landfill sites with eight transfer stations. The priority of the municipality is to extend the licensed Weltevreden landfill site, to collect refuse, clean street, recycling and undertake waste management awareness and education campaigns.

Table 21: Solid Waste Service delivery levels

Solid Waste Service delivery levels			
Description	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
Solid waste removal (Minimum level)			
Removal at least once a week	103298	103537	103682
Minimum service level and above sub- total	103585	103537	103537
Minimum service level and above Percentage	N/A	N/A	N/A
Minimum service level and above Percentage	N/A	N/A	N/A
Solid waste removal (Below Minimum level)	N/A	N/A	135579
Removal less frequently than once a week	25	20	51
Using communal refuse dump (own dump)	135531	135431	135579
Other rubbish disposal (community members)	N/A	N/A	N/A
No rubbish disposal	135531	135431	135579
Below minimum service level sub total	135531	135431	135579
Below minimum service level Percentage	56.68%	57.0%	56.64%
Total Number of Households	239116	239 116	239116

Table 22: Solid waste service delivery level below Minimum

Solid waste service delivery level below Minimum			
Description	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
Formal settlements			
Households below minimum service level	135531	135431	135579
Proportion of households below minimum service level	135531	135431	135579

Total households	239116	239116	239116
Informal settlements	6	3	3
households below minimum service level	N/A	N/A	N/A
proportion of households below minimum service level	N/A	N/A	N/A
Total households	239116	239116	239116

Waste Management Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objective xxx							
e.g. Provision of weekly collection service per household (HH)	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	0.08%	0.23%	0.04%	0.06%	0.04%	0.06%
Proportion of waste that is recycled	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.	5.0%	3.63%	8%	4.0%	5%	2.5%
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	x% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.	2	1	2	1	2	1
Additional Indicators							
Number of transfer stations maintained according to set standards calculated		7	5	4	3	8	7

Table 23: Employees: Solid Waste Management 2020/21

Employees: Solid Waste Management 2019/20					Employees: Solid Waste Management 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents	Job Levels	Employee No	Post No	Employee s No	Vacancies(Full time equivalents
0-3	3	3	3	0	0-3	3	3	3	0
4-6	3	5	3	2	4-6	3	3	2	1
7-9	1`	6	1	5	7-9	1	6	1	5
10-12	28	31	28	6	10-12	29	31	29	2
13-15	4	5	4	1	13-15	3	5	3	2
17	123	302	123	178	17	131	302	131	196
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	158	352	158	192	Total	170	350	172	206

Table 24: Employees: Waste Disposal and Other Services 2020/21

Employees: Waste Disposal and Other Services 2019/20					Employees: Waste Disposal and Other Services 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies(Full time equivalents	Job Levels	Employee No	Post No	Employee s No	Vacancies (Full time equivalent s
0-3	3	3	3	0	0-3	3	3	3	0
4-6	3	5	3	2	4-6	3	3	2	1
7-9	1	6	1	5	7-9	1	6	1	5
10-12	28	31	28	6	10-12	29	31	29	2
13-15	4	5	4	1	13-15	3	5	3	2
17	123	302	123	178	17	131	302	131	196
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Employees: Waste Disposal and Other Services 2019/20					Employees: Waste Disposal and Other Services 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employee s No	Vacancies (Full time equivalent s
Total	158	352	158	192	Total	170	350	172	206

Capital expenditure 2020/21: Waste Management Services

Comment on waste management service performance overall:

The performance of the municipality in providing waste management services is still mainly limited as only communities in the urban areas benefit such as City, Mankweng, Sebayeng and Seshego. In rural areas 51 villages are receiving waste collection together with EPWP street cleaning service. Recycling of waste is minimal at Weltevreden landfill site and it is only done at the scale of 2.5 % of the total 15 000 tons' waste removed per month. The bulk of recycling is done through public private partnership by permitting local recycling companies to separate waste at source such as the Malls, shopping centres and from communal bulk containers in the city.

3.1.5 HOUSING AND BUILDING INSPECTORATE

3.1.5 HOUSING AND BUILDING INSPECTORATE

HOUSING AND BUILDING INSPECTIONS

- The SBU is supported by the Manager who has three (3) Assistant Managers: Housing Beneficiary and Administration Housing Projects (Vacant); and Building Inspectorate, each section has its own specific areas that it needs to deal with service delivery.
- **One of the conditions of approval of Level 2 Housing Accreditation is that the Municipality should develop a fully-fledged Human Settlement Strategic Unit. A new structure is approved by Council, however, the new organogram is not used yet.**

HOUSING SUB-UNIT

The South African Constitution (Act 108 of 1996) advocate that everyone has the right to have access to adequate housing and that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realization of this basic human right. All spheres of Government (i.e. National, Provincial and Local) are charged with the responsibility of realizing that right.

Polokwane Municipality, as the economic hub of the Province is experiencing population growth which results in the influx of people from the rural areas into the urban parts of the municipality. This influx has necessitated an increase in the provision of housing and other basic services that promote integrated sustainable human settlement.

In contributing towards the achievement of outcome 8 objectives and building of Integrated Sustainable Human Settlement, the City of Polokwane has developed and adopted Human Settlement Plan (HSP), the document that guides human settlement development and continues to play an important role in housing thousands households who cannot afford to acquire or invest in their own housing needs, by providing suitable land for housing development, ensuring the provision of basic services, coordinating the implementation of housing projects, to ensure the construction of quality and habitable housing structures; also plan has been developed to serve as a planning tool that will be used to guide processes during the settlement of potential and qualifying beneficiaries on demarcated erven of respective townships

Municipalities are given legislative powers to set out policies and strategies for the provision of housing opportunities. Alongside the powers, arise the specific functions which include:

- Planning, as part of the Integrated Development Plan, for the provision of housing opportunities thereby setting housing delivery goals;
- Identification of suitable land for housing development;
- Provision of basic services in respect of water, sanitation, electricity, roads and storm-water drainage systems;
- Supporting the implementation of housing projects within the municipal areas;
- Facilitating and coordinating participation of other role players in the housing development processes of the municipality;
- Promoting the resolution of conflicts arising in the housing development process;

HOUSING SUB-UNIT CORE FUNCTIONS

Development & review of Five Year Human Settlement Plan;

- The Municipality developed its Human Settlement Plan (Internally), which is incorporated in the IDP and is reviewed annually.
- Human Settlement Plan is a tool to guide housing development across the areas of the Municipality.
- The Plan, articulates the housing vision of the Municipality, provide programmes and priority projects that will be undertaken by the Municipality in the long term period (five years).
- It further sets delivery goals and targets to be achieved and it provides a basis for effective allocation of limited resources.
- Although housing delivery is progressing, the demand for new and affordable housing continues to grow faster than the delivery rate.

The Municipality continues to play an important role in facilitating access to adequate housing and equality creating integrated and sustainable human settlements. Working together with various stakeholders, the City has established various integrated human settlements and progressively builds its capacity. The following integrated human settlements have been established in recent financial years (2017/2018 – 2019/2020):

- Polokwane Extension 126
- Polokwane Extension 127
- Polokwane Extension 133
- Polokwane Ext 134

In building capacity, the Municipality has approved a new organogram. Furthermore, Council has approved for the phasing out of the Municipal housing demand database and migration of the data to the National Housing Needs Register. To this date, around 43 000 records have been transferred. This will enable the Municipality to effectively manage the demand and plan human settlement projects in line with the demand, thus achieving demand driven housing development.

INFORMAL SETTLEMENT UPGRADING

With regard to informal settlements, the City has made remarkable progress. Currently there are two informal settlements (Polokwane extension 106 and Freedom Park). The combined estimated number of households in these informal settlements is ±1 000. An upgrading plan which will involve resettlement and relocation of households to formally established Townships is developed. While only 44 households of Freedom Park will be resettled, the remaining and the whole of Extension 106 household will be relocated.

AFFORDABLE RENTAL/SOCIAL HOUSING DELIVERY

The construction of 494 rental housing units at Annadale Extension 2 is over 90% complete. The process of assessing and qualifying households for tenancy is also progressing.

INCREMENTAL HOUSING DELIVERY

At Polokwane Extension 133, since 2018/2019 financial year, the Municipality has provided 2 304 housing opportunities (serviced stands). In the previous financial year of 2020/2021 a total of 165 housing units were built. The Municipality will sell stands to the gap and open market.

RURAL HOUSING DELIVERY

Working together with the Department of Cooperative Governance, Human Settlements and Traditional Affairs, the Provincial Housing Development Agency, and Tribal Authorities, the Municipality received 721 units for rural development areas of the municipality

MUNICIPAL HOUSING ACCREDITATION

Recently the Municipality was awarded Level 2 Housing Accreditation by MEC for COGHSTA as a housing provider. Compliance certificate for level one has been issued.

Benefits of Housing Accreditation (Level 1 Housing Accreditation)

- Housing Beneficiary Management and Administration for level Housing Accreditation;
 - For the past Five years the Municipality has been registering and verifying beneficiary's application forms on HSS

- The Provincial Department is providing support on operation of the Housing Subsidy System and approve applications
- Managing the Municipal housing demand database;
- Development of housing related policies guidelines;
- Coordinating the implementation of housing projects for the construction of housing units

Delegated Functions for Level 2 Accreditation

It is further worth to note that the following functions shall be administered by the Municipality.

Approve programme and project;

- Administer Subsidies;
- Perform quality assurance on projects;
- Project cash-flow management.

Benefits of Level 2 Accreditation

- a) Through Levels 1 and 2 Accreditation the City will be performing functions relating to project approvals and administration, the administration of contracts and the administration of beneficiaries on HSS.
- b) There will be funding surety over the Medium Term Expenditure Framework (MTEF) period that would greatly assist in planning and implementation.
- c) The Municipality also perform financial budgeting and take control thereof;
- d) The Municipality will be responsible for setting and achieving its own targets in line with the City's IDP, and SDBIP's.
- e) Improving stakeholder relations
- f) The Municipality will be in control of full administration and project management function and officials will therefore be solely accountable for achievement in various fields thus improving efficiencies and performance management.
- g) The Municipality will be able to do long term programme and investment planning for infrastructure development to address urbanisation challenges.

CHALLENGES - HOUSING

- Growing demand for new and affordable housing delivery;
- Overall demand/backlog is estimated around 55 000 families;
- Insufficient Capital funding to curb the overwhelming demand/backlog;
- Availability of well located & developable is land scares;
- Illegal sale & occupation of houses;
- Insufficient technical staff;
- Informal settlements mushrooming;
- Blocked housing projects

Table 26: Employees housing Services 2020/21

Employees, Housing Services		Employees, Housing Services	
	2019/20		2020/21

Job Level	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as % of total posts) %	Job Level	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as % of total posts) %
0-3	5	4	1	0.03%	0-3				
4-6	10	5	5	0.16%	4-6				
7-9	33	15	18	0.57%	7-9				
10-12	3	1	2	0.06%	10-12				
13-15	0	0	0	0	13-15				
17	3	2	1	0.03%	17				
Total	54	27	27	0.85%	Total				

TENURE UPGRADING

Tenure security is key in the human settlement development process, below is the summary of Title Deeds issued as at December 2016 for areas of Polokwane Ext; 44, 40, 71, 73, 75, 76, Westenburg ext 3, Hospital View, Seshego Zone 1 ext, Zone 5, Zone 8, Zone 6A, Zone 6B, Lepakeng, Mpongele, Biko Park, Mokaba Park, Molepo Park, Samuel Thema, Seshego (Luthuli) 9A, Seshego 9F, Seshego 9G, Seshego 9H, Seshego 9L, Sebayeng B, Mankweng G, Mankweng E, Mankweng F ext 2, Mankweng G Ext 1, Zone 6 Mohlakaneng, Annadale, Westenburg EEDBS.

Proclamation of the following townships is complete:

- Ext. 40
- Seshego H (Erf 1479 and registration of subdivisions)
- Seshego F
- Seshego B (Lepakeng)
- Mphonegele
- Mokabapark
- Molepopark
- Samuel Thema
- Ext. 106

Summary of tenure upgrading per Township 2020/2021

AREA	NO	TRANSFERRED	REMAINING	COLLECTED	NOT COLLECTED	COMMENTS
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WESTENBURG (RDP)	968	959	9	891	68	
EXT 44	150 0	1471	29	1292	179	
EXT 40	393	393	0	301	92	
EXT 71	110 9	1067	42	918	149	
EXT 73	569	561	8	382	179	
EXT 75	492	487	5	442	45	
EXT 76	132 7	1324	3	863	461	
ZONE AX1	738	633	105	570	63	
ZONE 5	861	579	282	529	50	Title deeds are at the Seshego office
ZONE H	21	0	21	0	0	Properties not transferred
ZONE 6A	243	113	130	0	0	Title deeds still at CoGHSTA
ZONE 6B	50	31	19	0	0	Title deeds still at CoGHSTA
ZONE B (LEPAKENG)	119	0	119	0	0	Properties not transferred
ZONE A EXT (MPHONEGELE)	12	0	12		0	Properties not transferred
ZONE C (MOKABAPARK)	50	47	3	0	0	Title deeds still at CoGHSTA
ZONE C (MOLEPOPARK)	32	8	24	0	0	Title deeds still at CoGHSTA
ZONE C (SAMUEL THEMA)	101	0	101	0	0	Properties not transferred
LITHULI 9A	517	512	5	494	18	
LITHULI 9F	240	228	12	210	18	
LITHULI 9G	302	302	0	286	16	
LITHULI 9H	212	201	11	166	35	
LITHULI 9L	103 8	966	72	919	47	
SEBAYENG B	500	451	49			Title deed are at the Sebayeng office
MANKWENG UNIT G	377	0	377	0	0	properties not transferred
MANKWENG E	94	9	88	9	0	
MANKWENG F EXT 2	297	0	297	0	0	properties not transferred
MANKWENG G EXT 1	503	0	503	0	0	properties not transferred
ZONE 6 (MOHLAKANENG)	133	90	43	0	0	title deeds still at CoGHSTA
MANKWENG C	1	0	1	0	0	properties not transferred
EXT 106	130	0	130	0	0	properties not transferred
EXT. 78	142 5	592	833	0	0	title deeds still at CoGHSTA
ZONE D (BIKOPARK)	170	0	170	0	0	Pending Deed of Donation ref properties
SESHEGO A X2 HOSPITAL VIEW	477	0	477	0	0	Pending Deed of Donation ref properties
ANNADALE	18	18	0	18	0	
EXT 133	165	0	165	0	0	properties not transferred
WESTENBURG (EEDBS)	263	197	66	196	1	Family dispute- both owners are deceased

TOTAL	154 47	11239	4211	8486	1421	
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CHALLENGES ON TITLE DEEDS

- Untraceable beneficiaries
- Houses are being sublet / sold
- Family disputes in the case of deceased beneficiaries
- Lack of commitment from approved beneficiaries to sign the transfer documents
- Townships that are not yet proclaimed
- Incorrectly registered data
- Lack of tenure security

BUILDING INSPECTION SUB-UNIT CORE FUNCTIONS

- To ensure compliance and enforcement of the National Building Regulations and Building Standards Act 103 of 1977 in the jurisdiction of the Polokwane Municipality.
- The National Building Regulations and Building Standards Act provides for promotion of uniformity in the law relating to the erection of buildings and to ensure general health and safety of the public in so far as they relate to the erection of buildings;
- The Building Inspectorate Sub-unit ensures compliance to the National Building Regulations and Building Standards Act 103 of 1977 by:
 - ✓ Managing the Building Plans Approval process
 - ✓ Processing of other related applications.i.e. Hoarding, Demolition and other applications
 - ✓ Conduction of Planned Building and Drainage Inspections and Routine Inspections are carried out on a daily basis to deal with illegal buildings and building rubble.
 - ✓ Contravention notices are issued to those that do not comply. Failure to comply to Contravention Notices leads to legal action being instituted against the offenders
- Ensure that health and safety procedures are Adhered to:
 - ✓ Issuing of Occupation Certificates to completed structures
 - ✓ Building Rubble Management
 - ✓ Submission of Monthly Statistic to Stets SA
- The Sub-unit also facilitates the applications and payments of Water Connections (Urban and Rural)

CHALLENGES – BUILDING INSPECTORATE

- Insufficient Technical Staff
- Dealing with illegal buildings
- Building Rubble Management
- Manual building plan process

3.1.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Introduction to Free Basic Services and Indigent Support

The provision of free basic water in Polokwane Municipality is determined by the Indigent Policy and households are provided with 6kl of water. The challenge with the implementation of free basic water and support of indigent

households is that it is visible only in established townships (City, Seshego and Westernburg) were 7820 are benefiting and other areas receive free water. The provisions of free water occur as the municipality has not implemented any cost recovery strategies in rural areas where there is full service.

Free basic electricity is the amount of electricity which is deemed sufficient to provide basic electricity services to poor households (50kw). The provision of free basic electricity is performed by both the municipality and ESKOM. 8400 and 16525 receive free basic electricity in municipal and Eskom licensed areas. 2555 receive free solar panels.

Table 29: Free Basic Water and Electricity

Basic service	The limited amount	Free basic services provided	Rural/Urban	Number Customers
Water				
Water	6kl per month	47 villages received free monthly diesel 68 villages receive free Water supplied by Lepelle Water Board 72villages receive free water supplied by boreholes	Rural	All households in rural areas
	The limited amount	Free basic services provided	Number Customers	The level and standard
Eskom Area	R34,08 VAT inclusive per month	21 393	Rural	50kWh Above RDP standard (20 amp connections)
Municipal License Area	R38.19 VAT inclusive per customer	8169	Urban	100 kWh (20 amp connections)-
Non-grid Customers	R60.00 VAT inclusive per customer	1110	Rural	RDP standard

3.3 COMPONENT C: COMMUNITY SERVICES AND DEVELOPMENT

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

3.3.1 CULTURAL SERVICES

Introduction to Cultural Services

The SBU Cultural Services is responsible for Libraries, Museums and Cultural Programs.

Libraries

The Municipality renders a flagship library service in the CBD (City Library) and operates branch libraries in Nirvana, Westernberg, Seshego, Mankweng, Moletjie and Matlala. We provide library materials on loan to Polokwane Place of Safety's resource centre and three old age homes. The Provincial Department of Sport, Arts and Culture (DSAC) built a new library at Ga-Molepo (Tshebela Village) which is operated jointly by Polokwane Municipality and DSAC. Conversions to a section of the cluster offices at Molepo/Chuene/Maja cluster to make provision for a library is complete. Staff for this library still need to be budgeted for.

Current Services

The Polokwane Municipal Libraries render a library and information service to the community and provide reading materials for a variety of purposes, e.g. self-improvement, recreation, education and cultural development. In order to promote reading and striving towards a culture of reading, the library actively engage with the community through various "outreach" programs.

1. **Provision of information:** The Reference & Study section of all libraries are frequented by users from various parts of the province. Target groups are tertiary students; secondary learners doing research for school projects; smaller children and parents; persons requiring information to enhance their general knowledge and to improve their circumstances.
2. **Circulation of books / informal reading:** The municipal libraries provide different types of books which promote reading and should improve reading skills. This include books for self-development, leisure reading and cultural development. Circulation of books remains an integral part of all library services. While all library services (except photocopies/printing) can be enjoyed free of charge inside our libraries, a user must become a library member within the prescribed rules subject to payment of the relevant fees before being allowed to borrow library material for home use. This policy negatively impacts on the promotion of reading in the community and it should be reconsidered to accommodate indigents.
3. **Provision of study space:** Library users are in need of space to study, the environment of such space should be conducive for studies. The libraries made study areas available to accommodate daily visitors, allowing them the use of all books in the library. This is a growing need in all libraries. Whenever users request for after-hours utilisation of study areas it is implemented to suit local circumstances.
4. **Internet and Wi-Fi:** The libraries currently offer a limited number of Internet connections to users to aid learners, students and upcoming entrepreneurs. A connection is free for one hour per day and is sponsored by the "Conditional Grant for Public Libraries". Limited Wi-Fi is also available.
5. **Technological Aids:** To render distribution of information effectively all service points require dependable photocopyers/reprographic facilities. Library books, especially Reference sources are wilfully damaged and vandalised by library users when they are unable to make copies for personal use. Our libraries offer photocopying at cost to users, but no fax facilities.

6. **Library outreach and awareness programs:** The municipal libraries continuously present holiday programs, conduct outreach to schools to inform learners about libraries, assist in establishing reading clubs and provide library orientation for new user's/school groups. Municipal libraries support the celebration of National events like South African Library Week (SALW) and National Book Week in order to promote the use of libraries and reading and actively participate in the Polokwane Literary Fair.
7. **Debate:** Polokwane Libraries participate in the annual Executive Mayor's Trophy, a debating tournament aimed at providing debating skills and opportunities amongst the youth of Polokwane.

Challenges

User fees: Statistics on membership numbers (new as well as existing) indicates that our numbers do not meet targets due to the fact that many users prefer to visit the library to do the reading at the library instead of paying for membership which allows the user to use the reading material at home. Benchmarking amongst other municipal libraries indicates that Polokwane remain as one of few municipalities that still impose membership fees.

Funding to improve book stock: To improve informational and educational services, library book stock needs constant replenishment and updating. Without a sufficient annual budget allocated to buy books, this proves to be a daunting task. Every library should have an up to date, well balanced and representative book collection not only to back up our marketing and outreach programs -and to give library users the best possible resources that will enable them to excel.

No library expansion program: Interpretations of the "Unfunded Mandate" is hampering the expansion and rendering of library services in Polokwane. Rural areas where people need to travel great distances to reach the nearest library are affected, contributing to poor performance at school. Areas identified in earlier IDP documents should be prioritized. Alternative forms of accommodation (for example container libraries) should be considered for satellite libraries.

ITC and Internet backlog: While Internet access and Wi-Fi can aid library services all remote locations experience various IT related problems, where slowness/lack of bandwidth is hampering service delivery. A municipal IT connection should be implemented for Molepo and Matlala Libraries which currently have only manual systems.

Inter-Governmental Relations: Limited assistance to fund libraries is being received from the Limpopo Department of Sports Arts and Culture through the "Conditional Grant" allocations. Needs related to books, equipment, ITC, personnel and maintenance is communicated to the aforementioned department on a regular basis with the aim of obtaining assistance.

Contract/Grant staff: while the provision of two librarians and two library assistants by DSAC improves our staff situation, it also present numerous challenges (hours/overtime/Saturday work/ cell phones, etc)

FORMER AGANANG

Matlala Library: The library located in the Ipopeng One-Stop Centre (also known as the "Parliament Complex") consists of a small but functional building. The facility consists of an area with shelves and tables, counter-/storage

area with an adjacent office and separate study room. It shares toilet facilities with the complex. The library uses manual systems for all processes since our IS SBU is unable to connect the facility. Internet connection for the benefit of library users provided by DSAC (Grant funding).

This library faces severe challenges:

- Water provision inconsistent
- Toilet facilities outside library
- If no water, toilets not usable
- No phones/fax facilities
- IT network connection to be established
- Budget constraints
- Delivery of newspapers and periodicals intermittent

There is a huge need for more libraries throughout the Aganang Cluster due to vast number of households' v/s vast distances from the Matlala library. The first step is to convert a currently unused structure on the premises of the Cluster Office (Old Traffic Building) into a library to service the surrounding villages.

Service Statistics For Libraries; Archives; Museums; Galleries; Community Facilities; Other (Theatres, Zoos, Etc.)

Service Objectives	Outline service targets	2018/19		2019/20		2020/21	
Service indicators	(ii)	Target	Actual	Target	Actual	Target	Actual
(i)							
1. Members/internal users (libraries)			2956		218165	n/a	16068 72598
2. Circulation(libraries)			331 059		28293	n/a	17719
3. Outreach(libraries)		n/a	64 593		39 schools, 3908 children, 295 adults, 2 library week events and 8\holiday programs	n/a	1 event 257 people
4.Museum visitors		n/a	110 events 12234 Childred 600 Adults	12 000	13 000	12 000	7000

Table 45: Employees: Cultural Services 2020/21

Employees: Cultural Services 2019/20					Employees: Cultural Services 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	2	2	2	0	0-3	0	1	0	1
4-6	6	10	6	4	4-6	1	1	1	0
7-9	14	42	14	28	7-9	10	14	10	4
10-12	28	48	28	20	10-12	24	29	24	4
13-15	0	0	0	0	13-15	0	0	0	0
16-18	26	39	26	13	16-18	13	14	13	1
19-20	0	0	0	0	19-20	0	0	0	0
Total	76	141	76	65	Total	48	59	48	10

3.2.1 CORPORATE GEO-INFORMATICS (GIS AND LAND SURVEY)

Corporate Geo-Informatics (GIS)

The core function of the SBU is administration of the entire planning information database at all levels of the municipality. Management of database servers and data capturing procedures and policies, assist with information dissemination procedures. The SBU is responsible for the implementation of the Land Survey Act No. of 1997 Spatial Data Infrastructure Act No. 54 of 2003, Geomatics Profession Act No. 19 of 2013 and Spatial Planning and Land Use Management Act No. 16 of 2013.

Corporate Geo-Informatics has two divisions.

Land Survey

- This division deals with land survey and boundary issues.
- Carry out internal land survey requests e.g. subdivisions, consolidations, resurvey of townships as per request etc.
- Development of layout plans for rural/ traditional site demarcation / township establishment projects (RSS).
- Demarcation of sites for approved land use rights in rural / traditional areas.
- Resolve boundary dispute complaints.

Geographic Information Systems

- This division is responsible for spatial data management and dissemination (locality maps, Diagrams etc. SG
- Capturing of all planning and engineering infrastructure information into the municipal geodatabase.
- Liaise with internal & external stakeholders and data custodians to ensure effective and accurate spatial data for the municipality.
- Management of all spatial database servers.
- Developing integrated systems for land use management and land development (GIS centric).
- Determine boundaries for assistance with resolution of boundary disputes.

Achievements

- The SBU implemented the Integrated Geographic Information System and successfully implemented seven of the eight modules.
- Through the full implementation of the integrated GIS system, the municipal authority will be able to track all land development applications right from the moment the application is lodged with the municipality to the decision stage.
- The system will make it easy for authorities and municipal officials to draw statistical reports from the system which will pass the audit master's test.
- The SBU has successfully completed the integration of GIS billing module to the Municipal billing system (Munsoft), this will enable the municipal officials and appointed service providers to easily have access to billing spatial data, this will improve service delivery and the turnaround time to attend to billing queries, cut offs and reconnections. The information is also available at ward level and township level.
The SBU has also achieved above 60% of the correction, collection and updating of cadastral data, this includes Ervens, holdings, farm portions and parent farms. A number of street names and addresses have been corrected and updated on the GIS system. This information feeds to the Integrated GIS modules.
- The SBU played an active role in the relocation of farmers from Polokwane Ext 126, 127 and 134 to Dooranbult 198 LS.
- Updating of spatial data at all times in the municipal billing system to optimize on revenue collection and improve on dispute resolution.
- Continuously engaging with other sister departments such as Engineering Services to encourage them to support with the routine updating of GIS databases.
- The SBU had managed to upgrade its GIS license from Standard License Agreement (SLA) to Enterprise License Agreement (ELA) with its current service provider as of November 2020 and the agreement will run for a period of three years.
- The SBU continues to gather and collate critical spatial data to support development planning and other municipal entities to render services efficiently and effectively to the public at large.
- The unit plays a critical role in the deed of donation of land between the municipality and other organ of state e.g. Department of Basic Education and Sport Arts and Culture respectively.
- SPLUMA compliance by developing a SPLUMA compliant online town planning applications management system (TPAMS). The Integrated GIS System to be officially launched in September 2021 this will be an

important mile stone in the history of the municipality. The system to be launched will allow members of the public to have a direct interaction with the municipal official on an online system.

- The SBU is playing an important role in the identification of land suitable for sustainable human settlements in area of Traditional Authorities (RSS) and Priority Human Settlement Housing Development Areas (PHSHDA) as proclaimed by national Department of Human Settlement.
- Working together with the revenue services on the acquisition of aerial imagery for the whole municipal are in support of the integrated GIS system and revenue collection and enhancement.
- Corporate Geo-Informatics continues to play a critical role in the greening of the city programme as championed by Environmental SBU.
- The unit also assisted the Asset Management Unit in cleaning and correcting the immovable asset register or investment register properties.
- The SBU Geo-Informatics will in the current financial year is to appoint a service provider to develop a Geographic Information System strategic document with the sole mandate of institutionalizing the use of GIS across the municipality.
- The SBU Corporate Geo-Informatics has played a critical role in the project management by supporting the PMU with boundaries identification on projects for roads, water and other critical engineering and social infrastructure to be constructed.
- The unit has also managed to assist 70 number of boundary disputes in the municipality.
- A significant number of site demarcations were completed in the rural areas for compliance with Municipal Planning By-law as approved by the MPT.

Challenges

- Outdated Aerial imagery
- Critical positions vacant (Land Surveyor and GIS Technicians)
- Lack of accurate clean data (street names and addresses mostly)
- Continuous updating of street address due to dynamic town planning process
- Poor network performance and incompatible computers to run integrated GIS
- Lack of equipment to obtain aerial images for use during supplementary valuation and illegal land use – land invasion detection.
- Lack of GIS Strategy
- Lack of boundary dispute resolution strategy/protocol

Employees: Corporate Geo-Informatics								
Job Level	2020/21				2021/22			
	Posts No	Employees No	Vacancies (fulltime equivalents) No	Vacancies (as a % of total posts) %	Posts No	Employees No	Vacancies (fulltime equivalents) No	Vacancies (as a % of total posts) %

0-3	3	0	3		3	0	3	
4-6	4	2	0		4	2	0	
7-9	3	3	0		3	3	0	
10-12	0	0	1		0	0	0	
13-15	0	0	0		0	0	0	
16-18	0	0	0		0	0	0	
19-20	N/A	N/A	N/A		N/A	N/A	N/A	
Total	9	6	3		10	5	5	

Table 42: Capital Expenditure 2020/21: Planning Services Corporate Geo-Informatics

Comments on the performance of the capital expenditure

The SBU has managed to secure update on the application of the GIS in order to improve and assisting other directorate with the property information including zoning and valuation. The SBU has performed very well and manage to spend the budget even though the budget was reduced as per the National Treasury guidance.

3.2.2 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Introduction to Economic Development & Tourism

Economic Development & Tourism SBU's responsibility is to create an enabling environment for businesses by mobilizing local resources, capacities and skills in line with sustainable development objectives to ensure that the local economy unleashes its maximum potential through investment opportunities, Marketing PLK as a tourists and investment destination, SMME & cooperative development, Informal trade management and Economic Research and Development.

Economic Development & Tourism SBU offers local government, the private and communities the opportunity to work together to improve the economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive.

The priority of the Municipality is to render operational the socio-economic environment in order to facilitate the creation and the development of economic activities; facilitate investment promotion to retain the income of the local economy (i.e. plugging the leaks in the local economy); develop human capital (i.e. skills development focused on the needs of the local economy); to provide economic development (developmental support to community based initiatives, cooperatives etc.); facilitate SMME development; identify and support business clusters and business opportunities; facilitate and ensure contacts, links and or exchanges with possible local, national and international economic partners; attract inward investment and to promote Polokwane as a tourist destination.

The Polokwane economy is essentially built on its function as a service centre for Limpopo Province and to a certain degree for residents from neighbouring countries. Overall aim is to serve as a tool to determine the potential for economic development in Polokwane, as well as to identify constraints facing the local economy. It is vital to analyse the size, spatial distribution, compositions and growth patterns of an area in order to indicate future trends and to

explain past occurrences. The demographic characteristics of Polokwane will have various influences on the socio-economic conditions of the locality.

Table 42: Economic Activity by Sector

Economic Activity by Sector									
R'000									
Sector	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Agric, forestry and fishing	386,940	393,886	556 239	505909	766,261	912395	1091336	963243	
Mining and quarrying	44,221	50,295	1 134 594	1593220	3,285,927	3728794	3939113	4344427	
Manufacturing	876,349	918,237	1 251 780	1848877	2,672,253	2517981	2559967	2561676	
Wholesale and retail trade	2,630,622	2,785,146	7 375 350	9516169	12,892,600	13671496	15303898	15883777	
Finance, property, etc.	3,707,642	5,251,150	8 516 734	10232846	11,784,483	13115394	14020043	14972571	
Govt, community and social services	4,792,654	4,868,204	10 306 915	13877391	18,699,546	19684412	22211135	22859413	
Infrastructure services	3,651,054	6,704,870	3 956 409	5681039	8,071,073	3986914	7760838	11247353	
Total	16,089,482	18,186,642	33 098 021	43255452	58,172,144	57617386	70090329	72832461	

Source: Global Insight 2020

Economic Employment by Sector			
Jobs			
Sector	2018/19	2019/20	2020/21
Agriculture, forestry and fishing	11665	11537	
Mining and quarrying	3012	3348	
Manufacturing	11002	10888	

Wholesale and retail trade	43611	44293	
Finance, property, etc.	31004	29861	
Government, community and social services	78 965	79343	
Infrastructure services	18139	17545	
Total	197405	196816	

Economic Employment by Sector			
Jobs			
Sector	2018/19	2019/20	2020/21
Agriculture, forestry and fishing	11665	11537	
Mining and quarrying	3012	3348	
Manufacturing	11002	10888	
Wholesale and retail trade	43611	44293	
Finance, property, etc.	31004	29861	
Government, community and social services	78 965	79343	
Infrastructure services	18139	17545	
Total	197405	196816	

Source: Global Insight 2020

Local Economic Development Policy Objectives Taken From IDP							
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
Service Objective xxx							
e.g. Training of people in essential skills: x, y, z							
# of SMME incubated by 30 June 2018		42	15	42	20	20	20
# of Training capacitated by 30 June 2018							
i. Veld Fire management				1	1	1	1
ii. Barley production				1	1	1	1
iii. Proudly SA				1	1	1	1
iv. SABS Workshop				1	1	1	1
v. Basic of lease agreement				1	1	1	1
vi. Brush Cutter operations management				1	1	1	1
vii. Fire Extinguisher				1	1	1	1
viii. Chain saw and operations				1	1	1	1
ix. Venture creation				1	1	1	1
x. Basic Bookkeeping		1	1	1	1	1	1

Local Economic Development Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators (i)	(ii)						
xi. Business plan		1	1	1	1	1	1
xii. Basic crop production		1	1	1	1	1	1
xiii. Access to funding		1	1	1	1	1	1
xiv. Marketing skills		1	1	1	1	1	1
xv. Co-operative concept and entrepreneurship		1	1			1	1
xvi. BEE Cattle management		1	1			1	1
xvii. Marketing management		1	1	1	1	1	1
xviii. Basic business		1	1			1	1
xix. Marketing Management		1	1	1	1	1	1
xx. Basic Business		1	1			1	1
xxi. Start and improve your business		1	1			1	1
xxii. GEW Agricultural Seminar agripreneuship celebration		1	1	1	1	1	1
xxiii. GEW Business seminar		1	1	1	1	1	1
xxiv. GEW Agricultural preneurship		1	1	1	1	1	1

Local Economic Development Policy Objectives Taken From IDP							
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
xxv. GEW Tour		1	1	1	1	1	1
# of SMME linked with market by 30 June 2018							
i. Flea markets		12	40	12	21	45	0
ii. Polokwane show - Exhibitions			1	1	1	1	1
iii. Marula Show				1	1	1	1
# trade shows Marketing Polokwane as a an investment and tourism destination		8	13	9	10	10	0
# of Job opportunities created through the municipal LED initiatives by 30/06/2018 (Temporary job opportunities)			305		157	290	0
# of street traders capacitated by 30/06/2018			348		117	30	0
i. Permits printed			11		0		0
ii. Capacity building (waste management, health and hygiene and lease agreement)			348		117		0
# of job opportunities created through the EPWP by 30 June 2018 (temporary job opportunities)							

Table 43: Employees: Local Economic Development 2020/21

Employees: Local Economic Development Services								
Job level	2019/20				2020/21			
	Posts No.	Employees No	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	Posts No.	Employees No	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	5	4	1	0.03%	5	4	1	0.03%
4-6	11	10	1	0.03%	11	10	1	0.03%
7-9	6	4	2	0.06%	6	4	2	0.06%
10-12	1	0	1	0.03%	1	0	1	0.03%
13-15	0	0	0	0	0	0	0	0
16-18	4	3	1	0.03%	4	3	1	0.03%
19-20	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	27	21	6	0.19%	27	21	6	0.19%

Comments of Local Economic Development Performance Overall

Flea markets are held monthly; some flea markets could not be held due to bad weather conditions (rain). The municipality has an updated SMMEs and cooperative databases and profiles. The “As- built” of the African Market business centre has been completed but not complying with the building regulations. The Mankweng business centres (Next the University gate 2 and the Hospital), church street cooks and Dahl street car wash are fully occupied and functional.

The municipality is continually renewing the permits and issuing new ones for street traders. The implementation of the hawker’s management system is an on-going process and it will be extended to the townships in the next financial years. The Municipality has got a schedule of local, provincial and national shows, exhibitions and or trade fairs that is participating in to ensure that the Municipality is well marketed as an investment and tourist destination.

The Municipality produces the Performance of the local economy and Investment Trends annually documents which serves as a planning tool for potential investors and entrepreneurs who are doing or want to do business in Polokwane. Even though the impact of COVID-19 was experienced on the 3rd and 4th quarter, the SBU continue to assist the community during the pandemic for trading permits and temporal permits.

Table 43: Capital Expenditure 2020/21: Cultural Services

Comments on the Performance of Cultural Services Overall

Library books (book stock development) to the value of almost R1600 000 were purchased. Library usage is declining due to information being outdated as not enough new books are being purchased.

A community survey on the effectiveness of existing libraries was also done in collaboration with the Department of Sports Arts and Culture. The results indicate that communities are utilizing libraries and need to improve service provision levels within the libraries and increase hours of operations.

A list of Heritage Sites has recently been pinned through survey in the newly incorporated areas of former Aganang Municipality, which now became part of Polokwane Municipality

Exhibitions in the Irish House Museum are old and does not attract increased visitors. An Audience Development Plan has recently been compiled to give guideline for new exhibition/s

Included in the activities of the museum for the newly incorporated clusters of former Aganang Municipality is a survey of heritage sites that has recently been compiled. Reassessment of historic buildings for the purpose of updating the register have been done. Maintenance of public sculptures were done to some sculptures and vandalized sculptures must still be relocated. Heritage celebration; International Museums Celebration and Indigenous Games continue to be part of cultural and heritage enjoyment within Cultural Services.

3.3.2 ENVIRONMENTAL MANAGEMENT

Introduction to Environmental Management

Every citizen Polokwane Municipality has the right to an environment which is not harmful to their health or well-being and to have the environment protected for the benefit of present and future generations through reasonable legislative and other measures that prevent pollution and ecological degradation, promote conservation and secure ecologically sustainable development and the use of natural resources while promoting justifiable economic and social development.

It is the mandate of the municipality to ensure the provision of a clean and healthy environment and strive to improve the quality of life by providing an attractive environment and protecting it for future generations. Polokwane Municipality has the following key roles to play in the development and management of environment: remaining informed on, and participating in the development of all national environmental policies and legislations; communicating and negotiating with stakeholders; promoting environmental awareness; monitoring and reporting on the status of Polokwane natural resources, and putting local By-Laws in place to manage Polokwane resources for sustainable use.

The following sensitive areas within Polokwane municipality must remain protected from development (i.e. Developments are not allowed within 150m buffer zones): Polokwane Botanical Reserve (one of only two habitats worldwide for endemic endangered *Euphorbia clivicola*, a large *Aloe marlothii* 'forest', high geological and microclimate diversity, over 20 tree species) which is the highest and therefore the most visible point in Polokwane.

Flora park wetland (a seasonal wetland harboring the only known community of endemic *Haemanthus montanus* bulbs and a rare form of *Serapegia*); Polokwane Frog Reserve (breeding grounds for 12 Frog species including endangered Giant Bullfrog).

Buffer Zone along the Sand River of 100m on either side of the channel. The profusion of *Syringa* and other invasive weeds must be addressed as part of a planned rehabilitation strategy; The Suid Street drainage channel (a dense stand of *Acacia tortilis* and *Acacia rehmanniana*), which provides an ideal linear open space.

The priority of the municipality was to develop environmental management policies, strategies, continuing to provide environmental awareness campaigns, developing and maintaining parks and open spaces. Focus was placed on the protection of Rhinos find in the Municipal Game Reserve. Through environmental management programmes, the municipality created 172 jobs through EPWP during the financial year.

Polokwane Municipality has appointed valuer to perform valuation count valuation of plantation Kroomdraai forest. Council owns portion 4 No 1025 Kroomdraai plantation farm which is located at Haenertsburg, with these GPS coordinates 23° 54'10.59" S 29° 56.09.51" E.

The farm is about 49 hectors of which 41 hectares in planted. The main use of the land is forestry with pine trees (*Pinus elliottii*).

The timber is ready to be harvested in the most of the compartments however given the impact of the COVID- 19 the harvest can be delayed until the Market is up and running again.

The total value of the plantation is the land, improvements and tree value. The forestry land has been valued at R 22 500 per Ha/total R922 500. The unproductive land used for roads at R6 500 per ha/ total R52 000 and tree value amount R310 537 per Ha or R12.732 million for a total market value of R14.681 million. Council has approved the valuation report.

Table 46: Employees: landscape (Parks) 2020/21

Employees: landscape (Parks) 2019/20					Employees: landscape (Parks) 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	1	1	1	0	0-3	1	1	1	0
4-6	4	4	4	0	4-6	4	4	4	0
7-9	2	2	2	0	7-9	9	9	9	0
10-12	6	7	6	1	10-12	10	10	10	0
13-15	0	0	0	0	13-15	6	0	6	0
17	70	186	70	116	17	95	186	95	91
N/A	N/A	N/A	N/A	N/A	N/A				
Total	83	200	83	117	Total	125	216	125	91

Table 47: Employees: Cemeteries 2020/21

Employees: Cemeteries 2019/20					Employees: Cemeteries 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies Full time equivalents	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	0	0	0	0	0-3	N/A	N/A	N/A	N/A
4-6	1	1	1	0	4-6	1	1	1	0
7-9	1	1	1	0	7-9	3	3	3	0
10-12	4	6	4	2	10-12	4	6	4	2
13-15	1	1	1	0	13-15	1	1	1	0
17	31	55	31	24	17	19	55	19	36
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	38	64	38	26	Total	24	60	24	36

Table 48: Employees: Biodiversity 2020/21

Employees: Biodiversity 2019/20					Employees: Biodiversity 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	0	2	0	2	0-3	0	2	0	2
4-6	3	9	3	6	4-6	2	9	2	7
7-9	6	8	6	2	7-9	1	8	1	7
10-12	7	11	7	4	10-12	2	11	2	9
13-15	4	6	4	2	13-15	2	6	2	4
17	34	86	34	52	17	20	86	20	66
N/A	N/A	N/A	N/A	N/A	N/A				
Total	54	122	54	68	Total	27	122	27	95

Table 49: Employee pollution control 2020/21

Employee pollution control 2019/20					Employee pollution control 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	0	0	0	0	0-3	N/A	N/A	N/A	N/A
4-6	1	1	1	0	4-6	N/A	N/A	N/A	N/A
7-9	0	0	0	0	7-9	N/A	N/A	N/A	N/A
10-12	0	0	0	0	10-12	N/A	N/A	N/A	N/A
13-15	0	0	0	0	13-15	N/A	N/A	N/A	N/A
16-18	0	1	0	0	16-18	N/A	N/A	N/A	N/A
19-20	N/A	N/A	N/A	N/A	19-20	N/A	N/A	N/A	N/A
Total	1	2	1	0	Total	N/A	N/A	N/A	N/A

Table 50: Capital Expenditure 2020/21: Environmental Management

ITEM	PROJECT NAME	PROJECT STATUS
01	Grass cutting equipment	100%
02	Development of Ablution facilities at various municipal parks	100%
03	Upgrade of Security at the Game Reserve	00%

1. Greenbelt: Eradication of alien plant control



2. Environmental awareness programmes:


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Polokwane Municipality celebrates World Wetland Day
02 February 2021

- Polokwane Municipality joins the world in celebrating the World Wetland Day today. The Municipality celebrates the environmental calendar day (World Wetlands Day 2021) under the theme **"Wetlands and Water"** - inseparable and vital for life." Polokwane Municipality is doing this to shine a spotlight on wetlands as a source of freshwater and encourage action to restore them and stop their loss. We are facing a growing freshwater crisis that threatens Polokwane community and entire planet.
- World Wetlands Day is celebrated annually across the municipality to highlight the importance of wetlands as essential providers of resources for humans and wildlife. The campaign is usually done through schools and community mobilisation to raise an awareness and educate the community about this natural resources. This year, it will be done differently due to Covid-19 regulations. This year's messages will be published across municipal communication platforms.

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World Environmental Day

Polokwane Municipality held World Environmental Day on the 5th June 2021 at Florah Park Dam



Arbor Day Celebration 2020 and Tree Planting at Good Hope School



National call of planting 2 million trees

Polokwane Municipality preparations for planting trees are underway. There are already 700 trees planted at Sheshego Zone 8 Ext 133 (ward 11) at newly constructed Settlement and Park; Seshego Zone 5 Park; Schools (Dr Makunyane Primary School; Peter Nchabeleng Scondary School; Rev MP Malatjie; St Luke Day Centre /Crèche; Drop-off Centre. Trees planted as build up programme to the National Launch of 2 million tree.

Handing over and Tree planting at Zone 8 ward 11



Tree Planting at Peter Nchabeleng Secondary School



Greening Programme: Tree Planting at Munnik street



Tree Inventory

Environmental Management with assistance from GIS, created a tree inventory register aimed to capture all existing trees within Polokwane Municipality. Trees are biological assets and therefore need to be accounted for. Currently more than 6000 trees captured.

Scientific name	Common Name	Street Name	Tree type	Problems /concerns	Date captured	Total
Vachellia xanthophloea	Fever tree	Seshego Zone 5 Cemetery	Indigenous			85
Schinus terebinthifolius	Brazilian pepper tree	Van nispem str	Indigenous	Good		64
Tipuana tipu	Tipu tree	Dahl str	Alien			45
Jacaranda mimosifolia	Jacaranda	Plein str	Alien	Overgrown /damage to electrical cables		76
Bolusanthus speciosus	Tree wisteria		Indigenous			27
Combretum erythrophyllum	River Bushwillow		Indigenous			16
Erythrina lysistemon	Coral tree	Grobler Str	Indigenous			61
Jacaranda mimosifolia	Jacaranda	Thabo Mbeki str	Alien			68
Ekebergia capensis	Cape ash	Suid Str (Green belt)	Indigenous			95
		Bodenstein str				
Ekebergia capensis	Cape ash	Zebediela	Indigenous			173
Schotia brachypetala	Weeping boer-bean	R71 str	Indigenous	Overlapping branches and re-staking		42
Adansonia digitata	African baobab	Goodhope Primary School	Indigenous		September 2020 (Arbor month)	
Ekebergia capensis	Cape ash	Goodhope Primary School	Indigenous		September 2020 (Arbor month)	
Kirkea acuminata	White Syringa	Plein str	Indigenous			67
Searsia lancea	Karree	Marshall str	Indigenous	Overgrown /damage to electrical cables		128

3.3 COMPONENT C: COMMUNITY SERVICES AND DEVELOPMENT

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

3.3.1 CULTURAL SERVICES

Introduction to Cultural Services

The SBU Cultural Services is responsible for Libraries, Museums and Cultural Programs.

Libraries

The Municipality renders a flagship library service in the CBD (City Library) and operates branch libraries in Nirvana, Westenberg, Seshego, Mankweng, Moletjje and Matlala. We provide library materials on loan to Polokwane Place of Safety's resource centre and three old age homes. The Provincial Department of Sport, Arts and Culture (DSAC) built a new library at Ga-Molepo (Tshebela Village) which is operated jointly by Polokwane Municipality and DSAC. Conversions to a section of the cluster offices at Molepo/Chuene/Maja cluster to make provision for a library is complete. Staff for this library still need to be budgeted for.

Current Services

The Polokwane Municipal Libraries render a library and information service to the community and provide reading materials for a variety of purposes, e.g. self-improvement, recreation, education and cultural development. In order to promote reading and striving towards a culture of reading, the library actively engage with the community through various "outreach" programs.

8. **Provision of information:** The Reference & Study section of all libraries are frequented by users from various parts of the province. Target groups are tertiary students; secondary learners doing research for school projects; smaller children and parents; persons requiring information to enhance their general knowledge and to improve their circumstances.
9. **Circulation of books / informal reading:** The municipal libraries provide different types of books which promote reading and should improve reading skills. This include books for self-development, leisure reading and cultural development. Circulation of books remains an integral part of all library services. While all library services (except photocopies/printing) can be enjoyed free of charge inside our libraries, a user must become a library member within the prescribed rules subject to payment of the relevant fees before being allowed to borrow library material for home use. This policy negatively impacts on the promotion of reading in the community and it should be reconsidered to accommodate indigents.

10. **Provision of study space:** Library users are in need of space to study, the environment of such space should be conducive for studies. The libraries made study areas available to accommodate daily visitors, allowing them the use of all books in the library. This is a growing need in all libraries. Whenever users request for after-hours utilisation of study areas it is implemented to suit local circumstances.
11. **Internet and Wi-Fi:** The libraries currently offer a limited number of Internet connections to users to aid learners, students and upcoming entrepreneurs. A connection is free for one hour per day and is sponsored by the “Conditional Grant for Public Libraries”. Limited Wi-Fi is also available.
12. **Technological Aids:** To render distribution of information effectively all service points require dependable photocopiers/reprographic facilities. Library books, especially Reference sources are wilfully damaged and vandalised by library users when they are unable to make copies for personal use. Our libraries offer photocopying at cost to users, but no fax facilities.
13. **Library outreach and awareness programs:** The municipal libraries continuously present holiday programs, conduct outreach to schools to inform learners about libraries, assist in establishing reading clubs and provide library orientation for new user's/school groups. Municipal libraries support the celebration of National events like South African Library Week (SALW) and National Book Week in order to promote the use of libraries and reading and actively participate in the Polokwane Literary Fair.
14. **Debate:** Polokwane Libraries participate in the annual Executive Mayor's Trophy, a debating tournament aimed at providing debating skills and opportunities amongst the youth of Polokwane.

Challenges

User fees: Statistics on membership numbers (new as well as existing) indicates that our numbers do not meet targets due to the fact that many users prefer to visit the library to do the reading at the library instead of paying for membership which allows the user to use the reading material at home. Benchmarking amongst other municipal libraries indicates that Polokwane remain as one of few municipalities that still impose membership fees.

Funding to improve book stock: To improve informational and educational services, library book stock needs constant replenishment and updating. Without a sufficient annual budget allocated to buy books, this proves to be a daunting task. Every library should have an up to date, well balanced and representative book collection not only to back up our marketing and outreach programs -and to give library users the best possible resources that will enable them to excel.

No library expansion program: Interpretations of the “Unfunded Mandate” is hampering the expansion and rendering of library services in Polokwane. Rural areas where people need to travel great distances to reach the nearest library are affected, contributing to poor performance at school. Areas identified in earlier IDP documents should be prioritized. Alternative forms of accommodation (for example container libraries) should be considered for satellite libraries.

ITC and Internet backlog: While Internet access and Wi-Fi can aid library services all remote locations experience various IT related problems, where slowness/lack of bandwidth is hampering service delivery. A municipal IT connection should be implemented for Molepo and Matlala Libraries which currently have only manual systems.

Inter-Governmental Relations: Limited assistance to fund libraries is being received from the Limpopo Department of Sports Arts and Culture through the "Conditional Grant" allocations. Needs related to books, equipment, ITC, personnel and maintenance is communicated to the aforementioned department on a regular basis with the aim of obtaining assistance.

Contract/Grant staff: while the provision of two librarians and two library assistants by DSAC improves our staff situation, it also present numerous challenges (hours/overtime/Saturday work/ cell phones, etc)

FORMER AGANANG

Matlala Library: The library located in the Ipopeng One-Stop Centre (also known as the "Parliament Complex") consists of a small but functional building. The facility consists of an area with shelves and tables, counter-/storage area with an adjacent office and separate study room. It shares toilet facilities with the complex. The library uses manual systems for all processes since our IS SBU is unable to connect the facility. Internet connection for the benefit of library users provided by DSAC (Grant funding).

This library faces severe challenges:

- Water provision inconsistent
- Toilet facilities outside library
- If no water, toilets not usable
- No phones/fax facilities
- IT network connection to be established
- Budget constraints
- Delivery of newspapers and periodicals intermittent

There is a huge need for more libraries throughout the Aganang Cluster due to vast number of households' v/s vast distances from the Matlala library. The first step is to convert a currently unused structure on the premises of the Cluster Office (Old Traffic Building) into a library to service the surrounding villages.

Service Statistics For Libraries; Archives; Museums; Galleries; Community Facilities; Other (Theatres, Zoos, Etc.)

Service Objectives	Outline service targets	2018/19		2019/20		2020/21	
Service indicators	(ii)	Target	Actual	Target	Actual	Target	Actual
(i)							
1. Members/internal users (libraries)			2956		218165	n/a	16068 72598
2. Circulation(libraries)			331 059		28293	n/a	17719
3. Outreach(libraries)		n/a	64 593		39 schools, 3908 children, 295 adults, 2 library week events and 8\holiday programs	n/a	1 event 257 people
4.Museum visitors		n/a	110 events 12234 Children 600 Adults	12 000	13 000	12 000	7000

Table 45: Employees: Cultural Services 2020/21

Employees: Cultural Services 2019/20					Employees: Cultural Services 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	2	2	2	0	0-3	0	1	0	1
4-6	6	10	6	4	4-6	1	1	1	0
7-9	14	42	14	28	7-9	10	14	10	4
10-12	28	48	28	20	10-12	24	29	24	4
13-15	0	0	0	0	13-15	0	0	0	0
16-18	26	39	26	13	16-18	13	14	13	1
19-20	0	0	0	0	19-20	0	0	0	0
Total	76	141	76	65	Total	48	59	48	10

Table 43: Capital Expenditure 2020/21: Cultural Services

Comments on the Performance of Cultural Services Overall

Library books (book stock development) to the value of almost R1600 000 were purchased. Library usage is declining due to information being outdated as not enough new books are being purchased.

A community survey on the effectiveness of existing libraries was also done in collaboration with the Department of Sports Arts and Culture. The results indicate that communities are utilizing libraries and need to improve service provision levels within the libraries and increase hours of operations.

A list of Heritage Sites has recently been pinned through survey in the newly incorporated areas of former Aganang Municipality, which now became part of Polokwane Municipality

Exhibitions in the Irish House Museum are old and does not attract increased visitors. An Audience Development Plan has recently been compiled to give guideline for new exhibition/s

Included in the activities of the museum for the newly incorporated clusters of former Aganang Municipality is a survey of heritage sites that has recently been compiled. Reassessment of historic buildings for the purpose of updating the register have been done. Maintenance of public sculptures were done to some sculptures and vandalized sculptures must still be relocated. Heritage celebration; International Museums Celebration and Indigenous Games continue to be part of cultural and heritage enjoyment within Cultural Services.

3.3.2 ENVIRONMENTAL MANAGEMENT

Introduction to Environmental Management

Every citizen Polokwane Municipality has the right to an environment which is not harmful to their health or well-being and to have the environment protected for the benefit of present and future generations through reasonable legislative and other measures that prevent pollution and ecological degradation, promote conservation and secure ecologically sustainable development and the use of natural resources while promoting justifiable economic and social development.

It is the mandate of the municipality to ensure the provision of a clean and healthy environment and strive to improve the quality of life by providing an attractive environment and protecting it for future generations. Polokwane Municipality has the following key roles to play in the development and management of environment: remaining informed on, and participating in the development of all national environmental policies and legislations; communicating and negotiating with stakeholders; promoting environmental awareness; monitoring and reporting on the status of Polokwane natural resources, and putting local By-Laws in place to manage Polokwane resources for sustainable use.

The following sensitive areas within Polokwane municipality must remain protected from development (i.e. Developments are not allowed within 150m buffer zones): Polokwane Botanical Reserve (one of only two habitats worldwide for endemic endangered *Euphorbia clivicola*, a large *Aloe marlothii* 'forest', high geological and microclimate diversity, over 20 tree species) which is the highest and therefore the most visible point in Polokwane.

Flora park wetland (a seasonal wetland harboring the only known community of endemic *Haemanthus montanus* bulbs and a rare form of *Serapegia*); Polokwane Frog Reserve (breeding grounds for 12 Frog species including endangered Giant Bullfrog).

Buffer Zone along the Sand River of 100m on either side of the channel. The profusion of *Syringa* and other invasive weeds must be addressed as part of a planned rehabilitation strategy; The Suid Street drainage channel (a dense stand of *Acacia tortilis* and *Acacia rehmanniana*), which provides an ideal linear open space.

The priority of the municipality was to develop environmental management policies, strategies, continuing to provide environmental awareness campaigns, developing and maintaining parks and open spaces. Focus was

placed on the protection of Rhinos find in the Municipal Game Reserve. Through environmental management programmes, the municipality created 172 jobs through EPWP during the financial year.

Polokwane Municipality has appointed valuer to perform valuation count valuation of plantation Kroomdraai forest. Council owns portion 4 No 1025 Kroomdraai plantation farm which is located at Haenertsburg, with these GPS coordinates 23° 54'10.59" S 29° 56.09.51" E.

The farm is about 49 hectars of which 41 hectares in planted. The main use of the land is forestry with pine trees (*Pinus elliottii*).

The timber is ready to be harvested in the most of the compartments however given the impact of the COVID- 19 the harvest can be delayed until the Market is up and running again.

The total value of the plantation is the land, improvements and tree value. The forestry land has been valued at R 22 500 per Ha/total R922 500. The unproductive land used for roads at R6 500 per ha/ total R52 000 and tree value amount R310 537 per Ha or R12.732 million for a total market value of R14.681 million. Council has approved the valuation report.

Table 46: Employees: landscape (Parks) 2020/21

Employees: landscape (Parks) 2019/20					Employees: landscape (Parks) 2020/21				
Job Levels	Emp No	Post No	Employee s No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	1	1	1	0	0-3	1	1	1	0
4-6	4	4	4	0	4-6	4	4	4	0
7-9	2	2	2	0	7-9	9	9	9	0
10-12	6	7	6	1	10-12	10	10	10	0
13-15	0	0	0	0	13-15	6	0	6	0
17	70	186	70	116	17	95	186	95	91
N/A	N/A	N/A	N/A	N/A	N/A				
Total	83	200	83	117	Total	125	216	125	91

Table 47: Employees: Cemeteries 2020/21

Employees: Cemeteries 2019/20					Employees: Cemeteries 2020/21				
Job Levels	Emp No	Post No	Employee s No	Vacancies Full time equivalents	Job Levels	Employee No	Post No	Employee s No	Vacancies (Full time equivalents)
0-3	0	0	0	0	0-3	N/A	N/A	N/A	N/A
4-6	1	1	1	0	4-6	1	1	1	0
7-9	1	1	1	0	7-9	3	3	3	0
10-12	4	6	4	2	10-12	4	6	4	2
13-15	1	1	1	0	13-15	1	1	1	0
17	31	55	31	24	17	19	55	19	36
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	38	64	38	26	Total	24	60	24	36

Table 48: Employees: Biodiversity 2020/21

Employees: Biodiversity 2019/20					Employees: Biodiversity 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	0	2	0	2	0-3	0	2	0	2
4-6	3	9	3	6	4-6	2	9	2	7
7-9	6	8	6	2	7-9	1	8	1	7
10-12	7	11	7	4	10-12	2	11	2	9
13-15	4	6	4	2	13-15	2	6	2	4
17	34	86	34	52	17	20	86	20	66
N/A	N/A	N/A	N/A	N/A	N/A				
Total	54	122	54	68	Total	27	122	27	95

Table 49: Employee pollution control 2020/21

Employee pollution control 2019/20					Employee pollution control 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	0	0	0	0	0-3	N/A	N/A	N/A	N/A
4-6	1	1	1	0	4-6	N/A	N/A	N/A	N/A
7-9	0	0	0	0	7-9	N/A	N/A	N/A	N/A
10-12	0	0	0	0	10-12	N/A	N/A	N/A	N/A
13-15	0	0	0	0	13-15	N/A	N/A	N/A	N/A
16-18	0	1	0	0	16-18	N/A	N/A	N/A	N/A
19-20	N/A	N/A	N/A	N/A	19-20	N/A	N/A	N/A	N/A
Total	1	2	1	0	Total	N/A	N/A	N/A	N/A

Table 50: Capital Expenditure 2020/21: Environmental Management

ITEM	PROJECT NAME	PROJECT STATUS
01	Grass cutting equipment	100%
02	Development of Ablution facilities at various municipal parks	100%
03	Upgrade of Security at the Game Reserve	00%

1. Greenbelt: Eradication of alien plant control




3. Environmental awareness programmes:


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World Environmental Day

Polokwane Municipality held World Environmental Day on the 5th June 2021 at Florah Park Dam



Arbor Day Celebration 2020 and Tree Planting at Good Hope School



National call of planting 2 million trees

Polokwane Municipality preparations for planting trees are underway. There are already 700 trees planted at Sheshego Zone 8 Ext 133 (ward 11) at newly constructed Settlement and Park; Seshego Zone 5 Park; Schools (Dr Makunyane Primary School; Peter Nchabeleng Scondary School; Rev MP Malatjie; St Luke Day Centre /Crèche; Drop-off Centre. Trees planted as build up programme to the National Launch of 2 million tree.

Handing over and Tree planting at Zone 8 ward 11

Tree Planting at Peter Nchabeleng Secondary School



Greening Programme: Tree Planting at Munnik street

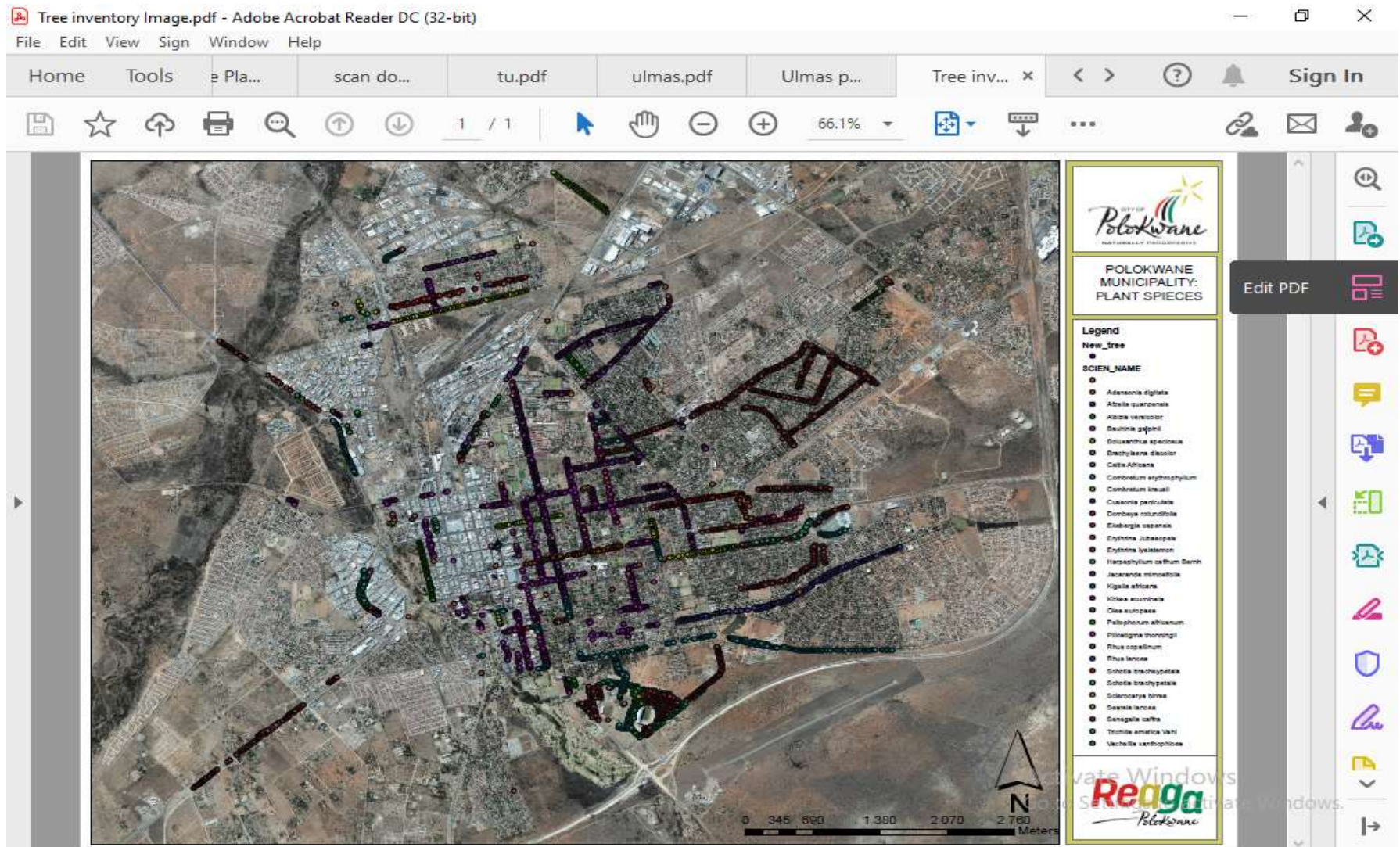


Tree Inventory

Environmental Management with assistance from GIS, created a tree inventory register aimed to capture all existing trees within Polokwane Municipality. Trees are biological assets and therefore need to be accounted for. Currently more than 6000 trees captured.

Scientific name	Common Name	Street Name	Tree type	Problems/concerns	Date captured	Total
Vachellia xanthophloea	Fever tree	Seshego Zone 5 Cemetery	Indigenous			85
Schinus terebinthifolius	Brazilian pepper tree	Van nispem str	Indigenous	Good		64
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		Bodenstein str				
Ekebergia capensis	Cape ash	Zebediela	Indigenous			173
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Scientific name	Common Name	Street Name	Tree type	Problems/concerns	Date captured	Total
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Ekebergia capensis	Cape ash	Goodhope Primary School	Indigenous		September 2020 (Arbor month)	
Kirkea acuminata	White Syringa	Plein str	Indigenous			67
Searsia lancea	Karree	Marshall str	Indigeneous	Overgrown/damage to electrical cables		128



3.3.3 Introduction to traffic police

The supreme law of this country/the constitution – ACT no. 108 of 1996 in its section 156 stipulates the powers and functions of municipalities and the right to administer activities listed within schedule B of this ACT including inter-alia Traffic Policing, parking and Licensing.

Traffic policing is one amongst the key roles that our beloved community is in dire need of without which life will be totally unbearable. The following are the top three service delivery priorities:

- Road safety education
- Licensing Services and
- Law enforcement

Table 51: Traffic police service Data

Traffic police service Data			
Details	2018/19	2019/20	2020/21
	Actual No.	Actual No.	Actual No.
Number of road traffic accidents during the year	1830	1693	2341
Number of By-laws infringements attended	2035	2019	3515
Number of Police officers in the field on an average day	102	98	97
Number of Police officers on duty on an average day	90	98	97

Table 52: Employees: Traffic 2020/21

Employees: Traffic 2019/20					Employees: Traffic 2020/21				
Job Levels	Emp No	Post No	Emp No	Vacancies (Full time equivalents)	Job Levels	Emp No	Post No	Emp No	Vacancies (Full time equivalents)
0-3	03	03	03	0	0-3	03	03	03	0
4-6	12	12	26	14	4-6	12	12	26	14
7-9	90	90	184	94	7-9	90	90	184	94
10-12	76	104	76	28	10-12	76	104	76	28
13-15	0	0	0	0	13-15	0	0	0	0
16-18	8	19	11	0	16-18	8	19	11	0
19-20	0	0	0	0	19-20	0	0	0	0
Total	189	228	300	136	Total	189	228	300	136

Table 44: Capital Expenditure 2020/21:Traffic and Licensing

Capital project as per table below to be re-budgeted in the 2021/22 due to financial constraints

Project	Allocated budget	Current budget
Purchase of alcohol testers	R197 329	R0
Procurement of 7x Pro-laser 4 speed measuring equipment	R637 526	R0

Comments on Traffic and Licence Overall

The unit is achieving minimum level of service required within the municipality. There is a need to add on the number of officers as we proceed further into the current year. The human resource factor on incentives needs to be re-looked for motivational purposes.

3.3.5 COMMUNITY SAFETY

3.3.5 BY-LAW ENFORCEMENT & SECURITY

Introduction to By-Law Enforcement & Security

Polokwane Municipality has an obligation to protect its properties; and to ensure a safer environment. The Municipality provides 24-hour Control Centre and security services through By-Law Enforcement & Security SBU; and to ensure that safety sector forums are attended. The SBU also conducts security surveys and security risk assessments in a way to mitigate unforeseen security risks.

Although the levels of crime are still high, the Municipality is ensuring that crime prevention operations with other law enforcement agencies are conducted and that safety forums are attended to. One of the contributing factors of crime in the area is high level of unemployment. Crime prevention should not be the responsibility of the SAPS alone, all other government components, business and NGO's should contribute towards crime prevention.

Table 56: Employees: By-Law Enforcement & Security 2019/20					Table 56: Employees: By-Law Enforcement & Security 2020/21				
Job Levels	Emp No	Post No	Emp No	Vacancies (Full time equivalent)	Job Levels	Emp No	Post No	Emp No	Vacancies (Full time equivalent s)
0-3	1	2	1	2	0-3	1	2	1	1
4-6	7	10	7	3	4-6	7	10	7	3
7-9	23	49	23	26	7-9	20	49	20	29
10-12	21	32	21	11	10-12	21	32	21	11
13-15	4	4	4	0	13-15	4	4	4	0
16-18	41	60	41	19	16-18	39	61	39	22
19-20	-	-	-	-	19-20	-	-	-	-
Total	10	14	10	20	Total	92	158	92	66

Table 53: By-Law Enforcement & Security Data

Fire services Data					
Details	2018/19		2019/20		2020/21
	Actual	Estimates	Actual	Estimate	Actual
# Security Committee meetings attended	Not yet established	Not yet established	4	4	4
Number of CPF /CSF led public education awareness campaigns conducted	12	12	12	12	12
# fire arm training sessions or security and traffic officers y.t.d. (post competency)	2	2 sessions attended by 78 officers	2	2 sessions attended by 124 officers	2
# security surveys conducted	Not yet introduced	Not yet introduced	Not yet introduced	Not yet introduced	24
# Security Risk Assessment conducted	Not yet introduced	Not yet introduced	60	60	80
% security points guarded 24 Hrs / # security points as %	100% guarding services 24/7 at 84 sites	100% guarding services 24/7 at 84 sites	100% guarding services 24/7 at 87 sites	100% guarding services 24/7 at 87 sites	100% guarding services 24/7 at 87 sites
% crime prevention awareness conducted	No actual target as operations are planned based on the current crime trend.	No actual target as operations are planned based on the current crime trend.	No actual target as operations are planned based on the current crime trend.	No actual target as operations are planned based on the current crime trend.	No actual target as operations are planned based on the current crime trend.

Fire services Data

Table 55: Capital expenditure 2020/21: By-Law Enforcement & Security

There was only one funded capital project in the 2020/21 financial year and was achieved. Supply, deliver and install X-Ray scanner and five (5) hand held scanners. R442, 987 was paid.

Table 53: Fire services Data

Fire services Data					
Details	2018/19		2019/20		2020/21
	Actual	Estimates	Actual	Estimate	Actual
Total fire attended in the year	629	N/A	675	629	554
Total of other incidents attended in a year	250	N/A	96 special services and 103 rescue	N/A	Rescue 102
Average turn out time-Rural areas	3.2	3Min After receiving a call	5 minutes to leave the station	±55min of arrival to the scene	4.3 Min
Average turn out time-Urban areas	3.2	3Min After receiving a call	2 minutes of receiving a call	±16.34 min of arrival to the scene	4.3 Min
Fire fighters in post at the year end	63	N/A	82	130	80
Total fire appliances at year end	22	N/A	243	243	41

There is a difference of the average response time to urban and rural areas as there is one main fire station and one satellite station in the municipality based in town and one satellite Station in Mankweng. The accessibility of rural villages around areas Moletji/Maja, Chuene, Sebayeng Dikgale takes time as they are located far from the available Fire/service stations. There is drastic reduction of number of fire fighters in the municipality when a three-year comparison is made. Vis a viz the SANS 10090 standard.

Community Safety Policy Objectives Taken From IDP								
Service Objectives	Outline Service Targets (ii)	2018/19		2019/20		2020/21		
Service Indicators (i)		Target	Actual	Target	Actual	Actual		Target
Service Objective xxx								
Turnout time compared to National guidelines	% turn out within guidelines (total number of turn outs)	100%	90%	100%	100%	90%		100%
Additional Indicators								
# Training sessions conducted according to programme		2 X scheduled Firefighter 1 and 2 courses	20 people already completed first Fire fighter 1 & 2 course. 28 people enrolled for second course still currently running.	3x training programme with total 87 learners of Fire Fighter 1 & 2 and Hazmat awareness and operations e	3x training programme with total of 87 learners of Fire Fighter 1 & 2 and Hazmat awareness and operations e	2x training programmes with total 60 learners of Fire Fighter 1 & 2 and Hazmat awareness and operations e		2x programme of Fire Fighter 1 & 2 and Hazmat awareness and operations e
# inspections of buildings conducted/number of buildings compliant to regulations		As per request from building control	974 inspections on new buildings and 164 occupation certification were supported.	As per request from building control	752 were done on buildings	245 inspection on new buildings and 86 occupation were supported, as per request from Building Control		100%
% fire safety inspections events conducted per quarter/# compliance inspections		100% Fire Safety inspections	95 event inspections conducted of 56 on medium to high risk events	100%	44	11 Fire Safety inspections conducted on medium and high risk events		100%
Number of CPF /CSF led public education awareness campaigns conducted		To conduct 12 CSF meetings coupled with crime prevention awareness	12 CSF meetings and 6 stake holder consultation meetings	12	9 (three meetings could not be held due to lockdown			
# fire arm training sessions or security and traffic officers y.t.d. (post competency)		100% Compliance with Firearm Act	78 officials trained on fire arm usage	2	2 fire arm training sessions: 124 people attended			

Community Safety Policy Objectives Taken From IDP								
Service Objectives	Outline Service Targets (ii)	2018/19		2019/20		2020/21		
Service Indicators (i)		Target	Actual	Target	Actual	Actual		Ta
% security points guarded 24 Hrs / # security points as %		100% guarding Municipal sites on a 24 hour basis	100% guarding of x 86 Municipality sites on a 24 hour basis	100% guarding of Municipal sites on a 24 hour basis	100% guarding of Municipal sites on a 24-hour basis. 91 sites guarded			

Community Safety Policy Objectives Taken From IDP						
Service Objectives <						

Community Safety Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets (ii)	2018/19		2019/20	
Service Indicators		Target	Actual	Target	Actual
(i)					
# Training sessions conducted according to programme		2 X scheduled Firefighter 1 and 2 courses	20 people already completed first Fire fighter 1& 2 course. 28 people enrolled for second course still currently running.	3x training programme with total 87 learners of Fire Fighter 1 &2 and Hazmat awareness and operations e	3x training programme with total 87 learners of Fire Fighter 1 and Hazmat awareness and operations
# inspections of buildings conducted/number of buildings compliant to regulations		As per request from building control	974 inspections on new buildings and 164 occupation certification were supported.	As per request from building control	752 were done on buildings
% fire safety inspections events conducted per quarter/# compliance inspections		100% Fire Safety inspections	95 event inspections conducted of 56 on medium to high risk events	100%	44
Number of CPF /CSF led public education awareness campaigns conducted		To conduct 12 CSF meetings coupled with crime prevention awareness	12 CSF meetings and 6 stake holder consultation meetings	12	9 (three meetings could not be held due to lockdown)
# fire arm training sessions or security and traffic officers y.t.d. (post competency)		100% Compliance with Firearm Act	78 officials trained on fire arm usage	2	2 fire arm training sessions 124 people attended
% security points guarded 24 Hrs / # security points as %		100% guarding Municipal sites on a 24 hour basis	100% guarding of x 86 Municipality sites on a 24 hour basis	100% guarding of Municipal sites on a 24 hour basis	100% guarding Municipal sites on a 24-hour basis. 9 sites guarded

Community Safety Policy Objectives Taken From IDP					
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2018/19		2019/20	
		Target	Actual	Target	Actual

Table 54: Employee fire Service 2019/20					Table 54: Employee fire Service 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)	Job Levels	Emp No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	2	2	2	2	0-3	02	02	02	02
4-6	07	11	07	07	4-6	20	20	05	15
7-9	06	10	06	06	7-9	54	54	12	42
10-12	62	137	62	137	10-12	128	128	58	67
13-15	05	10	05	10	13-15	0	0	0	0
16-18					16-18	0	0	0	0
19-20					19-20	12	12	05	07
Total	82	170	82	170	Total	216	216	82	133

Table 55: Capital expenditure 2020/21: Community Safety

55: Capital expenditure 2020/21: Community Safety

Name of the project	Amount
Large Fire hoses	R 419.127
Small fire hoses	R 135.748

Industrial rescue equipment	R150.000.00
TOTAL	705.800

Comment on the Performance of Community Safety Services Overall:

Fire Services was able to respond to ever increasing structural and shack fires through-out the municipal area. Number of community members lose their valuable belongings due to this increasing challenge fires. In view of this situation there is a need for massive education and awareness to ensure that communities become more aware of risks that lead to fire. Secondly fire services played a critical role in disinfecting public spaces and Traditional Councils Offices and Royal houses against COVID -19.

3.3.6 DISASTER MANAGEMENT

Introduction to Disaster Management

Disaster Management means a continuous and integrated multi sectoral, multi-disciplinary process of planning and implementation of measures aimed at reducing the risk of disasters, mitigating the severity or consequences, ensuring emergency preparedness, achieving rapid and effective response and planning for post disaster recovery and rehabilitation.

Communities in informal settlements are the most vulnerable to many of these risks. In order to be able to mitigate, be prepared and effectively respond to emergencies and disasters it is of the utmost importance that Polokwane Municipality implement the disaster management plan

The focus of the municipality is to implement immediate integrated, appropriate response and recovery measures when events or disasters occur and ensure stakeholders develop and implement integrated disaster risk management plans and risk reduction programmes through coordination of disaster management forum.

- **Institutional capacity (Technical planning forum)** - different role players consult one another and coordinate their actions on matters relating to disaster management in the municipality
- **Disaster risk reduction (risk assessment)** – to assess and prevent or reduce the risk of disasters that may occur.
- **Response and recovery** - Disaster Incidents victims support.

Disaster Management Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objective xxx							
	Integrated institutional capacity - #Technical planning forums	Four advisory forum held	Four advisory forum held	Four forums	Three forums were held	4 forums	Three (03) forums were held
	Preparedness and disaster risk reduction – #public education and awareness	82 awareness campaigns held	123 awareness campaigns held	100	38 awareness, 84 Covid-19 awareness	120	240 covid awareness were conducted
	Disaster Risk Reduction – Event risk reduction	100% Low and 48 medium risk events were attended	100% Low and 48 medium risk events were attended	100%	50 medium risk	100%	50 medium risk events

Table 56: Employees: Disaster Management 2019/20					Table 56: Employees: Disaster Management 2020/21				
Job Levels	Emp No	Post No	Emp No	Vacancies (Full time equivalent)	Job Levels	Emp No	Post No	Emp No	Vacancies (Full time equivalents)
0-3	2	2	1	2	0-3	2	2	1	1
4-6	3	12	3	16	4-6	14	18	03	09
7-9	4	0	4	0	7-9	5	0	5	0
10-12	1	1	1	1	10-12	0	0	0	0
13-15					13-15	0	0	0	0
16-18	1	1	1	1	16-18	01	01	01	01
19-20					19-20	0	0	0	0
Total	10	14	10	20	Total	21	21	10	11

Table 56: Capital expenditure 2020/21: Disaster Management

Comment on the Performance of Disaster Management

No capital projects identified for Disaster Management. Almost all programmes in line with the set operational budgets will be achieved. But however due to some supply chain management processes, there are sometimes delays on such processes.


3.3.7 SPORT AND RECREATION


Introduction to Sports and Recreation



Taking Municipal Services to our Communities


Polokwane municipality has over the past two years embarked on the process of taking municipal services to communities in the


Sport and Recreation



Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDATIONS	PHOTOS
Inter Cluster Golden Games	June 2020 & 2021	<p>Inter cluster Golden Games were held successfully on the 04th June 2019 at Rugby B & C grounds (Peter Mokaba Stadium.)</p> <p>Inter-cluster Golden Games were not held in June 2021</p> <p>116 athletes were selected to participate at the Capricorn District Games</p>	<p>Late arrivals of participants due to busses not in good conditions causing delays and late start and finishing of the games</p> <p>COVID-19 Regulations/Lockdown</p>	<p>Supply chain to ensure service providers allocated has enough and quality busses</p> <p>Will be arranged and hosted as soon as COVID-19 Regulations are eased to allow Amateur Sport Participation.</p>	



Employee Sport: IMSSA Provincial Games	July 2019	Polokwane Team participated representing the municipality in Angling, Golf, Darts, Football, Netball, Pool, Table Tennis, Tennis and Volleyball and became overall winners.	Accommodated 60km away due to late approval of logistics and also driving back home very late as accommodation was only for one night due to limited budget.	Allocate more budget for Employee Logistics for safety of employees in terms of accommodation nearer to the playing venue and to avoid late travelling.	
	July 2020 & 2021	Polokwane Team did not participate.	Games not arranged due to COVID-19 Regulations/Lockdown	Arrangements to participate will be done when COVID-19 Regulations are eased to allow Amateur Sport Participation.	



Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDATIONS	PHOTOS
District Indigenous Games	<p>July 2019</p> <p>July 2020 & 2021</p>	<p>Coordination of Polokwane team was made and Games were held at Maruwe Sport Ground in Moletjie and 94 participants from took part in the games.</p> <p>Polokwane team did not participate</p>	<p>Logistics information is sent late from the District; transport is also a challenge as one bus/taxi has to collect participants from different clusters causing delay.</p> <p>Games not arranged due to COVID-19 Regulations/Lockdown</p>	<p>Allocate budget for participants from our municipality's transport to District Games</p> <p>Arrangements to participate will be done when COVID-19 Regulations are eased to allow Amateur Sport Participation</p>	 


Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDATIONS	PHOTOS
Provincial Indigenous Games	August 2019	Games were held on 12-13 September 2019 the at Rugby B & C and 58 players from Polokwane were selected to participate at National.	Logistics information is sent late from the District; transport is also a challenge as one bus/taxi has to collect participants from different clusters causing delay.	Allocate budget for participants from our municipality's transport to District and Provincial Games.	
	August 2020	Games not held.	Games not arranged due to COVID-19 Regulations/Lockdown	Arrangements to participate will be done when COVID-19 Regulations are eased to allow Amateur Sport Participation	



Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDATIONS	PHOTOS
District Golden Games	August 2019	116 selected athletes participated at the District Golden Games at Polokwane Stadium and athletes were selected.	Logistics information is sent late from the District; transport is also a challenge as one bus/taxi has to collect participants from different clusters causing delay.	Allocate budget for participants from our municipality's transport to District Games	
	August 2020	Games not held in 2020	COVID-19 Regulations/Lockdown	Arrangements to participate will be done when COVID-19 Regulations are eased to allow Amateur Sport Participation	



Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDA-TIONS	PHOTOS
National IG	September 2019	28 participants from Intonga and Khokho participated in the games and Khokho came Position 2.	Logistics information from District sent late causing last minute preparations.		 
	September 2020	Games not held in 2020 and still waiting for way forward with regard to participation in 2021 from National Department of Sport, Arts ,Culture and Recreation.	COVID-19 Regulations/Lockdown	Arrangements to participate will be done when COVID-19 Regulations are eased to allow Amateur Sport Participation	

Key Performance indicator	TARGET DATE/MONTH	PROGRESS	CHALLENGES	RECOMMENDATIONS	PHOTOS
(KPI as per SDBIP for the month of the quarter)	(elaborate on the date passed or not passed)	(elaborate on the outcomes/results of the activities performed)			
Provincial Golden games	September 2019 September 2020	Coordination was done and all selected 87 players from Polokwane participated at the Provincial Games. Games not held in 2020	Logistics information is sent late from the District; transport is also a challenge as one bus/taxi has to collect participants from different clusters causing delay. COVID-19 Regulations/Lockdown	Arrangements to participate will be done when COVID-19 Regulations are eased to allow Amateur Sport Participation	
Employee Sport Hosting Kromberg & Schubert (Friendly Game)	September 2019	Team Polokwane successfully hosted Kromberg & Schubert on 7 September 2019 at the rugby B& c, Peter Mokaba Stadium Precinct and represented Municipality in Football, Netball 7 Pool and won all the games	Started late due to visitors arriving late leading to late finishing of the games.		


Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDA-TIONS	PHOTOS
SAIMSA Games	September 2020	No activities arranged.	COVID-19 Regulations/Lockdown.	Activities will be arranged as soon as COVID-19 Regulations are eased and Amateur Sport participation is allowed.	 
	September 2019	Team Polokwane did not participate	No approval due to fear of Xenophobic attacks that affected SADC countries		
	September 2020	No activities arranged.	COVID-19 Regulations/Lockdown.	Activities will be arranged as soon as COVID-19 Regulations are eased and Amateur Sport participation is allowed.	
Inter-Departmental League –Capricorn	September 2019	Football and Netball Teams participated on 29 September in Polokwane and football and Netball became overall winners.	N/A		
	September 2020	No activities arranged.		Activities will be arranged as soon as COVID-19	


Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDATIONS	PHOTOS
			COVID-19 Regulations/Lockdown.	Regulations are eased and Amateur Sport participation is allowed.	
National Golden Games	October 2019 October 2020	29 participants from Polokwane took part in the games from 27/10-02/11/2020 in Port Elizabeth. Games not held	No representation from Sport and Recreation Office due to limited budget COVID-19 Regulations/Lockdown.	Include budget for recreation officers to accompany participants from Polokwane Municipality at Provincial, National and Inter-National Games for support and record. Activities will be arranged as soon as COVID-19 Regulations are eased and Amateur Sport participation is allowed.	N/A
Mayoral Charity Golf Day	November 2019 December 2020	104??? Golfers participated on 29/11/2019 Hosted at Polokwane Golf Course under strict COVID-19 Regulations – +-100 Golfers participated.	Influx of Golfers who did not register and difficulties in getting them slots More Golfers wanted to participate at the last minutes. Some companies complained that they did not get invitation	Stick to registered Golfers Stick to prior registered Golfers Ensure invitations are sent to all previous participants.	



Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDATIONS	PHOTOS
Employee Sport Hosting Louw Smith Golf Tournament	December 2020	Held successfully at Polokwane Golf Course on 09/12/20 and 17 Polokwane Golfers became winners	N/A		 

Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDATIONS	PHOTOS
Holiday Programme: Excursion and Aqua Training	December 2019	Held successfully for all clusters as per program as follows: Mankweng -93 Sebayeng/Dikgale -76 Molepo/Maja/Chuene - 60 Aganang - 99 City - 36 Moletjie - 129 Seshego - 96	Ward committee members bringing More numbers than expected causing overloaded busses and shortage of refreshments	Ward Councilors must give relevant information to the communities to avoid above-mentioned challenges	 
	December 2020	Program not executed	COVID-19 Regulations/Lockdown.	Activities will be arranged as soon as COVID-19 Regulations are eased	

Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDA-TIONS	PHOTOS
				and Amateur Sport participation is allowed.	

Cluster Mayoral Road Race	February-March 2020	Cluster Mayoral Road Race held successfully in 5 Clusters as follows: Aganang on 08/02/20 – 321 Moletjie on 22/02/20 – 581 Mankweng on 29/02/20 – 406 Sebayeng/Dikgale on 07/03/20 – 298 Seshego on 14/03/20 – 586 Molepo/Maja/Chuene did not take place due to COVID-19 country's State of Disaster.	More participants taking part and limited budget leading to conflict with participants when apparels are finished	Increase budget for the races.	
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Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDATIONS	PHOTOS
	February-March 2021	Inter-Cluster Road Races not held	COVID-19 Regulations/Lockdown.	Activities will be arranged as soon as COVID-19 Regulations are eased and Amateur Sport participation is allowed.	
Mayoral Road Race	April 2020 April 2021	Did not take place due to COVID-19 Lockdown Not held	COVID-19 Regulations/Lockdown.	Activities will be arranged as soon as COVID-19 Regulations are eased and Amateur Sport participation is allowed.	
Mayoral Football and Netball Cup	March-May 2020 April 2021	Not held Hosting of Football Coaching Clinics to 90 kids at Moletjie Ga Sechaba in collaboration with Active 08	COVID-19 Regulations/Lockdown. Difficulties in ensuring Social Distancing	Activities will be arranged as soon as COVID-19 Regulations are eased and Amateur Sport participation is allowed. Enforce compliance and work with small numbers.	

Key Performance indicator (KPI as per SDBIP for the month of the quarter)	TARGET DATE/ MONTH (elaborate on the date passed or not passed)	PROGRESS (elaborate on the outcomes/results of the activities performed)	CHALLENGES	RECOMMENDATIONS	PHOTOS
	May 2021	POLNETA Tournament held with 32 Clubs for u/13,u/15 & Seniors from rural clusters	Could not distribute all apparels at once due to unavailability of different club colours.	Ensure ordering of apparels on time.	 
Grading of Sport Ground	2019/2020 2021	<p>Graded done as per request per need by ward councillors, Festive, Schools Athletics and per schedule per cluster as follows: Festive- 4x per councillor School Athletics-06 Schedule per cluster -310</p> <p>Ongoing as per request and only when Grader is available from Roads</p>	<p>Takes long to finish grading per schedule/cluster due to moving from the cluster/ward to another one as per request,</p> <p>Grader not functional from time to time and is the only one</p>	<p>Allocate budget for another grader and advice ward councillors to follow grading schedule.</p> <p>Arrange for fixing and/ arrange for procurement of new ones</p>	

MORE INPUTS

- Due to limited numbers of allowed participants, we may consider hosting events per cluster.
- Where possible we can host virtual events.
- Focus can also be shifted to training of more administrators per code.

Sport and Recreation Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objective xxx							
Number of sports events held		16	18	18	12	3	18
Number of sports facilities maintained		39	39	39	25	39	18
number of fully equipped recreational facilities		39	39	39	39	39	39
Number of recreation facilities maintained(Halls)		5	5	5	3	5	5
Number of recreation facilities maintained(pools)		4	3	4	3	3	3
Number of facilities maintained(showgrounds)		1	1	1	1	1	1
Number of sport administrators trained		0	0	0	0	2	0
Number of sport federations hosting sport at national level		5	6	6	2	8	0

Table 57: Employees: Sports and Recreation 2020/21

Employees: Sports and Recreation 2019/20					Employees: Sports and Recreation 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies(Full time equivalents	Job Levels	Employee No	Post No	Employees No	Vacancies(Full time equivalents
0-3	1	2	1	1	0-3	0	0	0	0
4-6	2	2	2	0	4-6	2	2	2	2
7-9	8	12	8	4	7-9	8	12	8	4
10-12	8	12	7	5	10-12	8	12	7	5
13-15	0	0	0	0	13-15	0	0	0	0
16-18	56	75	56	14	16-18	52	75	56	17
19-20	N/A	N/A	N/A	N/A	19-20	N/A	N/A	N/A	N/A
Total				24	Total				28

Table 58: Capital Expenditure Sports and Recreation



Ga-Molepo Sports Complex



Ga-Manamela Sports Complex

Comments of Sports and Recreation Performance overall

There has been a considerable attraction of events into most of the facilities in the municipality, including the Peter Mokaba Sport Complex which hosted Premier Soccer League (PSL) matches and competitions, rugby tournaments match involving the Blue Bulls and the Cheetahs. The Old Peter Mokaba stadium hosted several first division

matches, athletics events, big conferences by churches. A motor rally was held using the complex as well as other parts of the city. Overall, the usage of the facilities including the Jack Botes Hall saw a major increase.

3.1.6 ENVIRONMENTAL HEALTH

INTRODUCTION TO ENVIRONMENTAL HEALTH

Environmental health function or purpose is to ensure a clean, healthy and safe environment free from health hazards that can compromise the health, safety and well-being of the communities, with greater emphasis on prevention of diseases, monitoring of quality of water, ensuring wholesome foods, pollution and hazard free environments, vector free environments and creation of environments that are conducive for vulnerable groups such as children and the elderly through:

- Health surveillance of premises
- Surveillance and prevention of communicable diseases (excluding immunisations)
- Environmental pollution, including the following:
 - *Water quality monitoring*
 - *Air quality management*
 - *Noise management*
- Vector control
- Community participation and involvement
- Disposal of the dead
- Chemical safety
- Client and information service centre

Polokwane Municipality provides environmental health services only for the “City area”. The Services in the other areas are done by the Capricorn District Municipality (CDM). There is no service level agreement entered into between the Polokwane Municipality and Capricorn District Municipality as it is a district function. The devolution process is not completed. The relocation of Environmental Health Services to the District Municipality will have a negative impact on Polokwane because of the different work activities and co-operation with other SBUs.

Services rendered are inter alia control and monitor of food premises, food control, food sampling, inspection of schools and pre-schools, inspection of accommodation establishments and air pollution control. The National Health Act 61/2003 sec 34 determine that “until a service level agreement contemplated in sec 32(3) is concluded, municipalities must continue to provide, within the resources available to them, the health services that they were providing in the year before this act took effect “.

SERVICE STATISTICS FOR ENVIRONMENTAL HEALTH

Employees: Environmental Health								
Job level	2018/19	2019/20				2020/21		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalent s) No.	Vacancies (as a % of total posts) %	Employees No.	Vacancies (fulltime equivalent s) No.	Vacancies (as a % of total posts) %

0-3	1	1	1	1	90%	1	1	90%
4-6	1	1	1	1	90%	1	1	90%
7-9	3	3	3	3	70%	3	3	70%
10-12	0	0	0	0	0	0	0	0
13-15	0	0	0	0	0	0	0	0
16-18	0	0	0	0	0	0	0	0
19-20	0	0	0	0	0	0	0	0
Total	5	5	5	5	83%	5	5	83%

Financial performance 2020/21: environmental health R' 000								
Details	2018/19	2019/20				2020/21		
	Actual	Original budget	Adjustment budget	Actual	Variance to budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	-	3	3	1	(3)	7 004 858	4 952 169	2 052 689
Expenditure:						7 024 858	4 952 169	2 072 689
Employees	3 163	5 368	-	4 342	(1 027)	5 932 475	4 912 694	1 109 781
Repairs & Maintenance	-	7	-	-	(7)	4 966	0	4 966
Other	2 789	1 265	1 165	53	(1 112)	0	0	0
Total operational expenditure	5 952	6 641	1 165	4 394	3 229	3 135	0	3 315
Net operational (service) expenditure	5 952	6 641	1 165	4 394	3 229	3 135	0	3 135

Capital expenditure 2020/21: Environmental Health R' 000										
Capital Projects	2019/20					2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	0	0	0	0	0	0	0	0	0	0
Project A	0	0	0	0	0	0	0	0	0	0
Project B	0	0	0	0	0	0	0	0	0	0

THE PERFORMANCE OF ENVIRONMENTAL HEALTH

KPI No	KPA	Pillar	Municipal IDP Priority	IDP Strategic Objective	Municipal Programme	Operating Strategy	Key Performance Indicator (KPI)	Unit of Measure (UoM)	Performance Baseline 2019/20	Annual Target 2020/21	Annual Target 2021/22	Annual Target 2022/23	Annual Target 2023/24	Annual Target 2024/25
BSD_T L17	Service Delivery	Smart Environment	Development of municipal capacity to manage disaster risk and protection of environment	To ensure the provision of basic and environmental services in a sustainable way to our communities	Community Health	Obtain authorization from Capricorn District Municipality to render the service on their behalf	Number of Health (Food premises and outlets) Inspections conducted by 30 June each year	#	1540	1540	1540	1540	1540	1550

3.1.7 ROADS

INTRODUCTION TO ROADS AND STORM WATER

Polokwane Municipality is characterised by radial road network of approximately **7 495 km** covering its area of jurisdiction whereby **1 445km** is surfaced roads with approximately **6 050.5km (80.7%)** backlog of gravel roads. This is as per the recent inventory. This is due to the establishment of new developments both formal and informal settlements. It is situated at the point where National and Provincial roads converge from where they radiate out in all directions providing good regional accessibility.

The municipality is faced with huge challenges in providing and maintaining the local roads at an acceptable standard which always ensures accessibility. Coupled with the latter, there are challenges with storm water management and control to an extent that it poses as threat to mobility, infrastructure and communities. The long term strategy of the municipality is to surface roads within the municipal area in a phased approach. Based on high road backlog different strategies is implemented including preventative maintenance of the road infrastructure.

The Municipality has since moved from implementing an average of **19km** road upgrading per annum to an average of **27km** per annum. In the **2020/21** Financial year the Municipality has budgeted approximately **R398.3M** for construction of access roads in townships and rural areas which will have an impact in reducing backlog of gravel roads in those areas. Although the Municipality relies on MIG/IUDG Grant funds to address backlog of gravel roads in rural areas, Council has managed to secure approximately **R7.1M** to address back log of gravel roads in Seshego and Mankweng area. The Municipality will also be upgrading some of the RAL roads under the concession program as agreed with RAL. These roads are deemed necessary as they connect villages.

In terms of the current analysis, City/Seshego and Mankweng Cluster have roads that deteriorated due to limited routine and preventative maintenance hence most of the roads have exceeded their design life. The other challenge affecting the roads is the unavailability or the insufficiency of Storm water system. The Municipality in the 2020/21 financial year has advertised concession program for rehabilitation of roads in Polokwane as part of road asset renewal program to rehabilitate streets in the urban area especially the city cluster and surrounding suburbs, the program will be implemented in multi-year. The Municipality is implementing concession program to upgrade roads in 34 wards and of the 34 concession projects 10 projects are completed and 24 are at implementation stage. The Municipality in the 2020/21 financial year has budgeted **48M** to implement the outstanding 24 concession projects through IUDG to augment CRR roads funded projects, the programme will be implemented in multiyear. Approximately **2.2M** was budgeted to rehabilitate streets in Seshego through Vukuphile learner Contractors and City cluster.

Roads and storm water SBU is made up of 2 divisions but only Roads is mostly considered over Storm water, Storm water should have its own budget. The other challenge affecting the roads is the unavailability or the insufficiency of Storm water system. The Municipality has for long time neglected the issue of storm water in that there is never a dedicated budget for storm water to address areas that are too problematic. Areas like Seshego, Flora park, Sterkpark, CBD, Welgelegen and Mankweng get flooded each time that it rains. When ever a budget for stormwater is made available, you find that it is insufficient to can kickstart a project.

Currently a Consultant has been appointed to investigate storm water challenges in Flora Park/SterPark and Fauna park. Some areas are completely without storm water system and other areas have insufficient capacity. Due to budget constraints the project was put on hold and to be advertised for appointment of contractor once sufficient budget is made available to the project. Construction of low level bridges in rural area has started as requested by community during IDP consultation meetings whereby an average of **10 low level** bridges will be constructed per financial year

The Municipality is also implementing Non-Motorized transport infrastructure projects that are funded by KFW Bank and Neighbourhood Development Partnership Grant where approximately **R3M and R35M** has been allocated for the implementation of these projects respectively

Traffic safety can be linked with the existing condition of roads in the municipal area. With increased road users, congestion has also increased in recent years and has now become problematic in the City/Seshego (especially the Munnik road to Mall of the North) and Mankweng clusters. In addition, road safety has become a concern with increasing accidents occurring on municipal roads. The Municipality has from the previous financial year approved three **(3) speed humps** per ward in areas that are critical. Traffic calming measures are still a problem on Provincial roads.

5.5.1 Classification of Roads

The municipality has developed the Road Master Plan that has been approved by Council in 2014. This Master plan will be updated to include the incorporated area of Aganang. It was in anyway due for review and such will take place in the 2022/23 financial year.

The Roads Provincial Gazette was published and Roads authorities are familiar with their new Road Network. It is still not clear if National Treasury will fund Polokwane Municipality for the additional roads that have been transferred from the Department of Public Works to the Municipality.

The municipality is faced with huge challenges in providing and maintaining the local roads at an acceptable standard which ensures accessibility at all times. Coupled with the latter, there is a challenge with storm water management and control to an extent that it poses a threat to mobility; infrastructure and communities. The Municipality will develop storm water master plan in the 2022/23 financial year for municipal wide which will assist in planning and addressing storm water challenges that are faced by the Municipality.

The long term strategy of the municipality is to surface roads within the municipal area. Based on huge road backlog different strategies are implemented including preventative maintenance of the road infrastructure. In terms of the current analysis, City / Seshego and Mankweng Cluster have roads that deteriorated due to limited routine and preventative maintenance.

Table 31: Gravel Road infrastructure

Gravel road infrastructure				Kilometers
Financial Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained

2012/13	3626	0	9.4	2157.07km
2013/14	3611	0	14.52	5176km bladed and 12.9 km Regravelled
2014/15	3598.18	0	12.9	3746.2km bladed and 48.59km regravelled
2015/16	3591	0	8.812	2840km bladed and 111.3km re- gravelled
2016/17	6142	0	1.5	24000km bladed and 239.96 Regravelled
2017/18	6131.5	0	14	2514.62km bladed and 140.17 Regravelled
2018/19	6 104.28km	0	27.22	2046.3km bladed and 129.4km re- gravelled
2019/20	6076.3km	0	27.98	1904.3km bladed and 97.6km re- gravelled
2020/21	6050.5	0	25.8	1940.6km of road bladed and 81.8km re-gravelled

Table 32: Asphalted Roads Infrastructure

Asphalted Road Infrastructure					
	Total Asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained km
2012/13	653.95	9.4	69.4 Rehabilitated		276
2013/14	668.47	14.52	4.7		345
2014/15	681.37	12.9	0	0.5 (Project still under implementation)	500 m2
2015/16	694.27	8.812	0	0	40 182.27 m2

2016/17	703.08	1.5	1.3		124700m2
2017/18	1364	10.5	8.23		65 582.51 m2
2018/19	1391,22	27.22	0	0	73 503.43 m2
2019/20	1419.2	27.98	2.5	0	41206.74 m2
2020/21	1445	25.8	0	0	38931.00m2

Table 33: Cost of construction/maintenance

Cost of construction/maintenance						
						R`000
	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Re-worked	Maintained
2012/13		R61 827 028	R6 000 000	R61 827 028	R36 054 300	R8 000 000
2013/14		R57 500 000	R4 000 000	R57 500 000	0	R5 000 000
2014/15		R87 000 000		R87 000 000	R5 000 000	R 14 285 280.03
2015/16		R78 243 000	0	R78 243 000	0	R 16 247 408.00
2016/17		R91 000 000		R91 000 000	R67 000 000	R 24 500 000.00
2017/18		R95 329 180	R29 456 707.18	R95 329 180	R49 000 000	R 31 122 785.39
2018/19		177 255 000	R 39 132 000	R177 255 000	R 0	R 17 555 000.00
2019/20		486 663 000	R 18 039 547.22	R486 663.000	7 705 000	R 21 575348.85
2020/21		398 216 214	R 18 390 416.66	398 216 214		R 24 800 000.00

Road Service Policy Objectives Taken From IDP																			
Service Objectives	Outline Service Targets	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21	
		Targ et	Actu al	Targ et	Actu al	Targ et	Actu al	Targ et	Actu al	Targ et	Actu al	Targ et	Actual	Targ et	Actu al	Target	Actu al	Tar get	Actu al
Service Indicators																			
(i)	(ii)																		
Service Objective xxx																			
Elimination of gravel roads	Kilometres of gravel roads asphalted (Kilometres of gravel road remaining)	19.1 km				16.2	12.9	8.012	8.812	16.8	1.5	13	14 (6 131.5)	40	27.224	29.81	27.98	26.5	25.8
Development of municipal roads as required (Regravelling)	kms of municipal roads developed	135 km			12.9	16	48.59	61.7	111.3	63	239.96	81.57	140.17	78	129.4	73.2	97.6	75.3	81.8

Resealing		--	-	-	-	-	-	0	0				0	0	0	0	0	0	0
Rehabilitation		65 km	-	-	-	0.5	0	0	0	14	1.3	20.6	8.23	20	0	3.5	2.5	0	0
Widening		—	-	-	-	-	-	0	0				0	0	0	0	0	0	0
Blading		—		2000	5176	4000	3746.2	3700	2840	3000	24000	2400	2514.62	2090	2046.3	2400.00	1904.3		
Upgraded to surface		—		27	14.52	16.2	12.9	8.012	8.812	16.8	1.5	13	10.5	40	27.224	29.81	27.98	26.5	25.8
Km storm water measures maintained		—		40	47.5	35.00	35.75	40	43	1.8	2.1	2.4	3.2	0	0	1.400	1,620	3500	3620

Table 34: Employee roads 2020/21

Employee roads 2019/20					Employee roads 2020/21				
Job Levels	Employee No	Post No	Employee s No	Vacancies(Full time equivalents	Job Levels	Employee No	Post No	Employee s No	Vacancies(Full time equivalents
0-3	3	3	3	3.443	0-3	3	3	3	3.443
4-6	6	7	6	6.886	4-6	6	7	6	6.886
7-9	10	0	10	11.48	7-9	10	0	10	11.48
10-12	25	18	18	20.661	10-12	25	18	18	20.661
13-15	0	1	1	1.147	13-15	0	1	1	1.147
16-18	0	0	0	0	16-18	0	0	0	0
19-20	47	80	66	75.75	19-20	47	80	66	75.75
Total	91	108	104	119.4	Total	91	108	104	119.4

Table 35: Employees: Storm Water Services 2020/21

Employees: Storm Water Services 2019/20					Employees: Storm Water Services 2020/21				
Job Level	Employee No	Post No,	Employee s No	Vacancies(Full time equivalents	Job Level	Employee No	Post No	Employee s No	Vacancies(Full time equivalents
0-3	0	1	0	0	0	0	1	0	0
4-6	0	2	2	0	2	0	2	2	0
7-9	0	11	3	2.3	9	0	10	3	2.3
10-12	0	16	16	3.443	14	0	15	16	3.223
13-15	0	0	0	0	0	0	0	0	0
16-18	0	0	0	0	0	0	0	0	0
19-20	6	36	7	8.03	18	6	36	7	8.03
TOTAL	8	66	12	13.77	55	8	65	12	13.553

Table 36: Capital Expenditure 2020/21: Roads Services

MULTI YEAR CAPITAL EXPENDITURE BUDGET	FUNDING SOURCE	Budget Year 2020/21	3rd Adjustment Budget 2020/21	TOTAL YEAR TO DATE	PERCENTAGE
Description				YTD	
Roads & Stormwater - Transport Services					
Upgrading of internal Streets in Mankweng unit E (Vukuphile)	CRR	1 500 000	700 000	397 101	57%
Upgrading of storm water system in municipal area (Vukuphile)	CRR	1 500 000	1 400 000	1 027 903	73%
Rehabilitation of Streets in Nirvana	IUDG	700 000	1 200 000	1 200 000	100%
Rehabilitation of streets in Seshego Cluster (Vukuphile)	CRR	1 500 000	3 500 000	1 837 241	52%
Upgrading of De wet Dr from Munnik Ave to R81	CRR	5 593 678	1 593 678	-	0%
Upgrading of internal streets in Westernburg RDP Section	IUDG	700 000	1 500 000	1 499 844	100%
Traffic Lights and Signs	CRR	800 000	760 000	753 908	99%
Installation of road signage	CRR	100 000	100 000	100 000	100%
Flora Park Storm Water in Sterpark And Fauna Park	CRR	1 661 856	-	-	0%
Construction of NMT at Magazyn Street and Vermekuwet	CRR	1 500 000	800 000	133 688	17%
Upgrading of Arterial road in SDA1 (Luthuli)	IUDG	1 500 000	1 508 000	1 507 061	100%
Upgrading Makanye Road (Ga-Thoka)	IUDG	8 000 000	10 140 000	10 139 991	100%
Tarring Ntsime to Sefateng	IUDG	7 500 000	18 653 391	18 542 550	99%
Upgrading of Internal Street in Seshego zone 8	IUDG	7 500 000	11 300 201	11 300 201	100%
Ntshitshane Road	IUDG	5 000 000	15 666 000	12 253 328	78%

Upgrading of internal streets in Toronto	IUDG	8 000 000	-	-	0%
Upgrading of internal streets linked with Excelsior Street in Mankweng unit A	IUDG	8 000 000	6 003 000	5 699 885	95%
Upgrading of Arterial road in Ga Rampheri (Tarring of 2.1 km from gravel to tar as per RAL MOU)	IUDG	8 000 000	10 150 000	10 011 838	99%
Upgrading of access Roads to Maja Moshate(Molepo,Chuene Maja cluster)	IUDG	9 000 000	9 450 000	7 609 966	81%
Upgrading of internal streets in Seshego Zone 1	IUDG	7 000 000	2 927 783	1 333 423	46%
Upgrading of internal streets in Seshego Zone 2	IUDG	4 000 000	5 260 227	4 823 423	92%
Upgrading of internal streets in Seshego Zone 3	IUDG	7 000 000	2 288 000	2 287 742	100%
Upgrading of internal streets in Seshego Zone 4	IUDG	7 000 000	3 402 000	3 401 716	100%
Upgrading of internal streets in Seshego Zone 5	IUDG	1 000 000	2 494 000	1 741 258	70%
Upgrading of internal streets in Seshego Zone 6	IUDG	5 000 000	1 111 641	1 103 696	99%
Mohlonong to Kalksprit upgrading of roads from gravel to tar	IUDG	10 000 000	1 430 780	422 805	30%
Lonsdale to Percy clinic via flora upgrading of road from gravel to tar (including Monyoaneng)	IUDG	7 000 000	6 654 100	6 650 436	100%
Construction of Storm Water in Ga Semanya	IUDG	3 000 000	3 766 000	3 658 727	97%
Completion of Hospital Road in Mankweng	IUDG	10 000 000	1 255 752	493 460	39%
Polokwane Drive- upgrade from single to dual carriage way	NDPG	1 940 000	10 283 957	7 457 255	73%
Upgrading of F8 Street in Seshego	NDPG	7 000 000	4 700 000	4 700 889	100%
Ditlou Street upgrade to dual lane	NDPG	11 060 000	4 800 000	5 262 387	110%
Nelson Mandela Bo-okelo Crossing	NDPG	6 056 813	1 356 813	1 002 395	74%
Hospital View Road 1	NDPG	4 426 336	4 342 379	3 441 141	79%

Hospital View Road 2	NDPG	4 516 851	3 016 851	157 311	5%
Upgrading of Hospital Link	NDPG	-	3 000 000	436 274	15%
Upgrading of D1809 from Ga Maboi to Laastehoop	LOAN	4 825 037		(0)	0%
Upgrading opf arterial road from Phuti to Tjatjaneng	LOAN	1 861 785		-	0%
Upgrading of streets in Benharris from Zebediela to D19	LOAN	3 127 656		-	0%
Upgrading of arterial road D3472 Ga Setati to Mashobohlang D3332	LOAN	1 549 882		-	0%
Upgrading of internal street in westernburg	LOAN	1 718 187		-	0%
Upgrading of arterial road from Madiga to Moduane	LOAN	2 708 612		-	0%
Upgrading of arterial road D3997 from GaMokgopo to Ga Makalanyane	LOAN	808 734		-	0%
Upgrading of road from Ga Mamphaka to Spitzkop	LOAN	4 448 051		(0)	0%
Upgrading of arterial road D3413 Ramakgaphola to Gilead road D3390	LOAN	5 638 613		-	0%
Upgrading of arterial road in Magongwa village from road D3378 to road D19	LOAN	1 005 453		-	0%
Upgrading of Arterial road from R37 via Thokgwaneng RDP to Silo school	IUDG	-	2 000 000	147 293	7%
Upgrading of Arterial road D 4011 in Ga Thaba from D4018 Soetfontein Clinic to Ga Thaba connect D 4018	IUDG	-	2 000 000	1 999 902	100%
Upgrading of Arterial road D4014 in Makgoro (Sekgweng) to Makatjane	IUDG	-	2 000 000	147 293	7%
Upgrading of arterial road from Gravel to tar – Mountain view via Magokobung to Subiaco	IUDG	-	2 000 000	147 293	7%
Upgrading of roads from gravel to tar Nobody traffic circle to Mothiba Mafiane	IUDG	-	2 000 000	147 293	7%
Upgrading of road from Sengatane (D3330) to Chebeng	IUDG	-	2 000 000	1 999 991	100%
Upgrading of Bloodriver main road via Mulautsi high school to agriculture houses	IUDG	-	2 000 000	1 999 893	100%
Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng	IUDG	-	2 000 000	147 293	7%

Upgrading of road from Leokama to Moshung	IUDG	-	2 000 000	147 293	7%
Upgrading of road D3989 Ga-mamabolo to itireleng	IUDG	-	2 000 000	147 293	7%
Upgrading of internal street from gravel to tar in Mankweng Unit A outline between Mamadimo Park link to Nchichane	IUDG	-	2 000 000	147 293	7%
Upgrading of internal street along Dikolobe primary school	IUDG	-	303 000	147 293	49%
Upgrading of road in ga Thoka from reservior to Makanye 4034	IUDG	-	560 000	147 293	26%
Upgrading of Bus road from R71 to Dinokeng between Mshongoville Gashiloane to Matshela pata	IUDG	-	150 000	147 293	98%
Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa clinic	IUDG	-	500 000	147 293	29%
Upgrading of road internal street in Tlhatlaganya	IUDG	-	150 000	147 293	98%
Upgrading of internal street from Solomondale to D3997	IUDG	-	150 000	147 293	98%
Upgrading of road from Ralema primary school via Krukutje , Ga Mmasehla, Ga legodi, Mokgohloa to Molepo bottle store	IUDG	-	1 600 000	147 293	9%
Upgrading of arterial Road in Ga Semenya from R521 to Semenya	IUDG	-	1 000 000	147 293	15%
Upgrading of Internal Street in Ga Ujane to D3363	IUDG	-	1 000 000	147 293	15%
Upgrading of arterial road D3355 from Monotwane to Matlala clinic	IUDG	-	1 000 000	147 293	15%
Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school	IUDG	-	1 000 000	147 293	15%
Complete the incomplete road from Kordon to Gilead road	IUDG	-	1 000 000	147 293	15%
Upgrading of arterial road D3426 in Ga- Ramoshoana to Rammobola	IUDG	-	1 000 000	147 293	15%
Upgrading of D1809 from Ga Maboi to Laastehoop	CRR	-	2 195 136	2 198 692	100%
Upgrading of arterial road from Phuti to Tjatjaneng	CRR	-	1 659 494	1 663 618	100%
Upgrading of streets in Benharris from Zebediela to D19	CRR	-	2 717 184	867 784	32%
Upgrading of arterial road D3472 Ga Setati to Mashobohlang D3332	CRR	-	1 294 653	1 053 159	81%

Upgrading of internal street in westernburg	CRR	-	659 946	663 268	101%
Upgrading of arterial road from Madiga to Moduane	CRR	-	716 155	719 515	100%
Upgrading of arterial road D3997 from GaMokgopo to Ga Makalanyane	CRR	-	2 382 108	496 225	21%
Upgrading of road from Ga Mamphaka to Spitzkop	CRR	-	3 256 912	2 965 101	91%
Upgrading of arterial road D3413 Ramakgaphola to Gilead road D3390	CRR	-	4 658 790	4 877 939	105%
Upgrading of arterial road in Magongwa village from road D3378 to road D19	CRR	-	353 248	356 685	101%
Construction of NMT at Magazyn Street and Vermekuwet	KFW Bank	1 500 000	1 500 000	-	0%
Total Roads & Stormwater -Transport Services		410 478 070	209 321 180	157 343 777	75%
		-			
Transport Operations(IPRTS)- Transport and Services		Budget Year 2020/21	3rd Adjustment Budget 2020/21	TOTAL YEAR TO DATE	PERCENTAGE
PT facility upgrade	PTNG	5 000 000	17 555 488	11 405 985	65%
	PTNG				
Upgrad & constr of Trunk route 408/2017 WP1	PTNG	11 842 000	15 885 848	6 995 123	44%
Construction of bus depot Civil works 408/2017 WP3	PTNG	12 000 000	10 216 064	-	0%
Construction of bus station Civil works 408/2017 WP4	PTNG	26 000 000	17 392 908	11 812 483	68%
Construction & provision of Station Upperstructures	PTNG	31 000 000	4 227 130	-	0%
Environmental Management Seshego & SDA1	PTNG	1 500 000	929 969	34 535	4%
Environmental Management in Polokwane City	PTNG	1 500 000	929 969	34 535	4%
Refurbishment of Bus Daytime Layover Facility	PTNG	2 000 000	2 605 022	1 753 663	67%
Upgrading of Transit Mall	PTNG	4 950 000	10 990 539	692 015	6%

Construction & provision of Bus Depot Upper structure in Seshego	PTNG	27 000 000	4 516 180	-	0%
Occupational Health & Safety (OHS) Management	PTNG	2 000 000	1 014 511	69 248	7%
Total Transport Operations(IPRTS)- Transport and Services		124 792 000	86 263 628	32 797 585	38%
KFW Bank	KFW	1 500 000	1 500 000	-	0%
TOTAL FUNDING		1 201 498 519	983 465 099	786 450 184	80%
				-	
Transport Operations(IPRTS)- Transport and Services					
PT facility upgrade-	PTNG		11 430 321	13 035 171	114%
Upgrad & constr of Trunk route 408/2017 WP1	PTNG		8 588 386	8 085 977	94%
Construction of bus depot Civil works 408/2017-WP3	PTNG		4 326 527	4 086 299	94%
Construction of bus station Civil works 408/2017 WP4	PTNG		750 000	599 353	80%
Construction & provision of Station Upper structures	PTNG		556 376	-	0%
Daytime lay-over 108/2017 WP2-Roll over	PTNG		2 565 420	-	0%
Refurbishment of Bus Daytime Layover Facility	PTNG		3 156 995	3 572 906	113%
Total Transport Operations(IPRTS)- Transport and Services			31 374 025	29 379 706	94%

COMMENTS OF ROADS AND STORM WATER (PUBLIC TRANSPORT AND INFRASTRUCTURE DEVELOPMENT) PERFORMANCE

The municipality surfaced **25.8 km** of road during the financial year with the aim of improving accessibility of services to the communities. **81.8 km** was re-graveled to at least improve accessibility to villages and **1904.6 km** of roads were bladed, **13 low** level bridges constructed, **31 speed** humps constructed, **38931.00 m²** Pothole patched, **0.400km** of sidewalks constructed, **0.065km** storm water upgraded.



3.1.8 WASTE WATER (STORMWATER DRAINAGE)

Table 37: Storm water Infrastructure KM

Storm water Infrastructure Kilometers				
	Total storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
2012/13	233	0		25
2013/14	233	0	0	47.5
2014/15	237.81	3.29 and (4.1roll over)	0.192	35.75
2015/16	242.5	5.42	0	43
2016/17	242.5	2.01	0	2.1
2017/18	250	0.8	0	3.2
2018/19	250	0	0	0
2019/20	250	0	0.310	1,620 km
2020/21	0	0.065km	0	3.62 km

Table 38: Cost of construction/maintenance

Cost of construction/maintenance				R' 000
	Storm Water Measures			
	New	Upgraded	Maintained	
2012/13		R0		
2013/14				R1 000 000
2014/15	R 5 500 000	R210 000.00		R 1 628 300.54
2015/16	R5 000 000	0		R 1 800 000.00
2016/17	R449 025	0		R1 980 000.00
2017/18	R26 000 000	R2 500 000		R1 900 000.00
2018/19	0	0		R 1 900 000.00
2019/20	1 000 000	9 010 000		R 249 690.00
2020/21	313 870.00	0.00		R 1 000 000.00

3.1.9 TRANSPORTATION SERVICES (INCLUDING VEHICLE LICENSING &PUBLIC BUS OPERATION)

The planning and implementation of a public transport services (Leeto La Polokwane) went through phases of systems planning moderation and financial reprioritisation in order to deliver a sustainable system. The moderation

process led to an altered bus operating business model with 36 busses (21 -12m busses and 15 -9m busses) operational in Phase 1A.

INTRODUCTION TO TRANSPORT

Polokwane Municipality is one of the 13 cities across the country to develop a Integrated Rapid Transport Network with the existing bus and minibus operators having a maximum stake in the project. In the 2014/2015 financial year Council adopted the Polokwane Integrated Rapid Transport System operational Plan

Operations designs features of Phase 1 A

Key Design Features: The main features of Phase 1 A of the IRPTN system is the extensive use of *trunk extensions* (complimentary routes) into residential areas where commuter's board buses at kerb-side stops. The trunk extension routes are designed to maximise coverage and minimise walking distances (allowing a maximum of 500 metre walking distance). No transfers have to be made between the feeders and the trunk service. This significantly reduces travel times to the commuter and this is expected to be an important element of the system in a smaller city such as Polokwane.

A second feature is the *conversion of Church Street to a Transit Mall* to only allow access to pedestrians, Non-Motorised Transport (NMT), Polokwane IRPTN buses, emergency vehicles and delivery vehicles only. Other vehicles currently making use of Church Street will be accommodated by addressing congestion on parallel roads. This will be done by improving intersection capacity through the implementation intersection upgrades, improved traffic signalling and better management of parking demand.

3.1.9.2 Progress for 2019/20

Business, Financial Planning

Financial Model and Business Plan: The financial model and financial plan for Phase 1A was updated based on the updated infrastructure and operational costs. The Phase 1A bus operations will impact approximately 15% of the total operations after the moderation process. The system has been designed around the commuter's affordability, such that the commuter will be exposed to higher premium than what they are currently paying regardless of the bus system being a superior transport service. Consequently, there is high degree of subsidization of the public transport system by the municipality. Naturally, the cost of this service will increase proportionally with other inflation dependent cost over time, such as fuel and tyres. However, the municipality will strive to keep the cost of the service as low as possible for as long as possible.

Public Transport Regulation and Monitoring

Operating licence verification

Operating Licence (OL) Verification Process for Phase 1A- Given that this system is designed to benefit affected operators, this process was undertaken to ring-fence the membership of the three affected Associations: Flora Park Pietersburg Taxi Association (FPTA), Seshego Polokwane Taxi Association (SPTA) and Westenberg Taxi Association (WTA) which is affected by the Leeto la Polokwane Phase 1A footprint.

The signing off process on the OL database was done in collaboration with the Limpopo Provincial Regulatory Entity (LPRE) at the department of Transport and Community Safety (LDTCS) and the taxi operators on the database were identified as potential compensation recipients for their loss of business due to the implementation of Leeto La Polokwane Phase 1A system operations.

Only members from the 3 Affected Phase 1A associations whose names have been ringfenced on the OL- database were eligible for Compensation.

Compensation

Signed Process Agreement on the Compensation for Affected Operators- The agreement sets out the process to be followed by the City and the Affected Operators for Phase 1A Affected Operators, in terms of the Compensation to be paid to the Affected Operators who will lose their business rights (Operating Licence and linked vehicle) to operate a public transport service on Phase 1A once the system is implemented.

The compensation offers tabled to the affected taxi operators which were later negotiated, was a result of a business valuation process including undertaking compensation surveys and cost determination exercises. The data collected during this process was signed off between the City and the relevant Phase 1A associations.

Compensation Negotiations for Phase 1A Finalised and Agreed – One of the directives from the Department of Transport is that the current public transport operators should not compete with the system to be implemented and should be compensated for their loss of business rights. In order to operate a minibus taxi public transport service, an operator must have an Operating Licence (OL) which is linked to a vehicle and the operator needs to belong to a Taxi Association.

In terms of the implementation of Phase 1 A, 125 (one – hundred and twenty five) vehicles was planned to be removed to make way for the Leeto la Polokwane fleet . The OLs linked to these vehicles will also be cancelled at the LPRE and the vehicles will be disposed off through a Vehicle Disposal Agent to make way for the Leeto la Polokwane fleet of 36 buses, and therefore these 125 operators have to be compensated.

The Compensation value agreed to was R 1 400 000.00 and includes the value of the vehicle.

A total of 123 of the 125 Operators have been compensated for the loss of their business. The reason for the outstanding 2 operators who did not receive compensation is based on the Mediation and Dispute Resolution Process followed.

The outstanding 2 operators were disqualified for not adhering to the requirements of the Vehicle Removal Agreement and the Restraint of Trade Agreement. A mediation process was undertaken with 15 members who did not adhere to the requirements as set out in the above mentioned Agreements. The process commenced with 15 Operators participating in the Mediation process, of which 5 provided valid reasons and they were eligible to submit their vehicles and relevant documents to the Disposal agent for verification and become eligible for Compensation. The remaining 10 operators participated in the Dispute Resolution process, where 8 operators were allowed to submit their vehicles and relevant documents to the Disposal agent for verification and become eligible for Compensation . The outstanding 2 operators were not able to provide valid reasons for their non- adherence. The City requested for these 2 operators to be replaced before the end of the 2020/2021 Financial Year, however this was not adhered to by the respective Association.

Signed Vehicle Removal Agreement (VRA) – This Agreement was signed between the City and the Affected Associations for Phase 1A to ensure that the vehicle with the linked OL will be removed to make way for the Leeto la Polokwane Phase 1A operation.

Signed Restraint of Trade and Compensation Agreement (ROTCA) – This Agreement is signed between City and the Affected Operator. This is the Affected Operator who receives compensation for the loss of the business due to the implementation of Phase 1A and an undertaking by the Operator not to compete with Leeto la Polokwane Phase 1 A.

Vehicle Operating Company Agreement (VOCA)

Signed Process Agreement on the Vehicle Operations Company Agreement (VOCA) – The agreement sets out the Agreement to be implemented for the Phase 1A operations of Leeto la Polokwane between the City and Vehicle Operating Company (VOC), Esilux (Pty) Ltd, which was established by the Phase 1A Associations. The contents of the VOCA was negotiated between the City and the VOC. The VOCA forms the basis of the services/ operations to be rendered by the VOC in terms of Leeto la Polokwane for Phase 1A and the contracting relationship with the City.

Finalisation and Negotiations on VOCA (3-years) – As part of the Empowerment directive which includes a capacitation programme, the three Affected Taxi Associations have registered a VOC called Esilux (Pty) Ltd. The

Agreement sets out the terms and conditions which need to be adhered to by the Operator (VOC), in terms of rendering the Leeto la Polokwane Phase 1 A bus services on behalf of the City.

The roles and responsibilities of the Parties, the VOC and the City, are also set out in the Agreement. The 3-year period will be used as a capacitation process, this to assist the VOC to be able to operate the 12-year negotiated contract in an effective and sustainable manner. Council has also approved the Financial Model and the Operator will be paid in a rate / km which is linked to the VOCA whilst also delegating the Accounting Officer to conclude the VOCA with Esilux (Pty) Ltd.

Stakeholder Engagement / Public Participation

Stakeholders across all clusters of the Municipality have been updated on the status of the Leeto la Polokwane during A public participation process was conducted on the draft Leeto la Polokwane Operations Bi-Law and Draft Fare Policy in September 2020.

3.1.9.3 SYSTEMS PLANNING

Household travel survey: The study was conducted and completed for the City of Polokwane. A detailed report prepared, workshopped and stakeholders and updated based on inputs and feedback received. The results, together with those from the Market Survey were utilised in the route alignment and update of the Technical Operational Plan.

CBD Parking Study: The study focused on establishing the parking demand and supply and the impact of the PIRPTS. This was critical along the streets where the PIRPTS is planned to run as parking space is going to be taken-up by the system. The study was completed and a detailed report was prepared, workshopped and revised based on the feedback received. The results of the study were used in the alignment of the PIRPTS route network and update of the Technical Operational Plan. The results were also used to inform the infrastructure preliminary designs along the affected street

CBD Freight Study: The study focused on establishing the freight needs, space requirements and delivery times in the CBD. Just like the CBD Parking Study, this analysis was critical especially along the streets where the PIRPTS is planned to run as restrictions may be introduced regarding access into these streets by private vehicles. The study was completed and a detailed report was prepared, workshopped and revised based on the feedback received. The results of the study were used in the updating of the Technical Operational Plan.

Public Transport Intermodal Facility: The project was being managed through the Limpopo Department of Roads and Transport. Limited input was provided by the Systems Workstream in order to ensure integration between the facility and the PIRPTS. Focus was more on how the PIRPTS route network can be aligned to ensure access into and out of the intermodal facility. The Workstream also assessed how the intermodal facility can be integrated with the CBD Movement Plan as proposed under the PIRPTS for non-BRT public transport vehicles and services.

Phase 1 Technical Operational Plan: The Technical Operational Plan (TOP) is a living document which is updated as and when new critical inputs are received. Updates to the TOP for this FY include the incorporation of the CBD Parking and Freight Studies, intermodal facility and the proposed Church Street Transit Mall. The updated TOP is used to guide and direct infrastructure designs, marketing and communication as well as stakeholder engagement

processes. The Taxi industry has agreed to Phase 1A specifically for the operation of 36 busses throughout the CBD, Westernburg, Seshego Polokwane corridor and Flora Park.

Phase 2, 3 and 4: The phase 2 (Moletjie), 3 (Mankweng) and 4 (Aganang) are proposed to be implemented in the future. Previous data and research has identified the sequence of implementation as per the above, however with recent developments at the Mankweng area there is a need to review the planning of the phases. The approach of implementation would be for the Leeto La Polokwane system to mix with traffic, as opposed to dedicated infrastructure intervention.

Bus Specifications: Procurement of 36 buses for Leeto La Polokwane phase 1A. (21 -12 meter has been delivered and 9-meter bus prototype has been completed).

ITS Concept: The consultants for AFC/PTMS has been appointed. The systems has been installed in the Control Centre (New Peter Mokaba Stadium and in the buses).

Church Street Transit Mall: The *conversion of Church Street to a Transit Mall* to only allow access to pedestrians, Non-Motorised Transport (NMT), Polokwane IRPTN buses, emergency vehicles and delivery vehicles only. Other vehicles currently making use of Church Street will be accommodated by addressing congestion on parallel roads. This will be done by improving intersection capacity through the implementation intersection upgrades, improved traffic signalling and better management of parking demand.

Universal Access Plan: This plan is a living document and responds to the different elements of the project. The document is in line with the requirement of the Department of Transport and National Treasury guidelines. All infrastructure, buses and support services (fare collection and communication) must provide for people with special need.

Infrastructure

The key requirements for the public transport system to go live is full compliments of infrastructure and in 2020/2021 financial year, 4.35km Trunk has been completed, 31.5km Feeder Routes have been completed, 20.4km Trunk extensions have been completed, 52 Kerbside stops finished, Control Centre is 98% completed, Civil works are on an advance stage on the Bus depot, Daytime layover facility, and additional parking areas. Civil works have also started at the Bus Station Area and on the Transit Mall which will include UTC at certain intersections. The implementation of the Daytime Layover facility is at 95% physical progress.

The Construction of the Superstructures and buildings at the Bus Depot and Bus Station will start towards the end of the calendar year.

The project for the widening of the Sandriver Bridge on Nelson Mandela Trunk Route is also awarded and construction will be starting in the first quarter of the 2021/2022 FY.

The Municipality has upgraded two taxi ranks in Polokwane, Spar taxi rank is completed and Pick n Pay taxi rank is at snagging stage.

Municipal bus service data									
	Details	2014/15	2015/16		2016/17	2017/18	2018/19	2019/20	2020/21
		Actual No.	Estimate No.	Actual No.	Estimate No.			0%	
1	Passenger Journeys	0%	0%	0%	0%	0%	0%	0%	0%
2	Seats available for all journeys	0%	0%	0%	0%	0%	0%	0%	0%
3	Average unused bus capacity for all journeys	0%	0%	0%	0%	0%	0%	0%	0%
4	Size of bus fleet at year end	0%	0%	0%	0%	0%	0%	0%	0%
5	Average number of buses off the road at any one time	0%	0%	0%	0%	0%	0%	0%	0%
6	Proportion of the fleet off road at any one time	0%	0%	0%	0%	0%	0%	0%	0%
7	No. of bus journeys scheduled	0%	0%	0%	0%	0%	0%	0%	0%
8	No. of journeys cancelled	0%	0%	0%	0%	0%	0%	0%	0%
9	Proportion of journeys cancelled	0%	0%	0%	0%	0%	0%	0%	0%

Employees: Transport Services	
2019/20	2020/21

Job level	Employees No.	Posts No.	Vacancies (as a % of total posts) %	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	5	5.74	0.093%			
4-6	2	2.29	0.22%			
7-9	1	1.15	0.03%			
10-12	0	0	0			
13-15	0	0	0			
16-18	0	0	0			
19-20	1	1.15	0			
Total	9	10.33	0.343%			

Table 37: Capital Expenditure 2020/21: TRANSPORT (INCLUDINGVEHICLE LICENSING &PUBLIC BUS OPERATION)

MULTI YEAR BUDGET	Funding	Original Budget 2019/20		TOTAL YEAR TO DATE	PERCENTAGE
Project Names			Adjustments Budget 2019/2020	YTD	
				-	0%
Transport Operations(IPRTS)- Transport and Services				-	0%
AFC/ABT	PTNG	22 499 000	3 073 950	-	85%
PTMS	PTNG	15 499 000	-	-	100%
Contol Centre	PTNG	-	2 500 000	-	0%
Buses	PTNG	-	16 000 000	-	55%
Upgrad & constr of Trunk route 108/2017 WP1	PTNG	-	9 368 000	579 095	6%
Daytime lay-over 108/2017 WP2	PTNG	-	2 943 473	191 611	7%
Refurbishment of Daytime Layover Buildings	PTNG	-	6 730 000	168 708	47%
Compensation	PTNG	16 760 000	164 097 726	-	0%
PT facility upgrade	PTNG	2 250 000	13 250 000	819 679	14%
Construction of bus depot Civil works 108/2017 WP3	PTNG	11 720 000	7 256 942	700 896	37%
Construction of bus station Civil works 108/2017 WP4	PTNG	18 180 000	3 388 859	638 859	78%
Construction & provision of Depot Upper structures	PTNG	4 925 000	-	-	0%
Construction & provision of Station Upperstructures	PTNG	30 000 000	5 000 000	443 624	169%
Construction & provision of Station Upperstructures	PTNG	37 600 000	4 000 000	-	0%

Total Transport Operations(IPRTS)- Transport and Services		159 433 000	234 535 000	542 471	19	8%
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3.4 COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.4.1 EXECUTIVE AND COUNCIL

This component includes: Executive office (Mayor; Councillors; and Municipal manager).

Table 59: Employees: Council

Employees: Council 2019/20					Employees: Council 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents
0-3	6	9	6	3	0-3	11	16	11	5
4-6	14	16	14	2	4-6	16	22	16	6
7-9	10	15	10	5	7-9	14	26	14	12
10-12	6	6	6	0	10-12	6	7	6	1
13-15	2	2	2	0	13-15	2	3	2	1
16-18	5	5	5	0	17	6	6	6	0
19-20	N/A	N/A	N/A	/NA	19-20	-	-	-	-
Total	43	53	43	10	Total	55	80	55	25

3.4.2 HUMAN RESOURCES

3.4.2.1 Introduction to Human Resource

All organisations are made up of people and Human Resources functions are about acquiring the service of people, developing their skills, motivating and making sure that they continue to maintain their commitment towards the organisation. Human Resources is concerned about management of employees from recruitment to retirement and all other activities supports this major functions.

The human resources strategic business unit is responsible for organisational development, personnel administration, training and development, labour relations, recruitment, employee wellness and occupational health and safety.

The focus for the financial year in review was on recruitment, however due to the COVID-19 pandemic the process came to a standstill. The development of employees and capacity building around finances, which formed part of a response to National Treasury's request to comply with the MFMA Competency Framework. Was also hampered by the pandemic as most of the classes were physical. The development of Councillors on MFMP as well as leadership

programs which is in line with capacity building as enshrined in the Upper Limits. The new regulations on the management of contractors became a key focus by the Occupational Health and Safety unit.

3.4.2.2 Performance as per area of focus.

Recruitment.

The number of budgeted positions at the beginning of the financial year was standing at 364 and the filled position are at is 76.

Organisational Development: The focus was on job evaluation and Polokwane Municipality has submitted 705 job descriptions for evaluation by the Salga lead District Job Evaluation Committee and 605 have been evaluated and 367e at the Provincial Audit Committee.

Training and Development:

Learnership.

The following learnership were implemented during the financial year 2020/2021

- Municipal Finance Management Programme 20 employed
- Municipal Finance and Administration learnership 25 employed

Internships:

- Internships of 98 started in April 2021 after the process was slowed down due to the pandemic.

National Treasury Compliance

Polokwane Municipality has 85 employees that meet minimum competency as per national Treasury regulations. Remaining Twenty (20) officials have been enrolled for the programme with Resonance Institute and classes started in March 2020 then were put on hold due to covid-19 regulations. The classes have since started again in July 2021

Training

58 employees were trained for the financial year 2020/2021 as per approved Workplace Skills Plan 2020/2021

Occupational Health and Safety: The focus area was compliance to Occupational Health and Safety regulations by the Polokwane Municipality and their employees. During this period 60 injury on duty was reported with one thousand one hundred and twenty-five days (1025) lost. The direct cost (salary only) for these injuries was R292 664.71. These injuries have shown a decline from the previous year due to the outbreak of the pandemic and only essential services employee were working.

Employee Assistance Programme:

The main focus of Employee Assistance Programme (EAP) is the well-being of employees and productivity in the organization. Services that were offered include counselling and referral services, as well as implementation of wellness programmes. Twenty-four (33) information sharing sessions were conducted on issues such as: personal financial management, conflict resolution skills, interpersonal relations, service marketing of EAP, dealing with loss, personal hygiene, bereavement, health screenings, peer educators programme, substance abuse awareness programmes, men's and women's dialogues, gender-based violence and HIV & AIDS, and

stress management. Health screenings are conducted in order to conscientize employees about their health status.

Due to vigorous service marketing and awareness campaign being conducted regularly there has been a reduction in high turnover of ill-health in the workplace. There was a noticeable reduction in the number of ill health related absenteeism within the workplace due to the consistence of the quarterly wellness screening conducted. This is done on a quarterly basis wherein employees are afforded an opportunity to undergo medical checks and receive health advices at their convenience whilst at work. The services are also offered to them for free by our partners (Old Mutual being one of our social partners) Those who are presumed to be at high risk are referred to secondary medical institutions for treatment and support. The statistic also shows that the number of new HIV infections and Chronic diseases are manageable.

In the current financial year due to Covid19 restrictions we were unable to conduct mass health screening.

Supervisors' involvement has also increased as they are able to refer subordinates, make follow ups; participated in solution findings and conduct behavioural monitoring and support of employees.

179 employees provided with psychosocial support regarding COVID-19 and its impact on their work life balance, anxiety management . Promotion of work-life balance and social advocacy, empowering employees to become more effective in handling everyday pressures in a sustainable way.

14 employees trained on Team Cohesion and Conflict Resolution management in the workplace, this will go a long way in addressing tension and poor performance in the workplace. It will strive to promote team work and tolerance in return productivity will increase.

42 employees Trauma Management- To assist employees deal with psycho social / physical symptoms associated with trauma exposed to due to incidents at work place such as death or accidents. (Traffic, Security and Fire and Disaster Management Services)





36 peer educators trained on trauma debriefing and management of chronic conditions.

18 employees trained on supervisory training. The aim was to empower the supervisor to handle conflict and interpersonal challenges in their teams. This was fruitful as team cohesion was encouraged and prompted as way of meeting strategic goals of the organisation.

116 Individual cases were handled during the previous financial year, mainly related to psychosocial support as the result of the impact of COVID on their livelihood.

Employee Assistance Programme (EAP) 2020/2021

EVENT	OBJECTIVE	TARGET	ACHIEVED
Peer educators programme	<ul style="list-style-type: none">To have a well-established Peer educators programme within the workplace which strives to offer morale and support to employeesTo promote healthy lifestyle by acting as positive change agent within the workplace	All cluster and directorates are represented in the committee 36 employees have been elected to serve as Peer Educators	functional and they acting as a linkage between EAP and the clients. They meet by monthly.

EVENT	OBJECTIVE	TARGET	ACHIEVED
On-line EAP service marketing and awareness World hand hygiene How to manage diabetes Importance of COVID 19 vaccine Grieving during COVID	<ul style="list-style-type: none"> To provide information, knowledge and awareness about the current issues that affects the wellbeing of the employees To promote a healthy living and reducing the level of contamination especially during COVID 19. To promotes a healthy lifestyle while living with diabetes and preventing the complication of diabetes by managing the chronic To create awareness on the importance of vaccination and encourage vaccination To conduct awareness on how to cope during COVID 19 and how to deal with grief that may negatively impact their life or work life balance 	Maximum number of employees who have access to internet were reached	Online articles with different topic were send to every employee's email as a way of empowering and educating employees on COVID-19 related matters.    
Interpersonal relations Team cohesion	<ul style="list-style-type: none"> In an environment wherein we customer driven, it's imperative to have good interpersonal relations as it promotes productivity and results in customer service being delivered. 	Management Environment (124) people participated	Reduced the levels of tensions amongst the staff. Promotion of good interrelation and teamwork
Trauma and bereavement	<ul style="list-style-type: none"> To assist employees deal with psycho social / physical symptoms associated with trauma exposed to due to incidents at work such as death or accidents 	Energy services, security management and traffic (65) employees attended	Achieved To assist the employees, deal with the death of a colleague. or a loved one
Health promotion and productivity management	<ul style="list-style-type: none"> To empower both men and women on the impact of violence, societal norms, role modelling and best way to eradicate gender based violence; and promotion of equality amongst all. 	184 employees participated in the STI condom week awareness 184 employees attended the Gender based violence and impact of Stigma and Discrimination on HIV workshop	Achieved The objective of the unit as is to conduct such workshops regularly with the support of our social partners.
COVID 19 management	To manage the impact of Covid 19 on the employee and ensure provision of psychosocial to all affected parties.	179 employees tested positive and were offered	The objectives were to ensure the employee are reached and receiving the

EVENT	OBJECTIVE	TARGET	ACHIEVED
	To manage the administration and the statistical reporting on Covid 19 Pandemic in th workplace	<p>psychosocial support. 166 employees were identified as high risks and needed monitoring and were encouraged to test and isolate.</p> <p>11 death of employees reported.</p>	<p>necessary support for their wellness.</p> <p>some of the cases required further intervention such as psychologist services that was hindered due to service providers contract expired.</p> <p>Through monitoring and psychosocial support most employees who tested positive and high risks contacts were able to recover and return to work.</p> <p>Administration of Covid 19 cases had an impact on other services rendered by EAP unit., as some programmes had to be halted.</p>
Online memorial	<p>Online memorial serves to substitute the previous memorial held at work, were employees gather as a mass at their work place to pay tribute to their colleague who passed on.</p> <p>The current state and regulations of covid 19 does not allow gathering of individuals therefore online memorial allows many people to participate and share the experience at different space to avoid mass contact and infections of COVID 19.</p>		<p>Not achieved</p> <p>Due to financial constrains online memorial was not achieved, budget should be allocated for such programme.</p>

CASES

Total number of Cases	Case Category	Mitigating Factors
29	Trauma Counselling	-To develop proactive programmes that address the social challenges faced by employees in their daily lives within the work place and empower them to manage their work-life balance
12	Stress Management	sufficient budget to run team cohesion/ workplace protractive programme which will in return yield positive result orientated employees
29	Financial management	
345	Work related challenges	To continuously render financial education workshops and evaluate its impact
12	COVID management	Provision of psychosocial support and management Covid related cases reported
5	Family and marital challenges	support Conduct regular needs analysis as this will assist in determining what services are needed by our clients being the employees
	Substance abuse Ill health	provision of support to users and their families. Rehabilitation programme enrolment and reintegration into society and workplace. -Conduct supervisory training for supervisor to understand their roles in ensuring EAP services are effective, efficient and beneficial to all employees. -to continuously render proactive programme which strives to impart knowledge on social skills and encourage work-life balance

Due to the vigorous effort being invested in service marketing and awareness campaigns across all SBU, the number of employees utilizing the EAP services has increased as

Service Objectives	Outline	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21	
	Service	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators	Targets												
(i)	(ii)												
% Senior Managers (MM and S56) with signed performance agreements		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
# formal individual assessment sessions conducted		4	4	4	2	4	1	2	0	0	0	0	0
# people from employment equity groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan		None	None	None	None	2	3	5	4	2	1	0	0
Employment Equity report developed and submitted on time		1 employment equity	Employment Equity report	1 employment equity	Employment Equity report	Employment Equity report	1 employment equity	Employment Equity report	1 employment equity	1 employment equity	1 Employment equity	1 Employment equity	1 Employment equity report submitted

Service Objectives	Outline	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21	
	Service	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators	Targets												
(i)	(ii)												
		report submitte d	submitte d.	report submitte d	submitte d.	submitte d.	report submitte d	submitte d.	report submitte d	report submitte d	report submitted	report submitted	

Table 60: Employees: Human Resources Service 2020/21

Employees: Human Resources Services 2019/20					Employees: Human Resources Services 2020/21				
Job levels	Employee No	Post No	Employees No	Vacancies(full time equivalents)	Job levels	Employee No	Post No	Employees No	Vacancies(full time equivalents)
0-3	8	9	8	1	0-3	8	9	8	1
4-6	17	18	17	1	4-6	20	32	20	12
7-9	7	12	7	5	7-8	15	19	15	4
10-12	17	18	17	1	10-12	5	6	5	1
13-15	0	0	0	0	13-15	-	-	-	-
16-18	0	0	0	0	17	-	-	-	-
19-20	N/A	N/A	N/A	N/A	19-20	-	-	-	-
Total	49	57	49	8	Total	48	66	48	18

3.4.3 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Introduction to Information Technology (ICT) Services

The Information Services Strategic Business Unit is responsible for the development and support of municipal information systems and ensure that critical information maintained by these systems is accessible and secured all the time. This is achieved through the provision of infrastructure hardware and software which are in line with the municipality policies and standards. These will ensure that the municipality leverage on the available technologies to deliver services effectively and efficiently.

The unit has the following sub units:

1. Infrastructure
2. Information Systems
3. Records Management

ICT Steering Committee

The Information Service unit also to the ICT Steering Committee. The committee's composition is as follows:

1. **Chairperson:** Independent person who is not in the employ of the municipality
2. **All Municipal Directors:** Members
3. **Manager: Information Services:** Secretary
4. **Manager: Internal Audit.**
5. **Manager: Risk Management**

ICT Strategic Aims

The ICT Small Business Unit (SBU) aims to ensure that the Information and Communication Technology assets are operational and deliver the required performance on a daily basis in order to provide an enabling environment that allows business functions to operate.

The strategy aims to ensure ongoing support to the municipal users by means of improved service delivery, focusing on the following:

Data Centre Services: This is the heart of the Information and Communication Technology infrastructure and houses all integrated technologies in a secure environment. E-mail, Internet access, Electronic Document Management System, Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) systems, as well as connectivity to cloud Systems that is located outside our environment.

Connectivity Service: These services include the Local Area Network, Mobile and Telecommunications as well as the agreements with Telkom on their Wide Area Network, Mobile and Telecommunication. The finalization of the upgrading of the Telkom's Wide Area Network infrastructure and creating the municipal's own Virtual Private Network for data and voice.

Telecommunication Services: Provision of support for office telephones, voice mail, cellular phones, audio conferencing and off-premises municipal service.

Desktop Services: This includes the services associated with the installation and maintenance of desktops, reprographics and resulting user support requirements that should result in operational environment on a daily basis. The standardization of processes and capacity building will be key focus areas.

Improved Information Systems Security: The following is implemented to secure data and hardware on all systems: Anti-Virus, SPAM Sweepers, Spy Sweeper, Firewalls on the networks, Business Continuity and Disaster Recovery Plans and utilization of hardware and software management tools.

Enterprise Architecture Environment: This would ensure that the Information and Communication Technology strategy is in line with the business objectives of the municipality.

Information management: To deliver on the business needs of the municipality by means of developing information management systems.

Records Management: To provide reliable records management services for the Municipality.

Implement Corporate Governance of Information and Communication Technology Policy Framework (CGICTPF):

Cabinet approved the CGICTPF in November 2012. The **first phase** (create an enabling environment for the implementation for the Corporate Governance of ICT and Governance of ICT) was established in July 2014.

Phase 2 - Strategic alignment (Collaboration of ICT and Business) was completed and the governance documents were adopted by council.

- The 2021/22 Operational Plan was drafted and presented to Management.
- The ICT Strategy is in the fourth year it will be reviewed for implementation from 2022/23 financial year
- Enterprise Architecture project as part of the CGICTPF.

Phase 3 (All aspects of the Corporate Governance of and Governance of ICT demonstrate Measurable improvement from the initial implementation phase in 2013-14) will be undertaken during the 2015/16 financial year onwards.

ICT Services Policy Objectives Taken from IDP												
Service Objectives	Outline Targets	Service	2016/17		2017/18		2018/19		2019/20		2020/21	
			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators												
(i)	(ii)											
Service Objective: ICT in enhancing service delivery and improving the business of Polokwane Municipality to become smart city by 2030												
% of Network Stability	90%		100%	90%	100%	85%	100%	80%	100%	99%	100%	99.9%
% per phase of Implementation of ICT Governance Framework	50%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 61: Employees: ICT 2020/21

Employees: ICT 2019/20					Employees: ICT 2020/21				
Job Levels	Employee No	Post No	Employees No	Vacancies(Full time equivalents	Job Levels	Employee No	Post No	Employees No	Vacancies(Full time equivalents
0-3	3	4	3	1	0-3	8	9	8	1
4-6	11	11	11	0	4-6	20	32	20	12
7-9	10	10	10	0	7-9	15	19	15	4
10-12	8	11	8	3	10-12	5	6	5	1
13-15	1	1	1	0	13-15	-	-	-	-
16-18	2	2	2	0	17	-	-	-	-
19-20	N/A	N/A	N/A	N/A	19-20	-	-	-	-
Total	35	39	35	4	Total	48	66	48	18

Comment on the Performance of ICT Services Overall

The City has made a significant investment on the implementation of a Disaster Recovery Site with Munsoft. The ICT Strategic Business Unit embarked on the alignment of the Disaster Recovery Plan, Policies, and the ICT Business Continuity Plan to be in line with the implemented solution. This exercise will assist the Municipality to continue operating in an event of disaster, in addition this will assist to address Audit findings related to Business Continuity. The integration of the Geographical Information System (GIS) into the Municipal Financial System has started and is at the advanced stage, this will be finalized in the coming financial year. The integration will provide graphical real time information related to projects, billing, municipal asset etc.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 COMPONENT A: MUNICIPAL PERSONNEL

Introduction to the Municipal Personnel

The staff complement of the municipality according to the staff establishment was at 2056 as at the end of the year under review.

The tables below depict the picture of the organisational development of Polokwane Municipality for the year under review.

4.1.1 Employee totals, turnover and vacancies

The staff turnover for the year 2020/21 was at 2.24% which represents termination of 46 employees and the vacancy rate was at 57.67%. The high vacancy rate is as a result of the total approved positions in the organisational structure not necessarily the budgeted positions. When considering the total budgeted positions of 364, the vacancy rate is at 7.49%, which means the remaining 50.18% is non-budgeted.

The turnover rate and the vacancy rate is based on the organisational structure which was approved with 4857 positions. The tables below provide detail information on the organisational development of Polokwane Municipality.

Table 60: Employees: Human Resources Service 2020/21

Employees: Human Resources Services 2019/20					Employees: Human Resources Services 2020/21				
Job levels	Employee No	Post No	Employee s No	Vacancies(full time equivalents)	Job levels	Employee No	Post No	Employee s No	Vacancies(full time equivalent s)
0-3	8	9	8	1	0-3	8	9	8	1
4-6	17	18	17	1	4-6	20	32	20	12
7-9	7	12	7	5	7-8	15	19	15	4
10-12	17	18	17	1	10-12	5	6	5	1
13-15	0	0	0	0	13-15	-	-	-	-
16-18	0	0	0	0	16-18	-	-	-	-
19-20	N/A	N/A	N/A	N/A	19-20	-	-	-	-
Total	49	57	49	8	Total	48	66	48	18

Table 63: Employees

Description	2017/18				2018/19			2019/20			2020/21	
	No Vacancies	No. Employees	No of Approved Posts	No Vacancies	No of Approved Posts	No Employees	No Vacancies	No of Approved Posts	No Employees	No Vacancies	No Employees	No Vacancies
Water and Waste Water (Sanitation)	214	284	464	180	464	270	194	393	303	85	312	403
Electricity (Energy)	28	120	142	22	154	116	38	198	147	51	158	108
Waste Management	233	162	370	208	370	156	214	179	164	15	162	381
Housing	16	29	55	26	54	27	27	15	15	0	27	37
Waste Water(Storm water Drainage)	23	42	63	21	71	48	23	0	0	0	7	24
Roads	45	69	111	42	102	58	44	132	117	15	110	188
Transport	13	11	24	13	24	11	13	10	8	2	8	17
Planning	24	33	56	23	56	33	23	22	17	5	27	58
Local Economic Development	5	22	27	5	27	21	6	19	19	0	19	27
Community &Social Services	52	157	209	52	102	86	16	89	77	12	75	65
Environmental Protection	204	185	384	199	384	176	208	209	190	19	162	381
Health	2	6	8	2	8	5	3	7	6	1	5	3

Description	2017/18				2018/19			2019/20			2020/21	
	No Vacancies	No. Employees	No of Approved Posts	No Vacancies	No of Approved Posts	No Employees	No Vacancies	No of Approved Posts	No Employees	No Vacancies	No Employees	No Vacancies
Security and Safety	274	314	558	244	601	341	260	123	100	23	372	531
Sports and Recreation	29	76	99	23	99	75	24	143	133	10	129	97
Corporate Policy Offices and others	369	400	542	140	526	400	126	873	525	120	460	364

Employees										
Descripti on	17/18		18/19		19/20			2020/21		
	No. Employee es	No. Approv ed posts	No. of employe es	No of Approv ed Posts	No. Employee es	No of Approv ed Posts	No Vacanci es	No. Employee es	No of Approv ed Posts	No Vacanci es
Social Services	16	44	107	78	29	77	89	12	23	117
Sub- Total	1926	3154	3149	1901	1248	2054	4857	2803	2056	2801
Headings follow the order of services as set out in Chapter 3. Service totals should equate to those included in the chapter 3 employee schedules. Employee and approved posts numbers are as at 30 June 2020. Note: The municipality had 358 budgeted positions and 2445 non- budgeted positions as at the end of the financial year.										

Table 64: Vacancy Rate

Designation	Vacancy Rate 2018/19			Vacancy Rate 2019/20			Vacancy Rate 2020/21		
	*Total approved posts No.	*Variation (Total time that vacancies exist using fulltime equivalents) No.	*Variation (as a proportion of total posts in each category)	*Total approved posts No.	*Variation (Total time that vacancies exist using fulltime equivalents) No.	*Variation (as a proportion of total posts in each category)	*Total approved posts No.	*Variation (Total time that vacancies exist using fulltime equivalents) No.	*Variation (as a proportion of total posts in each category)
Municipal Manager and council	1	0	1	1	0	1	1	0	1
CFO	1	0	1	1	0	1	1	0	1
Other S57 Managers	2	2	0	9	2	7	9	2	7
Other S57 Managers (Finance Post)	0	0	0	0	0	0	0	0	0
Senior Management (Level 1-3 finance post)	19	5	14	19	3	16	21	19	2
High Skilled Supervision: level 4-6	35	10	25	27	4	23	35	11	24

Vacancy Rate 2018/19				Vacancy Rate 2019/20			Vacancy Rate 2020/21		
Designation	*Total approved posts No.	*Variations (Total vacancies exist using fulltime equivalents) No.	*Variations (as a proportion of total posts in each category)	*Total approved posts No.	*Variations (Total vacancies exist using fulltime equivalents) No.	*Variations (as a proportion of total posts in each category)	*Total approved posts No.	*Variations (Total vacancies exist using fulltime equivalents) No.	*Variations (as a proportion of total posts in each category)
excluding finance post									
High Skilled Supervision: level 7-13 finance posts	137	30	107	126	18	108	155	49	106
Grand - Total	195	47	148	183	27	156	222	81	141

Table 65: Turn -Over Rate

Turn -Over Rate					
Details	Total Appointments as of the beginning of Financial year No.	Termination by June 2015	Details	Total Appointments as of the beginning of Financial year No.	Termination by June 2016
2015/2016	1454(0.06%)	84	2015/16	272	74
2016/17	1728(end of financial year)	63	2016/17	131	64

2017/18	1774	61	2017/18	277	68
2018/19	1901(end of financial year)	68	2018/19	83	69
2019/20	2054 (end of financial year)	69	2019/20	247	62
2020/21	2056 (end of financial year)	62	2020/21	84	46

Comment on Vacancies and Turnover:

The total staff complement based on the reviewed organizational structure of **4857** positions stands at **2056** with turnover rate of 2.24 5%. The vacancy rate is at **57.67%**.

4.2 COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE.

4.2.1 Managing the Municipal Workforce.

4.2.1.1 Introduction to Municipal Workforce Management.

The aim of the Employment Equity Act, 1998(Act No.55 of 1998) (EEA) is to facilitate transformation within the workplace.

Polokwane Municipality views employment equity as a strategic priority and it recognizes it as an important measure against which a Smart City and a world class organization is benchmarked. Polokwane Municipality supports the creation of an equitable working environment, with the dignity of all employees respected and the diversity of employees valued and properly managed.

The transformation and the successful management of diversity will bring in a competitive advantage that will deliver a stronger, more cohesive and more productive municipality. It contributes to greater employee satisfaction and commitment resulting in lower staff turnover and stronger customer and stakeholder orientation and satisfaction.

MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998. In implementing such the Municipality should be realistic for these programmes to be achievable. They should be based on accurate information with regard to race, gender and disability and reflect the demographics within Polokwane Municipality.

The Municipality has developed an Equity Plan as required by the Act. The aims are to ensure that positive measures envisaged in the Act are implemented within the Municipality.

Although targets have been met in terms of previously disadvantaged people there is a need to be deliberate in the implementation by targeting the promotion of women and disabled in our recruitment process.

4.2.2 POLICIES

Table 64: HR Policies & Plans

	HR Policies & Plans			
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	100%		Enforced by the Employment Equity Act and the Plan
2	Code of conduct for employees	100%		Local Government Systems Act (Schedule in the Act)

HR Policies & Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
3	Business Code of Ethics	100%		Local Government Systems Act (Schedule in the Act)
4	Bursary	100%		Council
5	Bereavement Policy	100%		Council
6	Delegations, Authorization & responsibility	100%		Local Government MSA
7	Disciplinary Code & Procedures	100%		SALGBC (Collective agreement)
8	Essential Services	Agreement expired		Agreement at the Sub- committee of the Local Labour Forum (2018/2019)
9	Employee Assistance/ wellness	100%		07/06/2013
10	Employment Equity	100%		EEA
11	Exit Management	100%		Recruitment Policy
12	Grievance Procedures	100%		SALGBC (Collective Agreement)
13	HIV/AIDS	100%		22/06/2006
14	Human Resource & Development	100%		Local Labour Forum
15	Information Technology	100%		Council
16	Job Evaluation	100%		SALGA
17	Leaven policy	100%		SALGBC (Conditions of Service)
18	Occupational Health & Safety	100%		OHS Policy
19	Official Housing	No policy		Collective agreement has housing subsidy and rental allowance.
20	Official Journeys, Travelling Scheme	Functional		Policy reviewed in 2017 an adopted
21	Official Transport to attend funerals	Functional		MM
22	Official working hours and overtime	Functional		Conditions of Service
23	Organizational rights	Functional		SALGBC
24	Overtime Policy	Functional		BCEA
25	Payroll Deductions	Functional		SALGBC
26	Performance Management & Development	100%		Local Government Systems Act.
27	Recruitment, selection & Appointments	100%		Recruitment policy

HR Policies & Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
28	Remuneration Scales & Allowances	Functional		SALGBC
29	Resettlement	No Policy		
30	Sexual Harassment	100%		LRA
31	Skills development	100%		SDA
32	Smoking	100%		OHS Policy
33	Scare Skills Policy	100%		Council
34	Work Organization	Functional		Council
35	Uniforms & protective clothing	Functional		OHS Policy
36	Life Threatening Diseases Policy	100%		07/06/2013
37	Management of HIV/AIDS in the workplace	100%		LRA. Code of Good Practice
Use name of local policies if different from above and at any other HR policies not listed T4.2.1				

Comment on Workforce Policy Development:

The organisation has policies and procedures in place which are essential. These policies together with procedures lays the basis for the organisation to function. They ensure compliance to the laws and regulation, give guidance to decision-making. They also help in streamlining internal processes as well as creating awareness amongst employees and other key stakeholders.

4.2.3 Injuries, sickness and suspensions

The period 01 July 2020 to 30 June 2021

Table 65: Number and cost of injuries on duty

Number and cost of injuries on duty					
Type of injury	Injury leave taken	Employees using injury leave	Proportion employees using sick leave	Average injury leave per employee	Total estimated cost
			%	Days	R'000
	Days				

Required basic medical attention only	42 days	27 Employees	27 out of 40 = 68%	0- 2 days for 27 employees	±R22.893.22
Temporary total disablement	726 days	11 employees	11 out of 40 = 28%	15 days for 11 employees	±R153.616.23
Permanent disablement	0	0	0	0	0
Fatal	0	2	0	0	0
Total	768days	40	96%	17 days	±R176.509.45

4.2.4 Injuries, Sickness and Suspensions

Table 66: Number and cost of injuries on duty (For more than 3 days)

Number and cost of injuries on duty					
Type of injury	Injury leave taken	Employees using injury leave	Proportion employees using sick leave	Average injury leave per employee	Total estimated cost
	Days		%	Days	R`000
Required basic medical attention only	1337 days	51 employees	51 out of 60=85%	3 days for 51 employees	R184.148.91
Temporary total disablement	688 days	7 employees	7 out of 60 = 11%	23 days for 7 employees	±R108.515.81
Permanent disablement	0	0	0	0	0
Fatal	0	2	0	0	0
	1025 days	60	96%	26 days	±R292.664.71

Table 67: Number of days and cost of sick leaves (excluding injuries on duty)

Number of days and cost of sick leave (excluding injuries on duty)
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Designations	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post*	*Average sick leave per employees Days	Estimated cost R`000
Top Management	0	0 0,00%	0	9	0	R0,00
Senior management	45	26 57,78%	23	112	1,956521739	R108 846,27
Middle Management	181	61 33,70%	58	206	3,12689655	R333 158,47
Junior Management	1252	309 24,68%	416	796	3,009615385	R1 461 342,84
Semi-Skilled	47	14 29,79%	17	96	2,764705882	R28 386,47
Unskilled	898	135 15,03%	247	837	3,63562753	R437 110,97
TOTAL	2423	545 26,83%	761	2056	2,415561181	R2 368 845,02

Comment on Injury and Sick Leave:

Recorded injuries shows an increase of up to 99% from 98% and man days lost decrease from 1629 to 1180. Although there is an increase of 1% the cost has decreased.

4.2.5 Suspensions and Cases of Financial Misconduct

Table 67: Number and period of suspensions.

Number and period of suspensions				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalized	Date finalized
No case reported				

Table 67: Disciplinary action taken on cases of financial misconduct

Disciplinary action taken on cases of financial misconduct			
Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalized
No case reported			

Comment on Suspensions and Cases of Financial Misconduct

The current financial year did not experience any disciplinary action taken regarding financial misconduct. The other forms of misconduct relate to gross negligence and dishonesty. These matters are being dealt with internally in terms of the Collective Agreement of the South African Local Government Bargaining Council, Disciplinary Procedures.

4.2.6 Performance Rewards:

Table 67: Performance Rewards by Gender

Performance Rewards by Gender					
Designation	Beneficiary Profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 12/13s R`000	Proportion of beneficiaries within group %
Lower skilled (levels 1-2)	Female	N/A	N/A	None	None
	Male	N/A	N/A	None	None
Skilled (levels 3-5)	Female	N/A	N/A	None	None
	Male	N/A	N/A	None	None
Highly skilled production (levels 6-8)	Female	N/A	N/A	None	None
	Male	N/A	N/A	None	None
Highly skilled supervision (levels 9-12)	Female	N/A	N/A	None	None
	Male	N/A	N/A	None	None
	Female	N/A	N/A	None	None

Performance Rewards by Gender					
Designation	Beneficiary Profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 12/13s R`000	Proportion of beneficiaries within group %
Senior Management (levels 13-15)	Male	N/A	N/A	None	None
MM and S57	Female	N/A	N/A	None	None
	Male	N/A	N/A	None	None
Total					

Comment on Performance Rewards

During the financial 2020/21 no performance rewards were awarded to employees.

4.3 COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.3.1 CAPACITATING THE MUNICIPAL WORKFORCE

4.3.1.1 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their function and exercise their powers in an economical, effective, efficient and accountable manner.

The Skills Development Act (SDA) aims to provide an institutional framework to devise and implement national, sector and workplace strategies in order to develop and improve the skills of the South African workforce. Furthermore, it aims to provide the financing of skills development by means of a levy – financing scheme and a National Skills Fund.

The SDA also makes it a requirement for the municipality to compile a workplace skills plan and submit an implementation report to the Department of Employment and Labour. The municipality always adheres to this requirement.

4.3.2 Skills Development and Training

Table 68: Skills Matrix

Skills Matrix												
Management	Gender	Employees in post as at 30 June 2021	Number of skilled employees required and actual as at 30 June 2018									
		No.	Learnerships			Skills Programme & other short courses			Other forms of training			Total
			Actual 30 June 2018	Actual 30 June 2019	Actual 30 June 2021	Actual 30 June 2018	Actual 30 June 2019	Actual 30 June 2021	Actual 30 June 2018	Actual 30 June 2019	Actual 30 June 2021	Actual 30 June 2021
MM & S57	Female	2	0	0	0	0	0	0	6	0	0	0
	Male	5	0	0	0	0	0	0	0	0	0	0
Councilors, senior officials & managers	Female	70	0	0	0	0	0	24	0	0	0	24
	Male	96	0	0	0	0	0	12	0	0	0	12
Technicians & associate professionals	Female	27	0	0	0	0	0	0	0	0	0	0
	Male	56	0	0	0	0	0	2	0	0	0	2
Professionals	Female	40	0	0	0	0	0	0	0	0	0	0
	Male	63	0	0	0	0	0	0	0	0	0	0
Clerks	Female	152	0	0	0	0	0	0	0	0	0	0
	Male	58	0	0	0	0	0	0	0	0	0	0
Service and Sales Workers	Female	86	0	0	0	0	0	0	0	0	0	0
	Male	264	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and	Female	18	0	0	0	0	0	0	0	0	0	0

Skills Matrix												
Management	Gender	Employees in post as at 30 June 2021	Number of skilled employees required and actual as at 30 June 2018									
		No.	Learnerships			Skills Programme & other short courses			Other forms of training			Total
			Actual 30 June 2018	Actual 30 June 2019	Actual 30 June 2021	Actual 30 June 2018	Actual 30 June 2019	Actual 30 June 2021	Actual 30 June 2018	Actual 30 June 2019	Actual 30 June 2021	Actual 30 June 2021
Assemblers												
	Male	62	0	0	0	0	0	0	0	0	0	0
Elementary Workers	Female	139	0	0	14	0	0	0	0	0	0	14
	Male	458	0	0	4	0	0	0	0	0	0	4
Sub Total	Female	379	0	0	14	0	0	24	0	0	0	38
	Male	786	0	0	4	0	0	14	0	0	0	18
Total		1165	0	0	18	0	0	38	0	0	0	56

Table 69: Financial competency development: progress report

Financial competency development: progress report						
Description	A Total number of officials employed by municipality (Regulation 14 (4)(a) and (c)	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated : Total of A and B	Consolidated : competency assessment completed for A and B (regulation 14(4)(b) and (d)	Consolidated : Total number of officials whose performance agreements comply with regulation 16 (Regulation 14(4)(f)	Consolidated : Total Number of officials that meet prescribed competency levels (Regulation 14(4)(a)
Financial officials (CFO)	1	1	1	1	1	0
Accounting officer	1	1	1	1	1	0
Senior Managers	6		7	6	7	7
Any other financial officials	138		139	23	27	85
Supply Chain Management officials	16	0	16	0	0	16
Heads of SCM units	1	0	1	0	0	1
SCM senior managers	3	0	3	0	0	3
Total	161	2	162	26	31	104
<p>*This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)</p> <p>Four Senior Managers have enrolled the MFMP and are awaiting their results, and 85 officials including managers have completed the in-house training,</p>						

Table 70: Skills Development Expenditure

Skills Development Expenditure										
Management Level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2019/20							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2	-							
	Male	6	-							
Legislators, senior officials and managers	Female	58	-		-	500 000	-	-	-	500 000
	Male	109	-	-	-	200 000	-	-	-	200 000
Professionals	Female	26	-	-	-	-	-	-	-	
	Male	20	-	-	-	--100 000	-	-	-	100 000
Technicians and associate professionals	Female	27	-				-	-	-	
	Male	30	-	-	-		-	-	-	
Clerks	Female	115		-	-		-	-	-	0
	Male	119		-	-		-	-	-	0
Service and sales workers	Female	6	-	-	-		-	-	-	0
	Male	254	-	-	-		-			0
Plant and machine operators and assemblers	Female	2	LGSET A Grant	-	-	-	-	-	-	-
	Male	62	LGSET A Grant	-	-	-	-	-	-	-

Skills Development Expenditure										
Management Level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2019/20							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
Elementary occupation	Female	139	LGSET A Grant	-	-	-	-	-	-	-
	Male	458	LGSET A Grant	-	-	-	-	-	-	-
Sub Total	Female	534	0	-	-	-	-	-	-	500 000
	Male	1064	0	-	-	-	-	-	-	3000 000
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan									***	*R 800 000
Total Training budget allocated for 2021									-	R 11 280 411
Total training budget used for training catering									-0	

Comment on Skills Development and Related Expenditure and on The Financial Competency Regulations:

WSP (Workplace skills plan) has been implemented and 58 employees were trained as per WSP.

Eighty-five (85) employees have completed minimum competency as per treasury regulations. Twenty (20) employees have been enrolled and attending classes but it was put on hold due to covid19 regulations. Classes are currently offered online

4.4 COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE.**4.1.1 MANAGING THE WORKFORCE EXPENDITURE.****Number of Employees whose Salaries where Increased Due to their Positions Being Upgraded**

During the 2020/21 financial year no employee salaries were increased due to their positions being upgraded

Table 74: Number of Employees whose Salaries where Increased Due to their Positions Being Upgraded

Number of employees whose salaries where increased due to their positions being Upgraded		
Beneficiaries	Gender	Total
Lower skilled(level 1-2)	Female	None
	Male	None
skilled(level 3-5)	Female	None
	Male	None
Highly skilled production (level 6-8)	Female	None
	Male	None
Highly skilled Supervision (level 9-12)	Female	None
	Male	None
Senior Management (Level 13-16)	Female	None
	Male	None
MM and S57	Female	None
	Male	None
Total		None

2020/21	2019/20	2018/19	2017/18	2016/17
Qualified	Qualified	Qualified	Qualified	Qualified

CHAPTER 5: FINANCIAL GOVERNANCE

5.1 COMPONENT A: FINANCIAL PERFORMANCE / FINANCIAL YEAR AT GLANCE

PENDING

5.1.1 ANALYSIS OF REVENUE COMPONENT OF FINANCIAL STATEMENT

PENDING

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

6.1 COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2018/2019

Reforms

- The Operation Clean Audit (OPCA) steering committee will be held monthly with all executive managers, Internal Audit, risk management, MMCs for finance and governance and all other relevant stakeholders deemed necessary for an effective committee.

Table 95: Below is an analysis of the audit opinions over the past five financial years.

2020/21	2019/20	2018/19	2017/18	2016/17
Pending	Qualified	Qualified	Qualified	Qualified

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.

Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.

Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, committees allocated and Council attendance						
Name of council members	Full Time(FT)/Part Time(PT)	Committees allocated	Ward No.	Party Represented	Number of council Meetings attended	Number of apologies for Non attendance
Total Number of Council Meetings for the 2020/21 Financial Year	Council seating's					
T.P. Nkadameng	Full Time	Executive Mayor	N/A	ANC	10	1
M.J. Ralefatane	Full Time	Speaker	N/A	ANC	11	0
M.K. Teffo	Full Time	Chief Whip	N/A	ANC	11	0
H. Shaik	Full Time	MMC Spatial Planning and Land Use Management	19	ANC	11	none
M.M. Maja	Full Time	MMC Culture, Sports, Recreation and Special Focus	2	ANC	10	none
Nkwe T.	Full Time	MMC Housing	12	ANC	11	none
Kganyago M.W	Full Time	MMC Water and Sanitation	41	ANC	8	3
Setati L.R. (<i>Passed away in February 2021</i>)	Full Time	MMC Governance and Admin	9	ANC	4	2
R C Molepo	Full Time	MMC Finance and LED	4	ANC	10	1
Kubjana M.F.	Full Time	MMC Roads and Stormwater	31	ANC	10	none
S.J. Malope	Full Time	MMC Waste And Environment	29	ANC	9	none

Councillors, committees allocated and Council attendance						
Name of council members	Full Time(FT)/Part Time(PT)	Committees allocated	Ward No.	Party Represented	Number of council Meeting attended	Number of apologies for Non attendance
Total Number of Council Meetings for the 2020/21 Financial Year	Council seating's					
Mothata Maphuti Lisbeth	Full Time	MMC Community Services	45	ANC	10	none
Malebana Mahloma Benjamin	Full Time	MMC Energy Services	18	ANC	10	none
Baloyi Abram Resemate	Part Time	N/A	1	ANC	10	none
Molepo Fokisi James	Part Time	N/A	3	ANC	10	none
Makwela Jan Frans	Part Time	N/A	5	ANC	10	1
Phoshoko Mapula Salome	Part Time	N/A	6	ANC	10	none
Mothapo Mautle Samuel	Part Time	N/A	7	ANC	9	none
Mojapelo Tebogo Stella	Part Time	N/A	8	ANC	9	None
Mothapo Jonas Evans	Part Time	N/A	10	EFF	8	none
Sivhabu Nomonde Albertina	Part Time	N/A	11	ANC	11	None
Ramaphoko Michael Mongatane	Part Time	N/A	13	EFF	5	2
Makgopja Thantshi Phineas	Part Time	N/A	15	ANC	8	3
Moakamedi Motlogeleng Alfred	Part Time	Ethics Committee Chairperson	16	ANC	8	2
Rapetswa Phetola Adolph	Part Time	N/A	17	ANC	10	1
Mashau Thilivhali Solomon	Part Time	N/A	20	ANC	10	1
Haas Frank Andreas	Part Time	N/A	21	DA	7	3

Councillors, committees allocated and Council attendance						
Name of council members	Full Time(FT)/Part Time(PT)	Committees allocated	Ward No.	Party Represented	Number of council Meetings attended	Number of apologies for Non attendance
Total Number of Council Meetings for the 2020/21 Financial Year	Council seating's					
Pretorius Mariette	Part Time	N/A	22	DA	11	none
Lourens Roelof Frederik	Part Time	N/A	23	DA	11	none
Masekela Mpho Andrew	Part Time	N/A	24	ANC	10	1
Mothiba Moroamokopane Jack	Part Time	N/A	25	ANC	9	none
Skosana Kabelo Maygirl	Part Time	N/A	26	ANC	11	none
Mogale Tshoudi Justice	Part Time	Local Geographic Names Change Committee	27	ANC	7	3
Sekgobela Maruke Rosemary	Part Time	N/A	28	ANC	10	none
Mphekgwana Kalabas Jackson	Part Time	N/A	30	ANC	9	none
Manaka Hendrick Sohlomola	Part Time	N/A	32	ANC	8	none
Dikgale Sewela Julia	Part Time	N/A	33	ANC	11	none
Makamela Mantswi Elizabeth	Part Time	N/A	34	ANC	7	1
Mashiane Maloto Catherine	Part Time	N/A	35	ANC	10	none
Legodi Nare Jackson	Part Time	N/A	36	ANC	5	None
Tsiri Maphuti Martinus	Part Time	MPAC Chairperson	37	ANC	11	none
Moeti Tlou Friddah	Part Time	N/A	38	ANC	11	none
Marx Franco Hermanus	Part Time	N/A	39	DA	9	1
Shadung Vivian	Part Time	N/A	40	ANC	11	None

Councillors, committees allocated and Council attendance						
Name of council members	Full Time(FT)/Part Time(PT)	Committees allocated	Ward No.	Party Represented	Number of council Meetings attended	Number of apologies for Non attendance
Total Number of Council Meetings for the 2020/21 Financial Year	Council seating's					
Matonzi Madimetsa Thomas	Part Time	N/A	42	ANC	10	none
Mathye Makgabo Veronica	Part Time	N/A	43	ANC	8	none
Phaka Tinyane Godfrey	Part Time	N/A	44	ANC	9	1
Kaka Mmakgabo Johanna	Part Time	N/A	N/A	ANC	8	none
Phoshoko Kobela Welhemina	Part Time	N/A	N/A	ANC	9	none
Mabote Makhasane Gloria	Part Time	N/A	N/A	ANC	11	none
Maleka Makhwela Edgar	Part Time	N/A	N/A	ANC	8	none
Moshoeu Pontsho Esther	Part Time	N/A	N/A	ANC	9	none
Ramakgoakgoa Molatelo Mandeline	Part Time	N/A	N/A	ANC	10	none
Tsheola Kweni Gloria	Part Time	N/A	N/A	ANC	10	none
Mohloana Ratau Petronella	Part Time	N/A	N/A	ANC	10	none
Manyaka TR	Part Time	N/A(New Coucillor)	14	ANC	10	none
Mamabolo Caroline	Part Time	N/A	N/A	ANC	10	None
Chidi Tiny Doraine Ramathabatha	Part Time	N/A	N/A	DA	9	1
Botha Androe Hendrina	Part Time	N/A	N/A	DA	9	2
Modiba Maisaka Sarah	Part Time	N/A	N/A	DA	11	none
Vallabh Khetan	Part Time	N/A	N/A	DA	8	1
Malatji Mpho Engelinah	Part Time	N/A	N/A	DA	11	none

Councillors, committees allocated and Council attendance						
Name of council members	Full Time(FT)/Part Time(PT)	Committees allocated	Ward No.	Party Represented	Number of council Meetings attended	Number of apologies for Non attendance
Total Number of Council Meetings for the 2020/21 Financial Year	Council seating's					
Joubert Francois Jacques	Part Time	N/A	N/A	DA	10	1
Malema Ronny Ramotsa	Part Time	N/A	N/A	EFF	7	none
Sesera Mashapa Cedric	Part Time	N/A	N/A	EFF	9	2
Phala Makgadi Roslyn	Part Time	N/A	N/A	EFF	9	none
Raphela Thokwana Richard	Part Time	N/A	N/A	EFF	5	none
Sathekge Madimetja William	Part Time	N/A	N/A	EFF	9	none
Khan Najma	Part Time	N/A	N/A	EFF	8	none
Choshi Motsatsi Elizabeth	Part Time	N/A	N/A	EFF	9	1
Mothapo Mmabatsi Eva	Part Time	N/A	N/A	EFF	8	none
Hopane Thandi Engelina	Part Time	N/A	N/A	EFF	6	2
Ramaphakela Maketu Freddie	Part Time	N/A		EFF	7	2
Legodi Zacharia	Part Time	N/A	N/A	EFF	10	1
Mankga Hilda Mangoka	Part Time	N/A	N/A	EFF	8	none
Ledwaba Moraka Victor	Part Time		N/A	EFF	5	none
Molope Mmakgomo Betty	Part Time	N/A	N/A	EFF	8	none
Mothata Lesiba Samuel	Part Time	N/A	N/A	EFF	9	1
Modiba Mmatlou Thabitha	Part Time	N/A	N/A	EFF	8	none
Lephalala Ledile Francinah	Part Time	N/A	N/A	EFF	10	1
Maenetja Mokgapa Frans	Part Time	N/A	N/A	EFF	8	none
Mohlasedi Mabu Francina	Part Time	N/A	N/A	EFF	10	none

Councillors, committees allocated and Council attendance						
Name of council members	Full Time(FT)/Part Time(PT)	Committees allocated	Ward No.	Party Represented	Number of council Meetings attended	Number of apologies for Non attendance
Total Number of Council Meetings for the 2020/21 Financial Year	Council seating's					
Manamela Phuti Erasmus	Part Time	N/A	N/A	EFF	7	none
Mothiba Tumudi Piet	Part Time	N/A	N/A	EFF	8	none
Mehlape Mpho Lizzy	Part Time	N/A	N/A	EFF	9	none
Mohlabeng Dinah	Part Time	N/A	N/A	EFF	8	none
Hiine Phologo Jerriel	Part Time	N/A	N/A	EFF	6	1
Laka Machuene Welconia	Part Time	N/A	N/A	EFF	9	none
Machaba Ngwako Emmanuel	Part Time	N/A	N/A	COPE	9	none
Coetzee Carin	Part Time	N/A	N/A	VF+	11	none
Clarke S	Part Time	Replaced Cllr Coetzee	N/A	VF+	11	

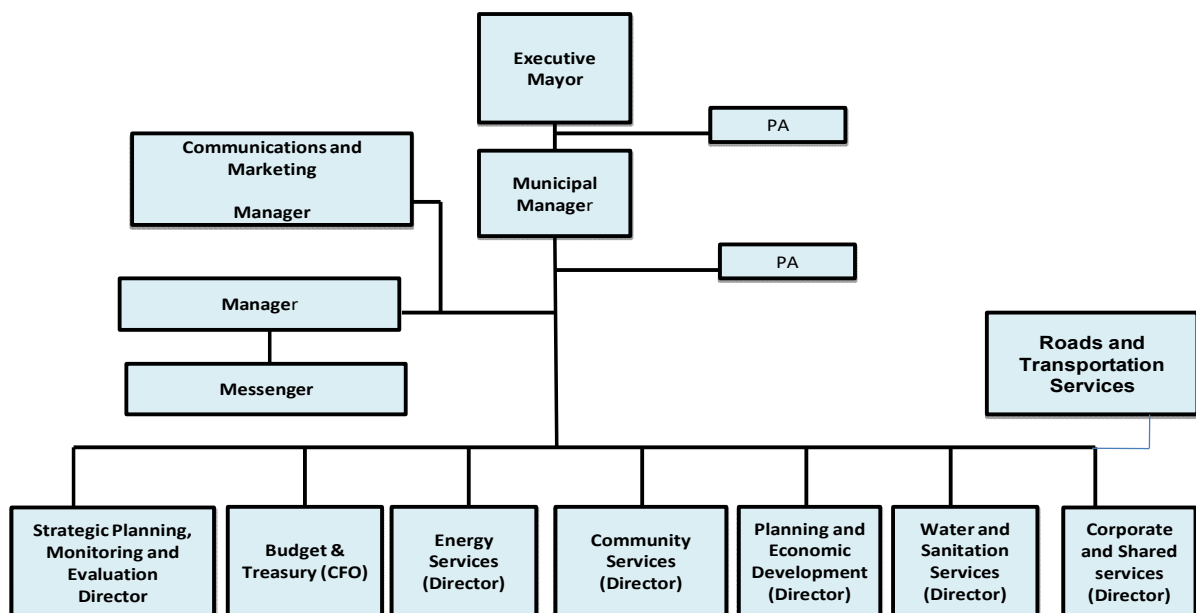
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral Committees/executive committee) and purpose of committee	
Municipal Committee	Purpose of Committee
SPATIAL PLANNING AND DEVELOPMENT	<ul style="list-style-type: none"> ▪ Town planning schemes ▪ Spatial Development Framework ▪ Land Use Management ▪ Land issues
WATER AND SANITATION	<ul style="list-style-type: none"> ▪ Monitor implementation of Accelerated Rural Water Programmers ▪ Monitor Water Services Development ▪ Monitor and evaluate Free Basic Water ▪ Monitor implementation of rural Sanitation programme ▪ Urban Water schemes ▪ Urban Sanitation Programme ▪ Any other matter that may be referred
HOUSING	<ul style="list-style-type: none"> ▪ Monitoring housing projects ▪ Monitor rural housing ▪ Suggest allocations to cluster ▪ Monitor waiting lists ▪ Evaluate existing strategies ▪ Any other matter that may be referred
CULTURE, SPORTS AND RECREATION AND SPECIAL FOCUS	<ul style="list-style-type: none"> ▪ Sports and recreation facilities ▪ Libraries, museums and archives ▪ Any other matter that may be referred ▪ All cultural activities ▪ HIV/AIDS programmes ▪ Mainstreaming of gender, youth and disability issues ▪ Intervention programmes ▪ Any other issue that may be referred
FINANCE AND LED	<ul style="list-style-type: none"> ▪ Revenue in all its aspects ▪ Monitor Expenditure capital and operating ▪ Monitor debtors trends ▪ Budget preparation and process ▪ Financial policies : policies rates & taxes, credit, provisions, loans, investments, assets management ▪ Management information System ▪ Supply Chain management ▪ Indigent policy ▪ Free basic water and free basic electricity ▪ Local Tourism ▪ SMME support ▪ Skills Development Programmes ▪ Sustainable livelihoods programmes

Committees (other than Mayoral Committees/executive committee) and purpose of committee	
Municipal Committee	Purpose of Committee
	<ul style="list-style-type: none"> ▪ Investment attraction and retention ▪ Urban Renewal programmes ▪ Waste management in urban areas ▪ Public ablution facilities ▪ Hawker management programmes ▪ Public ablution facilities ▪ Hawkers management programme ▪ Any other matter that may be referred
ENERGY SERVICES	<ul style="list-style-type: none"> ▪ Electrification ▪ Eskom areas allocations ▪ Prioritization of villages to be electrified ▪ Monitoring of free basic electricity ▪ Demand side management ▪ Non Grid electricity ▪ Promotion of alternative sources of energy ▪ Local energy forum ▪ Any other matter that may be referred.
COMMUNITY SAFETY	<ul style="list-style-type: none"> ▪ Traffic policing ▪ Fire and Emergency Services ▪ Monitor municipal police ▪ Disaster management ▪ Community protection ▪ Licensing of vehicles and drivers ▪ Any other matter referred
ROADS, STORMWATER AND TRANSPORT	<ul style="list-style-type: none"> ▪ Construction of road network & management. ▪ Upgrading of roads infrastructure. ▪ Maintenance of roads & storm water infrastructure ▪ Management of roads & storm water infrastructure ▪ Overall roads & storm water assets management
WASTE AND ENVIRONMENT	<ul style="list-style-type: none"> ▪ Mainstreaming of environmental issues ▪ Parks, cemeteries and game reserves ▪ Waste management in rural and urban areas ▪ Any other matter that may be referred
MPAC	<ul style="list-style-type: none"> ▪ Analyse the annual report and develop the oversight report for council consideration ▪ Hold management and political office bearers accountable.
AUDIT COMMITTEE	<ul style="list-style-type: none"> ▪ Analyse the financial report, quarterly reports, annual performance report, half yearly report of the municipality and entity and report their findings to council

Committees (other than Mayoral Committees/executive committee) and purpose of committee	
Municipal Committee	Purpose of Committee
LLF	<ul style="list-style-type: none"> The committee has been established in terms of a Council resolution to strive and find common ground regarding Labour relations matters and advise Council accordingly.
LAND USE MANAGEMENT	<ul style="list-style-type: none"> The committee has been established in terms of Legislation with delegated powers and functions to address land matters.
LUMTECH	<ul style="list-style-type: none"> To allow management to tackle technical issues and make recommendations to the Land Use Management Committee and to advise the political leadership

APPENDIX C – ORGANOGRAM (ADMINISTRATIVE STRUCTURE)



APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal /Entity Functions		
Municipal functions	Function applicable to municipality (Yes/No)	Function applicable to Entity (Yes/No)
Constitution schedule 4,part B functions		
Air pollution	yes	No
Building regulation	yes	No
Child care facilities	No	No
Electricity and gas reticulation	yes	No
Firefighting service	yes	No
Local tourism	yes	No
Municipal airports	No	No
Mining planning	No	No
Municipal health service	yes	No
Municipal public transport	No	No
Municipal public works only in respect of the need of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitution or any other	yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related	No	No
Storm water management systems in built up areas	yes	No
Trading regulation	yes	No
Water and sanitation services limited to potable water supply system and domestic waste water and sewage disposal system	yes	No
Constitution schedule 5 ,part B functions		
Beaches and amusement facilities	No	No
Billboards and display of advertisement in public places	yes	No

Municipal /Entity Functions		
Municipal functions	Function applicable to municipality (Yes/No)	Function applicable to Entity (Yes/No)
Cleansing	yes	No
Control of public nuisance	yes	No
Cemeteries, funeral parlour and crematoria	yes	No
Control of undertakings that sell liquor to the public	yes	No
Facilities for the accommodation ,care and burial of animals	yes	No
Fencing and fences	yes	No
Licensing of dogs	No	No
Licensing and control of undertaking that sell food to the public	yes	No
Local amenities	No	No
Local sport facilities	yes	No
Markets	yes	No
Municipal abattoirs	No	No
Municipal park and recreation	yes	No
Municipal roads	yes	No
Noise pollution	yes	No
Pounds	No	No
Public places	yes	No
Refuse removal, refuse dumps and solid waste disposal	yes	No
Street trading	yes	No
Street lighting	yes	No
Traffic and parking	yes	No

APPENDIX E – WARD REPORTING

The report will cover the activities, Programmes and challenges of ward committees for the period of July 2019 to June 2020. It is a legislative requirement that local municipalities should involve communities' in decision-making processes by establishing structures that will make sure that the public participation is fully practiced to strengthen local democracy.

ESTABLISHMENT OF WARD COMMITTEES

The Municipality has established Ward Committees in all thirty-eight (45) wards. Each Ward Committee comprises of ten (10) members and is chaired by the Ward Councilor. In rural areas each Moshate/Traditional Authority is represented in the Ward Committees.

STRUCTURAL ARRANGEMENTS

Polokwane Municipality has fully fledged organizational structure (Organogram) for Public Participation Unit under the Office of the Speaker which is in charge of the operations and functionality of ward committees. The structure has management components and officials who are directly working with Ward Committees in all clusters.

DISCUSSION

CLUSTER OFFICES

Polokwane Municipality has been divided in to six cluster, namely:

1. Molepo/Chuene/Maja Cluster
2. Mankweng Cluster
3. Sebayeng / Dikgale Cluster
4. Seshego Cluster
5. City Cluster
6. Moletjie Cluster

Each Cluster has a dedicated Public Participation Officer (PPO) who co-ordinates and facilitates Ward Committees Programmes. They also Facilitate the engagement of stakeholders in municipal Programmes and activities.

STAKEHOLDER ENGAGEMENT

Polokwane Municipality, by way of Ward Committees has established a database for all the stakeholders within the Municipality. These are:

- Magoshi
- Faith Based Organizations
- Business
- Transport Sector
- Traditional Healers
- NGO's
- NPO's
- Rate Payers Association
- Sporting Codes
- Farmers
- All Clusters

FUNTIONALITY OF WARD COMMITTEES

Each Ward Committee meets monthly. Ward Committees are required to compile reports on a monthly basis according their allocated portfolio committees. All ward committees have a properly trained Secretary.

Ward Committee Meetings

All the Ward Committees meetings have convened as per the annual schedule. From July 2019 to February 2020. From March 2020 the country was put under hard lockdown and as such gatherings were prohibited. To date our ward committees were not able to effectively execute their responsibilities due to restrictions imposed by the lockdown and the risk of contracting the virus through physical interaction. We are hopeful that as the country relaxes these restrictions and levels, ward committees will be able to operate and be fully functional.

MUNICIPAL PORTFOLIO COMMITTEES

Polokwane Municipality has ten (10) portfolio committees headed by Members of Mayoral Committees(MMC's)of which Ward Committees are allocated to:

- Water and Sanitation
- Roads and Transport
- Energy Services
- Housing
- Waste and Environment
- Administration and Governance
- Finance and LED
- Land-use Management, Spatial Planning and Development
- Community Safety
- Sports, Culture, Recreation and Special Focus

SUPPORT FOR WARD COMMITTEES

Secretarial Services

The Public Participation Officers serve as the secretariat of the Ward Committee meetings and they also facilitate and coordinate other meetings that involve service delivery in their allocated clusters. They also take minutes and compile monthly reports for the attention of Public Participation Unit.

Administration Services

Ward Committees are provided with stationery to enable them to perform their responsibilities. They have been allocated personal identification cards and work-suites. They proposed that the incoming financial years the stationery should be increase and personal protective clothing that is in line with the current developments in as far as the pandemic is concerned be supplied.

Out of pocket expenses

The Municipality is paying Ward Committee Members a stipend of R10575.00 per month. The stipend is allocated as follows:

- Transport
- Airtime and
- Food

EDUCATION AND TRAINING

Ward Committees Training

Polokwane Municipality budget for training of ward Committees of which the budget is insufficient. Capricorn District Municipality (CDM) and CoGHSTA support the municipalities with the budget for training and public participation activities. Ward Committees secretaries have been trained on their roles and responsibilities as per that allocated budget from CDM and CoGHSTA.

Ward committee members responsible for water and sanitation have been taken through a training programme initiated by Capricorn District Municipality and they are awaiting certificates.

WARD COMMITTEES CONFERENCE

The Municipality has not hosted any ward committee conference for this financial year. It must be noted that the current serving ward committees are finishing their term this financial year.

ATTENDANCE TO MUNICIPALITY STRATEGIC PROGRAMMES AND ACTIVITIES

Ward Committees are invited to participate actively in the integrated Development Plan (IDP) processes, Council meetings, quarterly cluster Ward Councillor and ward committee

SERVICE DELIVERY PROCESSES

Ward Committees are part of the Project Steering Committees (PSC) and participate actively in the handing over of project site and project hand over to the communities. They also assist the Municipality with Traditional Authorities protocols during the site and project hand overs

QUATERLY CLUSTER WARD CONCILLOR AND WARD COMMITTEE MEETINGS

The Municipality has established quarterly Cluster Ward Councillor and Ward Committee meetings, led by the Executive Mayor. They focus much on service delivery and challenges faced by Ward Committees. These forum has not been that effective.

CLUSTER SERVICE DELIVERY CHALLENGES

1. Moletjie cluster

Water & Sanitation and Water Shortages

Almost all the wards experience water shortages on a monthly basis despite several engagements with the Lepelle Northern Water (LNW). This has led to some communities in ward 10 and 16 to block roads in protests. The Municipality intervened by increasing the number of water tankers and extended the days of water distribution.

Energy Services

The mushrooming of new extension has created back-log of electricity supply, however this, have been included in the revised priority list.

Roads and Storm-Water

After heavy rains, the majority of roads get damaged and it's difficult for motorist to drive on them. There is a need for more graders and plant equipment to assist with the challenges.

Waste & environment Management

Collection of waste has not yet reached all the villages within the cluster, however the EPWP Programmes have assisted a lot.

Housing

Provision of RDP houses is still a major challenge. The Department of Cooperate Governance, Human Settlement and Traditional Affairs has allocated housing units to the Municipality, however the demand is still high. The Municipality has been working together with the Traditional Council and Mandunas during the identification of beneficiaries.

2. Sebayeng/Dikgale cluster

Water and Sanitation

The two Regional Water Schemes are operating well despite high level of water shortages in the following wards 29,32 and 33 due to illegal water connections. The Regional Water Scheme project at Ga Dikgale has been completed and handed over to the municipality.

Energy Services

The mushrooming of new extension has created back log of electricity supply. All the new extension has been included in new revised priority list.

Roads and Storm-Water

Majority of the roads in all wards require re-gravelling and tarring. There are tar roads projects at Ntshitshane/Nobody, Madiga, Ga Tjale and Sefateng.

Waste and Environment Management

Waste collection has been going well even though it has not yet reached the whole villages.

3. Mankweng Cluster**Water and Sanitation**

Water shortages in the cluster is a very thorny issue which has led to numerous service delivery protests. There is a pressing need for boreholes to be revitalized.

Energy Services

Most areas in the Cluster are electrified but there is still a problem with electricity cards not registered in some villages. Eskom was briefed about this challenge and they did not do much. Regular maintenance is needed for the streets lights and the Apollo lights.

Roads and Storm-Water

Generally, the road conditions in the cluster are still bad and need re-gravelling and urgent maintenance. There are two graders allocated as being the largest cluster in the Municipality but due to the grade breakdown the road challenges are still serious.

Housing

The RDP allocation for this financial year have lessened the burden a bit. The blocked projects remain a serious consideration in the cluster. The need for more houses must be prioritized in the cluster.

4. Molepo/Chuene/Maja Cluster**Water and Sanitation**

Mushrooming of new extension has extended the shortages of water provision. Most villages need VIP toilets

Energy Services

Only new extensions not electrified.

Roads and Storm-Water

Grading of roads is still a serious challenge and more graders are required

Waste Management

Waste collection is done once a week as per schedule but it does not cover all the villages

Housing

Majority of residents needs RDP Houses

5. Seshego Cluster

Water and Sanitation

The whole of Seshego has a serious problem with water shortages and this has created a potential platform for the mushrooming of concern groups. Delays in responding to water interruptions (pipe busts). The Executive Mayor had a series of meetings with ward councilors and communities of the affected areas. The engagements were fruitful and plans were developed to assist the affected communities. Lepelle Northern Water, Department of Water and Sanitation and CDM formed part of the discussions.

Energy Services

Most of the streets lights around the cluster are not working.

Roads and Storm-Water

Most of the streets had potholes, but these have been attended to.

Waste Management

Waste is collected as per the weekly schedule despite some delays at times.

Housing

The allocated RDP houses are no sufficient to address the backlog.

Sports, Culture, Recreation and Special Focus

Grading of Sports field is still a major challenge.

Admin & Governance

Insufficient payments of bills due to incorrect accounts and wrong meter reading are a major challenge

Finance & LED

Old meters and incorrect readings is a major challenge. The executive Mayor intervened several times and the situation has improved.

6. City Cluster

Water and Sanitation

Water shortages are a serious challenge in all wards. Delays in responding to water breakdowns poses a serious challenge on water losses. Majority of extensions in ward 8 & 19 experience sewerage challenges on a regular basis and the responding times in unsatisfactory.

Energy Services

Majority of streetlights are non-functional mostly at ward 19,22,23.

Roads and Storm-Water

The entire ward 8 streets re-gravelling. Storm water pipes are not properly serviced and this causes streets to be affected by sand and stones during rainy seasons. Wards 20 &21 require the fixing of potholes.

Waste and Environment Management

Delays with waste removal is a challenge.

Administration interventions

All operational services delivery issues have been reported to the relevant SBUs for attention and processing. i.e.

- Water breakdown
- Electricity breakdown
- Cutting of grasses and trees
- Grading of roads
- Filling of potholes
- dysfunctional streetlight.

CHALLENGES OF WARD COMMITTEES

Out of Pocket Expenses

- Ward committees complain that the amount allocated (R10575.00) is too little.
- Non Grading of Sports Facilities
- Incorrect billing system
- Delays in responding to basic service breakdowns
- Insufficient registration on the indigent register
- Old water meters

Poor Working Relations with Ward Councilors

- Most of the Ward Committees members tend to confuse their roles and responsibilities with those of Ward Councilors.
- Grading of sports fields need to improve as it causes confusion
- Poor working relations with Community Development Workers (CDW'S)
- Poor working relations with some Meshate and Indunas
- Delay in response to basic services breakdown i.e. water and electricity
- To develop a campaign on the indigent register registrations
- To develop plans to improve the meter reading and customer care

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2020/21

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
1	01/29/08/2019 02/16/10/2019	Induction of new APAC members It was resolved that a proper induction program will be organised with each Directorate in order to equip new APAC members with knowledge and understanding of the Municipality's business process.	CAE	31 Dec 2019	Implemented	Induction of the new members were held on the 08 November 2019.	N/A	N/A
2	02/29/08/2019	That a Special APAC meeting should be arranged to consider the deferred items.	CAE	05 Sept 2019	Implemented	An extra ordinary APAC meeting was held on the 05 September 2019.	N/A	N/A
3	03/29/08/2019	Draft AFS Internal Audit Review APAC noted the internal Audit report and resolved that that Internal audit should review the final version of the AFS before they can be submitted to AGSA	CAE	31 Aug 2019	Implemented	Internal Audit staff was part of the Finance team that was preparing the AFS from 29 to 30 August 2019.	N/A	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
		to ensure that all inputs and comments are addressed.						
4	04/29/08/2019	AGSA Audit Strategy Timetable of key events The date for APAC meeting to consider the draft AGSA Audit Report should be moved to an earlier date.	CAE/ AGSA	30 Aug 2019	Not implemented	Taking into account the request made by the MM to adjust the financial statements, the process is likely to have an impact on the audit timeline. The date of the meeting still to be decided. The revised strategy still need to be finalised with the MM.	Singed Audit Report was issued on 05 June 2020 and the next APAC meeting to discuss the report will be held on 26 June 2020	
	05/16/10/2019	The amended timetable for the stakeholders should be communicated.	AGSA	28 October 2019	Not implemented	AGSA will provide verbal presentation to APAC at the meeting on the 23 January 2020.		

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
5	05/29/08/2019	Status of the AGSA Audit APAC noted the presentation on the status of the AGSA Audit and resolved that: The status of the audits should be in writing for reference purposes and also to allow members to effectively engage on matters presented.	CAE/ AGSA	Next APAC meeting (Ongoing)	Implemented	The Status (Registers) for the RFIs and COMAFs were presented at the Extra Ordinary APAC meeting held on the 30 September 2019.	The status of the AGSA Audit was presented to APAC at the meetings held on the 30 Sept, 16 Oct and 24 Oct 2019.	N/A
6	06/29/08/2019	Status of the AGSA Audit At least 3 special APAC meetings should be scheduled for progress reporting on the AGSA audit to ensure continuous monitoring of the process and to provide independent interventions on deviations	CAE	Sept 2019, Oct 2019 and Nov 2019	Implemented (Ongoing)	Three Extra Ordinary APAC meetings are scheduled for 30 September 2019 and 08 November 2019. An ordinary meeting will be held on the 16 October 2019. First meeting was held as scheduled on the 30 Sept 2019	Extra Ordinary APAC meetings were held as scheduled	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
7	07/29/08/2019	AFS Process Plan That the most recent updated process plan will be provided to APAC.	CFO	30 August 2019	Implemented	AFS were prepared and submitted to APAC to AGSA on the 31 August 2019 as per the process plan.	N/A	N/A
8	08/29/08/2019	Draft AFS 2018 – 2019 APAC noted the Draft AFS and resolved that: <ul style="list-style-type: none">That the AFS should be prepared and Audited by IA at least on a quarterly basis.	CFO/CAE	16 Oct 2019	Not Implemented	Audit removed as per the revised Annual Internal Audit Plan 2019 – 2020 due to COVID – 19 National Regulation.	The review of the quarterly AFS will planned as per the Annual Internal Audit Plan for 2020 – 2021.	N/A
9	09/29/08/2019	Draft AFS 2018 – 2019 <ul style="list-style-type: none">That an Internal Audit Staff member should form part of the Team that is finalizing the AFS and provide independent quality review as the issues that were raised by both IA and APAC are being addressed.That feedback should be provided to APAC to provide assurance that the issues	CAE and CFO	30 Aug 2019	Not Implemented	IA did not receive the AFS to review before submission. We were informed there are still journals which they need to pass. Once the journals are passed IA will get an updated AFS to review.	The review of the Draft AFS will planned as per the Annual Internal Audit Plan for 2020 – 2021. Internal Audit will request to form part of the BTO Team that will be finalizing the AFS	

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non-Implementation of the resolution
		raised (by IA and APAC) were addressed before submission to AGSA.				But we did not receive them.	after APAC meeting and provide independent quality review.	
10	10/29/08/2019	Draft Annual Performance Report That management should review the APR to ensure that there is alignment between the unit of measure and reporting (where the unit of measure is in %, the reporting should be in %, etc.)	Director SPME	30 Aug 2019	Implemented	Inputs received for Internal Audit and APAC on the draft APR were updated.	The updated APR was reviewed and confirmed by Internal Audit.	N/A
11	01/05/09/2019	Draft Three Year Rolling Plan 2019 - 2022 and Annual Internal Audit Plan 2019 – 2020 That the revised Plan with inputs should be circulated to APAC before the next APAC meeting.	CAE	16 Oct 2019	Implemented	The revised Internal Audit Plan for 2019 – 2020 was emailed to APAC on the 16 September 2019	N/A	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
12	02/05/09/2019	Terms of Reference of the contracted work APAC resolved that the available Budget and SLA of the contracted IA service must be shared with APAC.	CAE	16 Oct 2019	Implemented	The Internal Audit Budget for 2019 - 2020 and SLA of the contracted IA service were emailed to APAC on 20 Sept 2019 and 11 Sept 2019 respectively.	N/A	N/A
13	03/05/09/2019	APAC resolved that the Skills Transfer Plan must be developed and shared with the members for inputs	CAE	16 Oct 2019	Implemented	Skills transfer plan for the financial year 2019/2020 was emailed to APAC on the 03 rd October 2019 for inputs.	N/A	N/A
14	04/05/09/2019	APAC resolved that page 13 of the plan should reflect that the Co – Sourced service provider will not be doing administration work.	CAE	16 Oct 2019	Implemented	The revised Internal Audit Plan for 2019 – 2020 with inputs was emailed to APAC on the 16 September 2019	N/A	N/A
15	05/05/09/2019	That the estimated hours on the Annual Plan should be increased with the criteria of between 0% and 10%. That factor for significant increases in hours should be reflected.	CAE	16 Oct 2019	Implemented	The revised Internal Audit Plan for 2019 – 2020 with inputs was emailed to APAC on the 16 September 2019	N/A	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
16	06/05/092019	<p>APAC recommended the following:</p> <ul style="list-style-type: none"> • That the SCM, Revenue, Assets Management and Expenditure audits coverage should be done at least quarterly to ensure continuous coverage of the risks. • That the hours should be estimated for the follow up audits for the next 2 financial years on the 3 year rolling plan. • Performance Audit to review the Efficiency, Effectiveness and Economy of processes should be considered for inclusion on the plan. • That the review of the Corporate Governance should be done at least once in every 3 years. • That the start date and end date column should be included to clarify the planned timeframes. 	CAE	16 Oct 2019	Implemented	The revised Internal Audit Plan for 2019 – 2020 with inputs was emailed to APAC on the 16 September 2019	N/A	N/A
17	07/05/09/2019	Draft Reviewed APAC Charter 2019 – 2020	CAE	30 Oct 2019	Implemented	Council approved the APAC Charter on the 06 November 2019.	The APAC report to Council for 1 st quarter and Charter were tabled and approved at the	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
		APAC recommended the 2019 – 2020 APAC Charter for approval by Council with consideration that inputs as discussed are incorporated. That the amended Charter should be submitted to APAC for inputs before serving for approval at Council.					Council meeting held on the 06 th November 2019.	
18	08/05/09/2019	Risk Management Report to the Audit & Performance Audit Committee APAC took note and recommended the Strategic Risk Assessment Report for 2019 – 2020 for approval by Council with the following consideration: <ul style="list-style-type: none"> That the additional risks (Data Recovery Plan, Loss of Data, Consequence Management, HR risks, cyber-attacks, Information security) that are not explained in detailed are included in the operational risk register for monitoring by the Risk Management Committee. That the IA Plan should be aligned to the updated Strategic Risk Register. 	Manager: Risk Management	30 Oct 2019	Implemented	Audit Committee recommendations on Strategic Risk Assessment Report for 2019 – 2020 was part of the APAC's chairperson report to Council. Additional risks are covered in the operational risk register.	The APAC report to Council was tabled at the Council meeting held on the 06 th November 2019.	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
19	01/30/09/2019	Apologies It was resolved that going forward apologies should be formalised in writing and must be submitted to Secretariat on time.	CAE	16 Oct 2019	Implemented (Ongoing)	The progress will be monitored during the subsequent meeting to be held on the 16 October 2019.	Emails for apologies from standing invitee were received to Internal Audit for the meeting held on the 16 Oct 2019.	N/A
20	02/30/09/2019	Request for information (RFI's) – Annual Audit That the updated RFI Register/dashboard be shared with APAC. That the status should be quantified to assist with the analysis of the progress.	CFO	16 Oct 2019	Implemented	The updated RFI will be submitted to APAC at the next meeting on the 16 October 2019.	The status of AGSA audit and updated RFI were presented to APAC on the 16 Oct 2019	N/A
21	03/30/09/2019	That AGSA should keep APAC updated on the progress (feedback) of the letter written to the BE. That the updated COMAF tracking register be submitted to APAC.	AGSA	30 Sept 2019	Implemented	The letter submitted to Business Executive at AGSA was approved. The Municipality has resubmitted the adjusted AFS on the 28 October 2019 The revised COMAF register was presented at the APAC meetings.	Verified email correspondence dated 28 October 2019 for resubmission of the adjusted AFS	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
22	01/16/10/2019	Progress on the Combined Assurance Plan 2018 – 2019 It was resolved that the Draft TOR for Combine Assurance Committee must be shared with APAC for inputs.	CAE	23 January 2020	Implemented	The Draft Terms of Reference was emailed to APAC on the 17/10/2019	Verified the email correspondence dated 17/10/2019	N/A
23	03/16/10/2019	AGSA Audit Strategy <ul style="list-style-type: none"> Internal Audit should provide quality assurance on the adjusted AFS before they are submitted to AGSA. That the submission to Internal Audit is agreed for 18 October 2019. That Internal Audit should focus on findings that were reported during the initial review and significant components of the AFS. 	CAE	18 October 2019	Implemented	Internal Audit reviewed the adjusted AFS from the week of the 21 to 25 October 2019. Progress was presented at the APAC meeting held on the 24 October 2019.	Minutes of the APAC meeting held on the 24 October 2019 are in place.	N/A
24	04/16/10/2019	That an Extra Ordinary APAC meeting should be arranged to review the AFS before they are submitted to AGSA on the 28 October 2019 to ensure that the Committee exercise its oversight role.	CAE	28 October 2019	Implemented	An extra ordinary APAC meeting was held on the 24 Oct 2019 for consideration of the adjusted AFS that were resubmitted to AGSA.	Minutes of the APAC meeting held on the 24 October 2019 are in place.	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
25	06/16/10/2019	Quarterly Finance Report - 30 September 2019: Loan That the loan register should be presented at the next APAC meeting	CFO	23 Jan 2020	Implemented	The Loan register is submitted for presentation to APAC on the 23 Jan 2020	The report is received from Management and is emailed to APAC as agenda item 6.10	N/A
26	07/16/10/2019	Quarterly Finance Report - 30 September 2019: Creditors That the report for creditors that are not paid within 30 days and the reasons for delayed payments should be presented at the next APAC meeting.	CFO	23 Jan 2020	Implemented	The Creditors age analysis is submitted for presentation to APAC on the 23 Jan 2020	The report is received from Management and is emailed to APAC as agenda item 6.8	N/A
27	08/16/10/2019	Report or dashboard for Revenue enhancement strategy That the Policy for Revenue enhancement strategy will be presented at the next APAC meeting	CFO	23 Jan 2020	Not Implemented	The Policy for Revenue Enhancement strategy will be submitted in the next APAC meeting	The Revenue enhancement strategy is requested from management on 05 June 2020 and a reminder was send on 12 June 2020.	N/A
28	09/16/10/2019	Legal and compliance report	Director: Corporate and Shared Services	23 January 2020	Implemented	The Legal and compliance report	The report was tabled at the meeting held on	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
		<ul style="list-style-type: none"> That the next report to be presented in the next APAC meeting needs to be amplified to provide more details that are required to assist APAC with the analysis of the cost vs benefit. That the exposures of the legal fees that the Municipality is sued for should clearly stand out. That the Prospect of success should be supported by narrations in line with the percentages reflected. 				Was tabled at the APAC meeting on the 23 Jan 2020	the 23 January 2020.	
29	10/16/10/2019	Leave Management Report The report to be presented in the next APAC meeting should reflect Critical challenges.	Director: Corporate and Shared Services	23 January 2020	Implemented	The Leave management report was tabled at the APAC meeting on the 23 Jan 2020	The report was tabled at the meeting held on the 23 January 2020.	N/A
30	01/24/10/2019	AGSA Audit Progress That user friendly supporting schedules that are clearly crossed referenced to the AFS are submitted to AGSA. That CFO will compile a summary that will explain where	CFO CAE	28 October 2019	Implemented	The submitted final version of the AFS were in correspondence with the supporting schedules.	After the APAC meeting on the 24 Oct 2019, Internal Audit followed up with the preparers of the AFS, however some of the amounts on the face of the AFS and the supporting	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
		<p>totals come from and such summary will be hyperlinked to the supporting schedules.</p> <p>That management should ensure that all the differences are attended to with immediate effect.</p> <p>That Internal Audit and management should work together to ensure that adjustments to be processed are agreed upon between the two parties.</p> <p>APAC recommended that management should identify where the real problems stem from and deal with them urgently.</p> <p>That Internal Audit should not disregard the review work it has done so far and should use that as a benchmark in order to track what management has addressed or not yet addressed as they do further review.</p>					<p>schedules could not agree as the AFS were still work in progress.</p> <p>After AGSA has agreed for the adjustment of AFS, Internal Audit conducted the review and met with individual Managers (except the Revenue Manager) and agreed most of the amounts on the face of the AFS with the lead and supporting schedules. However, the process of adjustment was</p>	

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
							still work in progress as the inventory and revenue components were still work in progress.	
31	01/23/01/2020	Status or Progress on the current AGSA audit APAC members will confirm their availability for a meeting to consider the draft report on Friday, 31 st January 2020.	CAE/APAC	31 January 2020	Not implemented	Meeting was not held on 31 January 2020. The AGSA audit Report was issued on the 05 June 2020	AGSA audit report to discussed on 26 June 2020	N/A
32	02/23/01/2020	Occupational Health and Safety APAC noted the measures that management planned to implement in addressing the OHS risk and resolved that progress will be monitored through the risk management report to APAC on an ongoing basis.	Manager: Risk Management	13 May 2020	Implemented	OHS is a standing item in all RMC meetings.	Risk Management Report is on the agenda of the meeting	N/A
33	03/23/01/2020	That the Mid – Year Performance Report will be submitted to the Executive Mayor by the 25 th January 2020 and to Council by	Director: SPME	31 January 2020	Implemented	The Mid – Year Performance Report served at all Council structures up to	The Mid – Year Performance Report was submitted at	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
		the 31 st January 2020 as per the Legislation.				Council meeting as legislated.	Mayco on the 22 May 2020 and to Council on the 29 January 2020	
34	04/23/01/2020	Quarterly Finance Report - 31 December 2019 (Section 71 Report) <ul style="list-style-type: none"> The Finance Report should be presented in the form of a presentation summary. That the report should indicate the components as a line item indicating the variances and reasons thereof. 	CFO	13 May 2020	Ongoing	Summary of Finance Report will be presented in the next APAC meeting.	Request for progress update was sent to management on the 05 June 2020 and reminder was send on 12 June 2020. The item is on the agenda of the meeting.	
35	05/23/01/2020	ICT Governance report <p>APAC noted the ICT Report and resolved that:</p> <ul style="list-style-type: none"> An audit of ERP post implementation review must be conducted by internal audit as recommended by the ICT Governance Committee. 	CAE	13 May 2020	Implemented	Data migration and post implementation ad hoc review commenced but the audit was paused during Execution stage due to the National Lockdown that commenced on the 26th of March 2020.	N/A	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
36	06/23/01/2020	ICT Governance report That the ICT Risk register should be updated to include risk identified by the AGSA audit review.	Director: Corporate and Shared Services	13 May 2020	Implemented	The report is on the agenda of the next APAC meeting and the report will be submitted after the ICT Steering Committee meeting to held on the 19 June 2020.	The item is on the agenda of the meeting.	
37	07/23/01/2020	Legal and compliance report <ul style="list-style-type: none"> That the report must reflect the financial implication in terms of the actual cost incurred against the estimated legal claim for cost versus benefit analysis. That the column for summary of cases must be adequately explained. 	Director: Corporate and Shared Services	13 May 2020	Implemented	The report is on the agenda of the next APAC meeting to be held on the 26 June 2020.	The Litigation report is requested from management on 05 June 2020 and a reminder was send on 18 June 2020.	N/A
38	08/23/01/2020	Leave Management Report – Overtime APAC noted the leave management report with the following resolutions:	CAE	13 May 2020	Implemented	Overtime Audit commenced but the audit was paused during Reporting stage due to the National Lockdown that commenced on the 26th of March 2020.	N/A	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
		<p>That Internal Audit should focus on the following as part of the scope coverage:</p> <ul style="list-style-type: none"> Identify the gaps on the Overtime Management Policy Compare the functions of overtime work in line with the job description to determine whether employees qualify to work overtime. Comparison of the telephone hours usage against the overtime hours claimed by employees. Comparison of the overtime days against the leave records, to determine whether employees on leave do not claim overtime. <p>That the Internal Audit report on Overtime should be submitted in the next APAC meeting on the 13 May 2020.</p>						
39	09/23/01/2020	<p>Physical employee Verification</p> <p>It was resolved that Risk Management Unit will implement the employee physical</p>	Manager: Risk Management	13 May 2020	Not implemented	The project has not been implemented due to COVID – 19. A new plan of implementation will be drafted for implementation in	N/A	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
		verification project before the end of 2019 – 2020.				the 2020 – 2021 Financial Year.		
40	10/23/01/2020	Risk Management Report to APAC APAC recommended that the paragraph 5 of the report should indicate the progress for implementation of the	Manager: Risk Management	13 May 2020	Implemented	Changes were effected on the Risk Management Report to APAC	The report is on the agenda of the APAC meeting.	N/A
41	11/23/01/2020	Section 72 Report: Mid – Year budget and Performance Assessment That Internal Audit must arrange Special meeting to consider the adjusted Budget before it is tabled at Council for adoption.	CAE	26 Feb 2020	Implemented	Extra ordinary APAC to consider adjustment budget was held on the 25 February 2020.	N/A	N/A
42	01/25/02/2020	Adjustment budget and SDBIP That the APAC meeting to consider the adjustment budget and SDBIP should be incorporated into the corporate	CAE	February 2021	Ongoing	Extra ordinary APAC meeting to consider the Adjustment budget and SDBIP will be arranged in the next financial year.	N/A	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
		calendar of the Municipality prior to the approval by Council.						
43	02/25/02/2020	Adjustment SDBIP That the adjusted SDBIP should be submitted at the special APAC meeting to be convened after Council adoption of the adjusted Budget.	Director: SPME	March 2020	Implemented	Extra ordinary APAC to consider adjustment SDBIP was held on the 13 March 2020.	N/A	N/A
44	03/25/02/2020	Adjustment Budget That APAC must be updated on the outcome of the National Treasury assessment of the adjusted budget. That if the outcome indicates that the budget is not funded, the plan on how the Municipality will address the inputs by National Treasury must be shared with	CFO	28 February 2020	Implemented	The National Treasury Assessment report was emailed to APAC on the 08 th June 2020	The National Treasury Assessment report was emailed to APAC on the 08 th June 2020	N/A
45	04/25/02/2020	Capital expenditure That the PMU report that highlight plans in place to ensure improvement in the spending on capital projects should be	Director: SPME	13 May 2020	Implemented	An update report has been prepared and will be tabled at the upcoming APAC meeting scheduled for 26 June 2020.	The Revenue enhancement strategy is requested from management on 05 June 2020 and a reminder was	

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
		presented in the next APAC meeting.					send on 12 and 18 June 2020.	
46	05/25/02/2020	Rental of facilities That the results of the feasibility study should be shared with APAC for inputs	Director: Community Services	30 June 2020	Not implemented	Facility commercialisation process is still work in progress and the draft report will be shared with APAC as soon as it is ready.	N/A	N/A
47	01/13/03/2020	Draft AG Audit Report 2018 - 2019 It was resolved that a separate meeting will be arranged between AGSA and APAC in order for APAC to exercise to exercise their oversight role of relation management and clarity on concerns reported by the CFO.	CAE/CFO	March 2020	Not implemented	The AGSA audit Report was issued on the 05 June 2020	N/A	N/A
48	02/13/03/2020	Compliance with Legislation	CAE/APAC	13 May 2020	Implemented	The compliance checklist is submitted by APAC to Internal Audit for	The compliance checklist is submitted by APAC to Internal Audit for	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
		That APAC will provide/share the Compliance checklist for internal review of compliance to Legislation.				incorporation into the methodology.	incorporation into the methodology.	
49	03/13/03/2020	Adjustment SDBIP 2019 – 2020 APAC noted the Adjustment SDBIP and resolved that the inputs and comments will be provided through round robin circulation.	CAE	31 March 2020	Implemented	Inputs on the adjustment SDBIP were provided to management.	Inputs on the adjustment SDBIP were provided to management.	N/A
50	01/20/05/2020	Draft Budget 2020 – 2021 APAC noted the Draft Budget 2020 – 2021 with consideration that the inputs provided will be incorporated in the Draft Budget submitted for adoption by Council.	CFO	22 May 2020 June 2020	Implemented	Inputs provided by APAC were incorporated on the final Budget adopted by Council.	N/A	N/A
51	02/20/05/2020	Budget Related Policies APAC noted the budget related Policies and resolved that members will submit their inputs	APAC	20 May 2020	Implemented	Progress to be given by APAC on 26 June 2020	N/A	N/A

#	Reference Number	Resolution Description	Responsible person	Due date	Implementation Status (Implemented/ Not Implemented)	Management Comments / Progress	Internal Audit Comment	Reason for Non - Implementation of the resolution
		and comments on the Policies on a round robbing approach. That inputs will be submitted by 18:00 on the 20 May 2020.						
52	03/20/05/2020	Draft IDP 2020 – 2021 APAC noted the Draft IDP 2020 – 2021 with consideration that the inputs provided will be incorporated in the Draft IDP submitted for adoption by Council.	Director: SPME	22 May 2020 June 2020	Implemented	Input raised by APAC was taken into consideration, changes were effected prior to the Final 2020/21IDP being Adopted by Council on 29 May 2020.	N/A	N/A
53	04/20/05/2020	That APAC will email additional inputs relating to the SMART Criteria and alignment of the Indicators and targets to the National Treasury Framework for managing Performance Information.	APAC	20 May 2020	Implemented	Progress to be given by APAC on 26 June 2020	N/A	N/A

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Capital Projects: Seven Largest in 2020/21			
No.	Project Name and Detail	Start Date	End Date
1	Upgrading of roads, NMT and street lights	01/07/2018	30/06/2019
2	Sebayeng/Dikgale RWS	01/07/2018	30/06/2019
3	Chuene Maja RWS phase 9	01/07/2018	30/06/2019
4	Replacement of asbestos (AC) Pipes	01/07/2018	30/06/2019
5	Regional waste Water treatment plant	01/07/2018	30/06/2019
6	Smart, prepaid and convectional water meters(REVENUE ENHANCEMENT)	01/07/2018	30/06/2019
7	Implementation of IRPTS Infrastructure	01/07/2018	30/06/2019

Public Private Partnership entered into 2020/21

Public Private Partnership entered into 2019/20				
Name and description of project	Name of partner(s)	Awarded	Project manager	Value 2019/20
None	None	None	None	None

APPENDIX i – AUDIT COMMITTEE MEMBERS QUALIFICATIONS

Name of the Members	Academic Qualification	Professional Qualification	Specialised areas within APAC
Mr MW Mokwele - Chairperson	<ul style="list-style-type: none"> Masters in Business Leadership Bcom Honours Internal Auditing Bcom Financial Accounting 	<ul style="list-style-type: none"> Certified Internal Auditor (IIA) Certified Control Self Assessor (IIA) Certified Fraud Examiner (ACFE) 	<ul style="list-style-type: none"> APAC Chairperson Risk Management Internal Auditing Financial Accounting
Ms JM Mabuza - Member	<ul style="list-style-type: none"> B Luris Law Degree LLB Law Degree Advanced Diploma Labour Law 	LLB	<ul style="list-style-type: none"> Litigation drafting and interpretation of statutes Labour Law Dispute Resolution Corporate Governance Chairperson of Risk Management Committee
Mr MF Kekana - Member	<ul style="list-style-type: none"> Bcom Accounting Honours/CTA 	Chartered Accountant (SA)	<ul style="list-style-type: none"> Accounting and Auditing

	<ul style="list-style-type: none"> BCompt Accounting 		<ul style="list-style-type: none"> Tax Financial Management
Ms MP Ramutsheli - Member	<ul style="list-style-type: none"> Masters Degree in Internal Auditing BTech Internal Auditing National Diploma Internal Auditors 	<ul style="list-style-type: none"> Certified Internal Auditor Certified Ethics Officer 	<ul style="list-style-type: none"> Internal Auditing Performance Management Chairperson of ICT Governance Committee Risk Management

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURE OF FINANCIAL INTERESTS BY POLOKWANE MUNICIPAL EMPLOYEES			
#	NAME	POSITION	DESCRIPTION OF FINANCIAL INTERESTS
01	Baloyi AR	Ward Councillor 01	None
02	Maja J	Ward Councillor 02	None
03	Molepo FJ	Ward Councillor 03	None
04	Molepo RC	Ward Councillor 04	None
05	Makwela JF	Ward Councillor 05	SASSA employee=R133 000-00 P/a
06	Phoshoko MS	Ward Councillor 06	Matsipula Trading Enterprise =R0-00
07	Mothapo MS	Ward Councillor 07	None
08	Mojapelo TSP	Ward Councillor 08	Maletsao Construction =R0-00
09	Setati LR	Ward Councillor 09	Deceased
10	Sivhabu NA	Ward Councillor 11	None
11	Nkwe T	Ward Councillor 12	None
12	Ramaphoko MM	Ward Councillor 13	Masakaneng community development cooperative =R0-00 Tswaranang Community Development=R0-00
13	Mashabela SM	Ward Councillor 14	Deceased
14	Makgopja TP	Ward Councillor 15	Lekwap CC = 50% Shares Kose Kose Investment
15	Moakamedi MA	Ward Councillor 16	None
16	Rapetswa PA	Ward Councillor 17	Bakwena Pele Trd =R0-00 Swasser deligt Clothing = R0-00
17	Malebana MB	Ward Councillor 18	Dikgabo Cleaning =R1000-00 Moletjie Centre for the Disabled =R0-00 Mabose Co-operative =R0-00 CMAC-Healthcare Consultant=R7605-00 CMAC-Broker =R7605-00
18	Shaikh H	Ward Councillor 19	Rustenburg Muslim Jammatt =R4000-00 Silver Edge =R5000-00
19	Mashau TS	Ward Councillor 20	Earning Government Employees Pension Fund

DISCLOSURE OF FINANCIAL INTERESTS BY POLOKWANE MUNICIPAL EMPLOYEES			
#	NAME	POSITION	DESCRIPTION OF FINANCIAL INTERESTS
20	Haas FA	Ward Councillor 21	Hailstorm –Retail= R0-00
21	Pretorius M	Ward Councillor 23	Estate Agent= No fixed amount based on commission
22	Nkadimeng TP	Ward Councillor 23 (Executive Mayor)	Sasol Inzalo100 000 Shares MTN Shares Family Share=R2m Golden Threads Consultancy=R30 000-00 Ts-Restaurant =R0-00
23	Lourens RF	Ward Councillor 23	Soldier Security =R2000-00 p/m
24	Masekela AM	Ward Councillor 24	The MAGK Entertainment =R8 341.77
25	Mothiba M	Ward Councillor 25	No financial interest
26	Skosana KM	Ward Councillor 26	SASSA = R13 000-000
27	Mogale TJ	Ward Councillor 27	None
28	Sekgobela MR	Ward Councillor 28	None
29	Malope SJ	Ward Councillor 29	None
30	Mphekgwana KJ	Ward Councillor 30	SA-MMA Liquor Tarven =R1000-00
31	Kubjana MF	Ward Councillor 31	Practitioner =R1500-00
32	Manaka HS	Ward Councillor 32	None
33	Dikgale SJ	Ward Councillor 33	None
34	Sathekge W	Ward Councillor 11 (PR)	None
35	Phoshoko KW	Ward Councillor 31 (PR)	None
36	Makamela ME	Ward Councillor 34	Educator = R18 000-00
37	Mashiane MC	Ward Councillor 35	Batlokwa Bar Lounge =R15 000-00
38	Legodi NJ	Ward Councillor 36	Sephierere Transport =R14 000-00
39	Tsiri MM	Ward Councillor 37	None
40	Moeti TF	Ward Councillor 38	None
41	Marx HF	Ward Councillor 39	Commucheros Franco Marx Attorney =R15 000-00
42	Maraba EL	Ward Councillor 40	Deceased
43	Kganyago MW	Ward Councillor 41	None
44	Matonzi MT	Ward Councillor 42	None
45	Mathye MV	Ward Councillor 43	None
46	Phaka TG	Ward Councillor 44	None
47	Mothata ML	Ward Councillor 45	Mothata Luxury Tours MGF Board of Trustee = R6200 per sitting
48	Ralefatana MJ	Ward Councillor	None

DISCLOSURE OF FINANCIAL INTERESTS BY POLOKWANE MUNICIPAL EMPLOYEES			
#	NAME	POSITION	DESCRIPTION OF FINANCIAL INTERESTS
49	Teffo MK	Councillor and ANC Chief Whip	MTN Shares = R 20 000.00 House Erf 2558 (450M2) = R1.5 Mil
50	Kaka MJ	Ward Councillor 16	None
51	Mabote MG	PR Councillor	Chomak Projects =R0-00 NEHAWU Finance Admin =R12 864-65
52	Maleka ME	PR Councillor 17	Truly care Trd Ent= R20 000-00 4 shops and 1 tavern
53	Sebati DM	PR Councillor 12	None Deceased
54	Moshoeu PE	PR Councillor 02	Mokotli Ent =R2500-00
55	Ramakgwakgwa MM	PR Councillor 32	Internship =R3 861-63
56	Tsheola KG	PR Councillor 09	None
57	Mohloana P	PR Councillor	Forward Slash Media Peu le Diruiwa Flat waves projects =R0-00 Solid Lake Projects = R0-00 Dry Ship Printing Solution=R0-00 Digitron media and printing =R0-00 Titanium Brim Projects = R0-00
58	Chidi TDR	PR Councillor	None
59	Botha HB	PR Councillor	Mari Venter Eiedomme Finance @Marlen =R10 000-00
60	Modiba S	Ward Councillor 29	None
61	Vallabh K	PR Councillor 19	Bhadir Promotions = R10 000-00
62	Malatji EM	PR Councillor 37	None
63	Joubert FJ	PR Councillor	Accountant =R35 000-00
64	Sesera MC	Ward Councillor 13	Mashapa sesera luvertmalls =R0-00
65	Phala MR	Ward Councillor 10	None
66	Raphela TR	PR Councillor	None
67	Mehlape ML	PR Councillor 30	None
68	Hiine PJ	PR Councillor	None
69	Mohlabeng DM	PR Councillor	None
70	Monakedi MD	MPAC Chairperson	Cold Creek Investment 52 =R60 000 Fourkaia-Boreholes drilling=R0-00 Monbo Business Ent-Electrical =R0-00 Molejokane =R0-00 VDC Investment Company-investment=R0-00

DISCLOSURE OF FINANCIAL INTERESTS BY POLOKWANE MUNICIPAL EMPLOYEES			
#	NAME	POSITION	DESCRIPTION OF FINANCIAL INTERESTS
			Telmon Business Ent-Communication =R0-00 Tupato Resource-Renewable energy=R0-00 Limpopo Youth Orchestra-Music=R0-00
71	Khan N	PR Councillor	None
72	Meyer JL	Councillor	Multi crowd funding Direct =R5 000 000-00
73	Mothapo ME	PR Councillor	None
74	Hopane TE	PR Councillor 14	None
75	Mothiba P	PR Councillor	None
76	Legodi Z	PR Councillor 17	JohnTen Versa
77	Mankga HM	PR Councillor 33	None
78	Ledwaba MV	PR Councillor 40	None
79	Molope MB	PR Councillor 4	Practitioner =R1000-00
80	Mothata LS	PR Councillor 11	Kgabo Pheladi Management =R0-00 Mothata Funeral Parlour=R0-00
81	Modiba TM	PR Councillor	None
82	Laphalala LF	PR Councillor 13	None
83	Maenetja MF	Ward Councillor	Mokgapa co-operative limited= R0-00
84	Mohlasedi MF	PR Councillor 27	None
85	Manamela PE	PR Councillor 45	None
86	Laka MW	PR Councillor 35	None
87	Mothapo JE	PR Councillor 10	E-Trippl Enterprise
88	Machaba NE	PR Councillor	None
89	Clark S	PR Councillor	None
90	Malema RR	PR Councillor 13	None

Disclosure of financial interests (List of Executive Managers)

Period 1 July 2019 to 30 June 2020

Municipal Manager	DH Makobe	<ul style="list-style-type: none"> R204 000.00 (120 Rooms) generated from Makobe student's accommodation per month R76 000.00 from Mmathamo properties cc which is monthly rental monthly R60 000.00 Rentals (Dennilton and Sekhukhune)monthly R37 000.00 Rentals in Mokopane monthly R50 000.00 rental of plant and contruction monthly Remainder of Erf 3727/1, Grasfontein Ext 13
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Disclosure of financial interests (List of Executive Managers)		
Period 1 July 2019 to 30 June 2020		
		<ul style="list-style-type: none"> • Erf 1722, Mahwelereng – C • Erf 27782, Mamelodi Ext 5 • Erf 104, Bedworth Park Township, Vanderbijlpark, R2 265 000.00 • Erf 381, Seshego – Zone 3, • Erf 1759, Mahwelereng – C • Erf 245, Mamelodi Sun Valley Township • Remainder of Erf 1882, Silverton • Portion 16/1882, Silverton • Portion 1 of Erf 197, Lynwood Glen • Erf 965, Mahwelereng • Unnumbered property, 1 hectar, Ga-Phaahla Village, +- R400 000.00 • Unnumbered property, 2 hectars, Ga-Tisana Village, +- R700 000.00
Chief Financial Officer	N Essa	<ul style="list-style-type: none"> • Zevolinx(pty) LTD Investment 50% Shares • House in Nirvana (640M2)– R 1.1 Million • Stand in Nirvana(900M2) – R 600 000.00
Executive Directors		
	MM Matshivha	<ul style="list-style-type: none"> • 300 Shares in Sasol = R 9000.00 NV • 200 Shares in Media 24 = R 2000.00 • Lefhatshita Trading Furnisher Rentals= R 0 • Lefhatshita Trading Property Dev = R 0 • House in Polokwane = R 2 300 000.00 • Town House in Musina = R 2 300 000.00
	TE Ntshakala	<ul style="list-style-type: none"> • Remuneration outside work – Ad-hoc academic post graduate research tutor/examiner/supervisor at Gordon institute of Business Sciences, University of Pretoria, TUT, Unisa, Milpark Business School, Regenesy, Mancosa, Southern Business School. • Town House in Sunwave Anerley = R 780 000.00 • Flat in Johannesburg = R 390 000.00 • Town House in 35 Sunesis = R 430 000.00 • House in The Hills Ext 1 (Erf 489) = R 1.15 Mil

Disclosure of financial interests (List of Executive Managers)
Period 1 July 2019 to 30 June 2020

		<ul style="list-style-type: none"> House in The Hills Ext 1 (Erf 523) = R 1.25 Mil Zippy Finance Solution = R 0
	H Kholophe	<ul style="list-style-type: none"> KTH Full Blast Recording Studio CC = R 0 Erf 10627 Polokwane Ext 61 = R 650 000.00 Erf 233 in Annadale = R 900 000.00 Erf 66/1 in Annadale = R 950 000.00 Erf 333& 334 in Kweni Moloto = R 60 000.00
	NR Selepe	<ul style="list-style-type: none"> Metal Manufacture and Distribution = R 0 Remarksel Pty (LTD) Services = R 0 House in Flora Park Polokwane = R 1 200 000.00 Plot in Leeukuil Polokwane = R 1 020 000.00
	M Lamola	<ul style="list-style-type: none"> Lamola Property Trust Baepereki Business Trust Baepereki Technical Consultancy Solution = R 0 Lasta Plant Hire (Construction) = R 200 000.00 House in Thabazimbi 600m2 = R 350 000.00 House in Sylverton 1470 m2 PTA = R 2 Million House in Pretoria 1 Hq in Pretoria Rietvlei =R 5.5 Million Apartment in Silverton Pretoria / Sectional Title =R 800 000.00 Apartment in Sunnyside Pretoria / Sectional title= R 500 000.00 Town House in Penina Park Polokwane / Sectional Title = R 700 000.00 Lydanhofi Sectional title R 700 000.00
	SM Makoti	<ul style="list-style-type: none"> Matsututsa Africa- Consulting = R 0 Viomon Development – Property Development = R 0 Livestock Farming Operation = 72 Cattle herd; 43 Sheep; 67 goats in breeding.

Disclosure of financial interests (List of Executive Managers)		
Period 1 July 2019 to 30 June 2020		
		Sells and buy on consumer /customer demand
Other S57 officials	N/A	N/A

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Attached 2020/21 Audited Financial Statements

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Attached 2020/21 Audited Financial Statements

APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Attached 2020/21 Audited Financial Statements

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

None

APPENDIX T – PRESIDENTIAL OUTCOME FOR LOCAL GOVERNMENT

PRESIDENTIAL HOTLINE

No	Complaint Subject and Summary	Complainant's Contact Details	Complaints Date Received	Assigned PLO Name and Contact Details (Dept/ Mun) & Assigned OTP Investigator	Form of Correspondence	Department/ Municipality	Action /Progress	Status (Closed/ Pending)
1	Shortage of water for household at Vennas Village ga Mashashane	072 648 3662	May 2021	Lephotse Sithole	Hard Copy	Polokwane Municipality	There was a problem with borehole which was functional, it was later repaired and water supply was restored	Closed

PREMEIRS HOTLINE

No	Complaint Subject and Summary	Complainant's Contact Details	Complaints Received Date	Assigned PLO Name and Contact Details (Dept/ Mun) & Assigned OTP Investigator	Form of Correspondence	Department/ Municipality	Action /Progress	Status (Closed/ Pending)
1	Faulty water meter High billing.	Ms. Selepe	June 2021	Lephotse Sithole	Email	Polokwane Municipality	The complainant was advised to send/submit	Closed

No	Complaint Subject and Summary	Complainants Contact Details	Complaints Received Date	Assigned PLO Name and Contact Details (Dept/Mun) & Assigned OTP Investigator	Form of Correspondence	Department/ Municipality	Action /Progress	Status (Closed/ Pending)
							updated meter readings for the municipality to bill correctly.	
2	Poor and irregular supply of water, only one borehole to supply the entire village. Bellingsgate, Ga Mashashane	Legodi MJ 082 356 1564	May 2021	Lephotse Sithole	Hard Copy	Polokwane Municipality	1 x borehole has collapsed. 1 x boreholes with stolen transformers was reported to SAPS and Eskom and municipality is busy with follow ups. 1x borehole new application for transformer was submitted to Eskom and municipality is on the process of re application	Closed
3	Borehole operates only 8hrs per day	Legodi MJ 082 356 1564	May 2021	Lephotse Sithole	Hard Copy	Polokwane Municipality	The reason for installing timer is that when the pump is running for more than 8 hours it breaks because	Closed

N o	Complai nt Subject and Summar y	Complaina nts Contact Details	Complai nts Receive d Date	Assigned PLO Name and Contact Details(Dept/ Mun) & Assigned OTP Investigator	Form of Correspond ence	Departm ent/ Municipal ity	Action /Progress	Status (Close d/ Pendin g)
							of insufficien t yield	
4.	Reservoir Wrong positionin g of inlet pipe of the reservoir	Legodi MJ 082 356 1564	May 2021	Lephotse Sithole	Hard Copy	Polokwa ne Municipal ity	The inlet pipe need to be re- positioned at the height of a reservoir and municipali ty will implement ed. The illegal connectio ns have impact on the rising main pipe to the reservoir and reduces the pressure to fill up the reservoir. This is the reason why the communit y has shortage of water. Municipali ty deployed water tankers as a temporary relief, while busy doing follow ups on the above mentioned issues.	Closed

ADJUSTED ANNUAL PERFORMANCE REPORT



01 JULY 2020 – 30 JUNE 2021

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Section A

1. Introduction

Section 46 (1) and (2) of the Local Government: Municipal Systems Act, Act 32 of 2000 requires municipalities to prepare for each year a performance report reflecting, the performance of the municipality and each service provider during the financial year. The annual performance report must reflect a comparison of performance with targets set for the year under review and performances in the previous financial year. Section 121 (2) (c) of the Local Government: Municipal Finance Management Act further states that the annual performance report should form part of the municipal's annual report. Polokwane Municipality's 2020/1 Annual Performance Report has been prepared in line with the provisions of the Municipal Systems Act and the Municipal Finance Management Act.

The Executive Mayor of Polokwane Municipality, Councillor TP Nkadimeng approved the 2020/21 Service Delivery and Budget Implementation Plan in June 2020 in line with the provisions of the MFMA. The 2020/21 SDBIP detailed the municipal plans for implementation in 2020/21 in a form of performance targets for indicators, project milestone and project outputs. The SDBIP translated the municipal's priorities and objectives into implementation programmes with direct budget allocated to each programme.

The 2020/21 SDBIP was revised several times during the 2020/21 financial year. The revision was a result of budget adjustments associated with the COVID 19 budget funding changes. Furthermore, the SDBIP was revised as a result of the Mid-Year Performance Assessment that was done in January 2021. Council approved the revising of the 2020/21 SDBP in March 2021.

2. Polokwane Municipality Performance Management Process

Section 38 (a) of the Local Government: Municipal Systems Act 32 of 2000 requires municipalities to establish a performance management system that is commensurate with its resources and best suited to its circumstances. Polokwane Municipality adopted a PMS Framework in 2011. The Framework guides how performance management system is undertaken and prescribes the development of the PMS policy to ensure the implementation of the Framework. PMS Policy was developed and adopted by Council in June 2014. The PMS Policy has been reviewed annually and the last review was done in May 2020 as part of the budget and IDP policies. The 2020 PMS Policy review did not make any changes to the policy, the policy is as it was in 2019. In terms of performance reporting, the policy makes provision for quarterly reporting of performance information. Reporting is done on a web based system called Action Assist Performance Reporting System. The municipality started using the Action Assist System from the 1st July 2019 and the 2019/20 Annual Performance Report was compiled using the information captured through the Action Assist Performance Reporting System.

3. Auditor-General's issues raised in the 2019/20 Annual Report and Management's corrective measures

Section 46 (c) of the Local Government: Municipal Systems Act states that the municipality for each financial year must reflect the measures take to improve performance. The 2019/20 Report issued by the office of the Auditor-General highlighted issues that need to be corrected by management of Polokwane Municipality. The issues included compliance to legislation, internal controls and governance related issues. Management of Polokwane Municipality

developed an Audit Action Plan to address the issues raised in the Auditor-General's Report. The Audit Action Plan was submitted to Auditor-General for their comments on the measures that management were putting in place to address the issues raised and comments were received from the Auditor-General's office. This was done to ensure that management measures are adequate to correct the issues raised.

Management implemented the 2019/20 AG Action Plan. Coordination and the monitoring of the Action Plan were done through the office of the Chief Financial Officer and Internal Audit. In terms of providing oversight to the process, two (2) Mayoral Committee Chairpersons, MMC for Finance and Governance were part of the process.

The table below presents the issues raised by the Auditor-General during the 2019/20 financial year and the management corrective actions.

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
1	ISS.143-COMAF 88	Misstatements in financial statements	Property, plant & equipment	Change in useful life estimates for property, plant and equipment - Part A	Budget and Treasury Office - Asset Management	31-Aug-21	Matters Affected the Auditor's Report	The useful lives of certain items of PPE had been extended by one year only when the auditors were of the view that the useful lives should be extended for greater than a year due to the condition of the assets	Management disagrees with the finding due to the following: 1. It has been management's practice over several years to generally increase the useful lives of assets nearing the end of their useful lives by 1 year which has been accepted for audit 2. The standard only gives guidelines of when to review useful lives, it does not prescribe how the exercise should be done. It remains management's judgement how useful lives should be reviewed and based on past accepted practice as well as current year considerations management is of the view that the current year review is	*Lack of adequate review of estimation of useful lives *Lack of sufficient evidence supporting the assessment of useful lives of the specific assets	A condition based approach will be followed to review the useful lives of PPE at the end of their useful lives. The process shall be as follows 1) Select a list of assets to be reviewed and physically verify them to re-assess the conditions 2) Allocate the conditions based on results of verification. 3) Allocate useful lives based on the conditions of the assets. The reviewed useful life shall be the lower range of the condition for prudence	1) Verification of all Assets components is 100% completed and the useful life will be reviewed. Desktop exercise to analyse the results of the verification, update the asset register and effect corrections is completed. The extract of the reviewed components is ready to be reviewed by Internal Audit for quality assurance.	Management action plan is adequate. We will test the full implementation of the action plan once the management has completed the year end corrective asset management processes.

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>reasonable</p> <p>3. Cumulative depreciation goes to accumulated surplus. Increasing the useful lives of the assets every year by one year for 3 years as opposed to adding 3 years to the useful life in the first year of reassessment does not result in information in the financial statements being materially different year on year as well as cumulatively.</p> <p>4. The year under review is also a revaluation year. The ultimate values of assets(balances) come from the revaluation exercise. One of the purposes of revaluation is to bring assets closer to their fair values.</p> <p>Management is of the position that the position of</p>		<p>4) Recalculate depreciation</p> <p>5) Revaluation adjustment</p>		

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>management as well as the position considered by auditors are not necessarily different therefore the two views are a matter of preference.</p> <p>The review of useful life is a judgement exercise and management followed what has been the practice previously. It is not correct to indicate that the review of useful life is inaccurate as a judgement exercise can never be accurate but reasonable.</p> <p>Management's review is in compliance with GRAP 17 as an indicator based approach was followed. Assets nearing the end of their useful life were reassessed as guided by</p>				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>GRAP 17.57(c)</p> <p>Auditor's conclusion Management response noted and the following concerns are noted:</p> <ul style="list-style-type: none"> the statement that this practice is accepted by the auditors is incorrect as in the prior year COMAF 88 of 2018-19 was concluded with a disagreement between management and the auditors. Paragraph 58 of GRAP 17 states that in assessing whether there is any indication that the expected residual value of an asset has changed, an entity shall consider whether there has been any change in the expected timing of disposal of the asset, as well as any relevant indicators included in 				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>paragraph .57. GRAP 17 paragraph 57 and 58 includes considerations that management should follow when determining the useful life of an asset. Managements judgement needs to be informed by a through detailed assessment which is supported by reliable evidence. The review of useful life report is not detailed and does not indicate management's considerations in line with GRAP requirements and is not supported by reliable evidence due to the following:</p> <ul style="list-style-type: none"> • The increase in the useful life by 1 year as compared to the increase by any years creates a difference in depreciation calculation which 				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>further creates a difference in disclosure amount as depicted in the table above.</p> <ul style="list-style-type: none"> The impact of revaluation performed in the current year was not mentioned on the review of useful life report and therefore it cannot be confirmed if the revaluation was considered when assessing the review of useful life for infrastructure assets. <p>GRAP 17 paragraph 64 state that "The estimation of useful life of asset is a matter of judgement based on the experience of the entity with similar assets. An entity considers all facts and circumstances in estimating the useful lives of assets, which includes the</p>				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>consideration of financial, technical and other factors.”</p> <p>Based on the technical and other factors consider by management as per the engineer report the following factors were not addressed:</p> <ul style="list-style-type: none">• Some of the infrastructure assets which were extended by one year include pavements which have different useful lives ranging from 5-50 years. Extension by one year appears not to be reasonable as the utilisation and condition of the pavement differs based on the location and usage.• Inadequate budgeting to replace the assets is an indication that management				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>might use the assets until it retires.</p> <ul style="list-style-type: none"> The engineer report does not contain a detailed analysis of frequency of use of the assets, components within an asset which are likely to fail and the required maintenance for components which are likely to fail to enable the auditors to determine the reasonability of the extension by one year. <p>Extending useful lives by one year every year indicates that the one-year estimate is not a reliable estimate as it is evident that the assets have been in use past the one-year.</p> <p>Auditors assessment based on the write up is as follows: Based on</p>				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>engineer report the indicators as per GRAP 17 par 57 (c) (d) and (f) are applicable to Polokwane local municipality however management did not consider indicators when reviewing the useful life. Based on GRAP 17 basis of conclusion (BC 2-4) the municipality is required to do a detailed assessment based on the indicators as per paragraph 57. The basis of conclusion does not exempt management from performing the detailed assessment when reviewing the useful on the basis that it is tedious exercise.</p> <p>We have considered the conditional grading as per the engineer report to</p>				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>be a reasonable basis, for the purpose of assessing the reasonability of the useful life to be extended. Below difference were noted using the extension as per conditional grading:</p> <p>2018/19 sample of assets that continue Pavement that were increased by 1 year in the prior and current year compared to the auditors' assessment where in the prior year the pavements were increased by 3 years based on the condition rating of 4 and the report stipulates that Acceptable physical condition; minimal short-term failure risk but potential for deterioration in long-term (10</p>				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									years plus). Only minor work required (if any).				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
2	ISS.156-COMAF 56	Misstatements in financial statements	Investment Property	Inconsistencies identified on Investment property valuation report	Budget and Treasury Office - Asset Management	31-Aug-21	Matters Affected the Auditor's Report	Valuation report – the following information was excluded from the report: <ul style="list-style-type: none"> - Valuation method used - The market conditions taken into account upon valuation - Unique identifiers for proxy suburbs - Proxy sales (where used) - The factors affecting the rate per square metre, as well as the specific rate per portion/area applied Inconsistencies on comparative sales <ul style="list-style-type: none"> - Not all sales were used for the purposes of the valuation - Comparative sales used 	a. Management acknowledges that the valuation report does not indicate which valuation method is used in the report. Clause 5 indicates the basis of valuation (GRAP 16) and clause 6 defines the market value. These do not indicate the basis as indicated in the management response and is therefore left to the readers of the report to assume the basis which is what the issue raised was indicating. b. The matter raised in point b is that "the report is not specific as to what are those market conditions that prevailed for the specific location at year end and how the rate per square meters was affected by COVID-19", management	*No interrogation of the valuation report was conducted to ensure that the report is compliant with all GRAP requirements .	A comprehensive valuation report will be developed by the Municipality Property Valuer, per property or per suburb where properties can be grouped, indicating the methodology followed and corrections shall be effected on both Asset Register and the AFS where necessary. The report needs to have the following 1) some calculations to support mathematical accuracy 2) All assumptions made. 3) If possible, the valuer will also	The professional valuer has been appointed and 95% of the work has been performed which include the analysis of the asset register and relevant information as submitted. Site verification to collate more details of the properties in the register has now been completed. It is anticipated that the whole process of valuation will be completed by the end of July and the draft investment property report will be ready by the first week of August 2021. A first draft of the Valuation report was discussed in the Asset Management Sub-committee on the 30 July 2021.	Management action plan is adequate. We will test the full implementation of the action plan once the management has completed the year end corrective asset management processes.

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
								<p>were of ones that were not close to year end</p> <p>Other</p> <ul style="list-style-type: none"> - Not all the locations per the asset register could be traced to the valuation report - Rate per square metre per the asset register differed from the one reflected in the valuation report - Market value on the valuation report differed from that as reflected in the asset register - The growth on the investment property seems unreasonable when compared to the CPI 	<p>response does not address the issue raised as the matter raised does not relate to ignoring the impact of COVID 19</p> <p>c. Part of the auditing the valuation report is to confirm the similarities that are stated in the report and if the report is silent on the similarities it imposes a limitation as stated in point c. The finding is therefore not resolved.</p> <p>d. Paragraph 8.8 of the reports states that "In the absence of sales data, proxy sales were derived from almost similar areas such as Polokwane Ext 71 and adjustments made for locality and provision of amenities". paragraph 8.6 of the report indicates that the</p>		<p>include a working paper for all necessary analysis made linking directly to the final determined rates per square meter</p> <p>4)Supporting argument where professional judgement is applied</p> <p>5)If necessary, the valuer should also physically verify the properties</p> <p>6)Reasonability test done between the baseline and current year valuation as well as current year valuation relationship with valuation as per municipal valuation roll</p>		

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									Polokwane Ext 71 does not have sales hence the auditor indicated that no sales are included in the report as proxy sales are made to non-existing sales from proxy suburbs. The holistic manner referred to by management results in the auditors not to be able to assess and determine reasonableness of the data used in the valuation. The issue remains a scope limitation. e. The valuation report, for instance under 8.5.6, Pietersburg Ext 7, states that R300 rate per square meter will be applied as it fair and reasonable however the valuation report is silent on the professional judgement as well as assumptions and methods that				

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									<p>were applied to derive the rate of R300 rate per square meter therefore limiting the auditor to recalculate the rate. The above is just an example as the majority of the rates are derived without a sufficient and proper documentation on the report. Auditors conclusions on rate per square metre: Due to the professional judgement used the auditors cannot confirm how the rate per square meter was determined for the different intervals. The valuation report states that after careful analysis of comparable sales, a rate of R200 per square meter and R150 per square meter was applied for the one property</p>				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									appearing on the investment property register and after looking at the register for Western-burg land parcels had a different rate from what is stated in the valuation report. Which resulted in a limitation as the basis of the rate is not supported by the valuation report. The valuation report is silent on the professional judgement, assumptions and methods that the valuator used to determine the extent intervals. Inclusion of these factors will enable an independent party to come to the same conclusion as the valuator. Management is correct to indicate that judgement should be substantiated; the auditors are indicating that the				

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									valuation report is not substantiated as it does not provide information on the different interval. The lack of substantiation indicated above limits the scope of the auditor and the finding remains. The said economies of scale are not included in the report as a basis for determining the rates for different intervals. The absence of the basis of economies of scale resulted in the auditors to be unable to confirm the relation of the applied principle and to be able to confirm the reasonability of the data that was used to get to the economics of scale Based on the sales report provided, as				

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									evident on the detailed annexure, we considered properties with similar descriptions to the properties used as a basis of valuation. The analysis referred to by management, where some properties were not included due to them being developed, is not detailed in the valuation report thereby limiting the scope of the auditor in assessing reasonability of data used. It should be noted that the issue raised does not require the valuator to include all properties in the valuation but rather required to document the thought process behind excluding some properties so as the report				

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									<p>can contain sufficient trail to allow re-performance where necessary. The finding therefore remains.</p> <p>GRAP 16 requires that the current market conditions are used in determination of fair value for investment property and as such, the current sales trend would be indicative of those conditions. The report did not indicate that due to lack of sales in the market, the valuation went back to a certain point in the year and discounted the information as required by GRAP 16 Since the valuation report is silent on the adjustments that were made for effect of time on the sales that were used from prior periods this results in the</p>				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>auditor being unable to confirm the reasonability of the report. The finding remains.</p> <p>The sales indicated on the annexure were provided to the auditor by management to support the sales used in the valuation report. The valuation report is silent on valuator's decision to exclude certain sales. The averaging used as calculated on the annexure were to indicate the ranges in the valuation rates compared to market rates. The basis of disregarding averaging is not supported as there was no basis on the report in contrary. Managements response that an average is not acceptable contradicts the</p>				

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									<p>valuation report as it indicates that an average has been used for example under 8.5.2 Pietersburg the valuator indicated that a rate of R500/ m2 has been applied.</p> <p>Auditors response on Locations:</p> <p>PIETERSBURG EXT 26</p> <p>When tracing the rate, used in the asset register as per above, to the KS/LS in the valuation report paragraph 8.12 the extent of 50 676 for Pietersburg Ext 26 falls in the extent interval of 50 001 to 100 000 of which the rate per square meter is R30 therefore indicating that the rate in the asset register of R200 does not correlate with the location as per managements response.</p> <p>Management</p>				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									comment cannot be corroborated to 8.12 of the report. The finding therefore remains. Managements response cannot be linked to the valuation report as page 6 of the report under 8.5.2 states that the sales used ranges from 595-761/m2 and an average rate of R500 m2 has been applied for most of the properties except for those whose extents are extremely high where lower rates have been applied. The report does not indicate intervals as it did on the other properties to indicate the rate to be used in the investment property register furthermore it becomes impractical to determine an average that is not used in the				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									investment property register. Managements response cannot be linked to the valuation report as the report on page 6 under 8.5.1 states: The extents for the subject property as they appear on the property investment register varies and an average rate of R500 per square meter has been applied for most of the properties except for those whose extents are extremely high where lower rates have been applied. The rate of R700 in the above table (FAR) is different from R500 in the valuation report. The report does not indicate intervals as it did on the other properties to indicate the rate to be used in the investment property register				

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									furthermore it becomes impractical to determine an average that is not used in the investment property register. The valuation report under paragraph, 8.5.10: The extents for the subject properties vary and an average rate of R500/m2 has been applied generally for most of the properties in this locality. The rate of R650 in the above table (FAR) is different from R500 in the valuation report. The report does not indicate intervals as it did on the other properties to indicate the rate to be used in the investment property register furthermore it becomes impractical to determine an average that is not used in the				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>investment property register</p> <p>The following is stated in the valuation report, 8.8: In the absence of sales data, proxy sales were derived from almost similar areas such as Polokwane Ext 71 and adjustments made for locality and provision of amenities and Our market investigations including the schedule of transaction below as well as other similar neighbourhoods with similar characteristics reveal the rate of R8 to R150 per square metre for the different extensions of Seshego depending on location, extent and use.</p>				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
3	ISS.172-COMAF 41	Misstatements in financial statements	Revenue - service charges	Inconsistencies relating to the billing of service charges of Mankweng residents	Budget and Treasury Office - Revenue Management	31-Aug-21	Matters Affected the Auditor's Report	<p>* Duplicate account numbers found in the listing</p> <p>* The reversal journal of the amount billed included residents billing that were not included in the calculations relating to the fixed revenue</p> <p>* Billing transactions relating to non-resident customers were included in the journals reversing the billing</p> <p>* Customer accounts not billed by the system and not taken into account in the fixed fee calculation workings.</p>	<p>* As a result of additional errors identified and acknowledged by management above, management did not correct the population and workings relating to Mankweng. The original finding stands and no further journals will have allowed.</p> <p><u>*Part 1 – Management agrees</u></p> <p>As a result of additional errors identified and acknowledged by management above, management did not correct the population and workings relating to Mankweng. The original finding stands and no further journals will be allowed.</p> <p><u>Part 2 – Management do not agree</u></p> <p>Please refer to the spreadsheet –</p>	There are no adequate systems and processes in place to ensure that the billing relating to service charges is valid, accurate and complete and supported by credible underlying listings	The municipality will use the zoning of the property to distinguish between business and residential properties and will capture the information on the system to ensure consistency and to avoid duplication	System data split was updated using the zoning completed. System estimation and billing was reversed on residential. Flat rate billed from 2016 to date. The balances as at 2016 classified to be impaired. Business accounts not billing business and sewer completed except for few verification sewer points. There are about 100 accounts that needs confirmation of zoning, GIS working on it. The vacant properties that were billed R292 has been corrected and excluded from and corrected in July, JNS will be effected to adjust the AFS. The billing of flat rates was done only on owners account per Erf. The R292 was split properly	Management action plan is adequate. We will test the full implementation of the action plan once the management has completed the year end corrective revenue management processes.

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>tab "non-res still in fixed" – We have searched the properties in the valuation roll and we were able to confirm that some of the properties have been zoned as residential and thus correctly included on the fixed fee but some of the properties are either not found on the valuation roll or we not zoned as residential properties. As a result of this, the original finding remains and no further journals will be allowed.</p> <p>*Please refer to our comments above, which is also applicable to this part. The original finding stands and no further journals will be allowed.</p> <p><u>*Water</u> The statements will be considered. However, this will</p>			to ensure the Vat accounted properly on the system.	

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>not have an impact on the conclusion as the original finding still stands.</p> <p><u>Refuse</u> The accounts will be considered. However, this will not have an impact on the conclusion as the original finding still stands.</p> <p><u>Sewer</u> The original findings still stand and no further adjustments journals will be allowed.</p>				
4	ISS.11-COMAF 51	Non-compliance with legislation	Expenditure	Not all suppliers were paid in 30 days	Budget and Treasury Office - Expenditure Management	31-Aug-21	Matters Affected the Auditor's Report	*Suppliers were not paid within 30 days.	<p>Management response is noted, we agree with that Eskom, Mafoko security, Sondeza Development and Baatshuma Electrical were paid in time within 30 days, therefore resolved. However, for the remaining supplier's management agrees and the</p>	* Insufficient review and monitoring of compliance with applicable laws and regulations.	The Municipality will ensure that all suppliers are paid within the legislative time frame and monitor it through registers to ensure that we do not overlap the payment timeframes.	The audit action is complete. The municipality achieved a 98% of invoices paid on time.	Based on the SCM Contract Management testing on the creditors aging done up to May 2021, we noted no aging older than 30 days. We will review the last quarter to confirm compliance with 30 days limit.

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									audit finding remains unresolved				
5	4.ISS.80-COMAF 23	Non-compliance with legislation	Performance	Non submission of information relating to the project performance for AFC (Community assets)	Transport	31-Aug-21	Matters Affected the Auditor's Report	* Non submission of information relating to the AFC project * Non submission of prepaid electricity receipts and tokens	RFI 127 Management subsequently provided information relating to three projects. However, information relating to one project was not provided, consequently, this finding will be reported on.	*Inadequate record keeping	Monthly meetings will be conducted and we have developed a monitoring checklist and monthly reports.	- Quarterly reports for all PMU projects have been submitted to Internal Audit	No portfolio of evidence submitted to confirm supplier monitoring and monthly reports are conducted. The deadline is unrealistic. What is the management is doing now internally to ensure adequate record keeping is in place.

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
6	ISS.27, ISS.65 & ISS.66-COMAF 54	Non-compliance with legislation	Supply Chain Management	Awards made to suppliers in which persons in service of other state institutions have an interest	Budget and Treasury Office - Supply Chain Management	31-Aug-21	Matters Affected the Auditor's Report	Certain suppliers failed to declare that some of their directors or members were in the service of the state. A number of municipal officials did not declare that they are close family members with the awarded bidders, and furthermore, the details of awards made to these suppliers were not disclosed in the notes to the AFS. Some municipal officials did not declare that they are in partnership with the awarded bidders in other company.	Management comment is noted. The finding will be reported in the management report and audit report; the investigations will be followed-up in the 2020/21 financial year.	Insufficient controls in place to ensure that SCM regulations are adhered to.	Compliance assessments will be carried out fully on each and every project and not on a sample basis so that each and every legislative requirements are adhered to.	Investigation on non-disclosure of information by the Service Providers and Officials is in Progress	Management action plan and progress to date is noted.

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
7	ISS.54-COMAF 48	Non-compliance with legislation	Supply Chain Management	Issue noted on local content	Budget and Treasury Office - Supply Chain Management	31-Aug-21	Matters Affected the Auditor's Report	The winning bidder did not furnish the municipality with the declaration on local production and local content as the bidder did not fully complete the local production and content declaration. The bidder did not indicate the amount of imported material to be used and as such there is no indication on how the municipality had concluded that the winning bidder met the 100% local content which was required per the tender document	Management's response is acknowledged. It should be noted that the bid conditions stipulate that all bid forms (including MBD 6.2) should be completed in full before a tender can be accepted. The conditions did not provide for management to accept incomplete tenders and then verify information after awarding the tender. It must also be noted that the regulations indicate that when evaluating tenders, management must do so in accordance with the principles of fairness, equitability and transparency. It was noted during the testing of other tenders selected during the audit that management has	The supply chain manager did not exercise controls to ensure that the municipality complies with SCM regulations.	Compliance assessments will be carried out fully on each and every project and not on a sample basis so that each and every legislative requirements are adhered to.	The Action is Completed	Management Action Plan is noted but however as part of the new control, management is recommended to implement a system that requires the service provider to continuously declare their local content as required by MBD 6.2 Annexure C, D and E

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									disqualified other bidders due to not fully completing some other parts of the bid document, therefore in exercising the principle of fairness, management should also always be consistent. The finding remains unresolved and the irregular expenditure amounting to R377 975 will be reported in the management report and assessed for significance against the audit report.				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
8	ISS.95 & ISS.96 - COMAF 79	Non-compliance with legislation	Supply Chain Management	Monitoring of the contractor is not done on a monthly basis	Budget and Treasury Office - Supply Chain Management	31-Aug-21	Matters Affected the Auditor's Report	The performance of a number of contractors was not monitored on a monthly basis. This will result in contract performance not being measured thereby resulting in ineffective contract management. Some of the contracts do not have defined performance measures and methods for monitoring the contract agreement and consequently the performance of the contractors was not monitored to ensure that the service provider is performing in	Management's response was not provided. The finding will be reported on the management's report and on the auditor's report.	Lack of management's oversight responsibility regarding compliance and related internal controls.	A standard monitoring report will be drafted for each and every project. The report will be project specific. Various contract monitoring templates for each project will be developed for each project.	The Templates and format on monitoring and performance assessment on the Projects have been distributed to all Directorates and SBU's on the 15 July 2021	It is noted that the finding was concluded by AGSA without management response. For this 2021 YE, what is it that management has done to ensure contract monitoring. No portfolio of evidence submitted to confirm supplier monitoring and monthly reports are conducted. Subsequent SCM Contract Management testing done by IA in May 2021 confirms non-performance of this exercise

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
								accordance with the contract.					

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
9	ISS.37-COMAF 46	Non-compliance with legislation	Supply Chain Management	Awards made to suppliers whose municipal rates accounts were in arrears for more than three months	Budget and Treasury Office - Supply Chain Management	31-Aug-21	Other important matters	The municipality awarded tenders to bidders whose municipal rates, taxes and municipal service charges were in arrears for more than three months	Management's response is acknowledged and we acknowledge that the municipality considers/relies on the supporting documents which are submitted by the bidders with the tender documents. It is also acknowledged that after having looked at the records of the municipality the supplier's accounts were in arrears at the time of the award. The principle of fairness as stated by management should not be used to an extent that it contravenes SCM regulations. Providing false declarations and/or old/falsified documents by suppliers need to be followed-up and corrective action taken. The	Lack of exercise of controls to ensure that the municipality complies with SCM regulations.	The recommended bidder for the award will be assessed in order to verify the validity of the information submitted. This will be done through confirmation with the respective organ of state or private institution, depending on which is applicable.	The Action is Completed and Verification is done on rates and taxes before a tender can be awarded.	Management action plan is adequate

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									investigation will be followed-up in the 2020-21 financial year and the irregular expenditure amounting to R11 325 787.27 will be reported in the management report and assessed for significance against the audit report.				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
10	ISS.64-COMAF 55	Non-compliance with legislation	Supply Chain Management	Reasons for deviations not in accordance with SCM regulation	Budget and Treasury Office - Supply Chain Management	31-Aug-21	Other important matters	Management stated that it is impractical to obtain 3 written quotations for the training of employees. This reason does not appear justifiable as there are training institutions in the supplier database where municipality could send three quotations to. Management also stated that the training was urgent as the National Treasury budget for training needed to be utilized and committed before the end of the financial year. This reason	Management's response is acknowledged. The finding raised is that deviation forms approved by the accounting officer do not talk to the impracticability of sourcing quotations or following a competitive bidding process, the forms state why the expenditure is being incurred and not the reasons for deviations. Management's global response does not sufficiently cover the issues that were raised. The reasons noted on the form are therefore not justifiable. Subsequent to the finding a meeting was held with management where management indicated that	The Accounting Officer did not review and monitor compliance with applicable laws and regulations.	Compliance assessments will be carried out fully on each and every project and not on a sample basis so that each and every legislative requirements are adhered to.	The Action is Completed	Management action plan and progress to date is noted but management did not address corrective actions taken on the current financial year to ensure inappropriate deviations are identified and disclosed accordingly.

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
								might be an indication of improper planning and is not justifiable.	over and above the deviation form that is used, there is a memo that is documented and approved by the accounting officer which documents such reasons. We noted that the deviation memo (dated 13/06/2019 and approved on 02/07/2019) used in all the 7 identified issues above was a standard memo of which the reasons for deviation were as follows: 1. "That the following institutions are sole providers: • University of Pretoria for Outcome based monitoring and evaluation implementation course and Labour relations management course • Disaster management				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>solutions for Disaster Risk Management course</p> <ul style="list-style-type: none"> • NOSA for Introduction to SAMTRAC • Limpopo Traffic training • Pro-active Public Service college for Fleet management for Local government and also for Human resource management course <p>2. The grant from National Treasury may be returned back if not spent.</p> <p>3. Time constraints, the service providers were taking too long and employees are changing their course of interest."</p> <p>Reason 1 When evaluating the reasons provided, we noted that reason number one, does not cater for all 7 the deviations in the finding as the</p>				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									seven (7) courses noted on the finding are not listed above. Reason 2 &3 We considered reason number 2 and number 3, and we noted that the reasons do not comply with SCM regulation 36, as both reasons were not due to an emergency or any other exceptional case where it is impractical or impossible to follow the official procurement process. The municipality needed to plan timely to ensure that the procurement processes are initiated on time and that the grant is committed for planned courses as per the training needs plan, not for the sake of utilizing the grant otherwise it would seem like the municipality is				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
									<p>doing fiscal dumping. This should not be a rush process for the sake of where employees are even changing their course interest, this may indicate lack of planning on the municipality's side.</p> <p>We acknowledge that the deviation process was followed, however, the reasons for the deviation, were not in accordance with the SCM reg. 36</p> <p>The finding remains unresolved and the irregular expenditure amounting to R504 728,25 will be reported in the management report and assessed for significance against the audit report.</p>				

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
11	ISS.77-COMAF 60	Non-compliance with legislation	Supply Chain Management	Declaration of interest forms do not comply with SCM regulations	Budget and Treasury Office - Supply Chain Management	31-Aug-21	Other important matters	The municipality's declaration of interest requires the bidder to state if he/she was in the service of the state in the previous 12 years instead of in the previous 12 months. The issue was also raised in the prior year. Furthermore, the municipality's declaration of interest requires the bidder to declare if any of the company's directors or any spouse, child or parent of the company's directors are currently in the service of the state and does not require the	The MBD 4 forms used do not comply with the Supply Chain Management regulation on section 3.12 and 3.13. We also acknowledge that the National Treasury's standard MBD4 forms on section 3.12 and 3.13 does not prompt the bidder to declare whether the partner/spouse of the bidder was in the service of the state in the previous 12 months as required by the SCM regulations. It remains management's responsibility to ensure that the SCM regulations are adhered to. The finding is therefore not resolved and the non-compliance and the internal control deficiency will be reported in	Lack of implementation of adequate controls to ensure that municipal supply chain regulations are adhered to.	Correct the MBD4 forms to read 12 months instead of 12 years.	The Action is Completed	Management action plan is adequate We are still conducting our audit, we will report back once the audit is completed

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
								bidder to declare if the company's directors or any spouse, child or parent of the company's directors was in the service of the state in the previous 12 months as per the requirements of SCM Regulations.	management report.				
12	ISS.73-COMAF 65	Non-compliance with legislation	Consequence management	Irregular Expenditure not investigated	Risk management	31-Aug-21	Matters Affected the Auditor's Report	No evidence of investigations that took place for irregular expenditure incurred.	Management comment on Pegasys Development and Strategy R3 512 495 is accepted. Management, however, did not respond to the issue to the rest of the issues that make up the opening balance, as stated on the issue above, and therefore the non-compliance finding is not resolved.	Insufficient controls in place to ensure that irregular expenditure is investigated.	*We will attempt to retrieve the reports that served in council requesting council to write-off the irregular expenditure *We will incorporate all the reports and submit them to MPAC for further investigations and recommendations to council	The report is with MPAC for consideration	No portfolio of evidence submitted to confirm Investigations of the reported UIF & W expenditure were conducted and losses recovered by the municipality. A proper investigation must at least meet the following criteria: a. The investigation was commissioned/ approved at the appropriate level. b. Terms of reference of the investigations

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
													<p>were approved.</p> <p>c. The scope of the investigation addresses the allegation.</p> <p>d. The recommendations / findings were relevant to the allegation.</p> <p>e. Investigations comply with auditee's policies with regard to independence and qualification/ position.</p> <p>Management did not address how are they going to improve internal controls to ensure no repeat finding.</p>

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
13	ISS.34 COMAF 33	Non-compliance with legislation	Consequence management	Unauthorized Expenditure: Authorization is not supported by appropriate evidence and is not effectively investigated	MPAC	31-Aug-21	Matters Affected the Auditor's Report	Subsequent to the audit, the amount for unauthorized expenditure incurred in the 2018/19 financial year was adjusted to R437 080 272 in response to the audit finding. However, the council resolution was not revised to indicate the correct amount of unauthorized expenditure due to non-cash items of R437 080 272. The unauthorized expenditure disclosed as authorized by council in note 53 of the AFS is not supported by appropriate evidence. It was also	Management's proposal of adding the narration to explain the difference in amount is accepted and therefore the finding is resolved.	Insufficient review of the irregular expenditure note.	*Office of the Municipal Manager will write a letter to the chairperson of MPAC requesting the amount on the council resolution to be amended so as to reflect the correct post audited amount of R437 080 272. The letter will contain the detailed background of what transpired which resulted in the change in amount. The council resolution will then be subsequently revised. *In addition the letter will contain the correct audited	The report is with MPAC for consideration	Management action plan adequate Deadline too far

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
								noted that prior to the above mentioned council resolution CR80/11/19, there was a council resolution CR/51/09/19, where it was resolved that the council condone the 2018/19 financial year's non-cash authorized expenditure (no amount was stated or specified in that council resolution).			amount that should be inserted on CR51/09/19		

No	Query References	Query Classification	Query Category	Query Description	Department	Query Deadline Date	Query Rating	Finding	Auditor's Conclusion	Root Cause	Query Action	Current Progress as at 2nd August 2021	Internal Audit Comments
14	ISS.147-COMAF 83	Misstatements in financial statements	COVID expenditure	VAT Overpayment	Budget and Treasury Office - Expenditure Management	31-Aug-21	Other important matters	Based on the recalculation of the invoices from Baatshuma (Pty) Ltd for the supply of materials, supply of Jojo tanks, tanks installation, excavation and transport of materials, an overpayment was identified on the VAT portion included on the invoices. The municipality overpaid the contractor as a result of VAT being charged again therefore incurring fruitless and wasteful expenditure.	Management comments are acknowledged. The municipality did not confirm that price charged by the contractor was already inclusive of VAT. As result, the municipality paid VAT twice. The municipality should therefore review all invoices received from the contractors for infrastructure projects to determine the total amount overpaid and recover the amount from the contractors. The finding remains and will be reported.	Lack of internal procedures and internal control measures in place for verifying the accuracy of invoice from the service provider prior to approval and processing of payments.	All invoices to be paid are reviewed and ensure that they comply with tax legislations and tax claimed is verified against invoices, GL, Bank statements and also verified on the SARS website. The Municipality will continue verifying, reviewing and checking that the amount claimed for VAT is correctly calculated.	Action is complete	Management action plan is adequate

4. Comparisons of Municipal Annual Performance for 2019/20 and 2020/21 financial year

No	Key Performance Area	Number of Planned Indicators for 2019/20 (Audited)	Number of Indicators Achieved for 2019/20 (Audited)	Number of Indicators Not Achieved for 2019/20 (Audited)	Number of Planned Indicators for 2020/21 (Unaudited)	Number of Indicators Achieved for 2020/21 (Unaudited)	Number of Indicators not Achieved for 2020/21 (Unaudited)
1	Municipal Transformation and Institutional Development	6	3 (50%)	3 (50%)	6	3 (50%)	3 (50%)
2	Basic Services Delivery	16	7 (43%)	9 (57%)	12	4 (36%)	8 (64%)
3	Local Economic Development	6	1 (17%)	5 (83%)	6	4 (67%)	2 (33%)
4	Financial Viability	13	7 (53%)	6 (47%)	11	7 (64%)	4 (36%)
5	Good Governance and Public Participation	24	10 (42%)	14 (58%)	26	20 (77%)	6 (23%)
Total		65	28 (43%)	37 (57%)	61	38 (63%)	22 (37%)

SECTION B

5. Detailed Institutional Performance Results for 2020/21 Financial Year per Key Performance Areas

5.1 Basic Service Delivery

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
BSD_TL01	Number of new substations built by 30 June 2021	Director Energy Services	Service Delivery	Increase electricity capacity by building substations and install underground cables.	Energy	1	Number	1	0	(43% Project progress) Bakone substation appointed on multi year and will be completed in the coming two years due to financial constraints (June 2021)	Budget constraints raised with the CFO and the three-year contract end up being four years and escalation on the last payment. (June 2021)	Payment certificate, work plan and minutes of meetings (June 2021)
BSD_TL02	Kilometre of underground cables installed by 30 June 2021	Director Energy Services	Service Delivery	Increase electricity capacity by building substations and install underground cables.	Energy	0	km	900m	0	Annual contractors appointed may and requires a month to provide guarantees and safety files before work could start. project referred to the following financial year.	Late appointments due to COVID 19 related issues as meetings were restricted. project referred to the following financial year	Minutes of SCM process meetings, appointment letter, Progress reports, payment certificates, Completion certificate.
BSD_TL04	Increase percentage of Households with access to electrification by 1% by the 30 June 2021.	Director Energy Services	Service Delivery	Households with access to electricity	Energy	0,92% (2197)	Percent	1% (2391)	0.66% (1589)	Achievement: (1) Urban Connections = 624 (2) Polokwane Ext 78 Phase 2 = 479 (3) Cloesdam = 486	Eskom virtual meetings are not well attended as people work from home and see some of the appointments late. the matter was escalated with seniors at Eskom	Minutes of SCM process meetings, appointment letter, Progress reports, payment certificates, Completion certificate

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
BSD_TL06	Increase percentage of Households with access to sanitation by 1,8% by the 30 June 2021	Director Water and Sanitation	Service Delivery	Upgrade existing Polokwane waste water plant	Sanitation	1,14% (2736)	Percent	1,8% (4300)	1.07% (2565 Households)	<p>* The target was not reached due to the unfinished Aganang RHS.</p> <p>* The target was not reached due to the fact that Moletjie RHS was accelerated to be completed on the 20th of June 2020.</p> <p>Achievement: (1) Sebayeng / Dikgale Rural Household Sanitation = 820 hh (2) Mankweng Rural Household Sanitation = 944 hh (3) Chuene Maja Rural Household Sanitation = 734 hh (4) Urban Connections = 67</p>	<p>* The target was not reached due to the unfinished Aganang RHS _ Intervention Meetings have been held to resolve slow progress and community issues.</p> <p>* The target was not reached due to the fact that Moletjie RHS was accelerated to be completed on the 20th of June 2020.</p> <p>Urban sewer connection was affected by the non-availability of pre-paid water meters. Pre-paid water meters have been acquired and now available at stores.</p>	Completion certificates

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
BSD_TL11	Increase percentage of Households with access to Water by 0,30% by the 30 June 2021	Director Water and Sanitation	Service Delivery	Increase access to water supply.	Water	0,91% (2183)	Percent	0,30%	0.89% (2052 Households)	* A total of 2052 household have been provided with access to water. * A total 1157 H/H have been connected with Yard Connection. * A total of 773 H/H have access to water through communal stand pipes. * A total of 122 H/H were connected in Urban area Achievement: (1) Moletjie East RWS 2 Phase 12 = 85 (2) Moletjie East RWS 2 Phase 13 = 530 (3) Boyne RWS Phase 11 = 96 (4) Segwasi RWS Phase 4 = 221 (5) Mothapo RWS Phase 14 = 225 (6) Juno / Fairlie = 773 (7) Urban Connections = 122	The municipality experienced delays in the procurement of pre-paid water meters which affected urban water connections. Pre-paid meters have been acquired and delivered at the municipal stores.	Completion certificates
BSD_TL12	Km of roads upgraded from gravel to tar by 30 June 2021	Director Roads and Transportation Services	Service Delivery	Implement MIG programme. Increase allocation per financial year to allow quick reduction of backlog	Roads and storm water	26,163km	km	26,5km	15.6km	15.6km of roads projects are completed surfaced	Delays due to poor planning by contractors, cash flow challenges, contractors delaying to complete works and community protest	Payment certificates and Practical certificates

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
											affecting progress on site Contractors to fast track completing the projects. Contractors have revised their work plans and Cashflow to recover the time lapsed for completion of the projects	
BSD_TL17	Number of Health (Food premises and outlets) Inspections conducted by 30 June 2021	Director Community Services	Service Delivery	Obtain authorization from Capricorn District Municipality to render the service on their behalf	Community Health	1287	Number	1540	476	Out of four (4) Environmental Health Practitioners (EHP) in our unit only one EHP was fully operational. The second EHP is over 60 years old and working from home in accordance to the Disaster Management Act (COVID-19) therefore scrutinise building plans. The third EHP have comorbidities and does all the complaints that we receive daily. The forth EHP was on maternity leave and only came back in the middle of May month.	Since the country has been moved to Alert Level 1, all EHP's are back at work and a plan developed which details how each EHP will be conducting samples at different places on a daily basis.	Monthly inspection reports

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
BSD_TL18	Number of rural villages supplied with weekly waste removal services by 30 June 2021	Director Community Services	Service Delivery	Address Waste Management backlog in rural areas.	Waste Management	4	Number	4	4	Target achieved. 4 new villages received weekly waste collection service in rural areas	None	Monthly reports
BSD_TL19	Percent Increase of Households with access to waste removal services by 0,04% by the 30 June 2021	Director Community Services	Service Delivery	To promote recycling and ensure that waste generated is managed and disposed of in an environmentally friendly manner	Waste Management	0,06% (147)	Percent	0,04%	0,11%	Target achieved with 0,11% (272 HH) New households that received weekly waste collection service	None	Monthly/quarterly reports
BSD_TL20	Review Disaster Management Plan (Annual review) by 30 June 2021	Director Community Services	Service Delivery	Conduct Hazard identification and assessment programme.	Disaster Management and Fire Services	0	Number	1 Disaster Management Plan reviewed by 30 June	1	The Disaster Management Plan has been approved.	The target has been met	Approved Reviewed Disaster Management Plan
BSD_TL21	Km fire break re-blading conducted by 30 June 2021	Director Community Services	Service Delivery	Conduct re-blading programme.	Disaster Management and Fire Services	1596km	km	720 km	299 km	The target was not met. Only 299 km have been re-bladed.	The service provider experienced operational and financial challenges. Furthermore, the farmers who are the key stakeholders were also affected by COVID 19.	Invoices

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
											A revised schedule to address the variance in the re-blading target has been developed and approved by the Director for implementation in the 2021-22 fy	
BSD_TL22	Km of Trunk route constructed by 30 June each year	Director Roads and Transportation Services	Service Delivery	Plan and construct infrastructure	Transportation (Infrastructure)	0	km	0.5KM	0	Target not achieved, The Contractor is busy with Setting Out and Milling of existing asphalt	Progress is a bit slow due to contractor's cash flow and There was interference from the communities of Ward 23 & Ward 13 on the 21st of May 2021 where the community prevented the contractor from working. In Ward 23 the situation was resolved and the contractor resumed with work on the 15th of June 2021 in Ward 13. The Municipality communicated	Progress reports and payment certificates

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
											with the contractor on the poor and slow implementation of the projects. The contractor was placed on terms to improve on the performance which failure the contractor will be terminated	

5.2 Local Economic Development

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
LED_TL01	Number of workshops / Trainings conducted for Street Traders by June 2021	Director Planning and Economic Development	Local Economic Development	Sustainable Livelihoods	LED	114	Number	2	5	5 x workshops conducted	none	Reports and Attendance register

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
LED_TL02	Number of job opportunities created through the EPWP by 30 June 2021 (Temporary Job Opportunities)	Director Strategic Planning, Monitoring and Evaluation	Local Economic Development	Sustainable Livelihoods	EPWP	2146	Number	3 653	3 552	A cumulative number of 3552 work opportunities (WO) has been achieved. That is an achievement of 462 WO for quarter 4. a total of 84 WO was not achieved from our annual target	A total of 84 WO was not achieved from our annual target. Recruitment processes and projects during the COVID 19 pandemic did not unfold as planned hence the slight underachievement. projects commenced late due to extended procurement periods.	EPWP reports
LED_TL03	Number of exhibition/Flea Markets facilitate the municipality by 30 June 2021	Director Planning and Economic Development	Local Economic Development	Assist SMME to attend exhibitions	LED - SMMEs	21	Number	3	20	20 x flea market/exhibition conducted for the quarter under review	NONE	Exhibition or flea market report, Attendance registers and Pictures

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
LED_TL04	Number of tourism and investment promotion trade shows by 30 June 2021	Director Planning and Economic Development	Local Economic Development	Implement Tourism strategy	Economic Development	10	Number	2	17	Some of the trade shows were held virtually	Continue finding alternative ways to implement the project under the current COVID-19 Pandemic	Reports and Attendance register
LED_TL05	Number of job opportunities created through Municipal sponsored trading	Director Planning and Economic Development	Local Economic Development	Promote the creation of sustainable jobs	Economic Development	153	Number	2	0	There no events held due to lock down restrictions	Target will be achieved once lock down restriction have been uplifted	Reports and Attendance register
LED_TL06	Number of Workshops/training organised by the municipality in partnership with sector partners offered SMME'S by 30 June 2021	Director Planning and Economic Development	Local Economic Development	Skills audit and training of SMMEs	Economic Development	15	Number	5	18	18 x workshops conducted	None	Reports and attendance register

5.3 Good Governance and Public Participation

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
GGPP_TL01	Number of IDP, Budget and PMS Rep Forums held by 30 June 2021	Director Strategic Planning, Monitoring and Evaluation	Good Governance and Public Participation	Ensure involvement and participation of all stakeholders	IDP	2	Number	2	2	Due to COVID 19, Social Distance and Complying with COGTA gazette that discourage contact meetings with community, an alternative method was used to obtain comments and inputs from stakeholders 1 rep forum meeting was held using media platform due to COVID 19	Status quo Documents were placed on Municipal website, a public notice was released at municipal website and local newspapers Municipal website photo, stakeholders email list, documents for comments and inputs, newspaper advert	Attendance Registers, Adverts, Invitations, Agenda.
GGPP_TL02	Approval of the current financial year IDP, Budget and PMS Schedule (Process Plan) by 30 August 2020 (S21 of the MFMA)	Director Strategic Planning, Monitoring and Evaluation	Good Governance and Public Participation	Facilitate and monitor the identified needs falling without the municipality's mandate	IDP	1	Number	1	1	Final Process plan has been approved by Council	N/A	Council Resolution and Process Plan.

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
GGPP_TL03	Number of IDP, Budget and PMS Steering Committee Meeting held by 30 June 2021	Director Strategic Planning, Monitoring and Evaluation	Good Governance and Public Participation	Ensure involvement and participation of all stakeholders	IDP	3	Number	3	3	3 x Virtual IDP steering committee Meeting was held.	N/A	Agenda, Attendance Registers.
GGPP_TL04	Submitting the next financial year Final IDP and Budget to Council for adoption by 31 May 2021 (One month before the start of the new financial year)	Director Strategic Planning, Monitoring and Evaluation	Good Governance and Public Participation	To ensure budgeting processes are informed by community needs and priorities by 2018	IDP	1	Number	1	1	Council adopted the 2021/2026 Final IDP on the 26 May 2021	N/A	Council Resolution and Final IDP.
GGPP_TL05	Tabling Draft Annual Report for previous financial year to Council by 31 January 2021. (s121 - 129 MFMA)	Director Strategic Planning, Monitoring and Evaluation	Good Governance and Public Participation	Communicate and share performance information	PMS	1	Number	1	1	The 2019-20 Annual Report was table to council on the 26 March 2021 as incomplete. The reason is that Auditor General has not concluded the audit.	The 2019-20 Complete Annual Report will be tabled in council as soon as AG submits the signed audit report for 2019-20 to Polokwane Municipality. No date has been indicated yet for the submission of the Signed Audit Report.	Council Resolution of the tabling of the Annual Report for 2020/21

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
GGPP_TL06	Number of Quarterly Performance Reports submitted to Council by 30 June 2021	Director Strategic Planning, Monitoring and Evaluation	Good Governance and Public Participation	Communicate and share performance information	PMS	4	Number	4	4	Achieved, reported was submitted to council.	None	Council Resolution of Quarterly Performance Report
GGPP_TL07	Tabling the Oversight Report on the previous financial year Annual Report to Council by 31 March 2021 (Section 121-129 MFMA)	Director Strategic Planning, Monitoring and Evaluation	Good Governance and Public Participation	Communicate and share performance information	PMS	1	Number	1	1	The 2019-20 Annual Report process has not been concluded as such the Oversight Report cannot be done. The 2019-20 Annual Report is still awaiting the conclusion of the audit by the office of the Auditor General.	The Oversight Report on the 2019-20 Annual Report will be done as soon as AG submits the signed audit report and the report is presented to council by AG.	Council Resolution on Oversight Report and Copy of the Report
GGPP_TL08	Number ICT Steering Committee meeting held by 30 June 2021	Director Corporate and Shared Services	Good Governance and Public Participation	Continuous improvement of Corporate Governance of and Governance of ICT	ICT	4	Number	4	4	Minutes and Attendance Register Attached	None	Quarterly reports on ICT Steering Committee meetings
GGPP_TL09	Number of quarterly reports on the performance of ICT Service providers by 30 June 2021	Director Corporate and Shared Services	Good Governance and Public Participation	Continuous improvement of Corporate Governance of and Governance of ICT	ICT	4	Number	4	4	Quarterly Reports Attached	None	Quarterly reports on the performance of Service providers

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
GGPP_TL10	Annual review of the Delegations of powers to ensure effective administration by 31 June 2021	Director Corporate and Shared Services	Good Governance and Public Participation	Review and implement delegations of powers to ensure that all managers act and take decisions within their scope	Legal	Delegations of Powers policy	Number	Reviewed delegations of powers by 31 June 2021	Delegation of Powers reviewed by March 2021	Target achieved	Target achieved	Council resolution on approved delegations of powers and copy of the delegations of powers
GGPP_TL11	Number of Mayoral Committee meetings scheduled and convened by 30 June 2021	Municipal Manager	Good Governance and Public Participation	Ensuring that Mayoral Committee meetings are convened as per cooperate calendar.	Secretariat Services	10	Number	10	11	Target not achieved	No LLF meeting due to Covid-19. Virtual meetings to be held	Council Approved Corporate Calendar of meetings. Mayoral Committee notices, Agendas, and Attendance Registers.
GGPP_TL12	Number of Council sittings scheduled and convened by 30 June 2021 (In line with the provisions of MSA)	Municipal Manager	Good Governance and Public Participation	Ensuring that Council meetings are convened as per cooperate calendar.	Secretariat Services	4	Number	4	10	Target achieved	None	Council Notice, Agenda, Minutes and Attendance Registers
GGPP_TL13	Number of Portfolio Committee meetings scheduled and convened by 30 June 2021	Municipal Manager	Good Governance and Public Participation	Ensuring that Portfolio meetings are convened as per cooperate calendar.	Secretariat Services	130	Number	130	89			Council Approved Corporate Calendar of meetings. Portfolio Committee notices, Agendas,

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
												Minutes and Attendance Registers.
GGPP_TL14	Number of Local Labour Forum (LLF) convened and held by 30 June 2021	Director Corporate and Shared Services	Good Governance and Public Participation	Monitor the corporate calendar.	Human Resources/Labour Relations	10	Number	10	2	Two (2) meetings were held	none	LLF Notice and minutes
GGPP_TL15	Integrated long term asset management plan developed by 30 June 2021	Chief Financial Officer	Good Governance and Public Participation	Develop integrated long term asset management plan	Asset Management	1	Number	1	1	Long term asset management plan developed	None	Integrated long term asset management plan and minutes of approval
GGPP_TL16	Conduct municipal wide asset register verification in line with GRAP standards by 31 August 2020	Chief Financial Officer	Good Governance and Public Participation	Develop integrated long term asset management plan	Asset Management	1	Number	1	1	None	None	Assets Register
GGPP_TL17	Number of Ward AIDS Councils established by 30 June 2021	Municipal Manager	Good Governance and Public Participation	Liaise with the Department of Health and developmental partners to reduce HIV. Establish Ward AIDS Councils. Implement the 90/90/90/ Fast track Strategy for municipalities	Special Focus	45	Number	38	0	No physical meetings were held due to revised Covid 19 regulations.	Ward Aids Council meetings will be held as soon as Covid 19 regulations are eased	Appointment letters of Local AIDS Council members, Agendas, Minutes and Attendance Registers

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
				to reduce HIV By 2020								
GGPP_TL18	Development of the External and Internal Audit Tracking Register for previous financial year AG Report by 5 February 2021	Municipal Manager	Good Governance and Public Participation	Cooperating closely with other external oversight bodies to better coordinate oversight activities with a view to providing effective audit coverage and minimising any overlaps	Internal Audit	1	Number	1	1	The External and Internal Audit Tracking Register was developed	None	External and Internal Audit Tracking Register and minutes of approval
GGPP_TL19	Adoption of Annual Internal Audit Plan and 3 year rolling strategic plan by 30 June 2021	Municipal Manager	Good Governance and Public Participation	Communicate effectively with management to receive effective feedback on the preparation and reporting on the implementation of audit work plans	Internal Audit	1	Number	1	1	Target is achieved The 3 year Rolling Internal Audit Plan was approved by APAC on the 20 July 2020.	None	Agenda and Minutes of adoption

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
GGPP_TL20	Number of Audit Committee Meetings scheduled and convened in terms of the adopted schedule by 30 June 2021	Municipal Manager	Good Governance and Public Participation	Regular review and improving the quality of audit reports by increasing the use of available information technology tool to gather, analyse and present factual data to enhance the accuracy, completeness and tidiness of audit reports	Internal Audit	4	Number	4	11	Ordinary meetings were held	None	Meeting Notices, Agendas, Minutes and Attendance Registers
GGPP_TL21	Number of Ward Committee meetings scheduled and convened per ward by 30 June 2021 (Functionality of ward committees)	Municipal Manager	Good Governance and Public Participation	Increase functionality and effectiveness of ward committee structures	Public Participation	540	Number	540	90	Target was not achieved. Ward committee meetings were not seating due to lockdown restrictions which prohibits gatherings. Physical contact meetings were discouraged to the rise in the number of infections and the death toll.	No corrective measures to be taken as the environment was not conducive for physical contact meetings.	Meeting Notices, Agendas, Minutes and Attendance Registers

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
GGPP_TL22	Number of Ward Committee Reports developed and submitted to Council by 30 June 2021	Municipal Manager	Good Governance and Public Participation	Increase functionality and effectiveness of ward committee structures	Public Participation	4	Number	4	1	Target not achieved	We have a challenge with ward committee meetings under lockdown regulations. Some meetings do not seat at all and this is a challenge due to restrictions on gatherings and some members fearing to be infected.	Ward Committee Reports developed and tabled in Council
GGPP_TL23	Number of risk assessments conducted by 30 June 2021	Municipal Manager	Good Governance and Public Participation	Roll-out of risk management services within all levels of the municipalities by identifying potentials risks within the municipality	Risk Management	45	Number	45	45	Operational risk assessment has been conducted for 45 SBUs	None	Operational risk register and attendance register
GGPP_TL24	Number of Fraud awareness Campaign held conducted by 30 June 2021	Municipal Manager	Good Governance and Public Participation	Creating fraud culture in y and Promote Fraud Hotline in the Municipal area	Risk Management	4	Number	4	4	4 x Fraud awareness was conducted	None	Meeting Notices, Agendas, Minutes and Attendance Registers

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
GGPP_TL25	Reviewal of institutional strategic risk register by 30 June 2021	Municipal Manager	Good Governance and Public Participation	Incorporate Risk Management in the IDP and Budgeting process by identifying strategic risk and budgeting for mitigation action	Risk Management	1	Number	1	1	Strategic Risk assessment report for 2021/22 Financial Year was approved by APAC on the 15 June 2021	None	Agenda and Minutes of adoption
GGPP_TL26	Number of Risk Management Committee scheduled and convened by 30 June 2021	Municipal Manager	Good Governance and Public Participation	Increase functionality, effectiveness and accountability of Risk Management at Directors level	Risk Management	4	Number	4	4	4 x Risk Management Committee meetings were held	None	Meeting Notices, Agendas, Minutes and Attendance Registers

5.4 Municipal Transformation and Organisational Development

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
MTO_TL01	Conduct OHS audit by 30 June 2021	Director Corporate and Shared Services	Municipal Transformation and Organisational Development	Expand OHS capacity	Human Resources/ Occupational Health and Safety	1	Number	1	0	Not achieved	The allocated budget of R150 000 was inadequate to conduct a holistic OHS audit for the whole municipality. Ensure that the budget is adjusted in the new financial year as it is a statutory requirement.	OHS audit plan
MTO_TL02	Submission of Reviewed of WSP to LGSETA by 30 April 2021	Director Corporate and Shared Services	Municipal Transformation and Organisational Development	Build capacity of employees through training	Human Resources Management	1	Number	1	1	achieved	none	WSP Report and confirmation letter
MTO_TL03	Submission of Employment Equity Plan to the Department of Labour by 30 June 2021	Director Corporate and Shared Services	Municipal Transformation and Organisational Development	Targeted recruitment	Human Resources Management	1	Number	1	1	achieved	none	Employment Equity report and confirmation letter

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
MTO_TL04	Number of new External Students awarded study bursaries for the next academic year by 30 June 2021	Director Corporate and Shared Services	Municipal Transformation and Organisational Development	Targeted awarding of bursary	Human Resources Management	40	Number	40	0	Not achieved	The target was not reached due to financial constraint	Bursary report
MTO_TL05	Number of Graduate students awarded Internships/Experimental/Leadership at Polokwane Municipality by the 30 June 2021	Director Corporate and Shared Services	Municipal Transformation and Organisational Development	Build capacity of municipal officials and the community on skills.	Human Resources Management	167	Number	200	100	Target not achieved	Due to financial constraint we were unable to reach the target of 200 interns	Training report

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
MTO_TL06	Number of training on application and understanding of code of conduct for all employees by 30 June 2021	Director Corporate and Shared Services	Municipal Transformation and Organisational Development	Build capacity of municipal officials around IR matters	Human Resources Management	2	Number	2	2	Target achieved	None	Attendance registers

5.5 Financial Viability

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
FV_TL01	Development of the Audit Action Plan for the current financial year AG Report by 31 January 2021	Chief Financial Officer	Financial Viability	Improve internal and integrated financial reporting processes to ensure all SBU's are using accurate financial information	Budget and Reporting	1	Number	1	0			Audit Action Plan
FV_TL02	Municipal compliance to MSCOA by 30 June 2021	Chief Financial Officer	Financial Viability	Improve internal and integrated financial reporting processes to ensure all SBU's are using accurate financial information	Budget and Reporting	16 Data Strings Reports. 5 Budget reports. TABB, ORGB, ADJB, PAUD. (100%)	Percent	16 Data Strings Reports. 5 Budget reports. TABB, ORGB, ADJB, PAUD. (100%)	100%	Achieved	n/a	Data string reports, Budget reports (TABB, ORGB, ADJB, PAUD)
FV_TL03	Timeous payment of all the creditors with 30 days upon receipt of invoice	Chief Financial Officer	Financial Viability	Accurate cash flow planning (SBUs to supply cash flow projections on projects at the beginning of each financial year)	Expenditure Management	62%	Percent	100%	98%	During this 4th quarter 98% creditors were paid in time as opposed to 100% in the previous three quarters	COVID 19 4th wave contributed as more employees were isolated and we are working with limited number of employees. Also year-	Section 71 report

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
											end process contributed as massive invoices received with less employees who can't capture, prepare, and process payment at the same time. As a corrective measure, we are to appoint two more expenditure accountants. The report has served in the portfolio in June and will be served in the next Council meeting	
FV_TL04	Number of reserve to be established by 30 June 2021	Chief Financial Officer	Financial Viability	To build up reserves (sinking funds) to pay back loans and asset replacement funds	Budget and Reporting	1	Number	1	1	None	None	Bank statements

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
FV_TL05	% of Households with access to free basic services to all qualifying people in the municipal's area of jurisdiction	Chief Financial Officer	Financial Viability	Develop and enforce business processes and procedures	Free Basic Services	90%	Percent	100%	100% (13 196)	All indigents are getting rates as per the policy	Indigent are flagged on the system to receive rebates	Indigent register
FV_TL06	Percentage collection of revenue billed, total billed vs total collected.	Chief Financial Officer	Financial Viability	Develop and enforce business processes and procedures	Financial Viability	85%	Percent	87%	92%	Given the lockdown and unemployment . the municipality managed to collect from arrears	Target was still achieved amidst the COVID lockdown and the economic hardship	Revenue report
FV_TL07	Timeous appointment of service providers within 90 days in line with the National Treasury Norm on appointment of contractors	Chief Financial Officer	Financial Viability	Follow up and adherence to demand management plan	Supply Chain Management	90	Number	90	72	Target not achieved.	Challenges with the Bid Evaluation Committee as some members needed to quarantine from time to time due to COVID 19 Pandemic. As a corrective measure, more frequent BEC meetings to be held so that challenges	Demand Management Plan and Appointment letters

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
											can be eliminated.	
FV_TL08	Percentage of municipality capital budget actually spent on capital projects by 30 June 2021	Chief Financial Officer	Financial Viability	Bankable projects for implementation on alternative funding model	Financial Viability	100%	Percent	100%	84%	Total spending on conditional grants is at 84%. However, the amount will be increased as more invoices/accruals/commitments are captured for June 2021 as we prepare for the annual financial statement submission.	COVID 19 pandemic played a major role in delay of projects	Section 71 report (capital programme expenditure)
FV_TL09	Municipal debt coverage by 30 June 2021	Chief Financial Officer	Financial Viability	Bankable projects for implementation on alternative funding model	Financial Viability	17%	Percent	17%	86.76%	Target exceeded due to higher revenue and a reducing long term debt book	None	Section 71 report
FV_TL10	% Growth in Revenue by 30 June 2021	Chief Financial Officer	Financial Viability	Bankable projects for implementation on alternative funding model	Financial Viability	2%	Percent	2%	10%	Target exceeded due to more billing and collections	None	Revenue report
FV_TL11	Municipal cost coverage by 30 June 2021	Chief Financial Officer	Financial Viability	Bankable projects for implementation on alternative	Financial Viability	200%	Percent	200%	226%	Target met due to better cash flow management	None	Section 71 report

Indicator Ref	Top Layer KPI	Responsible Owner	Municipal KPA	Operational Strategies	Municipal Programme	Baseline	Unit of Measurement	Revised Annual Target 30 June 2021	Actual Performance Achieved 30 June 2021	Actual Performance Comment / Challenges	Corrective Measures	POE
				funding model								

5.6 Capital Works Plan

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_01	Director Strategic Planning, Monitoring and Evaluation	Thusong Service Centre (TSC)	Clusters	Ga-Mothapo	0	Percent	50%	Fencing the Land	60%	Erection of the Palisade Fence to secure the Thusong Service Centre site has been completed.	none	
CWP_02	Director Strategic Planning, Monitoring and Evaluation	Mobile service sites Rampheri Village	Clusters	Rampheri-Maja	0	Percent	50%	Submission of the approved documentation together with Tender document	60%	Approved detailed designs and tender documents for the project have been submitted.	none	
CWP_03	Director Strategic Planning, Monitoring and Evaluation	Renovation of existing Cluster offices	Clusters	Mohlonong Cluster offices	0	Percent	50%	NA	0%	Project on hold as funds have been moved to other projects..	Due to insufficient funds the project could not take off. Funds were redirected to other projects. Project will be implemented in the next financial year.	

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_04	Director Strategic Planning, Monitoring and Evaluation	Construction of Segopje Mobile Service Centre	Clusters	Sebayeng	0	Percent	50%	Fencing the Land	60%	Erection of the Fence around the Segopje Mobile Service Centre site has been completed.	none	
CWP_05	Director Corporate and Shared Services	Civic Centre refurbishment	Infrastructure /Facility Maintenance	Polokwane	0	Percent	100%	None	0%	None	Insufficient funds to complete the project	
CWP_06	Director Corporate and Shared Services	Renovation of offices	Infrastructure /Facility Maintenance	Municipal Wide	0	Percent	50%	None	0%	Structural Engineer appointed	None	
CWP_07	Director Corporate and Shared Services	Construction of Mankweng Traffic and Licensing Testing Centre	Infrastructure /Facility Maintenance	Mankweng Cluster	0	Percent	16.67%	Completion of phase 1 scope of work	0%	Awaiting Evaluation	No challenges	None
CWP_08	Director Corporate and Shared Services	Fencing of Itsoseng Centre	Infrastructure /Facility Maintenance	Polokwane	0	Percent	33.33%	None	0%	None	No budget allocation	None
CWP_09	Director Corporate and Shared Services	Upgrading of Traffic Logistics Offices	Infrastructure /Facility Maintenance	City Cluster	0	Percent	33.33%	None	0%	None	Completed during the first quarter	Submitted during the first quarter

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measure ment	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_10	Director Corporate and Shared Services	Municipal Furniture and Office Equipment	Infrastructure /Facility Maintenance	Municipal Wide	0	Percent	27.50%	Delivery of office furniture	0%	None	Bid expired and re-advertised	Advertisement
CWP_26	Project Management Unit	Upgrading of storm water system in municipal area (Vukuphile)	Roads and storm water	Municipal Wide	0	Percent	100%	50% of concrete works	10%	target not met. Contractor on site, physical progress at 10%	Delays with obtaining approval for transfer of funds	Appointment letter, progress report
CWP_27	Project Management Unit	Rehabilitation of Streets in Nirvana	Roads and storm water	Nirvana	0	Percent	5.75%	Detailed design	15%	Target met. DDR finalized and approved	None	DDR
CWP_28	Project Management Unit	Rehabilitation of streets in Seshego Cluster (Vukuphile)	Roads and storm water	Seshego Cluster	0	Percent	100%	construction of subbase	0%	Target not met.	Learner contractors received approval of funding on 14 June 2021	Appointment letter
CWP_29	Director Roads and Transportation Services	Upgrading of De wet Dr from Munnik Ave to R81	Roads and storm water	City Cluster	0	Percent	50%	Inception and Preliminary design report	0%	target not met. Budget is CRR funded and appointment was awaiting confirmation of budget after the adjustment process.	Amount remaining can only cover project planning.	None

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_30	Project Management Unit	Upgrading of internal streets in Westernburg RDP Section	Roads and storm water	Westernburg	0	Percent	15%	Tender Advert	15%	Target not met. Tender not advertised, DDR approved	Final scope to be advertised to be determined based on budget allocated	DDR attached in quarter 3
CWP_31	Director Roads and Transportation Services	Traffic Lights and Signs	Roads and storm water	Municipal Wide	0	Percent	100%	N/A	100%	Project completed	None	None
CWP_32	Director Roads and Transportation Services	Installation of road signage	Roads and storm water	Municipal Wide	0	Percent	100%	20 Road signs installed	43%	target achieved, 43 road signs installed	None, Target achieved	Progress reports and job cards

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_34	Director Roads and Transportation Services	Construction of NMT at Magazyn Street and Vermekuwet	Roads and storm water	City Cluster	0	Percent	100%	Completion of 2km Non-Motorized infrastructure	0%	Contractor appointed, inception meeting held on the 04th of June 2021	Delays in handing over the project to the contractor due to the funder's (KFW) excessive requirements to be met before commencement of the project. Project handed to the contractor on the 12 of July 2021 and contractor to fast track implementation.	Appointment letter, inception meeting minutes and handover minutes

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_35	Project Management Unit	Upgrading of Arterial road in SDA1 (Luthuli)	Roads and storm water	Luthuli	0	Percent	5%	Appointment of a Contractor	0%	Target not met. awaiting advertisement. Budget not sufficient to commence with construction	To be advertised with a reduced scope based on allocated budget	Tender document. Capital programme
CWP_36	Project Management Unit	Upgrading Makanye Road (Ga-Thoka)	Roads and storm water	Makanye	0	Percent	100%	100% Completion of Road	0%	Target not met. Physical progress on 67%	Contractor abandoned site, arrangements underway to appoint subcontractor to complete project	Progress report
CWP_37	Project Management Unit	Tarring Ntsime to Sefateng	Roads and storm water	Ntsime	0	Percent	100%	Reaching Practical completion and completion.	0%	Phase 4 has reached practical completion. Phase 5 is at 95% physical progress.	Phase 5 : There is a 100m section that needs to be re-done and some box culverts that have not been completed.	Completion certificate, progress reports

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_38	Project Management Unit	Upgrading of Internal Street in Seshego zone 8	Roads and storm water	Zone 8	0	Percent	100%	Appointment of a Contractor	0%	target not met. Tender not yet advertised, BSC held on 28 May 2021	Awaiting advertisement	BSC invite
CWP_39	Project Management Unit	Ntshitshane Road	Roads and storm water	Ntshitshane	0	Percent	100%	NA	0%	Contractor on site. Physical progress at 95%	Contractor has claimed for standing time due to long-term disruptions by the community	Progress report
CWP_40	Project Management Unit	Upgrading of internal streets in Toronto	Roads and storm water	Toronto	0	Percent	100%	Put on hold for 1 year	0%	tender advertised but contractor not yet appointed	SCM to appoint contractor	Tender advert attached in quarter 3
CWP_41	Project Management Unit	Upgrading of internal streets linked with Excelsior Street in Mankweng unit A	Roads and storm water	Mankweng Cluster	0	Percent	100%	10% Completion of 1,6km internal Street	0%	Tender was advertised but contractor not yet appointed	SCM to appoint	Tender advert attached in quarter 3

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measure ment	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_42	Project Management Unit	Upgrading of Arterial road in Ga Rampheri (Tarring of 2.1 km from gravel to tar as per RAL MOU)	Roads and storm water	Rampheri	0	Percent	100%	Installation of the kerbs, road furniture and road marking.	0	target not met, project not completed.	Contractor has been progressing slowly in completing the kerbing, v-drains and finishing. Contractor requested practical completion	Progress report
CWP_43	Project Management Unit	Upgrading of access Roads to Maja Moshate(Mole po, Chuene Maja cluster)	Roads and storm water	Chuene	0	Percent	100%	10% Completion of 1,6km internal Street	0%	Tender advertised but contractor not yet appointed	SCM to appoint contractor	Tender advert attached in quarter 3
CWP_44	Project Management Unit	Upgrading of internal streets in Seshego Zone 1	Roads and storm water	Seshego Cluster	0	Percent	40%	Project scoping and design	0%	Target not met. Consultant not appointed due to budget constraints	Consultant to be appointed when budget becomes available	
CWP_45	Project Management Unit	Upgrading of internal streets in Seshego Zone 2	Roads and storm water	Seshego Cluster	0	Percent	100%	NA	0%	Project completed	None	Completion certificate

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_46	Project Management Unit	Upgrading of internal streets in Seshego Zone 3	Roads and storm water	Seshego Cluster	0	Percent	50%	Procurement processes. Appointment of contractor	30%	Target not met. Contractor not yet appointed.	BSC done on 28 May 2021. Awaiting advertisement	BSC invite
CWP_47	Project Management Unit	Upgrading of internal streets in Seshego Zone 4	Roads and storm water	Seshego Cluster	0	Percent	50%	Appointment of the Contractor, Site Handover, Site Establishment.	30%	Target not met. Contractor not yet appointed	BSC done on 28 May 2021. Awaiting advertisement	BSC invite
CWP_48	Project Management Unit	Upgrading of internal streets in Seshego Zone 5	Roads and storm water	Seshego Cluster	0	Percent	10%	Contractor appointed	10%	target met. contractor appointed	None	Appointment letter, progress report
CWP_49	Project Management Unit	Upgrading of internal streets in Seshego Zone 6	Roads and storm water	Seshego Cluster	0	Percent	50%	Procurement processes. Appointment of contractor	30%	target not met. Contractor not yet appointed	SCM to appoint contractor	BSC invite
CWP_50	Project Management Unit	Mohlonong to Kalkspruit upgrading of roads from gravel to tar	Roads and storm water	Mohlonong	0	Percent	100%	appointment of contractor and site establishment	0%	target met. Contractor appointed and site established	None	Appointment letter, progress report

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_51	Project Management Unit	Lonsdale to Percy clinic via flora upgrading of road from gravel to tar (including Monyoaneng)	Roads and storm water	Lonsdale/Percy Fyfe	0	Percent	100%	Planning for next phase of road	0%	Current phase is completed. Planning has commenced for the next phase. Site visit was conducted to determine scope of work	None	Completion certificate
CWP_52	Project Management Unit	Construction of Storm Water in Ga Semanya	Roads and storm water	Moletjie Cluster	0	Percent	100%	Appointment of Contractor	0%	Target met. Contractor appointed	None	Appointment letter, progress report
CWP_53	Project Management Unit	Completion of Hospital Road in Mankweng	Roads and storm water	Mankweng Cluster	0	Percent	100%	construction of the layer works	10%	Target not met. Contractor appointed. Site established	Contractor appointed, site handover on 08 June 2021	Appointment letter
CWP_54	Project Management Unit	Polokwane Drive-upgrade from single to dual carriage way	Roads and storm water	City Cluster	0	Percent	100%	Project completed	0%	Target not met. Project not completed, physical progress at 97%	Contractor experiencing cash flow problems, contractor being assisted by subcontractor to complete	Progress report

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_55	Project Management Unit	Upgrading of F8 Street in Seshego	Roads and storm water	Seshego Cluster	0	Percent	100%	Construction of layer works	100%	Contractor on site. Physical progress at 91%. Layer works are completed	None	Progress report
CWP_56	Project Management Unit	Ditlou Street upgrade to dual lane	Roads and storm water	Seshego Cluster	0	Percent	100%	Construction of layer works	67%	Target not met. Contractor on site and physical progress at 55%	Contractor is slightly behind schedule but is catching up	Progress report
CWP_57	Project Management Unit	Nelson Mandela Bo-okelo Crossing	Roads and storm water	Seshego Cluster	0	Percent	100%	Appointment of the contractor	50%	Target not met. Contractor not yet appointed	BSC done. Awaiting advertisement	BSC report
CWP_58	Project Management Unit	Hospital View Road 1	Roads and storm water	Seshego Cluster	0	Percent	100%	Site handover, site establishment, setting out and box cutting	100%	Target met. Contractor appointed, site handover done	None	Appointment letter, progress report
CWP_59	Project Management Unit	Hospital View Road 2	Roads and storm water	Seshego Cluster	0	Percent	100%	Site handover, site establishment, setting out and box cutting	100%	Target met. Contractor appointed, site handover done	None	Appointment letter, progress report

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_60	Director Roads and Transportation Services	Upgrading of Arterial road from R37 via Thokgwaneng RDP to Silo school	Roads and storm water	Thokgwaneng	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0	Contractor appointed and site handed to the Contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 02/07/2021 and the contractor to fast track implementation	Appointment letter and handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_61	Director Roads and Transportation Services	Upgrading of Arterial road D 4011 in Ga Thaba from D4018 Soetfontein Clinic to Ga Thaba connect D 4018	Roads and storm water	Ga Thaba	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	13.80	Contractor appointed and busy with site establishment, setting out and cut to fill	None, Target achieved	Appointment letter, site handover agenda, progress report and payment certificate

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_62	Director Roads and Transportation Services	Upgrading of Arterial road D4014 in Makgoro (Sekgweng) to Makatjane	Roads and storm water	Mankweng Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 02/07/2021 and contractor to fast track implementation	Appointment letter and handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_63	Director Roads and Transportation Services	Upgrading of arterial road from Gravel to tar - Mountain view via Magokobung to Subiaco	Roads and storm water	Mankweng Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 02/07/2021 and contractor to fast track implementation	Appointment letter and handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_64	Director Roads and Transportation Services	Upgrading of roads from gravel to tar Nobody traffic circle to Mothiba Mafiane	Roads and storm water	Mankweng Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 02/07/2021 and contractor to fast track implementation	Appointment letter and handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_65	Director Roads and Transportation Services	Upgrading of road from Sengatane (D3330) to Chebeng	Roads and storm water	Moletjie Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	20.17%	Contractor appointed and busy with site establishment, setting out and box cutting	None, Target achieved	Appointment letter , site handover agenda, progress report and payment certificate

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measure ment	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_66	Director Roads and Transportation Services	Upgrading of Bloodriver main road via Mulautsi high school to agriculture houses	Roads and storm water	Moletjie Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	14%	Contractor appointed and the contractor is busy with site establishment and setting out	Delay in site camp allocation has caused a slow progress on site. Meeting held to resolve the matter and site has been allocated to the contractor and is busy with site establishment, contractor to fast track implementation	Appointment letter, site handover agenda, progress report and payment certificate

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_67	Director Roads and Transportation Services	Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng	Roads and storm water	Moletjie Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointment and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 02/07/2021 and contractor to fast track implementation	Appointment letter and site handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_68	Director Roads and Transportation Services	Upgrading of road from Leokama to Moshung	Roads and storm water	Moletjie Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 02/07/2021 and contractor to fast track implementation	Appointment letter, handover Agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_69	Director Roads and Transportation Services	Upgrading of road D3989 Ga-mamabolo to itireleng	Roads and storm water	Mankweng Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 02/07/2021 and contractor to fast track implementation	Appointment letter and handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_70	Director Roads and Transportation Services	Upgrading of internal street from gravel to tar in Mankweng Unit A outline between Mamadimo Park link to Nchichane Upgrading of internal street from gravel to tar in Mankweng Unit A, to Pulamadibogo street from LG to Church	Roads and storm water	Mankweng Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed over to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 02/07/2021 and contractor to fast track implementation	Appointment letter and site handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_71	Director Roads and Transportation Services	Upgrading of internal street along Dikolobe primary school	Roads and storm water	Mankweng Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 05/07/2021 and contractor to fast track implementation	Appointment letter and handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_72	Director Roads and Transportation Services	Upgrading of road in ga Thoka from reservoir to Makanye 4034	Roads and storm water	Makanye	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 05/07/2021 and contractor to fast track implementation	Appointment letter and site handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_73	Director Roads and Transportation Services	Upgrading of Bus road from R71 to Dinokeng between Mshongoville Gashiloane to Matshela pata	Roads and storm water	Mankweng Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 05/07/2021 and contractor to fast track implementation	Appointment letter and site handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_74	Director Roads and Transportation Services	Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa clinic	Roads and storm water	Mankweng Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 05/07/2021 and contractor to fast track implementation	Appointment letter and site handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_75	Director Roads and Transportation Services	Upgrading of road internal street in Tlhatlaganya	Roads and storm water	Mankweng Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed over to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 05/07/2021 and contractor to fast track implementation	Appointment letter and site handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_76	Director Roads and Transportation Services	Upgrading of internal street from Solomondale to D3997	Roads and storm water	Mankweng Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 05/07/2021 and contractor to fast track implementation	Appointment letter and site handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_77	Director Roads and Transportation Services	Upgrading of road from Ralema primary school via Krukutje , Ga Mmasehla, Ga legodi, Mokgohloa to Molepo bottle store	Roads and storm water	Mankweng Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 09/07/2021 and the contractor to fast track implementation	Appointment letter and site handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_78	Director Roads and Transportation Services	Upgrading of arterial Road in Ga Semanya from R521 to Semanya (Upgrading of internal street in Moletjie Ga-Makibelo to Hlahla ring road)	Roads and storm water	Moletjie Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 09/07/2021 and the contractor to fast track implementation	Appointment letter and handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_79	Director Roads and Transportation Services	Upgrading of Internal Street in Ga Ujane to D3363	Roads and storm water	Moletjie Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 09/07/2021 and the contractor to fast track implementation	Appointment letter and handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_80	Director Roads and Transportation Services	Upgrading of arterial road D3355 from Monotwane to Matlala clinic	Roads and storm water	Moletjie Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 09/07/2021 and the contractor to fast track implementation	Appointment letter and handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_81	Director Roads and Transportation Services	Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school	Roads and storm water	Aganang Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 09/07/2021 and the contractor to fast track implementation	Appointment letter and hand over agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_82	Director Roads and Transportation Services	Complete the incomplete road from Kordon to Gilead road	Roads and storm water	Aganang Cluster	0	Percent	75%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 09/07/2021 and the contractor to fast track implementation	Appointment letter and handover agenda

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_83	Director Roads and Transportation Services	Upgrading of arterial road D3426 in Ga-Ramoshoana to Rammobola	Roads and storm water	Aganang Cluster	0	Percent	100%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	0%	Contractor appointed and site handed to the contractor	Implementation delayed due to high volume of concession projects evaluated for appointment of contractors. Site handed to the contractor on the 09/07/2021 and contractor to fast track implementation	Appointment letter and handover agenda
CWP_84	Director Roads and Transportation Services	Upgrading of D1809 from Ga Maboi to Laastehoop	Roads and storm water	Aganang Cluster	0	Percent	100%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	100%	Project completed	None	Completion certificate

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_85	Director Roads and Transportation Services	Upgrading of arterial road from Phuti to Tjatjaneng	Roads and storm water	Aganang Cluster	0	Percent	100%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	100%	Project completed	None	Completion certificate
CWP_86	Director Roads and Transportation Services	Upgrading of streets in Benharris from Zebediela to D19	Roads and storm water	City Cluster	0	Percent	100%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	100%	Project completed	None	Completion certificate
CWP_87	Director Roads and Transportation Services	Upgrading of arterial road D3472 Ga Setati to Mashobohlang D3332	Roads and storm water	Moletjie Cluster	0	Percent	100%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	100%	Project completed	None	Completion certificate
CWP_88	Director Roads and Transportation Services	Upgrading of internal street in Westernburg	Roads and storm water	City Cluster	0	Percent	100%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	100%	Project completed	None	Completion certificate

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_89	Director Roads and Transportation Services	Upgrading of arterial road from Madiga to Moduane	Roads and storm water	Aganang Cluster	0	Percent	100%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	101%	Project completed	None	Completion certificate
CWP_90	Director Roads and Transportation Services	Upgrading of arterial road D3997 from GaMokgopo to Ga Makalanyane	Roads and storm water	Aganang Cluster	0	Percent	100%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	102%	Project completed	None	Completion certificate
CWP_91	Director Roads and Transportation Services	Upgrading of road from Ga Mamphaka to Spitzkop	Roads and storm water	Aganang Cluster	0	Percent	100%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	100%	Project completed	None	Completion certificate
CWP_92	Director Roads and Transportation Services	Upgrading of arterial road D3413 Ramakgaphol a to Gilead road D3390	Roads and storm water	Aganang Cluster	0	Percent	100%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	101%	Project completed	None	Completion certificate

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_93	Director Roads and Transportation Services	Upgrading of arterial road in Magongwa village from road D3378 to road D19	Roads and storm water	Aganang Cluster	0	Percent	100%	Procurement Processes (Evaluation and Adjudication) appointment of a contractor and site establishment	102%	Project completed	None	Completion certificate
CWP_95	Project Management Unit	Installation of services in Municipal approved Township	Water	Municipal Wide	0	Percent	100%	Appointment of contractor and site establishment	50%	Target not met. Tender closed on 20 April 2021. Project at evaluation stage	SCM to appoint contractor	Tender advert
CWP_96	Project Management Unit	Olifantspoort RWS (Mmotong wa Perekisi) 2	Water	Moletjie Cluster	0	Percent	75%	Appointment of contractor and site establishment	30%	target not met. DDR not finalized	Consensus to be reached on final scope of work	Progress report

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_97	Project Management Unit	Mothapo RWS	Water	Mankweng Cluster	0	Percent	100%	Procurement processes	0	Target not met. Phase 14 is completed. Phase 13 cannot be completed due to delay in electrification of boreholes. Phase 15 tender advertised	O&M to prioritize the electrification of the boreholes for phase 13	Progress reports, completion certificates, tender advert
CWP_98	Project Management Unit	Moletjie East RWS 2	Water	Moletjie Cluster	0	Percent	100%	Pipelaying, construction of steel tank.	0	Target met. pipelaying at 95%. steel tank at 91%	None	Progress report
CWP_99	Project Management Unit	Moletjie North RWS	Water	Moletjie Cluster	0	Percent	15	Phase 14 completed	15	Technical report approved. to proceed with scoping	Budget insufficient to proceed with scoping, budget to be made available for planning	Technical reports status report, technical report approval

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_100	Project Management Unit	Sebayeng/Dikgale RWS 2	Water	Mankweng Cluster	0	Percent	100	Submission of technical report to DWS for approval	0	Phase 7 : Physical progress at 16%	Contractor behind on progress, they were requested to submit a catch up plan	Progress reports, site meeting minutes
CWP_101	Project Management Unit	Moletjie South RWS	Water	Moletjie Cluster	0	Percent	15	Excavations, Bedding and installation of the pipes.	0	Technical report approved. To proceed with planning	Budget insufficient to proceed with planning	Technical reports status report
CWP_102	Project Management Unit	Houtriver phase 10	Water	Mankweng Cluster	0	Percent	100%	Submission of technical report to DWS for approval	99	Target not met. Phase 13 has reached practical completion. Phase 14 : Tender was advertised	Delays with pressure testing due to illegal connections	Practical completion certificate, tender advert

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_103	Project Management Unit	Chuene Maja RWS phase 10	Water	Chuene/Maja Cluster	0	Percent	100%	Appointment of contractor, site establishment	0	Target not met. Phase 10 physical progress at 97%. Phase 11 physical progress at 41%. Phase 12 tender advertised.	Phase 10: contractor had to re-install security fences and do additional work. Phase 11, the contractor was placed on terms after second intervention meeting. Phase 12 tender closed on the 30 March 2021.	Progress reports, letters
CWP_104	Project Management Unit	Molepo RWS phase 10	Water	Mankweng Cluster	0	Percent	100	Construction of floor slab, columns and concrete walls	0	Target not met. Phase 11 at practical completion. Phase 12 DDR not finalized	Approval of DDR based on source development , discussions are ongoing	DDR, Practical completion certificates
CWP_105	Project Management Unit	Laastehoop RWS phase 10	Water	Mankweng Cluster	0	Percent	5	Appointment of contractor, site establishment.	0	To appoint consultant to carry out technical report	Budget insufficient	Technical report status report

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								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_106	Project Management Unit	Mankweng RWS phase 10	Water	Mankweng Cluster	0	Percent	15	Procurement processes, Appointment of contractor	15	Tender for Phase 12 advertised. Technical report finalised.	Handover process from previous consultant of technical report information not finalized due to outstanding payments, consultant preparing claim.	Tender advert
CWP_107	Project Management Unit	Boyne RWS phase 10	Water	Mankweng Cluster	0	Percent	75	Procurement processes	50	Target not met. DDR has not been finalized	Additional water sources identified and an agreement was reached to include them in the scope of work for phase 12	Progress report
CWP_108	Director Water and Sanitation	Aganang RWS (2) (Mahoai and Rammetloana)	Water	Aganang Cluster	0	Percent	100	Appointment of contractor, site establishment	0			

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								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_109	Project Management Unit	Aganang RWS (3) (for development of technical report on outstanding villages)	Water	Aganang Cluster	0	Percent	100	Pipelaying, construction of storage tanks and pump houses	0	Technical report was approved.	Additional technical submitted to include other villages as new water sources have been identified	Technical reports
CWP_110	Project Management Unit	Mashashane Water Works	Water	Aganang Cluster	0	Percent	100	Finalisation and submission and approval of technical report	14	Contractor on site, physical progress at 14%	Contractor commenced work on 23 April 2021	Progress reports
CWP_111	Project Management Unit	Segwasi RWS	Water	Mankweng Cluster	0	Percent	75	Appointment of contractor, site establishment	50	Target not met. Tender advertised.	Tender closed on 15 June 2021. Contractor to be appointed	Tender advert, progress reports

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								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_112	Project Management Unit	Construction of Borehole Infrastructure and Pumping Mains for the Sterkloop and Sandriver South Wellfields and Polokwane Boreholes (Polokwane Groundwater Development)	Water	City Cluster	0	Percent	90	Appointment of contractor, site establishment	94	Target met. Contractor on site, physical progress on 94%	None	Progress reports

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_113	Project Management Unit	Bloodriver Wellfield (Olifantspoort) and Seshego Groundwater Development and Pumping Mains. (Polokwane Groundwater Development)	Water	Seshego Cluster	0	Percent	90	Completion of pumping mains and equipping of boreholes.	90	Target met. Contractor on site, physical progress at 90%	None	Progress report

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_114	Project Management Unit	Aganang RWS (3)	Water	Aganang Cluster	0	Percent	100%	Completion of pumping mains and equipping of boreholes.	0	Contractor on site, Ceres - physical progress at 88%, Lonsdale - physical progress at 48%, Sechaba Kgoroshi - physical progress at 65%, Kordon- practically complete, certificate circulating for signatures, Juno Farlie - physical progress at 56%	The projects are multiyear and completion is in the 2021/22 financial year	Progress reports
CWP_115	Project Management Unit	AC Pipes (Installation of Scada Monitoring System)	Water	Municipal Wide	0	Percent	100%	Pipelaying, construction of storage tanks and pump houses	0%	Target not met. Project put on hold due to reduction of grant allocation	to resume when budget is available	

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_116	Project Management Unit	Construction of Borehole Infrastructure and Pumping Mains for the Sterkloop and Sandriver South Wellfields and Polokwane Boreholes (Polokwane Groundwater Development)	Water	City Cluster	0	Percent	100%	Appointment of consultant	100%	Target met. Contractor on site, physical progress on 94%	None	Progress report

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_117	Project Management Unit	Construction of Borehole Infrastructure and Pumping Mains for the Sandriver North Wellfield and Polokwane Boreholes (Polokwane Groundwater Development)	Water	City Cluster	0	Percent	100%	Completion of pumping mains and equipping of boreholes.	92%	Target not met. Contractor on site, physical progress at 92%	Contractor behind schedule, intervention meeting held on 25 June 2021	Progress report, meeting invite
CWP_118	Project Management Unit	Bloodriver Wellfield (Olifantspoort) and Seshego Groundwater Development and Pumping Mains. (Polokwane Groundwater Development)	Water	Moletjie Cluster	0	Percent	100%	Completion of pumping mains and equipping of boreholes.	100%	Target met. Contractor on site, physical progress at 90%	None	Progress report
CWP_119	Project Management Unit	Bulk Water Supply - Dap Naude Dam (Pipeline section, booster PS and WTW Refurbishment)	Water	City Cluster	0	Percent	5%	Completion of pumping mains and equipping of boreholes.	5%	Target met. DDR completed. implementation will commence when budget is available	Implementati on budget in 2021/22	DDR attached in quarter 1

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_121	Project Management Unit	Turfloop and Dieprivier Aquifer Development - Mankweng RWS	Water	Mankweng Cluster	0	Percent	0	Planning (scoping and Preliminary Design Report and Detailed Design Report)	0	Target met. DDR PRESENTED ON 29 APRIL and finalized	None	Final DDR
CWP_125	Director Water and Sanitation	Plants and Equipment's	Sanitation	Municipal Wide	0	Undefined	2.50	N/A	28	Municipality procured more water tankers due to COVID-19 challenges.	N/A	Invoices, Delivery note and Appointment letter
CWP_126	Project Management Unit	Regional waste Water treatment plant	Sanitation	City Cluster	0	Percent	0	appointment of the contractor for the Civil, Mechanical and Electrical works.	0	Target not met. Earthworks have been completed. the Contractor for CME not yet appointed	Consultant prepared revised procurement programme, to submit revised tender documents for re-advertisement	Programme of works, completion certificate
CWP_127	Project Management Unit	Construction of the Sandriver North Water treatment works (Polokwane Groundwater Development)	Sanitation	City Cluster	0	Percent	80%	Construction of structural, mechanical and civil components.	74%	Target not met. Contractor is behind schedule due to has not been consistent with payment of labourers and subcontractors.	Intervention meeting held on 25 June 2021	Progress report, meeting invite

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_128	Project Management Unit	Seshego Water Treatment Works (Polokwane Groundwater Development)	Sanitation	Seshego Cluster	0	Percent	90%	Construction of structural, mechanical and civil components.	55%	Target not met. Contractor on site, physical progress at 55%	Contractor slightly behind schedule, intervention meeting held on 25 June 2021	Progress report
CWP_131	Director Energy Services	Build 66KV/Bakone substation (Multiyear project)	Energy	Bakone SS	0	Percent	100%	Delivery and Installation of steel works, Preparations for the next phase	43%	civil works, Earthing and moving of poles completed.	Late payment of contractor let to two weeks delays	Monthly meetings, progress report and payment certificate
CWP_132	Director Energy Services	Increase license area assets (Multiyear project)	Energy	Municipal Wide	0	Percent	100%	Evaluations and costing of assets. Draft report	90%	Draft report for areas to be taken over completed	Eskom employees working from home and takes time for response on meeting invites	Minutes of meetings, emails, draft report

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_133	Director Energy Services	Installation of 3x185mm ² cables from Sterpark to Iota sub	Energy	City Cluster	0	Percent	100%	Digging and installation of the next 1200m cable including joints and terminations. Procuring more cable and preparing of tender documents for the supply, delivery and installation of switchgear in the next financial year, Commissioning and closure of trenches.	0%	Project to be re-budgeted for due to late appointment of annual contractors.	Annual contractors appointed may and required a month to submit safety files and guarantees.	Appointment of annual contractor, expenditure May 2021

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_134	Director Energy Services	Replace 66kV Bus Bars & Breakers at Gamma Substation (Multiyear project)	Energy	City Cluster	0	Percent	100%	Installation of bus bars and CTs and preparing for Circuit breaker installations	35%	Material delivered, received and verified. waiting minor ones and outage preparations for installations	Oversees material delivery takes longer than anticipated due to COVID. late payment caused contractor to leave site for two weeks.	Material verification meetings, authorisations, delivery notes.
CWP_157	Director Community Services	Acquisition of fire Equipment	Disaster and Fire Programme	Municipal Wide	0	Percent	60%	Procure the delivery of 16 x 65mm and 08x 100mm fire hoses	0%	The project was abandoned due to budget constraints	It must be budgeted in the next budget	Multi Year Capital Expenditure Budget, 3rd Adjustment Budget 2020/21
CWP_158	Director Community Services	6 floto pumps	Disaster and Fire Programme	Municipal Wide	0	Percent	60%	N/A	0%	The project was abandoned last year financial year due to financial constraints.	The floto pumps are budgeted in the 2021/21 financial year and they are in the SDBIP.	Final SDBIP for 2021/22

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_159	Director Community Services	10 Large bore hoses with stotz coupling	Disaster and Fire Programme	Municipal Wide	0	Percent	60%	Procure the delivery of 16 x 65mm and 08x 100mm fire hoses	16%	The target has been met	There is no corrective measures required	Invoice
CWP_160	Director Community Services	150X 80 Fire hoses with instantaneous couplings	Disaster and Fire Programme	Municipal Wide	0	Percent	60%	Procure the delivery of 16 x 38 fire hoses	12%	The fire hoses have been delivered	There are no corrective measures required.	Invoice
CWP_161	Director Community Services	3 Heavy hydraulic equipment	Disaster and Fire Programme	Municipal Wide	0	Percent	60%	N/A (Requires additional budget to make it 750.000.00	0%	The project was abandoned due to budget constraints and the project was postponed for implementation in future provided budget allows.	The project will be considered in future, in the 2021/22 financial still there was no budget available to implement it.	Revised SDBIP for 2020/21 which indicates that the project was discontinued.

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_162	Director Community Services	6 Electric seimisable portable pump	Disaster and Fire Programme	Municipal Wide	0	Percent	60%	N/A	0%	The project has been abandoned due to budget constraints	The project is not budget even in the 2021/21 financial year due to non-availability of budget. The project will be considered in future subject to availability of budget.	Revised SDBIP for 2020/21 which indicates that the project was discontinued and the 2021/21 SDBIP which indicates that the project was not budget for in this current financial year.
CWP_163	Director Community Services	Industrial lifting rescue equipment,	Disaster and Fire Programme	Municipal Wide	0	Percent	60%	Procure the delivery of 11 ton of Airbags, airbag regulator, 3x hoses and pressure relief valve	3%	The equipment has been delivered.	There is no corrective measures needed.	Invoice

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_164	Director Community Services	Upgrading of Fire Training facility	Disaster and Fire Programme	Municipal Wide	0	Percent	0	it will be good if it could be shifted to Hydraulic	0	The project has abandoned due to budget constraints	Sufficient budget is required in the next financial year to proceed with the project.	Multi Year Capital Expenditure Budget, 3rd Adjustment Budget 2020/21

CWP_168	Director Community Services	Purchase alcohol testers	Traffic and Licensing	Municipal Wide	0	Percent	50%	Project closure	20%	The SBU in conjunction with Supply Chain Management ensured the appointment letter of the service provider of which such was effected on the 9th June 2021. However, this project is kept on hold due to current budgetary status of which the allocated budget of R197 329.00 was not adequate to procure the envisaged number of alcohol testers resulting in such budget transferred for utilisation in the other eminent projects in this financial year thus leaving us with a zero budget.	The SBU had to re-advertise the Bid for the appointment of suitable service provider thus leaving our spending which prompted the transferring of such allocated budget to supplement project requiring additional funding. Budget allocations for 2021/22 financial year still depicts zero budget with R79 175 allocated in the 2022/23 financial year to proceed with project.	The issued appointment letter with an extract from MUNSOFT depicting the available zero budget towards the end of the 4th quarter.
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										<p>However this project is kept on hold due to current budgetary status of which the allocated budget of R197 329.00 was not adequate to procure the envisaged number of alcohol testers resulting in such budget transferred for utilisation in the other eminent projects in this financial year thus leaving us with a zero budget.</p>	<p>Corrective Measure</p>	
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Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_169	Director Community Services	Procurement of AARTO equipment's	Traffic and Licensing	Municipal Wide	0	Percent	50%	Project closure	100%	The project was implemented in two phases with the initial invoices of R9930.00 effected during the 1st quarter (26/11/2020) and the follow up invoice finalised to the value of R14 750.00 effected in the 4th quarter (22/04/2021). The project is completed with all goods delivered.	No current predicament s in implementin g the project.	Two invoices with delivery notes from the service provider.

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_170	Director Community Services	Procurement of office cleaning equipment's	Traffic and Licensing	Municipal Wide	0	Percent	50%	Project closure	100%	The requested items were delivered and paid for on the 20th November 2020. The project implementation was concluded on the 20/11/2020 (2nd quarter)	No current predicament encountered in the implementation progress.	Invoice and official purchase order.

CWP_171	Director Community Services	Procurement of 7 X Pro- laser 4 Speed equipment's	Traffic and Licensing	Municipal Wide	0	Percent	50%	Project closure	30%	This project was to be implemented via ITC (Information Technology SBU in conjunction with the ERP Phetogo Enterprise. A change note had to be approved in ensuring the final Service level agreement with the affected service provider. Such process received blessings from Directorate Corporate Services (Legal Services) on the 18th/03/2021 in the form of the approved service level agreement.	The process of ensuring the service level agreement took time to be finalised resulting in the transferring of the allocated budget during budget adjustment for utilisation in other projects leaving us with zero budget in this financial year thus impossible for us to continue procuring the envisaged items. As corrective measure an amount of R906 098 is said to be allocated in the 2021/22 financial year thus enabling us to continue with the procurement process. Since the service level	The service level agreement note dated 18/03/2021 by the Manager legal services, current quotation for the required item and the printout from MUNSOFT depicting the 2020/21 budget balance after budget adjustment.
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												agreement is available, we envisage ensuring progress in procuring the number of items within the allocated budget immediately when the 2021/22 budget is ready and available on MUNSOFT for spending.	
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Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP__174	Director Community Services	Grass cutting equipment's	Environmental Management	Municipal Wide	0	Percent	40%	Delivery of grass cutting equipment	100%	Target achieved		Works order and Invoice
CWP__175	Director Community Services	Upgrading of Security at Game Reserve	Environmental Management	City Cluster	0	Percent	60%	N/A	0%	Budget withdrawn during adjustment budget	The activity will be re-budgeted in the next Financial year	
CWP__176	Director Community Services	Development of Ablution facilities at Various Municipal Parks	Environmental Management	Municipal Wide	0	Percent	60%	Approval of Lay - out plans	40%	Target not achieved due to delays in Supply chain processes in appointing consultant	Approved plans/designs will be submitted in the for the quarter	Draft Plans/Designs

CWP_184	Director Community Services	Provision of access control equipment	Security Services	Municipal Wide	0	Percent	40%	Project Complete	40%	The implementation of the project was delayed as the removal of aluminium panels and supply and installation of additional electrical appliance and testing were not covered in the initial appointment. Approval for the extension of the scope of work was granted and the appointment letter was issued on the 30.03.2021	Delivery, installation and commissioni ng will be completed in the 4th quarter.	Appointment letter attached
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Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_190	Director Community Services	Extension of landfill site(Weltevreden)	Waste Management	City Cluster	0	Percent	60%	Finalization and issuing of the License for Weltevreden landfill site by LEDET	40%	Target not achieved. All documentation including Close up quality control report were submitted to Department of Water Affairs and Sanitation for them to approve and issuing of the license	COVID 19 lock down resulting in non-availability of Department OF Water Affairs and Sanitation staff on regular basis to finalise the matter of the license	Follow-up emails with SFC Engineering consultants appointed for facilitating the process of Licensing on behalf of the municipality
CWP_191	Director Community Services	6 &9 M3 Skip containers	Waste Management	Municipal Wide	0	Percent	100%	N/A	0%			
CWP_192	Project Management Unit	Rural transfer Station (Molepo) (Construction, Guard house. Paving , dumping area and Fencing)	Waste Management	Mankweng Cluster	0	Percent	40%	appointment of contractor and site establishment	2%	Target not achieved. Only bid document compiled and not advertised	Capital budget was reduced during adjustment budget necessitating revision of specification to change project into multiyear	Adjusted capital budget and bid document

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_193	Director Community Services	Control No dumping Boards	Waste Management	Municipal Wide	0	Percent	60%	N/A	37%	Target achieved. 37 No Dumping Boards according to Bid quantity were purchased, delivered and completed	NONE target completed	Delivery note and invoice
CWP_194	Director Community Services	Building plans for Mankweng transfer station	Waste Management	Mankweng Cluster	0	Percent	40%	compilation of designs	20%	Target achieved. Plan are drawn	None	Copy of plans and invoice
CWP_197	Director Community Services	Grass Cutting equipment	Sports and Recreation	Municipal Wide	0	Percent	30%	Delivery of equipment	100%	Target Met	No Challenges	Delivery Note, Invoice and Proof of Payment
CWP_198	Project Management Unit	EXT 44/78 Sports and Recreation Facility	Sports and Recreation	City Cluster	0	Percent	50%	N/A	40%	Contractor on site. Physical progress at 40%	Contractor slightly behind progress, intervention meeting held on 15 June 2021	Progress report Included
CWP_199	Project Management Unit	Upgrading of Mankweng Stadium	Sports and Recreation	Mankweng Cluster	0	Percent	50%	N/A	0%	Contractor on site. Physical progress at 84%	None	Progress report Included

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_200	Project Management Unit	Construction of an RDP Combo Sport Complex at Molepo Area	Sports and Recreation	Mankweng Cluster	0	Percent	40%	Complete the athletic tracks	10%	Target not met, contractor appointed. Site handover on 18 June 2021	Contractor appointed in May 2021	Appointment letter Included
CWP_201	Project Management Unit	Upgrading of Mophonong stadium	Sports and Recreation	Aganang Cluster	0	Percent	50%	N/A	0%	New consultant appointed to complete the scope of work for purposes of advertising in order for the contractor complete remaining works	Finalizing payment of claim from previous consultant	Appointment letter included
CWP_202	Project Management Unit	Construction of Sebayeng / Dikgale Sport Complex	Sports and Recreation	Sebayeng/Dikgale Cluster	0	Percent	40%	appoint a contractor	0%	target not met. Tender re-advertised due to non-responsive bids	Tender re-advertised	Tender advert included
CWP_203	Project Management Unit	Construction of Softball stadium in City Cluster	Sports and Recreation	City Cluster	0	Percent	40%	construct the diamond field; erect lightings;parking	31%	target met. Busy with civil works on the fields	None	Progress report included

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_204	Project Management Unit	Construction of soccer field at Moletjie	Sports and Recreation	Moletjie Cluster	0	Percent	60%	Project completion	95%	target met. Project has reached practical completion pending final payment	Practical completion certificates circulating for signatures	Progress report included
CWP_206	Director Community Services	Collection development - books	Cultural Services	Municipal Wide	0	Percent	40%	Preparation of list of books collection for the 2021-2022 financial years	20%	Books for the 2020/2021 financial years delivered by the appointed service providers	Unavailability of specific titles. These will be delivered by the service providers Oxford University Press and Caxton Books as soon as they are produced by printers.	As attached.

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_207	Director Community Services	New exhibition Irish House	Cultural Services	Municipal Wide	0	Percent	40%	Continuation of current running approved multi-year project	20%	Phase one of the exhibition completed during the third quarter of 2020/2021 financial years.	Appointment of new service provider for continuation with phase two. Specifications for the appointment of a new service provider are submitted to SCM for 3year tender advertisement.	As attached pictures and invoice
CWP_208	Director Community Services	Purchase of Art works	Cultural Services	Municipal Wide	0	Percent	60%	Preparation of list of Art work collection for the 2021-2022 financial years	0%	The budget for the period under review was expropriated during the adjustments period	Programme transferred to the next financial years	No PoE for the period under review

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_209	Director Community Services	Purchase of Office Furniture	Cultural Services	Municipal Wide	0	Percent	60%	Preparation of list of office furniture needs for the 2021-2022 financial years	0%	The budget for the period under review was expropriated during the adjustments period	Programme transferred to the next financial years	No PoE for the period under review
CWP_210	Director Community Services	Purchase of Bakone Malapa beds for staff village	Cultural Services	Municipal Wide	0	Percent	60%	Preparation of list of outstanding needs for the 2021-2022 financial years	0%	The budget for the period under review was expropriated during the adjustments period	Programme transferred to the next financial years	No PoE for the period under review
CWP_211	Director Community Services	Re- thatching of staff village at Bakone Malapa	Cultural Services	Municipal Wide	0	Percent	60%	Preparation of list of outstanding needs for the 2021-2022 financial years	0%	The budget for the period under review was expropriated during the adjustments period	Programme transferred to the next financial years	No PoE for the period under review
CWP_214	Director Corporate and Shared Services	Provision of Laptops, PCs and Peripheral Devices	ICT	Municipal Wide	0	Number	0	N/A	27	Quarterly Report and Orders Attached	.	Quarterly Report and Orders Attached

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_215	Director Corporate and Shared Services	Implementation of ICT Strategy (Upgrade of ICT data centre	ICT	Municipal Wide	0	Percent	0%	Implementation of the project	0%	Quarterly Report Attached	Requested for rollover of the budget to the next financial year since the appointed Service provider was unable to deliver. The project will be re-advertised	Quarterly Report

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_217	Director Planning and Economic Development	Township establishment at Farm Volgestruisfontein 667 LS	Spatial Planning and Land Use	Municipal Wide	0	Percent	100%	Registration and opening of Township register	95%	The project is complete awaiting Township register and certificate.	The project was affected by the budget adjustment and affected as well by the COVID-19 regulation on lockdown that affected both private company and the Municipal operation and the Deeds office.	Proof of submission to the Deeds office
CWP_218	Director Planning and Economic Development	Township establishment at portion 151-160 of the Farm Sterkloop 688 LS.	Spatial Planning and Land Use	Municipal Wide	0	Percent	43.33%	Appointment of the consultant and inception report	100%	Target Met	N/A	Inception report
CWP_219	Director Planning and Economic Development	Acquisition of strategically located land or erven/ Farms	Spatial Planning and Land Use	Municipal Wide	0	Percent	35%	Signing of Deed of Sale	47,50%	Target met	N/A	Tax invoice for payment for the land exchange transaction

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_220	Director Planning and Economic Development	Implementation of the ICM program (IUDF) precinct plan	Spatial Planning and Land Use	Municipal Wide	0	Percent	23.33%	Appointment of the consultant and inception report	20%	Target met	N/A	Appointment letter and inception report
CWP_221	Director Planning and Economic Development	Township Establishment for the Eco-estate at Game Reserve	Spatial Planning and Land Use	Municipal Wide	0	Percent	25%	Finalise the Appointment letter	0%	Not met	To engage the Manager SCM to release the appointment letter to the consultant	N/A
CWP_222	Director Planning and Economic Development	Establishment of Arts and Cultural HUB at Bakoni Malapa	Spatial Planning and Land Use	Municipal Wide	0	Percent	23.33%	Complete studies: EIA, HIA, Geotech and Traffic Impact Study	50%	Target met	None	EIA, HIA, Geotech and Traffic Impact Study and Draft SG Diagram.
CWP_223	Director Planning and Economic Development	Upgrading of the R293 area Townships	Spatial Planning and Land Use	Municipal Wide	0	Percent	23.33	Appointment of the consultant and inception report	10	budget down ward adjustment and COVID-19 regulation.	To request SCM to re advertise the project	N/A
CWP_229	Director Planning and Economic Development	Development of GIS Application	Spatial Planning and Land Use	Municipal Wide	0	Percent	25%	N/A	100%	Integration of GIS and Munsoft Billing System completed.	None	Screenshots for the integrated GIS-Billing System. Training Manual

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_231	Director Planning and Economic Development	Development of the Industrial Park or Special Economic Zone	Economic Development	Municipal Wide	0	Percent	25%	Draft feasibility Study report	20%	The Draft Feasibility Report submitted for comments and inputs	None	Draft Feasibility Report (USB). Document too big to be uploaded
CWP_248	Fleet Management Services	Acquisition of Water Tankers	Fleet Management	Unspecified	0	Number		Delivery of vehicles	19	The Project was implemented through RT57 Contract; 19 ordered Water tankers have been delivered.	No challenges	Delivery notes. Fleet specifications

Indicator Ref	Responsible Owner	Project Name	Municipal Programme	Area	Baseline	Unit of Measurement	Revised Annual Target	01 July 2020- 30 June 2021 Annual Project Milestones (Outputs)				
								Target Description	Actual	Performance Comment	Challenges and Corrective Measures	POE
CWP_249	Fleet Management Services	Acquisition of Fleet- Cherry Pickers	Fleet Management	Unspecified	0	Number		Delivery of vehicles	3	The Project is implemented through RT57 Contract , the service provider was appointed on the 31 March 2021, and 3 cherry-picker trucks has been ordered and delivered	No challenges	Delivery notes. Fleet specifications

6. B.7 Performance on National General Key Performance Indicators

Section 43 of the Local Government: Municipal Systems Act, Act 32 of 2000 and the Local Government Performance Regulations of 2001 require the municipality to report on the national general key performance indicators. The table below depicts how Polokwane Municipality performed on the National General Key Performance Indicators.

Table 5: National General Key Performance Indicators

National General Key Performance Indicator	Annual Target 2017/18	2017/18 Actual Performance Achieved	Baseline 2018/19	Annual Target 2018/19	Actual Performance Achieved 2018/19	Annual Target 2019/20	Actual Performance 2019/20	Annual Target 2020/21	Actual Performance 2020/21
Increase percentage of Households with access to water by 1% (2391 HH) by 30 June 2020	83.4% (199422) (2360 HH connections)	83.00% (198480 HH)	3009 1.26%	0.75% (1800HH)	0.82 A total of 1967 households were provided with Water. (1614 rural households and 353 urban connections achieved)	1% 2391 Households	0.89% A total of 2146 households were provided with Water. (1827 rural households and 319 urban connections achieved)	0.30%	0.89% (2052hh)
Increase percentage of Households with access to sanitation by 0.61% (1578 HH) by 30 June 2020	Approximately 2295 VIP toilets. 60.46% (144569)	60.34% (144301 HH)	3348 1.40%	1.15% (2745) [510 & 490 - Sebayeng; 617 - Chuene/Maja; 600 - Mankweng; 528 Moletjij]	1.25 A total of 3002 households were provided with sanitation. (2745 VIP units were completed and 257 urban connections achieved)	0.61% (1578 HH)	1.15% A total of 2753 households were provided with sanitation. (2432 VIP units were completed and 321 urban connections achieved)	1.8%	1.07% (2565hh)

National General Key Performance Indicator	Annual Target 2017/18	2017/18 Actual Performance Achieved	Baseline 2018/19	Annual Target 2018/19	Actual Performance Achieved 2018/19	Annual Target 2019/20	Actual Performance 2019/20	Annual Target 2020/21	Actual Performance 2020/21
Increase percentage of Households with access to electrification by 0.97% (2333 HH) by 30 June 2020.	96.69% (231217) (2623 HH connections)	96.23% (230177 HH)	1604 0.67%	0.99% (2367)	0.56 Total of 1344 provided with electricity (305 Urban connections and 1039 Rural connections)	0.97% (2333 HH)	0.78% Total of 1874 provided with electricity (244 Urban connections and 1630 Rural connections)	1%	0.26%
Percent of Households with access to waste removal services 0,04% (100 HH) by 30 June 2020	43.08% (103015)	43.26 (103463 HH)	476 (0.20%)	0.08% (200 HH)	0.23% New (541 households) received weekly refuse removal service	0,04% (100 HH)	0.06%	0.04%	0.285%
Percentage of Households with access to free basic services to all qualifying households in the municipal's area of jurisdiction	45 000	34023	30000 (100%)	100%	100% of indigent registered received benefits	100% of indigent registered received benefits	100%	100% of indigent registered received benefits	100% (13 196)
Percentage of municipality capital budget actually spent on capital projects by 30 June 2020	100%	79.58%	100%	100%	45% was spent in the last 6 months of the financial year. The total capex was	100%	93%	100%	84%

National General Key Performance Indicator	Annual Target 2017/18	2017/18 Actual Performance Achieved	Baseline 2018/19	Annual Target 2018/19	Actual Performance Achieved 2018/19	Annual Target 2019/20	Actual Performance 2019/20	Annual Target 2020/21	Actual Performance 2020/21
					29% at mid-year				
Number of job opportunities created through Municipal sponsored trading	25	423	423	180	223 of opportunities created through Municipal sponsored trading	185	153	2	0
Number of job opportunities created through the EPWP by 30 June 2020 (Temporary Job Opportunities)	3525	3288	3288	4249	2771 work opportunities created and reported on the Department of Public Works system supported by ID copies as POE. Reported as per the Department's financial year period	3636	2164	3653	3552
Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's employment equity plan by 30 June 2020 (i.t.o. Employment equity Act	10	25	25	5	5	n/a	n/a	n/a	n/a

National General Key Performance Indicator	Annual Target 2017/18	2017/18 Actual Performance Achieved	Baseline 2018/19	Annual Target 2018/19	Actual Performance Achieved 2018/19	Annual Target 2019/20	Actual Performance 2019/20	Annual Target 2020/21	Actual Performance 2020/21
only white males and foreigners are excluded)									
One Percentage of a municipality's employee (R910m) budget actually spent in implementing its Workplace Skills Plan in line with the National Treasury Norm by 30 June 2020	1%	1%	1%	1%	1%	1%	1% (R9.1m)	1%	1% (10.8m)
Municipal debt coverage by 30 June 2020 (Total Operating Revenue Received -minus Operating Grants/Interest plus Redemption)	17%	27.4%	2.5	17	23.50	2.50	3.77	17%	86.76%
Municipal outstanding service debtors by 30 June 2019 {(Total outstanding debtors-less impairment/Total revenue billed for services) * 365]	1.9	1.97	30	30	609 The debt book remain high due to other areas no credit control and stands without services increasing the collection period	30	127	30	49
Municipal cost coverage by 30 June 2020 (Available cash plus investments/fixed costs) Fixed costs = Bulk purchases plus salaries	200%	51.5%	1	1	1.52	1.52	2.22	200%	226%

7. B.8 Municipal Performance Assessment of Service Providers for 2020/21 Financial Year

There is a quarterly report on the performance of service providers appointed to implement and supervise municipal projects. Capital infrastructure projects are managed by the PMU-SBU in the municipality. The PMU-SBU manages these projects' performance using various mechanisms as outlined below:

- Weekly progress reporting through Project Managers and appointed consultants.
- Regular site visits.
- Monthly and quarterly contractor consultant's meetings.
- Adhoc intervention meetings with relevant directors or the accounting officer were required.
- Monthly reporting to various relevant portfolios.

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
1	Upgrading Streets in Molepo Chuene Maja (Ga-Chuene) Phase 3		PM125/2018	1.5km Upgrading from gravel to Tar	Baswa Electro Consulting Engineers	2	Not fully effective, Performance below standard	Bo-Mamohlala Projects	2	Not fully effective, Performance below standard	Completed
2	Upgrading of Streets in Makanye (Ga-Thoka) Phase 2		PM66/2019	Upgrading of 2.2km Arterial Streets from gravel to Tar	Marumo Consulting Engineers	2	Not fully effective, Performance below standard	Mossbrown Invertment Holdings	1	Not effective at all, Zero Performance	In process of appointment of Sub Contractor to complete works. Main Contractor on penalties
3	Upgrading of internal streets in Seshego Zone 5 [phase 2]	IUDG	PM26/2020	Construction of 2,7km of surfaced road	T2 tech Consulting Engineers	4	Performance above expectations	Tloukgolo Pionneers{Pty} Ltd	3	Fully effective, Performance meet Standard	Contractor argued to fast track progress on site
4	Molepo Stadium (to complete scope)	CRR	PM65/2014	Concrete palisade fence, Combi courts, public ablution blocks, club house	BVI Consulting engineers	Consultant contract expired, appointed new consultant	Fully effective, Performance meet Standard	Zebracraft Pty LTD	3	Fully effective, Performance meet Standard	Site handed over on 18 June 2021

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
5	Upgrading of Access road Ntsima to Sefateng Phase 4		PM112/2018	Tarring of 1,8km from gravel to tar	Dikgato Consulting Engineers	3	Fully effective, Performance meet Standard	Ntshutsho Business Enterprise(Sub contractor)	3	Fully effective, Performance meet Standard	Project Completed
6	Upgrading of Access road Ntsima to Sefateng Phase 5		PM34/2019	Tarring of 2,2km from gravel to tar	Dikgato Consulting/Kgosigadi	3	Fully effective, Performance meet Standard	Seakiri Business Enterprise	2	Fully effective, Performance meet Standard	Contractor on penalties.
7	Upgrading of internal streets Seshego Zone 4		PM19/2018	Tarring of 1,04km from gravel to tar	T2Tech Consulting Engineers	3	Fully effective, Performance meet Standard	Not yet Appointed	n/a	N/a	None
8	Upgrading of internal streets Seshego Zone 6		TBC	Tarring of 1.4km from gravel to tar	Dikgato Engineers	3	Fully effective, Performance meet Standard	Not yet Appointed	n/a	N/a	None
9	Internal streets Lithuli(new phase)		PM05/2019	Tarring of 1,47km from gravel to tar	Senapelo Consulting Engineers	3	Fully effective, Performance meet Standard	Not yet Appointed	n/a	N/A	None
10	Rehabilitation of Streets in Nirvana		TBC	Rehabilitation of internal streets	Mboyana and Associates	3	Fully effective, Performance meet Standard	Not Yet Appointed	n/a	N/A	None
11	Upgrading of internal streets in Westernburg RDP Section		TBC	Upgrading from gravel to tar	Banareng project managers	3	Fully effective, Performance meet Standard	Not yet Appointed	n/a	N/A	None

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
12	Construction of Storm water: Ga-Semenya Phase 1		04/2020	Construction of Stormwater: Ga-Semenya, Ga-Ramongwana, Makibelo, Ga-Hlahla and Matekereng	Tirotirello Consulting and Structural Engineers	3	Fully effective, Performance meet Standard	Tshidaho Construction services	3	Fully effective, Performance meet Standard	Delays due to tribal issues. Meeting was held on 29 June 2021 to resolve the issues. Works are progressing well.
13	Completion of Hospital Road in Mankweng		PM35/2019	Upgrading from gravel to tar	EKS Consulting Engineers	3	Fully effective, Performance meet Standard	Isiphethu Water Services	3	Fully effective, Performance meet Standard	Contractor has started with the site establishment and preparing of the detour (by pass)
14	Molepo RWS Phase 11		PM126/2018	Drilling and equipping of boreholes, pumping mains, reticulation at Ga-Lekgothoane and Makatjane	Dikgato/KMSD JV	3	Fully effective, Performance meet Standard	Readira/Temo so trading JV	3	Fully effective, Performance meet Standard	Project practically completed
15	Mothapo RWS Phase 14		PM75/2019	Elevated Steel tanks and reticulation at Makotopong and Ngwanalaka and yard connections at Ngwanalaka	Muteo Consulting	3	Fully effective, Performance meet Standard	Blue dot General Services	3	Fully effective, Performance meet Standard	Project Completed

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
16	Moletjie East RWS Phase 12		PM113/2018	Equipping, energizing and pump house of the new borehole at the Makibelo well field, ; 110mm class 12, 315mm diameter class 12; 14150m, booster pump station and 800KL steel modular tank, extension of reticulation 6000m, 800kl steel modular tank.	Superior Quality Engineering and Technologies 8	2	Not fully effective, Performance below standard	Blue dot General Services	2	Not fully effective, Performance below standard	Completed
17	Moletjie East RWS Phase 13		PM113/2018	Equipping ,energizing and pump house ,pumping main 160mm uPVC class 12 4500m and 6000m of 110mm uPVC Class 12 ,extension of reticulation in villages 16692m.	Superior Quality Engineering and Technologies 8	3	Fully effective, Performance meet Standard	Alizane Developments & Projects	3	Fully effective, Performance meet Standard	Completed
18	Moletjie East RWS Phase 14		PM20/2019	New 400KI steel modular tank sump and electrified booster pump station (equipped with Bermad flow control valves) reticulation extension of water reticulation 2095m of 75mm uPVC Class 9, 2670m of 90mm uPVC Class12 and 492 house connections.	Superior Quality Engineering and Technologies 8	3	Fully effective, Performance meet Standard	Alizane Developments & Projects	2	Not fully effective, Performance below standard	Contractor's progress is very slow, delays due to delay in payment by the municipality.

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
19	Moletjie North RWS	MIG	PM04/2017	Construction of 3,2km reticulation, 2km rising main, 55 yard connections, refurbishment of steel yard, refurbishment of four boreholes and develop two boreholes.	Muteo Consulting	3	Fully effective, Performance meet Standard	TBC	TBC	TBC	Technical report appraised
20	Houriver RWS Phase 13		PM127/2018	Erection of steel tanks and bulk pipe line and reticulation of water	Dolmen Consulting	2	Not fully effective, Performance below standard	TCP Bereka business Enterprise	2	Not fully effective, Performance below standard	Project completed
21	Houriver RWS Phase 14		TBC	Planning	Nqameni	4	Fully effective, Performance meet Standard	TBA	n/a	N/A	None
22	Aganang Rural Sanitation Phase 1		PM09/2019	Construction of 948 VIP toilets	ROMH Consulting	3	Fully effective, Performance meet Standard	TCP Bereka business Enterprise	2	Not fully effective, Performance below standard	Contractor is having a cash flow as a challenge. Monitoring the progress on site.
23	Chuene Maja Sanitation Phase 7		PM10/2018	Construction of 734 VIP units	Morwa Consulting	2	Not fully effective, Performance below standard	Lemjoe Trading	2	Not fully effective, Performance below standard	Project practically completed
24	Household Sanitation - Sebayeng Dikgale	MIG	PM54/2019	Construction of 820 VIP toilets in Dekgopeng village	KippTess JV	3	Fully effective, Performance meet Standard	Mzandas Trading (Pty) Ltd	2	Not fully effective, Performance below standard	Project Completed

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
25	Mankweng RWS		TBC	Reticulation with 948 Houses benefiting	Tlou Integrated Tech	3	Not fully effective, Performance below standard	Not Yet Appointed	N/A	N/A	N/A
26	Sport stadium in Ga-Maja	MIG	12/2016	Construction of combi-courts, sport club, completion of water sewer and storm water services	Tlou Consulting	3	Fully effective, Performance meet Standard	Lilithalethu Trading	3	Fully effective, Performance meet Standard	Project completed
27	Upgrading of Ntshitshane Road (19/20 FY)	MIG	PM11/2019	2,2km x 6 m (width) road from gravel to asphalt surfacing, and installation of storm water facilities	Hlayeleni Engineers	3	Fully effective, Performance meet Standard	Tshiamiso Trading	3	Fully effective, Performance meet Standard	None
28	Regional Waste Water Treatment Plant - Construction of Earthworks Phase 1	RBIG	PM22/2019	Construction of Earthworks, Internal roads and fencing.	SMEC	4	Fully effective, Performance meet Standard	Edwin Construction	4	Performance above expectations	Practically completed
29	Regional Waste Water Treatment Plant - Civil, Mechanical, EC&I Phase 2		PM100/2019	Construction of 20 Ml/day WWTW (Civils, Mechanical EC&I)	SMEC	4	Fully effective, Performance meet Standard	Not Yet Appointed	N/A	N/A	none

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
30	Construction of Outfall Sewer to Polokwane Regional WWTW - Phase 1A Seshego to East of Pipe Bridge.		PM129/2017	Outfall Sewer Pipeline from Seshego to east of the Pipe Bridge. 1km of 900 dia pipe, 2.9km of 1200 dia pipe and 1.4km of 1400 dia pipe with a 200m long approach embankment and a 60m long pipe and pedestrian bridge.	SMEC/ Mafumu	4	Performance above expectations	NJR Projects	3	Fully effective, Performance above expectation	Contractor experiencing cash flow problems

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
31	The construction of Outfall Sewer to Polokwane Regional Waste Water Treatment Works. Contract 1C - Main Outfall East of Sand River.		PM131/2017	The project entails the final Main Outfall Pipeline starting at the confluence on the east bank of the Sand River directly east of the Seshego Pipe Bridge and continues up to the new Polokwane Regional WWTW (3,19 km 1500mm diameter). Part of the pipeline crosses private agricultural land under irrigation. The construction reserve will have to be fenced in and access gates need to be supplied. The pipe material for the outfall sewer will be Class 100D concrete pipes with a HDPE liner. All inside joints to be finished with a HDPE capping strip welded continuously both sides of the joint.	SMEC/ Mafumu	4	Performance above expectations	Khato Civils	4	Performance above expectations	Project completed
32	Mohlonong Upgrading of Stadium	MIG	MIG/MS/R01/ALM/17/18	Soccer pitch including installation of artificial grass and construction of retaining wall	Moditi Consulting Engineers	3	Fully effective, Performance meet standard	TBC	TBC	TBC	n/a
33	upgrading of storm water system in municipal area (Vuk'uphile)		PM 62/2020 & PM 63/2020	Upgrading of storm water system in municipal area in Ladross Mare Street and Bulawayo streets	E-square Engineering	4	Performance above expectations	Issah tradng enterprise	3	Fully effective, Performance above expectation	none

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
34	upgrading of storm water system in municipal area (Vuk'uphile)		PM 62/2020 & PM 63/2020	Upgrading of storm water system in municipal area in Landros Mare Street and Bulawayo streets	E-square Engineering	4	Performance above expectations	Bucie construction and project management	3	Fully effective, Performance above expectation	none
35	Polokwane drive - upgrade from single to dual carriage way		PM35/2018	Upgrading or single to dual carriage way, construction of Pedestrian walkways, lightings and street scape and storm water	AMCE	4	Performance above expectations	Adimare/Dingana JV	1	Unacceptable, Contractor behind progress	Contractor progressing slowly
36	Ditlou street upgrade		PM03/2019	Upgrading of roads, construction of Pedestrian walkways, lightings and street scape and storm water	AMCE	4	Performance above expectations	Nandzu Trading and services	3	Fully effective, performance meets standard	None
37	Ditlou street upgrade		PM03/2019	Upgrading of roads, construction of Pedestrian walkways, lightings and street scape and storm water	AMCE	4	Performance above expectations	Nandzu group	3	Fully effective, performance meets standard	None
38	F8 Street Upgrade		PM04/2019	Upgrading of roads, construction of Pedestrian walkways, lightings and street scape and storm water	AMCE	4	Performance above expectations	Tshidaho Construction services	4	Performance above expectations	None

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
39	Aganang - Juno and Fairlie Water Supply Phase 2		PM101/2019	Erection of steel tanks and bulk pipe line and reticulation of water	Tshashu Consulting Engineers	2	Not fully effective, Performance below standard	Tloukgolo	3	Fully effective, Performance above expectation	None
40	Mashashane Water Works (Planning)		PM136/2019	Planning	Sizeya Consulting Engineers	4	Performance above expectations	N/A	N/A	N/A	None
41	Aganang - Ramalapa (Planning)		N/A	Planning	Tshashu Consulting Engineers	2	Not fully effective, Performance below standard	N/A	N/A	N/A	None
42	Aganang - Kordon Water Supply Phase 2 (Planning)		PM135/2019	Planning	Tshashu Consulting Engineers	2	Not fully effective, Performance below standard	Mmakoto Business Enterprise	3	Fully effective, Performance above expectation	Project practically completed
43	Aganang - Jupiter		PM92/2020	Planning	Sizeya Consulting Engineers	2	Not fully effective, Performance below standard	TBA	0	TBA	None
44	Mashashane Water Works (Planning)		PM136/2019	Planning	Sizeya Consulting Engineers	4	Performance above expectations	Balo Holdings	2	Not fully effective, performance below standard	None
45	Aganang - Ramalapa (Planning)		N/A	Planning	Tshashu Consulting Engineers	2	Not fully effective, Performance below standard	N/A	N/A	N/A	None

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
46	Chuene maja RWS Phase 11		PM65/2019	Refurbishment of pump house, construction of 3ML concrete reservoir and installation of valves. Upgrading electrification of Booster pump house	HWA Consulting	2	Not fully effective, Performance below standard	TN Molefe/Take Note Trading JV	2	Not fully effective, performance below standard	Contractor on terms
47	Sand River North water treatment works		PM131/2018	Construction of water treatment works	Tlou Integrated Tech	2	Not fully effective, performance below standard	Koepu Business Enterprise/ZerbaCraft/Lance Management Services/ Mamondo Development Consortium	2	Not fully effective, performance below standard	Intervention meeting held 25 June 2021
48	Construction of Borehole Infrastructure and Pumping Mains for the Sterkloop and Sandriver South Wellfields		PM132/2018	Equip 18 boreholes in Sterkloop WF and Sandriver South WF (6,3ML/d average supply; 12,6ML/d peak supply); Pump to new Sanriver North Water treatment works and distribute to existing Doornkraal reservoir.	Makhoshi Consulting and Project Managers	3	Not fully effective, performance below standard	BaPhalaborwa 72 Construction	3	Not fully effective, performance below standard	Intervention meeting held 25 June 2021

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
49	Construction of Borehole Infrastructure and Pumping Mains for the Sandriver North Wellfield and Polokwane Boreholes.		PM133/2018	Polokwane boreholes: Equip 32 boreholes in Sandriver North WF and Polokwane boreholes (6,4ML/d average supply; 12,8ML/d peak supply); Pump to new Sandrive4 North Water treatment works and distribute to existing Krugersburg and Potgieter reservoirs.	Makhoshi Consulting and Project Managers	3	Not fully effective, performance below standard	DIGES	2	Not fully effective, performance below standard	Intervention meeting held 25 June 2021
50	Construction of Borehole Infrastructure and Pumping Mains for the Bloodriver and Seshego Wellfields		PM01/2019	Equip 7 boreholes in Seshego WF and 8 in the Bloodriver WF; Construction of pumping mains from Seshego, Bloodriver and Pilgrimshoop WF to the new Seshego Water treatment. Construction of pumping mains from the Seshego WTW to the Seshego and Perskeult Reservoirs.	Phekiso Consulting Engineers	3	Fully effective, Performance meet Standard	Koepu Bateline JV	3	Fully effective, Performance meet Standard	Intervention meeting held 25 June 2021
51	Seshego Water Treatment Works (Polokwane Groundwater Development)		PM02/2019	Construction of Civil works including equipping of electrical and mechanical components and associated works for a Water Treatment Works of capacity 10.4 ML. Civil Structures include administration building, chlorine dosing building, chemical dosing building, flocculation clarifiers, clear water	Phekiso Consulting Engineers	3	Fully effective, Performance meet Standard	Ultimate Dynamic / Tebo Lebo JV	3	Fully effective, Performance meet Standard	Intervention meeting held 25 June 2021

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
				contact tank, up flow filter, treated water reservoir, surface water flocculation clarifier and sludge ponds.							
52	EXT 44/78 Sports and Recreation Facility		PM138/2019		SI Architects	3	Fully effective, Performance meet Standard	Malerate Construction	3	Fully effective, Performance meet Standard	None
53	Upgrading of Mankweng Stadium		PM37/2018	Construction of Sports Complex covering caretaker's house, football pitch, softball pitch, refurbishment of basketball, netball and volleyball courts, perimeter fencing, bulk services, access control and external parking.	Tlou Consulting Engineers	3	Fully effective, Performance meet Standard	Molook's Civils	3	Fully effective, Performance meet Standard	None
54	Construction of Sebayeng / Dikgale Sport Complex		PM40/2020	Construction of soccer field with Ablution Block, Irrigation System, ,palisade fence, ,elevated tanks	Wayo Consulting Engineers	3	Fully effective, Performance meet Standard	To be Appointed			
55	Construction of Softball Stadium in Polokwane		PM148/2019	Construction of 3 diamond field, concrete pavilion at a seating capacity of 3500 .	Makone Consulting Engineers	3	Fully effective, Performance meet Standard	Bo-Mamohlala Projects	3	Fully effective, Performance meet Standard	None

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
56	Moletjie Soccer Field		PM16/2019	Construction of Soccer Field with Ablution Block,Irrigation System,pallasade fence,jojo tanks	Tlou Integrated Tech	3	Fully effective, Performance meet Standard	Joey Marang Projects	2	Not fully effective, performance below standard	Contractor was on penalties. Project reached practical completion.
57	Upgrading of Stores facility Phase 2		213/2016	Refurbishment of offices, construction of Gaurdhouse, Boundry wall, Warehouse store area	Lemeg Architects	4	Performance above expectations	Phetlakgo Construction	3	Fully effective, Performance meet Standard	Insufficient budget to continue
58	Construction of Sebayeng Dikgale Bulk Water Supply		PM106/2018	Construction of bulk line to Makgwareng Reservoir	MSW	4	Fully effective, Performance meet Standard	Zebracraft	2	Not fully effective, performance below standard	Contractor is being closely monitored
59	Chuene maja RWS Phase 10		PM129/2018	Construction of elevated steel tank. Installation of reticulation control panel and pumps. Eskom connection and erection of fence.	HWA Consulting	2	Not fully effective, Performance below standard	Bo-Mamohlala Projects	2	Not fully effective, performance below standard	Contractor on terms

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
60	Segwasi Phase 4		PM123/2018	Construction of a rising main. Equipping of three boreholes. Relocation of pipe line. Construction of two pump house. Electrification of two boreholes.	Engcor Consulting Engineers	3	Fully effective, Performance meet Standard	Ratavel Invest 107cc	2	Not fully effective, performance below standard	Contractor is being closely monitored
61	Upgrading of road from gravel to tar-Mohlonong to Kalkspruit {phase 4}.	IUDG	PM13/2019	Construction of 2,8km of surfaced road	2mc Consulting Engineers	3	Fully effective, Performance meet Standard	Raesibe Infrastructure Developers	3	Fully effective, Performance meet Standard	site has been established, contractor busy with delivery of machines , box cutting to commence by the 5 July 2021
62	Chuene maja RWS Phase 12		PM25/2020	Construction distribution, reticulation line and stand pipes	HWA Consulting	3	Fully effective, Performance meet Standard	TBA	0	TBA	TBA
63	Construction of NMT at Magazyn Street and Vermekulet (Construction of non-motorize transport (NMT infrastructure in Polokwane)	KFW	PM32/2019	The project entails construction of 7,59km pedestrian and cycle ways on either one or both side walks	Royal HaskoningDHV (PTY) LTD	3	Fully effective, Performance meet Standard	Dinatla Construction and Civil Works.	N/A	The contractor has yet to occupy site.	None

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
64	Upgrading of Pick and Pay Taxi rank	PTNG	PM38/2019	The project entails upgrading of pick and pay taxi rank with storm water infrastructure, ablution facilities, Offices and market stalls	Chiefton facilities	3	Fully effective, Performance meet Standard	Nandzu trade	3	Fully effective, Performance meet Standard	
65	Upgrading of Arterial road from R37 via Thokgwaneng RDP to Silo school	IUDG	PM104/2019	The project entails upgrading 1.30km road length with 7.4m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Malerate construction		Handover scheduled on the 2nd of July 2021	None
66	Upgrading of Arterial road D 4011 in Ga Thaba from D4018 Soetfontein Clinic to Ga Thaba connect D 4018	IUDG	PM105/2019	The project entails upgrading 1.21km road length with 7.4m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Mgoda	3	Fully effective, Performance meet Standard	None
67	Upgrading of Arterial road D4014 in Makgoro (Sekgweng) to Makatjane	IUDG	PM106/2019	The project entails upgrading 1.10km road length with 7.4m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	TP Noko		Handover scheduled on the 2nd of July 2021	

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
68	Upgrading of arterial road from Gravel to tar – Mountain view via Magokobung to Subiaco	IUDG	PM107/2019	The project entails upgrading 1.20km road length with 6m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Econocom		Handover scheduled on the 2nd of July 2021	
69	Upgrading of roads from gravel to tar Nobody traffic circle to Mothiba Mafiane	IUDG	PM108/2019	The project entails upgrading 1.19km road length with 7.4m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Mgoda		Handover scheduled on the 2nd of July 2021	
70	Upgrading of road from Sengatane (D3330) to Chebeng	IUDG	PM109/2019	The project entails upgrading 1.20km road length with 6m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Nandzu trade	3	Fully effective, Performance meet Standard	
71	Upgrading of Bloodriver main road via Mulautsi high school to agriculture houses	IUDG	PM110/2019	The project entails upgrading 1.10km road length with 7.4m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Nhlohloli tilo	3	Fully effective, Performance meet Standard	

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
72	Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng	IUDG	PM111/2019	The project entails upgrading 1.31km road length with 7.4m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	TP Noko		Handover scheduled on the 2nd of July 2021	
73	Upgrading of road from Leokama to Moshung	IUDG	PM112/2019	The project entails upgrading 1.20km road length with 6m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Malerate construction		Handover scheduled on the 2nd of July 2021	
74	Upgrading of road D3989 Ga-mamabolo to itireleng	IUDG	PM113/2019	The project entails upgrading 0.90km road length with 6m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Masetebe		Handover scheduled on the 2nd of July 2021	

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
75	Upgrading of internal street from gravel to tar in Mankweng Unit A outline between Mamadimo Park link to Nchichane Upgrading of internal street from gravel to tar in Mankweng Unit A, to Pulamadibogo street from LG to Church	IUDG	PM114/2019	The project entails upgrading 1.25km road length with 6m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Econocom		Handover scheduled on the 2nd of July 2021	
76	Upgrading of internal street along Dikolobe primary school	IUDG	PM115/2019	The project entails upgrading 1.51km road length with 6m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Nandzu trade		Handover scheduled on the 5th of July 2021	
77	Upgrading of road in ga Thoka from reservior to Makanye 4034	IUDG	PM116/2019	The project entails upgrading 1.20km road length with 6m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Picabiz		Handover scheduled on the 5th of July 2021	

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
78	Upgrading of Bus road from R71 to Dinokeng between Mshongoville Gashiloane to Matshela pata	IUDG	PM117/2019	The project entails upgrading 1.26km road length with 7.4m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Baagishani		Handover scheduled on the 5th of July 2021	
79	Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa clinic	IUDG	PM118/2019	The project entails upgrading 1.20km road length with 7.4m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Matshelane		Handover scheduled on the 5th of July 2021	
80	Upgrading of road internal street in Tlhatlaganya	IUDG	PM119/2019	The project entails upgrading 1.0km road length with 7.4m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Xihlala trading		Handover scheduled on the 5th of July 2021	
81	Upgrading of internal street from Solomondale to D3997	IUDG	PM120/2019	The project entails upgrading 1.76km road length with 6m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	Moswatsi Mapula		Handover scheduled on the 5th of July 2021	

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
82	Upgrading of road from Ralema primary school via Krukutje , Ga Mmasehla, Ga legodi, Mokgohloa to Molepo bottle store	IUDG	PM121/2019	The project entails upgrading 1.30km road length with 7.4m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	TBC		Handover scheduled on the 5th of July 2021	
83	Upgrading of arterial Road in Ga Semenya from R521 to Semenya (Upgrading of internal street in Moletjie Ga- Makibelo to Hlahla ring road)	IUDG	PM122/2019	The project entails upgrading 1.20km road length with 6m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	TBC		Handover scheduled on the 5th of July 2021	
84	Upgrading of Internal Street in Ga Ujane to D3363	IUDG	PM123/2019	The project entails upgrading 1.21km road length with 7.4m width from gravel to surfacing with storm water infrastructure.	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	TBC		Handover scheduled on the 5th of July 2021	
85	Upgrading of arterial road D3355 from Monotwane to Matlala clinic	IUDG	PM124/2019	The project entails upgrading 1.15km road length with 7.4m width from gravel to surfacing with storm water infrastructure.	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	TBC		Handover scheduled on the 5th of July 2021	

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
86	Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school	IUDG	PM125/2019	The project entails upgrading 1.40km road length with 7.4m width from gravel to surfacing with storm water infrastructure	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	TBC		Handover scheduled on the 5th of July 2021	
87	Complete the incomplete road from Kordon to Gilead road	IUDG	PM126/2019	The project entails upgrading 1.13km road length with 7.4m width from gravel to surfacing with storm water infrastructure.	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	TBC		Handover scheduled on the 5th of July 2021	
88	Upgrading of arterial road D3426 in Ga-Ramoshoana to Rammobola	IUDG	PM127/2019	The project entails upgrading 1.10km road length with 7.4m width from gravel to surfacing with storm water infrastructure.	Sejagobe Consulting Engineers	3	Fully effective, Performance meet Standard	TBC		Handover scheduled on the 5th of July 2021	

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
89	Refurbishment of existing Bus Daytime Layover facility buildings	PTNG	PM75/2018	Cleaning and removal of debris, partitioning of offices, ablution facilities, kitchen and storeroom, plastering, tiling, painting, plumbing, electrification, mechanical installations, guardhouse, access gates and booms	Tsholetso	3	Fully effective, Performance meet Standard	NJR Projects	2	Not fully effective, Performance below standard	Contractor is having a serious cash flow problem. Snag list to be completed

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
90	Upgrading of Road Ways on Nelson Mandela Trunk (WP1 & 7), Civil works at the Daytime Layover facility (LOF) (WP2) and Bus depot (WP3) -	PTNG	PM14/2020	Rehabilitation of a section of Nelson Mandela Trunk 0.2km (milling and resurfacing), provision of UTC (3 x Traffic signals); civil works at LOF (access ramps to admin- and ablution facility, fire water reticulation and hydrant, refurbishment of ablution);Construction of pavement layers at depot parking area, roadways and building platforms, fuelling-, wash bay and workshop area, installation of concrete block paving and kerbing, installation of internal and external drainage systems.	Tsholetso	3	Fully effective, Performance meet Standard	TP Noko Contractors	3	Fully effective, Performance meet Standard	
91	Construction of roadways and civil works at Genl Joubert Bus Station; Upgrading of Roadways on the Transit Mall -		PM15/2020	Station: Construction of bus lanes (removal of block paving, relocation of services, excavations & mass earthworks, construction of pavement layers and Asphalt surfacing. Transit Mall: Light rehabilitation of roadways (milling, resurfacing & road markings), upgrading of traffic signals x 15 (UTC)	Tsholetso	3	Fully effective, Performance meet Standard	Mashige Bldg Constr & Conslt	3	Not fully effective, Performance below standard	Contractor is having a cash flow problem and due to non-payment to subcontractors , progress is slow.

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
92	Construction and provision of Bus Depot in Seshego (upper structures)	PTNG	PM 75/2018	Construction of bus maintenance building with test pits and hoists, storeroom and ablution facilities, fuelling area, wash bay area, guardhouse and access gates, provision and erection of prefabricated offices and restrooms Installation of electrical and , water & sanitation services.	Tsholetso	3	Fully effective, Performance meet Standard	NJR Projects	n/a	Site to be handed over to the contractor	None
93	Construction Bus Station (upper structures) in the CBD	PTNG	PM74/2018 -	Construction of platforms for a 2 module station, construction of station upper structures (roofing and side panels), provision of 1 kiosk, access ramps and gates, paved walkways (NMT) and paved station precinct.	Tsholetso	2	Not fully effective, Performance below standard	Matakanye Construction	n/a	Site to be handed over to the contractor	None

No.	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Action
94	Widening and upgrading of Sandriver Bridge	PTNG	(PM100/2020)	Excavations for foundations, widening of existing bridge piers and foundations both sides with mass concrete, provision of additional precast & pre-stressed beams, extending the bridge deck and reinstate parapets and walkways	Tsholetso	4	Fully effective, Performance meet Standard	n/a	n/a	Procurement for appointment of a contractor	None
95	Upgrading of Spar Taxi rank	PTNG	PM37/2019	The project entails upgrading of spar taxi rank with storm water infrastructure, ablution facilities and market stalls	Chiefton facilities	3	Fully effective, Performance meet Standard	Matakanye Construction	3	Fully effective, Performance meet Standard	none

SECTION C

8. C.1 Performance Challenges during the 2020/21 Financial Year

Section 46 (1) of the Local Government: Municipal Systems Act, Act 32 of 2000 requires municipalities to prepare the performance report that reflects the performance of the municipality and that of its external service providers. Polokwane municipality wishes to highlight that some projects were delayed during the 2020/21 implementation year. The said projects were not completed on time due to various challenges such as:

- Poor performance of service providers leading to delays.
- Terminations of contracts.
- Delays in approvals of technical reports.
- Delays in the approval of Implementation Readiness Status (IRS) documents prevent the municipality from conducting long term planning on water and waste water projects.
- Stopping of projects by community members.
- Prolonged procurement process of service providers in some instances.
- Completed but dysfunctional water supply and waste management projects due to outstanding electricity connections by Eskom.
- Vandalism of completed infrastructure.
- Project stoppage due to national lockdown (Recent and critical challenge).
- The sites have to comply with new OHS protocols and Guidelines of the National Institute for Occupational Health and Communicable Diseases taken, which has a potential a delay in resumption of projects after issuing of work permits.
- Lack of in-house technical and expertise and capacity for long term and strategic infrastructure planning.

C.2 Management Measures taken to improve performance in the 2020/21 Financial Year

- The municipality continues to improve projects planning across all funding sources. Project planning for each financial year commences in the third and fourth quarter in order to ensure that project implementation is achieved by the first quarter of each implementation year.
- The municipality uses a multiyear implementation approach for medium to long term projects with the aim of improving the rate of service delivery and back log eradication.
- The municipality further uses a three-year panel for professional service providers for project preparations and planning.
- Putting technical support in place for interventions for poor performing projects.
- Adopting new strategies to maintain business continuity while working remotely to combat the spread of COVID 19 virus in the workplace.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE OF THE 2020/21 ANNUAL PERFORMANCE REPORT

I, **Dikgape Herkovits Makobe**, the Municipal Manager of Polokwane Municipality hereby certify that the 2020/21 Annual Performance Report of Polokwane Municipality has been compiled in line with the provisions of Section 46 of the Local Government: Municipal Systems Act 32 of 2000 and according to the provisions of the 2020/21 Final and Reviewed Performance Management Policy of Polokwane Municipality. I hereby further certify that the report is a true reflection of Polokwane Municipality's performance against the last Revised SDBIP targets for the 2020/21 financial year as approved by the Executive Mayor and Council respectively.

MR.D.H. MAKUBE

DATE

MUNICIPAL MANAGER

LIM 354

Report of the auditor-general to Limpopo Provincial Legislature and Council on Polokwane Local Municipality

Report on the audit of the consolidated and separate financial statements

Qualified opinion

1. I have audited the consolidated and separate financial statements of Polokwane Local Municipality and Polokwane Housing Associates (the group) set out on pages xx to xx which comprise the consolidated and separate statement of financial position as at 30 June 2021, the consolidated and separate statement of financial performance, statement of changes in equity, statement of cash flows and statement of comparison of budget information with actual information for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this audit report, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 30 June 2021, 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 of South Africa, 2003 (Act No 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2020 (Act No 4 of 2020) (DoRA).

Basis for qualified opinion

Property, plant and equipment

3. Work-in-progress amounting to R519 623 452 included in note 11 to the consolidated and separate financial statements, was incorrectly classified as work-in-progress, while it was available for use in terms of GRAP 17, *Property, plant and equipment*. This resulted in the overstatement of work-in-progress and understatement of completed assets by R519 623 452. I was unable to quantify the misstatement of the depreciation amount as the municipality did not determine useful lives for these completed assets.
4. The municipality did not recognise land in accordance with GRAP 17, *Property, plant and equipment*. Land owned by the municipality was not recognised in the consolidated and separate financial records as the municipality did not have adequate systems in place to account for all land parcels. I was unable to determine the full extent of the understatement of land in property plant and equipment as it was impracticable to do so.
5. The municipality did not assess impairment of property, plant and equipment in accordance with GRAP 21 and GRAP 26, *Impairment of non-cash-generating assets and Impairment of cash generating assets* respectively. Infrastructure assets and community assets with a carrying amount of R13 243 500 887 and R2 426 415 122 in note 11 to the consolidated and the separate financial statements contained assets that had impairment indicators but were

not assessed for impairment. I was unable to determine the value of the misstatement on Property, plant and equipment as it was impracticable to do so.

Revenue from exchange transactions

6. The municipality did not recognise revenue in accordance with GRAP 9, *Revenue from exchange transactions*. Revenue from solid waste and sewer and sanitation was not correctly calculated as the municipality used inaccurate floor/ surface area of the property or sewerage points in their calculation. This resulted in solid waste and sewer and sanitation revenue being understated by R70 255 578 and R54 461 363 respectively. Consequently, receivables from exchange transactions was understated by R124 716 941. Additionally, there was an impact on surplus for the period on the consolidated and separate financial statements.

Context for the opinion

7. 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 consolidated and separate financial statements section of my report.
8. I am independent of the group 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.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Restatement of corresponding figures

11. As disclosed in note 52 to the consolidated and separate annual financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the consolidated and separate financial statements of the group at, and for the year ended 30 June 2021.

Significant uncertainties

12. With reference to note 55 to the consolidated and separate financial statements, the group is a defendant in a number of claims. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the consolidated and separate financial statements.

Impairment of trade debtors

13. As disclosed in note 40 to the consolidated and separate financial statements, an impairment of trade debtors of R141 241 151 was incurred as a result of debt which is doubtful for recovery and inadequate collecting systems.

Other matters

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

Unaudited disclosure notes

15. In terms of section 125(2) (e) of the MFMA, the group is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

16. The supplementary information set out on pages XX to XX does not form part of the consolidated and separate financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the consolidated and separate financial statements

17. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
18. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the group'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 group or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the consolidated and separate financial statements

19. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

20. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

21. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
22. 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's 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.
23. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the municipality's annual performance report for the year ended 30 June 2021:

Development priorities	Pages in the annual performance report
KPA 1 – Basic service delivery	xx – xx

24. 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.
25. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority:
- KPA1: Basic service delivery

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

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

Adjustment of material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic service delivery. 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

29. 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.

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

Annual financial statements, annual performance report and annual report

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

32. Material misstatements of non-current assets, current assets, liabilities, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, however the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

33. Reasonable steps were not taken to prevent irregular expenditure amounting to R72 934 604 as disclosed in note 58 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by contravention of the supply chain management (SCM) regulations.

34. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R614 252 938, as disclosed in note 56 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on the budget due non-cash items.

Procurement and contract management

35. Some of the contracts above R30 million did not include a condition for mandatory subcontracting to advance designated groups, as required by the 2017 preferential procurement regulation 9(1).
36. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5.
37. 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. Similar non-compliance was also reported in the prior year.
38. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. Similar non-compliance was also reported in the prior year.
39. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e), the code of conduct for councillors issued in terms of the Municipal Systems Act, 2000 (Act No 32 of 2000) (MSA) and the code of conduct for staff members issued in terms of the MSA.

Consequence management

40. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
41. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA and municipal budget and reporting regulations 75(1).

Asset management

42. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63 (2)(c) of the MFMA.

Revenue management

43. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Other information

44. 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 consolidated and separate financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.

45. My opinion on the consolidated and separate 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.
46. 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 consolidated and separate 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.
47. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary

Internal control deficiencies

48. I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.
49. The accounting officer did not adequately review the financial statements prior to submission for audit, misstatements in the consolidated and separate financial statements were not detected by the municipality's own system of internal controls.
50. The municipality did not have sufficient monitoring controls to ensure the proper implementation of the overall processes of compliance with legislation. Non-compliance with legislation could have been prevented had compliance been reviewed and monitored

Auditor - General

Polokwane

16 February 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected development priorities on the municipality's compliance with respect to the selected subject matters.

Financial statements

51. In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the consolidated and separate 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 group'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 consolidated and separate 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 group 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 consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate 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 them consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

52. 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.
53. 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.



"A Promise Delivered"

ANNUAL REPORT

2020-2021

Prepared in Terms of

**Section 121 of the Municipal Finance Management Act, 56 of 2003 and section
46 of the Municipal Systems Act, 32 of 2000**



CORPORATE ADMINISTRATION

Thabatshweu Housing Company (Pty) Ltd.

Company Registration Number: 2005/012521/07

Bankers FNB

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Polokwane

0700

Postal Address

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Ladanna

0704

Telephone Number: (015) 291 2314

Fax Number: (015) 295 6259

Website: www.polokwane.gov.za

Auditors: Auditor General – South Africa

Directors: Ms. Sara Mashabela - Board Chair

Ms. Asnath Kgosana

Matsobane Gololo

Oupa Galane

Samson Vilakazi

Shimi Maimela – Chief Executive
Officer

Company Secretary Modjadji Rampheri

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CHAPTER 1: FOREWORD BY THE EXECUTIVE MAYOR



The year under review has been the most challenging with the whole world experiencing a worse pandemic in Morden times. The city of Polokwane has not been saved from its negative impact.

The PHA has had its share of the negative challenges brought along by COVID 19 which have affected the way it conducts its business and delaying one of its projects which is under construction

On the bright side, implementation of the much awaited Ga-Rena Phase 2 known as Annandale Ext 2 is under construction. The scheduled completion date of the project is June 2021. This is a project that will realise 494 social housing units. This will bring the total number of housing units managed by PHA to a level where the entity will be able to sustain their operations without depending on the Municipality to fund its operations.

Ga-Rena Rental Village remains a challenge since its inception due to the confusion around the project being a rent to buy vs. pure rental housing project. This has sparked rental boycotts on the project a number of times. I have instructed both the Board of directors and the Chief Executive Officer that I want nothing less than the project being turned around with rental collection raised to levels above 80% and proper maintenance carried on the project.

I am encourage by the report the Board has since brought to the Joint Portfolio of Finance, Mayoral Committee and Council that is backed by action plans that show how the project will be turned around.

Progress reports on this project will serve before the Board above Committees and Council in an effort to ensure that its performance is under a special radar.

I am glad that the Seshego Community Residential Housing Units Project (Seshego CRU) Continues to perform well. Required maintenance and rental collection are at an acceptable level.

I know I can count on the Board and management to do what both myself and Council expect them to do in terms of carrying their fiduciary responsibilities in continuing to build new projects managing those projects well

The days of Polokwane Housing becoming a sustainable Social Housing Institution are approaching and this is my expectation from both the Board and Management.

Cllr M.J. MPE

EXECUTIVE MAYOR

CHAPTER 2: CHAIRPERSON'S OVERVIEW



I am thankful for the opportunity to present my second annual report since our appointment as a board of directors for Thabatshweu Housing Company trading as Polokwane Housing Association (PHA) during an unprecedented time when the whole world is bleeding from the catastrophic impact of Covid 19 which has ravaged the world at a speed of a bolt of lightning. These trying times have now become our new normal way of conducting business in delivering new housing units and managing the current rental stock. The pace of maintaining current rental stock and delivering housing units had to be reduced. This was done to cater for new measures of conducting business which includes social distancing, wearing surgical and cloth masks and working from home in certain cases.

The entity had to compile Covid 19 risks and putting in place mitigating measures against such risks. We have experienced only one case of Covid 19 that resulted in the Annadale Ext 2 construction being shut down for two days and fumigated before construction activities could resume. There were no reported incidents at the offices the PHA shares with the Municipality's Secretariat and Municipal Public Accounts Committee (MPAC) staff on the first floor West Wing of Polokwane Municipality.

The Annadale Extension project which started on full speed in June 2019 with the purpose of completing the project in March 2021 has been negatively delayed by the lockdown which the South African Government imposed on all the people of South Africa and its businesses. The new anticipated completion time of the project is now July 2021. Only 60% of the work is completed on this project with 53% of the value of work paid for the development of the project. The project comprises of one two storey and ten three storey buildings. According to the construction programme, three blocks will be handed over to the PHA in mid-December 2020, three more blocks at the end

of March 2021 and the balance of five blocks will be completed and handed over to the entity by July 2021. The number of rental housing units that will be delivered on the projects is 494.

It is anticipated that the first tenants to our brand new development will take occupation from March 2021.

CHALLENGES:

Implementation of the following projects have been on a slow start:

- 240 Social housing units at Polokwane Ext 76
- 754 GAP market housing units at Polokwane Ext 107
- 456 student beds at Polokwane Ext 108

The main reason for the slow start is attributed to challenges in raising counter funding of 30% for Polokwane Ext 76 and securing 100% funding required for the delivery of Polokwane Ext 107 and 108 projects. PHA will continue to seek creative ways of getting the above projects funded through Built Operate and Transfer (BOT) model.

Ga-Rena Rental Village is our first and most problematic project since inception with tenants boycotting rentals and performing criminal activities within the village. With the appointment of a new security company that provides static security and intervention services and furthermore the action plans management has put in place, I believe that this project will be turned around.

APPRECIATION:

As the PHA, we are highly indebted to our Shareholder, Polokwane Municipality, under the stern leadership of Executive Mayor, CLLR Thembisile Nkademeng, the MMCs for Housing and Finance for continuing to provide continuous political oversight which keeps us on our toes. I also wish to thank the Board of Directors of the PHA and management for doing their part in ensuring that the entity delivers based on its mandate.

I look forward to an exciting and rewarding year ahead as we move towards successful implementation of other projects and completing the Annadale Ext 2 project. Accordingly, I submit the PHA's Annual Report for 2019/2020 on behalf of the Board of Directors.

MS. SARAH MASHABELA Pr. PIn, MAMT, MICTC (Australia)

BOARD CHAIRPERSON

CHAPTER 3: CHIEF EXECUTIVE OFFICER'S REPORT



Polokwane Housing Association has been able to attain the following critical milestones based on its key performance areas outlined in its Annual Performance Plan during the period under review. The three key performance areas PHA was focusing on are, Core Business, Financial Viability, Good Governance and organizational transformation

Core Business

One of the key highlights during 2019/2020 is the construction of Annadale Extension 2. This project is the construction of 494 Social Housing Units. This will see the number of housing units managed by the PHA increasing from 697 to 1191. The successful completion and management of this project will enable the PHA not to depend on its shareholder for operational grant that has been the case since inception.

Ga-Rena Rental village continued to be a challenge of a project to turn around. Finally, the entity has met a progressive milestone with the new tenants Committee to implement steps that will bring the project to normal since the project was plagued by rental boycotts and criminal activities on site. The situation at the project has been restored with the appointment of MEG Security Services who provide the entity with static and intervention services

Financial Viability

Rental collection decreased from 29.15% to 26.29 during the period under review. Rental boycotts has contributed to the status quo. Now that the entity has made

progress with starting allocation of vacant housing units and regularization of sub- lets on Ga-Rena Rental Village. Management has further put action plans to turn around rental collection at the projects. The performance of rental collection at the Seshego Community Residential Units continued to stabilised at 95%. Management plans are to bring rental collection to the same level as the Seshego Community Residential Units.

Transformation

In an effort to strive to obtain an improved audit report, the entity has been able to address all issues raised by the Auditor General and Internal auditors. Management also is currently looking at areas that need attention to ensure that the entity achieves the best audit opinion and the full accreditation status with the Social Housing Regulatory Authority.

Acknowledgements

I would like take this opportunity to thank the Shareholder for their continued leadership and support to PHA without which PHA would not have been able to function as an organization. I would like thank the Board of Directors for providing the much needed strategic direction and support to PHA during these difficult times.

The support PHA receives from our stakeholders like CoGHSTA, the SHRA, etc. to enable the entity to carry out its mandate is highly appreciated

Without the commitment of management and staff who are thinly spread on the ground and yet performing their duties with drive our work would have been even more difficult to perform. Their contributions are highly appreciated.

The contributions of the new tenant's committee are acknowledged and I look forward to continue to have a fruitful working relationship them.

SHIMI MAIMELA

CHIEF EXECUTIVE OFFICER

CHAPTER 4: INTRODUCTION AND CORPORATE PROFILE

Vision

To be the premier provider of innovative and sustainable living

Mission

To promote smart living for a diverse market through delivery of sustainable and affordable homes

Our Values

- Accountability
- Efficiency
- Innovation
- Honesty
- Participation

Our principles

- Improved Quality of Living
- Improved Confidence of PHA in the Social Housing Industry
- Improved administrative and governance capacity
- Improved efficiency and effectiveness of the PHA Administration
- Enhanced Revenue and Asset base

The Polokwane Housing Association (SOC) Ltd was previously registered and established as a Section 21 Company in terms of the Companies Act in 2002 and in 2005 registration was changed to Ga-Rena Rental Village (proprietary). The registration and establishment was subsequently changed and PHA is now registered

as a PTY Limited company in terms of section 86 of Municipal Systems Act. The registered name is Thabatshweu Housing Company (PTY) Ltd Registration No (2005/012521/07) trading as Polokwane Housing Association.

The Mandate of PHA as per its revised MOI, is to develop and manage:

- integrated Human Settlements
- Social and Non-Social Housing
- Rental housing units within the Gap Market

As a Municipal Entity entrusted with managing rental housing units, PHA is required to comply with all the Municipal Finance Management Act, Act No. 56 of 2003, the Municipal System Act, Act 32 of 2000, the Companies Act, Act No 71 of 2008 the Housing Code, the Social Housing act of 2008 and all other relevant legislation applicable to the municipal entity.

The mandate includes amongst others, the responsibility for administrative processes, accounting and financial management, tenant liaison, policy and guideline formation, capital raising, agency role and other functions that PM may require in applying the principles of social housing in Polokwane. The mandate has been extended to include participating in the non-social housing rental space. I.e. gap market and profit making rental housing.

CHAPTER 5: DIRECTORS' REPORT AND GOVERNANCE

5.1 COMPANY SECRETARY REPORT

The entity has addressed the following compliance issues such, as amongst others during the year under review:

- Lodge the annual returns with CIPC.
- The Company Secretary position that was vacant was subsequently filled at year end.
- The appointment and or extension of the board and its members.
- Holding a successful strategic planning session with all the members present and meaningfully participating.

Holding a successful Annual General Meeting with all the members and the stakeholders present in the meeting.

5.2 BOARD OF DIRECTORS

The Board of directors continued to perform its oversight functions and provided strategic leadership and guidance to the CEO and the management team during the year under review. The Board has the responsibilities for managing the affairs of the Company, its direction, program priorities, resource allocations and both financial performance and planning the future of direction of the Company. The Board is able to execute its full responsibilities and functions with the support and corporation of staff members in the Company.

Below are the Board meetings that were planned and successfully attended for the year under review:

Date	Ms. Sara Mashabela – Chairperson of the Board	Ms. Asnath Kgosana	Mr. Matsobane Gololo	Mr. Oupa Galane	Mr. Samson Vilakazi	Mr. Hyven Kholophe	Mr. Shimi Maimela – Chief Executive Officer
09 Aug 2020	✓	✓	✓	✓	✓	✓	✓
25 Oct 2020	✓	✓	✓	✓	✓	✓	✓
31 Jan 2021	✓	✓	✓	✓	✓	✓	✓
02 May 2021	✓	✓	✓	✓	✓	✓	✓
Sopholis Chuene – Manager in the CEO's office – 09 Aug 2019, 25 Oct 2020, 31 Jan 2021 and 02 May 2021							
Modjadji Rampheri- Acting Company Secretary- 02 May 2021							
Mathaba Pheeha – Secretariat – 09 Aug 2019, 25 Oct 2020, 31 Jan 2021 and 02 May 2021							

5.3 BOARD COMMITTEES

The Companies Act 71 of 2008 as amended, provides the board with the power to appoint board committees; and to delegate to such committees any of the authority of the board. Board Committees serve as a vital and important tool in aiding the Board. After all, a Committee's intended mission is to support and assist the Board in carrying out its responsibilities.

All the board committees are comprised of the respective chairperson(s), members of the committees and the stakeholders together with the CEO of the company and report to the board on all the progress made, challenges experienced and milestones achieved in the execution of their duties.

Dysfunctional Committees however, can have the adverse effect, creating long-lasting negative issues for both the board and the community at large.

The explanation below gives clarity to the roles, responsibilities and performance of the various Board Committees during the term under review.

The Board is comprised of the following committees:

- **Property, Contracts and Projects, (PCP)**

The key responsibility is to provide effective and efficient oversight of the company's property, movable or immovable property. The committee provides sound directive management and measures of the projects within the company and intervention for challenges that hinder progress of projects.

- **Finance and Risk, and (FRC)**

The key responsibility of the committee is to provide effective financial management and serves to oversee the company's finances to ensure transparency and accountability and ensuring mitigation of risks that may result from financial negligence.

- **Human Resource & Remuneration (HR&REMCO)**

Human capital is important for the company to ensure maximum operations. The committee is responsible for equipping employees with the relevant tools of trade and skills to ensure maximum efficiency and high staff morale amongst others.

- **Social and Ethics**

Without any code of conduct in the manner of operating and or responsibilities. Ethics are a very important component of good governance. The committee is responsible for ensuring that stakeholders relations remain an important part of the company to maintain the integrity and ensure success of the company.

5.4 PROPERTY, CONTRACTS & PROJECTS

5.4.1 MANDATE OF THE COMMITTEE

The Committee is mandated to perform the following duties:

- a) To ensure effective, efficient and economic use of the rental stock.
- b) To ensure that the organization render service of high quality to client
- c) To recommend to the board that competitive designs and standards are maintained.
- d) Shall research and assist the company in keeping abreast with development in the housing environment
- e) Shall be responsible for rental and tenancy policies
- f) Shall investigate and address the complaints of the clients
- g) To consider all issues in relating to property development and management.
- h) To review policies, methodology and procedure in connection with the consideration and approval of projects and management thereof, recommendations on applications to be delegated to officials.
- i) To consider and recommend to the Board, appropriate parameters for the determination of applications to be delegated to officials.
- j) To monitor the exercise of these delegated power and the compliance of officials with the parameters set.
- k) To recommend rentals and other service charges and consider increments thereof

5.4.2 COMMITTEE STRUCTURE

The Committee is constituted by two (02) Board of Directors and two officials, namely:

- Oupa Galane – Chairperson (Non-Executive Director)
- Matsobane Gololo – Non-Executive Director
- Shimi Maimela - Chief Executive Officer (Director) and
- Robert Maetisa - Property Manager
- Sopholis Chuene – Manager Office of the CEO

- Ms Mathaba Pheeha – Secretariat

Messrs. Chuene, Maetisa and Mathaba Pheeha are permanent invitees to the Committee

5.4.3 COMMITTEE MEETINGS AND ATTENDANCE

According to the year plan, the committee is expected to have four scheduled meeting. During the period under review, the committee managed to hold three scheduled (3) meetings (1st to 3rd quarter).

Names	Q1 26 July 2020	Q2 18 Oct 2020	Q3 24 Jan 2021	Q4 22 April 2021
Mr Oupa Galane – Chairperson	✓	✓	✓	✓
Mr Matsobane Gololo	✓	✓	✓	✓
Mr Shimi Maimela	✓	✓	✓	✓
Mr R Maetisa	✓	✓	X	✓
Mr Sopholis Chuene	✓	✓	✓	✓
Ms Mathaba Pheeha	✓	✓	✓	✓

Policies

On an annual basis the committee review its policies to be in line with the changing circumstances / environment so as to meet the needs of the tenants and legislative prescripts. The following policies were reviewed by the committee and adopted by the board during the period under review:

- Housing Stock Development and Acquisition
- Property Management Policy
- Property Administration Policy
- Property, Contracts and Projects (PCP) TOR
- Tenants Committee Charter

5.4.5 Property Management Delivery Performance

The Property Management Department covers facilities management and tenant services, which includes: administration of waiting lists; allocation of tenants; lease administration; tenancing; repairs and maintenance; cleaning and gardening; safety and security; and general upkeep of communal areas. Details of performance in respect of the above functions is given below per project.

Portfolio Managed by PHA

Seshego Community Residential Units (CRU)

Overview of the Complex

Seshego Community Residential Units (CRU) is a rental housing project targeting lower income band of the market. Qualifying beneficiaries should be earning R1 500 – R7 500. The project has 189 rental units which comprise of 13 one bedrooms, 167 two bedrooms, 09 leave and work units (ground floor retail space and bedrooms 1st floor) and 04 shops. The project is performing fairly well.

Ga Rena Rental Villages

The Ga-Rena residential complex has 508 rental units constituted by 86 blocks. The project is meant to cater for tenants with income range of R3 500 – R15 000. Performance of the portfolio has been difficult for years due to rent boycott and protests. Gradually, the reconciliation is taking shape and normalization could be achieved soon.

Sub-letting

The sub-letting of units was exacerbated by the following:

- unavailability of PHA staff in the complex due to said lock-out,
- tenants who found permanent residents were not terminating the lease or handing the unit back, instead, they put other people in the unit without the PHA's knowledge.
- During the lock-out, there was a cabal of tenant who were leading the protest and they were allocating and removing people from the units.

Verification assisted with establishment of occupation status. A call was made to all the sub-lets and or non-leaseholders to be regularized as legitimate tenants. A handful of tenants came forth and they were regularized. Others still remain sub-lets. PHA engaged the services of an

Attorney to apply for eviction of 130 illegal occupants in Polokwane High Court. The said occupants have been served with notices of motion and the court date is scheduled for 20 and 22 August 2021. The lease agreement of the original tenants has been terminated.

The table below highlights summary of performance in key performance areas (KPA's) in both projects.

Summary of performance per Key Performance Area (KPA) in Seshego CRU and Ga Rena rental Village Respectively

Name of Project	Lease Management	Waiting List Management	Repairs and Maintenance	Cleaning & Gardening	Safety and Security
Seshego Community Residential Units	<p>The lease agreements expired and new leases for renewal for those who qualifies will be concluded in the 1st quarter of 2021/22 financial year. To validate or legitimise the continued occupation of the unit by tenant with expired lease agreements, PHA invoked Clause 5.5 of the Rental Housing Act, 2007 as amended, which provides that:</p> <p>5. (5) <i>"If on the expiration of the lease the tenant remains in the dwelling with the express or tacit consent of the landlord, the parties are deemed, in the absence of a further written lease, to have entered into a periodic lease, on the same terms and conditions as the expired lease, except that at least one month's written notice must be given of the</i></p>	Allocation of tenants is guided by the entity's administration policy and the maintained database is used as the main source of tenaning.	It should be noted that maintenance conducted on the project is reactive maintenance. Planned maintenance will be conducted in the next financial year, a request for planned maintenance budget has been requested from the Provincial Department of CoGHSTA as per the provision of the CRU guidelines.	As Polokwane is a water scarce Municipality, a strategic decision was taken to opt for dry gardening instead of wet gardening. This approach conserves the much needed water to cater for household needs. Cleaning of the complex and the gardens is done weekly as per cleaning rooster.	The complex is operated with an access control boom gate and finger print security system. There is a 24-hour security on the complex who perform access and guarding services. The old security contract expired, Supply Chain Management (SCM) process were undertaken to procure the services of a new company. The new company assumed their duty on 01 May 2021.

Name of Project	Lease Management	Waiting List Management	Repairs and Maintenance	Cleaning & Gardening	Safety and Security
	<i>intention by either party to terminate the lease".</i>				
Ga Rena Rental Village	<p>Majority of the leases have expired and they were not renewed for some years. This is due to the conflict that arose between the PHA and the tenants. At some point it became violent to a point that PHA was locked out of the complex (access restricted to all staff and PHA agents).</p> <p>Thorough engagements were embarked on and are still underway, to find each other and get the tenants to renew lease agreements. As a start, tenant occupation verification status was conducted, and we now know who is occupying our units. Illegal occupants who were found to be occupying our units, have been engaged and they have regularised their stay by signing lease agreements</p>	For the financial year under review, there was no allocation made to new tenants except regularization of the illegal occupants of the units. The board condoned the action.	Since there are some tenants who are not paying their monthly rental, the reactive maintenance performed is targeted to those who pay and defaulters are not attended to except in cases of water leaks.	Cleaning is being performed weekly as per approved roster.	The complex is operated with an access control boom gate and finger print security system. There is a 24-hour security on the complex who perform access and guarding services. The old security contract expired, Supply Chain Management (SCM) process were undertaken to procure the services of a new company. The new company assumed their duty on 01 May 2021.

Name of Project	Lease Management	Waiting List Management	Repairs and Maintenance	Cleaning & Gardening	Safety and Security
	<p>with PHA and made the necessary payments.</p> <p>New lease agreements which have been developed and there is still reluctance to sign, but engagement are at an advanced stage. To validate or legitimise the continued occupation of the unit by tenant with expired lease agreements, PHA invoked Clause 5.5 of the Rental Housing Act, 2007 as amended, which provides that:</p> <p>5. (5) <i>"If on the expiration of the lease the tenant remains in the dwelling with the express or tacit consent of the landlord, the parties are deemed, in the absence of a further written lease, to have entered into a periodic lease, on the same terms and conditions as the expired lease, except that at least one month's written notice must be given of the intention by either party to terminate the lease".</i></p>				

Name of Project	Lease Management	Waiting List Management	Repairs and Maintenance	Cleaning & Gardening	Safety and Security

Performance Indicators on Quarterly basis	Q1	Q2	Q3	Q4
Occupation Rate	93.30%	91.01%	91.30%	92.11%
Collection Rate	31.17%	28.60%	34.50%	26.13%

HOUSING STOCK DEVELOPMENT AND ACQUISITION

Overview

In a bid to develop and manage social housing, the City of Polokwane, established Thabatshweu Housing Company t/a Polokwane Housing Association (PHA) a Municipal entity in terms of the Municipal Systems Act.

The entity's main focus is to develop and manage social housing and to promote housing delivery for a range of income groups in such a way as to allow integration and cross subsidization. It is the therefore PHA's objective to provide social housing in such a way that most appropriately addresses the variety of challenges experienced in the housing sector.

PHA adopted a Property Development Strategy in 2016 to enable the company to increase its portfolio and the revenue base. In doing so, a Public Private Partnership (PPP) model was among the strategies to be applied by the company. Consultants were appointed to conduct feasibility studies in the following housing programmes to establish viability of the proposed projects: *Social Housing (Annadale Ext 2)*, *Student Accommodation* and *Gap Housing*.

The Pre-feasibility studies yielded positive results (proved the feasibility of the projects). The Parent Municipality, together with the Board of Directors approved the implementation of the projects. Transactional Advisors were appointed to finalize the feasibility studies and package the proposed projects.

Procurement process kick-started in 2017, where Request for Qualification (RFQ) were called and bidders were pre-qualified. Pre-qualified bidders then were issued with Request for Proposal (RFP). The bidders were requested to innovate and densify when packaging their submissions.

5.4.8 Projects

ANNADALE EXT 2 SOCIAL HOUSING PROJECT BRIEF

Background

Motheo construction group was appointed to construct 494 residential units comprising of eleven blocks at Annadale Extension two (Ga Rena Phase two). The project started on the 1st February 2019. Despite normal construction site challenges the project was running smooth until the site closed due to national lockdown.

Progress made by June 2021

- Brickwork for all the blocks is 100% complete
- Services to all the blocks complete
- Pavement 80%
- The overall project completion progress is 90% as at 30 June 2021.

Impact of COVID – 19 on construction

The construction has been continuing with the contractor ensuring that Covid-19 regulations are observed.

Local empowerment

The project has appointed (9) nine local subcontractors for different trades and a total of one hundred and forty-six (146) local labourers of which twenty-seven (27) are females and one hundred and nineteen (119) are males.

Anticipated completion date

The project is anticipated to be completed on the 31 August 2021.

POLOKWANE EXT 76 SOCIAL HOUSING PROJECT

The project is stalled pending the conditions put by Grant funder (SHRA) after they have initially approved the project. The condition if complied with, lead to litigation against the SHI. Intervention has been sought and further engagement with SHRA.

POLOKWANE EXT 108 AND 106 STUDENT ACCOMMODATION PROJECTS

The preferred service provider withdrew from the project.

POLOKWANE EXT 107 GAP HOUSING PROJECT

Contract negotiations still underway.

5.5 FINANCE AND RISK COMMITTEE

5.5.1 The Mandate of the Committee

The Finance committee deals with finance, audit and risk matters. This committee is tasked to review all issues relating to finance, audit and risk matters of the company including the internal controls. The Committee further assists and advises the Board of Directors with overall Finance with respect to:

- Financial Management,
- Risk Management,
- Internal and External Audit, and
- Development and review of Financial and Risk Policies

5.5.2 Composition of the Committee

The Finance and Risk Committee was made up of two (2) members of the board, CEO, Finance Manager and Company Secretary as follows.

- Matsobane Gololo – Non-Executive Director and Chairperson of Committee
- Oupa Galane - Non-Executive Director,
- Shimi Maimela - Chief Executive Officer (Director)
- Malesela Masekoameng – Finance Manager
- Sopholis Chuene – Manager Office of the CEO
- Ms Mathaba Pheeha – Secretariat

Messrs. Malesela Masekoameng, Sopholis Chuene and Mathaba Pheeha are permanent invitees to the Committee

Table: Schedule of Committee Meetings (All meetings held Virtually)

Date	Matsobane Gololo	Oupa Galane	John Maimela	Malesela Masekoameng	Sopholis Chuene	Mathaba Pheeha
26 July 2020	✓	✓	✓	✓	✓	✓
18 October 2020	✓	✓	✓	✓	✓	✓
19 October 2020(Special meeting)	✓	✓	✓	✓	✓	✓
24 January 2021	✓	✓	✓	✓	✓	✓
22 April 2021	✓	✓	✓	✓	✓	✓

5.5.3 Highlights

- Finance policies were reviewed and amendments done.
- Management made a breakthrough with tenants at Ga-Rena regarding the Hijacking of units and the sublets were regularised,
- Risk policies were reviewed
- Risk register and risks implementation plan were approved and implemented
- Risk reports also served before Polokwane Municipality's Risk Management committee and Audit committee for quality assurance.
- The entity maintained its Unqualified audit opinion

- Increase of rental collection from 26.29% to 29%.

5.5.4 Challenges

- Rental Boycott that the entity experienced especially at Ga-Rena rental village set the entity aback.
- The protracted process of eviction(s) at Ga-Rena affected the rental collection and impacted negatively at the entity's cash flow.
- Covid 19 affected negatively the collection rate at Seshego CRU.
- Decrease of rental collection from 29.15% to 26.29%.

The support from the municipality does not go unnoticed. Through shared services secondments and grants received the financial position of the entity grows year on year.

1. RISK MANAGEMENT COMMITTEE MEETINGS

Meeting attendance by committee members in 2020/21 FY. The overall attendance percentage of the meeting is 73% and is satisfactory.

#	Designation	05 October 2020	11 January 2021	22 April 2021	10 June 2021	09 July 2021	Attendance %
1.	Independent Chairperson	✓	✓	✓	✓	✓	100%
2.	Manager: Human Resource	✓	✓	✓	✓	✓	100%
3.	Manager: PMS	✓	✓	✓	✓	✓	100%
4.	Risk Officer	✓	✓	✓	✓	✓	100%
5.	Manager: Finance	✓	x	✓	✓	✓	80%
6.	Chief Executive Officer	✓	✓	x	✓	x	60%
7.	Manager: Internal Audit	R	✓	✓	✓	R	60%

8.	Manager: Property Management	x	x	✓	x	✓	40%
9.	Director Planning and Economic Development	x	✓	x	x	x	20%
✓	Present						
x	Absent						
R	Represented						

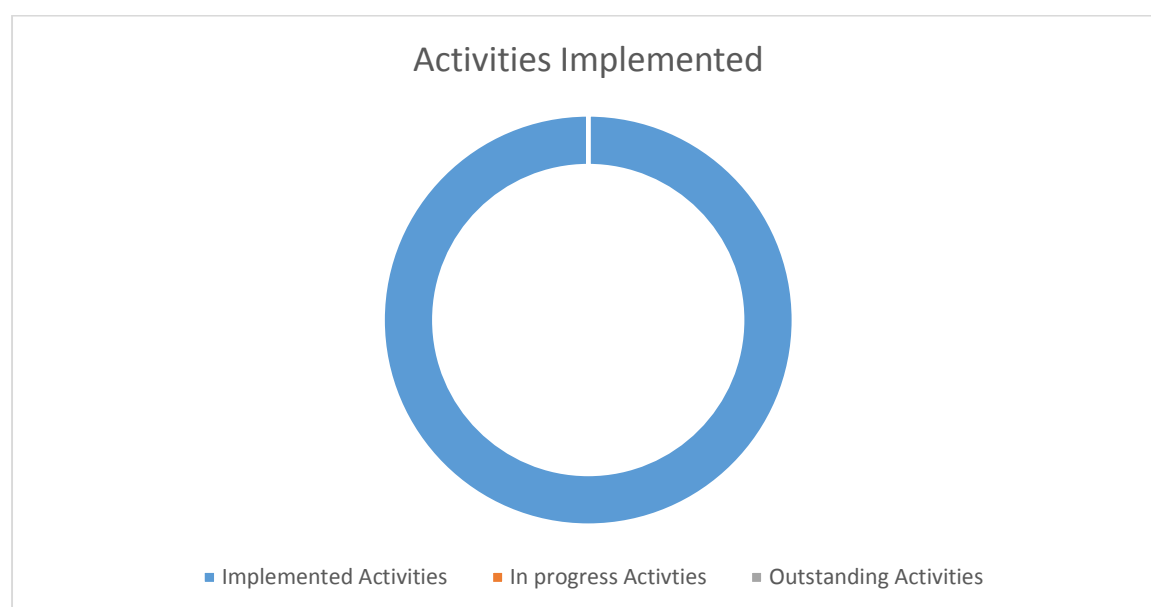
2. STATUS OF RISK MANAGEMENT COMMITTEE RESOLUTION FOR 2020/21

Total resolution	10
Resolved	10
In progress	00
Outstanding	00
Percentage	100%

3. RISK MANAGEMENT IMPLEMENTATION PLAN PROGRESS FOR 2020/21

The Risk Management implementation plan was approved at the beginning of the financial year with 11 activities to be implemented throughout the financial year. The chart below summaries progress made at the end of the financial year. All eleven (11) activities were implemented.

Illustration of implemented Activities.



Summary of how activities were implemented per quarter.

Quarter 1	Quarter 2	Quarter 3	Quarter 4
73%	91%	91%	100%

4. STRATEGIC RISKS OVERVIEW

At the beginning of financial year 2020-21 management have adequately identified 04 risks and 09 risk mitigations. Out of 09 risk mitigations, three (03) were found not to be fully implemented. Implementation status of risk mitigations is as follows:

Total number of risk mitigations	09
Implemented risk mitigations	06
Mitigations in progress	03
Mitigations not implemented	00
Overall implementation status	67%

5. Challenge is on revenue collection (financial sustainability).

Summary of revenue collection

Quarter 1	Quarter 2	Quarter 3	Quarter 4
31.18%	28.60%	30.14%	26.12 %

6. Risk Analysis and Advisory note

Generally, based on the reported information of risk mitigations management have adequately implemented most of their risk mitigations, however there is challenge of Revenue collection and management has put more efforts to mitigate.

7. OPERATIONAL RISKS OVERVIEW

At the beginning of financial year 2020-21 management have adequately identified 09 risks and 14 risk mitigations. Out of 14 risk mitigations, three (03) were found not be fully implemented. Implementation status of risk mitigations is as follows:

Total number of risk mitigations	14
Implemented risk mitigations	11
Mitigations in progress	3
Mitigations not implemented	0
Overall implementation status	79%

Challenges are on financial sustainability in a form of revenue collection and inadequate maintenance of properties due budgetary constraints.

Analysis and Advisory note

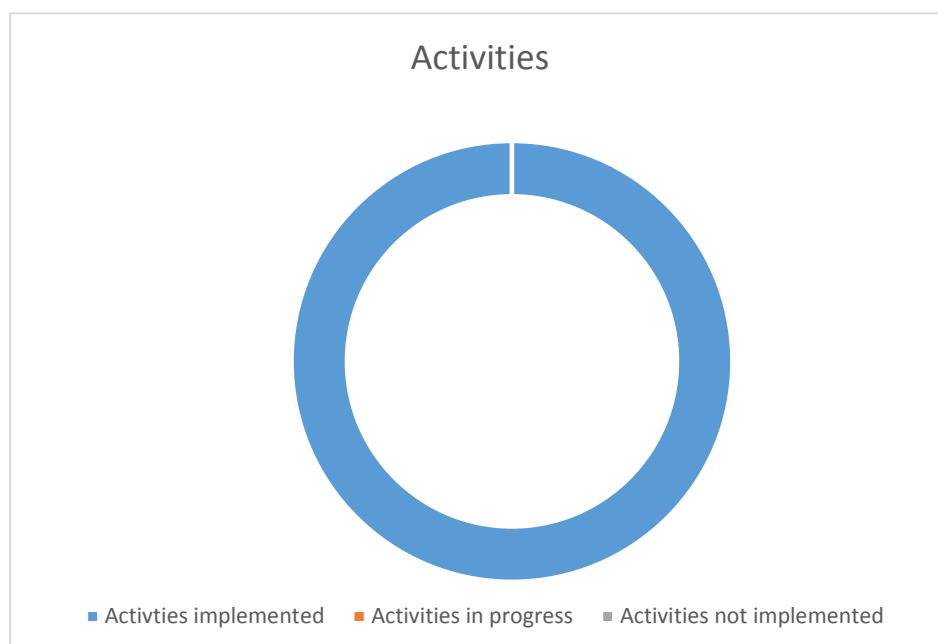
Generally, based on the reported information of risk mitigations management have adequately implemented most of their risk mitigations, however there is challenge of revenue collection and management has put more efforts to mitigate the risk.

8. FRAUD RISK MANAGEMENT PLAN PROGRESS FOR 2020/21

Fraud Risk Management Plan for 2020/21 financial year was approved by Risk Management Committee at the beginning of the financial year with 16 activities to be implemented.

Risk Management Unit coordinates with other SBUs and monitors that all activities on the plan are implemented by responsible Managers on defined time frames

Illustration of implemented Activities.



Summary of how activities were implemented per quarter.

Quarter 1	Quarter 2	Quarter 3	Quarter 4
81%	85%	100%	100%

9. FRAUD INCIDENTS REPORT

Office of the CEO and Risk Management unit did not receive any reports of fraud allegation during the 2020-21 financial and even during the audit, AG could not identify any fraud and NOCLAR.

10. FRAUD AWARENESS

During the 2021-22 financial year risk management Unit conducted two fraud awareness on all staff members and tenants.

Date of awareness	Method of awareness	Number of attendees
19 November 2020	Email	All Staff members
30 June 2021	Posters	All tenants

11. Highlights

- Risk Management policies were reviewed and approved by RMC and APAC.
- Risk Registers and Risk Management plans for 2021-22 FY were reviewed.
- Risk reports also served before Risk Management committee and Audit committee for quality assurance.
- The entity maintained its Unqualified audit opinion.

5.6 HUMAN RESOURCE AND REMUNERATION COMMITTEE

5.6.1 Mandate of the committee

The Committee reviews the human resources management and remuneration policies and practices in the Entity and determines terms and conditions of employment of all staff levels.

The committee reviews the quarterly performance and is responsible for the annual performance review.

The Human Resources and Remuneration Committee was charged with putting in place a human resources strategy that ensures proper human resources practices and remuneration philosophy. This saw the reviewing of human resources policies, practices and procedures, introduction of best practice in respect of terms and conditions of employment, salary benchmarking, talent management and the application of a proper performance management system in line with the parent municipality.

5.6.2 Composition of The Committee

The Human Resource Committee is made up of two (2) members of the board with the CEO and the Human Resources manager as permanent invites.

5.6.3 Committee members

- Vilakazi Samson (Chairperson)
- Kgosana A (Member)
- Maimela J.T (CEO)
- Rasebotje MSC (HR Manager)
- Sopholis Chuene (Manager Office of the CEO)
- Mathaba Pheeha (Secretariat)

Messrs. Conny Rasebotje, Sopholis Chuene and Mathaba Pheeha are permanent invitees to the Committee

5.6.4 Table: Schedule of Committee Meetings

Date	Samson Vilakazi	Ms. Asnath Kgosana	Shimi Maimela	Ms. M.S.C Rasebotje	Sopholis Chuene	Mathaba Pheeha
26 July 2020	✓	✓	✓	✓	✓	✓
18 October 2020	✓	✓	✓	✓	✓	✓
24 January 2021	✓	✓	✓	✓	✓	✓
18 April 2021	✓	✓	✓	✓	✓	✓

The Human Resources and Remuneration Committee was charged with putting in place a human resources strategy that breath in proper human resources practices and remuneration philosophy. This saw the reviewing of human resources policies, practices and procedures, introduction of best practice in respect of terms and conditions of employment, salary benchmarking, talent management and the application of a proper performance management system in line with the parent municipality.

5.6.5 Highlights

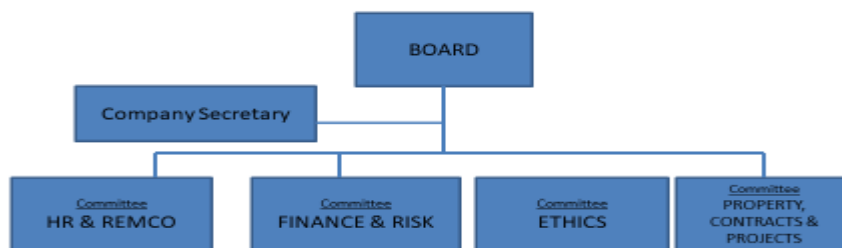
- The development and implementation of a Human Resource Strategy to guide the HR functions
- Reviewal of Human Resource policies
- Alignment of salaries within PHA to those of the parent Municipality.

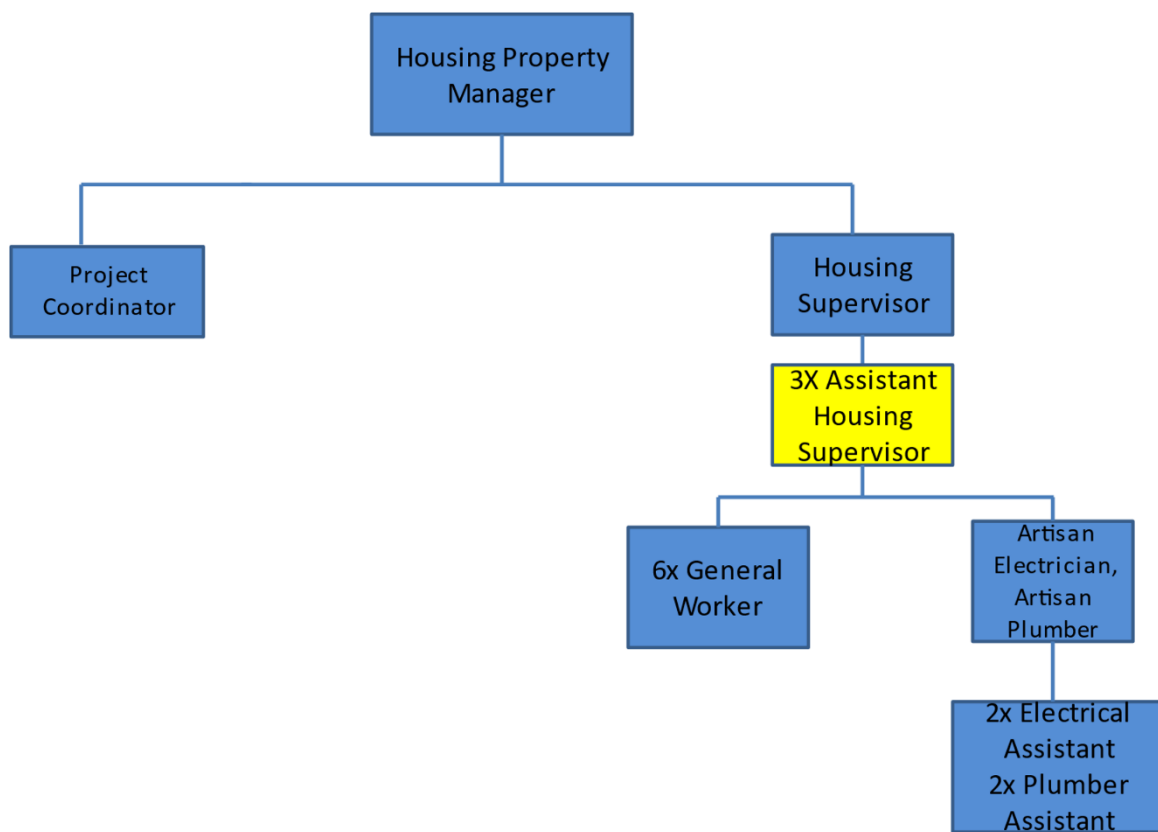
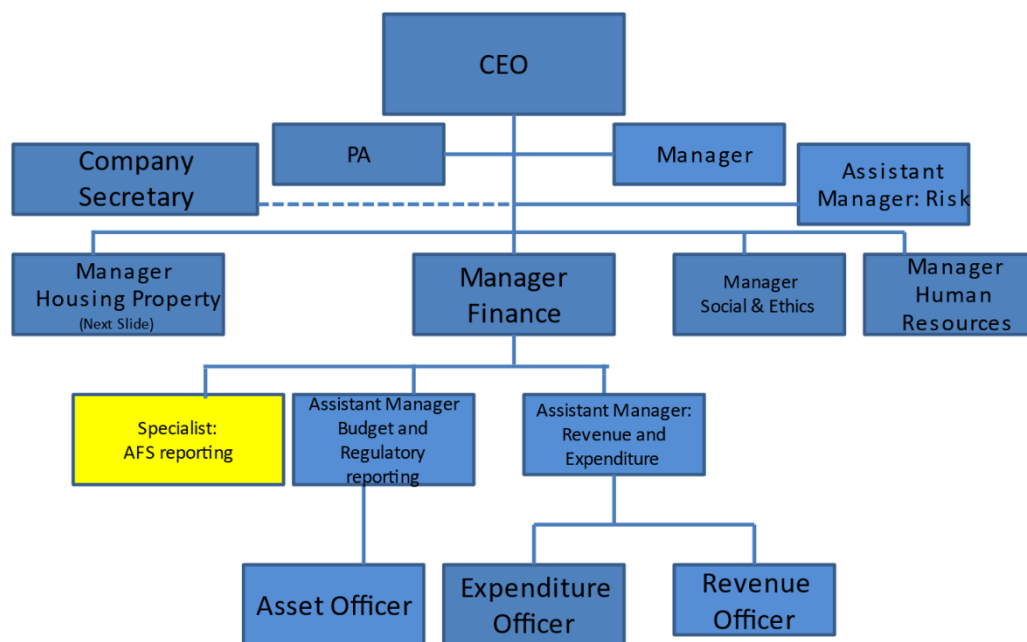
- Submission of WSP
- No positive covid 19 reported cases.

5.6.6 Challenges

- The organization has not been able to operate at full potential due to the Covid 19 pandemic.
- Overburdened officials.

5.6.7 Organisational Structure





5.7 SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee (Committee) is constituted as a formal Committee in terms of the Companies Act and this report is prepared in compliance with the requirements of the Companies Act. The Committee operates according to the Terms of Reference (TOR) which stipulates the composition, role, responsibilities, and duties of the Committee. The Terms of Reference is reviewed from time to time.

5.7.1 Mandate of the Social and Ethics Committee

In terms of the TOR the mandate of the Social & Ethics Committee is to assist the Board in, inter alia, the following:

- To monitor the organization's activities, having regard to all relevant pieces of legislation
 - the Broad-Based Black Economic Empowerment Act; and
 - the Employment Equity Act
- promotion of equality, prevention of unfair discrimination, and reduction of corruption;
- contribution to development of the communities in which its activities are predominantly marketed;
- record of sponsorship, donations and charitable giving;
- the environment, health and public safety, including the impact of the Organization's activities and of its products or services;
- consumer relationships, including the Organization's advertising, public relations and compliance with consumer protection laws;
 - the Organization's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
 - the Organization's employment relationships and its contribution toward the educational development of its employees;
 - bring matters within its mandate to the attention of the Board as may be occasionally required; and
 - to report, through one of its members, to the shareholders at the Organization's annual general meeting on the matters within its mandate.

5.7.2 Social & Ethics Committee Terms of Reference

The Social & Ethics Committee has adopted formal Terms of Reference which have been approved by the Board of Directors. The Committee has conducted its affairs in compliance with these Terms of Reference and has discharged its responsibilities contained therein.

5.7.3 Composition

- In accordance with the relevant provisions of the Companies Act and applying the recommendations of King III, the Social & Ethics Committee consists of a majority of independent non-executive directors, one of whom chairs the Committee's meetings ensure that independent judgement is brought to bear. The Chief Executive is also a member of this Committee. Members and the Chairman of this Committee are elected by the Board.
- Senior management of the Company attend meetings of the Committee as appropriate.

5.7.4 Committee Structure

The committee is constituted by Two (02) Board of Directors,

- Ms Asnath Kgosana – Chairperson - Non-Executive Director
- Oupa Galane – Non-Executive Director
- Shimi Maimela - Chief Executive Officer (Director)
- Zinzi Mphahlele – Manager Social and Ethics
- Sopholis Chuene – Manager Office of the CEO
- Mathaba Pheeha

Messrs. Sopholis Chuene and Mathaba Pheeha are permanent invitee to the Committee. The Terms of reference has been updated to add an additional Non-Executive Director.

5.7.5 Meetings

During the year under review, the Committee met four times. In accordance with the Terms of Reference, the Committee meets as frequently as the Committee considers appropriate. The following table of attendance at Social & Ethics Committee meetings reflects the Committee's meetings held during the year and the attendance of these meetings by its members.

Date	Ms. Asnath Kgosana CHAIPERSON	Oupa Galane	Shimi Maimela	Zinzi Mphahlele	Sopholis Chuene	Mathaba Pheeha
18 March 2021	√	√	√	√	√	√
24 January 2021	√	√	√	√	√	√
18 October 2020	√	√	√	√	√	√
20 July 2020	√	√	√	√	√	√

5.7.6 Corporate Social Performance

The Committee measured the impact of its decisions or activities on society in the following areas:

1. Unethical behaviors and practices
2. Health and Hygiene and public safety (Environmental health and public safety)
3. Environmental Sustainability Consideration (Environmental health and public safety)
4. Fair Competition and Local Economic Development

- **Corporate Ethics Performance**

The King Report also emphasizes the responsibility of the board of directors to ensure that the ethics of the company is governed well. The ethics management process that the board ensured is implemented in the company consists of four aspects:

1. Development and Maintenance of Risk register
2. Safety and Security in the complexes
3. Ethics Standards
4. Internal and external reporting
 - Internal reporting – Audit Team
 - External reporting – Annual report

- **Focus Areas for The Review**

During the period under review, the Committee has considered the following reports:

- Supply Chain
- Human Capital
- Customers and other stakeholders

There were no unethical issues reported.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

- **Key Focus Areas for The Year Ahead**

The key focus areas for the Committee for financial year 2022 are:

- Ensuring that COVID 19 regulations are observed at our projects and office
- Training to fully transact on MSCOA compliant financial system (MUNSOFT) as per National Treasury requirement.

5.8 SOCIAL AND ETHICS

5.8.1 Suppliers and Business Partners /Supply Chain

The Board of Directors of a municipal entity must maintain oversight over the implementation of its Supply Chain Management policy. For the purpose of such oversight, the Accounting Officer must submit a report on the implementation of the municipal entity's Supply Chain Management to the Board of Directors, who must then submit to the Accounting Officer of the parent municipality for the submission to the municipal Council.

The following awards were made during the financial year.

Name of supplier	Amount	Description of Goods/ Services
Massbuild (Pty) Ltd	R 9 275.00	Cleaning Material
Bargain House	R 20 571.23	Materials
Builders Warehouse	R 6 096.00	Maintenance Material
Illiad Africa	R 25 436.33	Materials
Mabunda Trading Projects	R 2 990.00	Materials
Malehlokwa Pitseng Trading	R 4 500.00	Welding works
Maroli Trading	R 1 900.00	Plumbing Material
Masekela Khomotjo	R 1 519.21	Lock and Chain
Mzansi Africa	R 6 624.10	Materials
Plumblink	R 52 794.14	Materials
Polokwane Chemical Sup.	R 3 213.48	Cleaning Material
Voltex	R 36 240.08	Materials
Shomatalana CC	R 1 200.00	Materials
Tloutlou cleaning	R 1 092.50	Materials
Eljuni Trading	R 9 800.00	Materials
Total	R 171 159.57	

COVID 19

The whole world has been in the grip of the global pandemic COVID-19 and South Africa is no different. The after-effects of which have impacted negatively on our health care systems and disabled our economic activities.

The Corona-virus pandemic ("Covid-19") has presented unprecedented challenges to organisations, economies and most significantly people. As witnessed globally, the threat to human health compelled governments to act and try to mitigate the public

health disaster by implementing radical measures including Lock-Down restrictions resulting in organisations having to temporarily stop operating or drastically reducing their operations. The dire consequences of the Lock-Down on organisations and their respective stakeholders will be felt for an indeterminable period.

The company continued to operate under strict observance of regulations relating to COVID-19 pandemic to ensure that the risk of infection to our staff and client is limited or put to zero. PHA business is continuing, though not at a full scale. Therefore, compliance and ethical conduct are key in our engagement with customers and stakeholders.

The company is acutely aware of the increased risk to employees and the public we serve of reciprocal transmission of Covid-19. Provision of PPE and proper training on the use and wearing thereof, clear, and concise directives and care pathways should there be any symptomatology associated with Covid-19. i.e., As per Covid-19 regulations employees were provided with the following personal protective equipment (PPE), i.e., Masks, sanitisers, as well as screen employees temperature upon entering the work premises.

The company was able to disburse the required PPEs to officials. Officials are continuously encouraged to inform the employer whenever they suspect that they might be having symptoms associated with Covid-19 as well as when they test positive to the Coronavirus, so that they can be given time off to isolate/quarantine from other officials.

The table below provides details of the infections, and suspected infections, experienced at the company.

Incident	Number of affected employees	Comments
COVID-19 confirmed cases	0	No reported cases
Contacts with positive cases	1	The employee completed the 10 days in isolation

The health and safety of our officials, our tenants and our communities are key priorities

As lockdown restrictions are lifted, the Organization will continue to implement rigorous controls, and intensify these regimes if appropriate.

- an extensive communication programme has been implemented across the Committee's operations to ensure that all relevant information regarding the pandemic is distributed to employees on an ongoing basis; and
- strict protocols have been implemented in terms of social distancing and remote working.

5.8 Human Capital

• Training and Development

There has been no anomaly in respect of training and development of employees. The accreditation of Social Housing Regulatory Authority saw employees being trained on the basics of SHRA and they now understand and comply with regulating authority's policy and regulation. Most training would have been attended, but budgetary constraints prohibited most training to be undertaken. The entity is registered with CETA and therefore would be receiving grants that will assist with the training and development of employees.

• Employee Wellness

The entity thrives on the shareholder's quarterly health screening sessions.

Health promotion awareness campaigns are conducted with the aim of raising/educating employees about social problems or illness which could affect them and ways to prevent them.

The shareholder also celebrates special events, like, women's day/month, team building, etc., as and when the budget permits, the entity piggybacks on such and allows officials to be part of the celebrations. The entity has taken precautionary measures to deal with Covid-19 in line with the disaster management act and the Guideline for municipalities to respond to the COVID-19 pandemic. We consider ourselves lucky that we have so far not had an official testing positive to the pandemic

- **Recruitment**

The entity has promoted three officials to the positions of Assistant Manager: Revenue, Project Coordinator, and Housing supervisor respectively. The promotions will see improved relations with the tenants as well as improved service delivery to the tenants. The entity still thrives on partially seconded officials from the shareholder. This partial secondments bring in expertise to fill in identified gaps.

CHAPTER 6: PAST YEAR'S ANNUAL REPORT (2020/21) AND PROGRESS ON RESOLVING PROBLEMS IDENTIFIED IN THE ANNUAL REPORT

NO	ISSUES RAISED BY THE AUDITOR	PROGRESS ON RESOLVING THE ISSUE
1	1. Material losses to the amount of R8 358 822.00 as a result of provision for trade Debtors	The entity has obtained eviction orders to evict tenants, this will go a long way in reducing the provision for doubtful debts.
2	2. Irregular Expenditure incurred for R1 892 798.00	The matter is ongoing-will be referred to Municipal Public Accounts Committee(MPAC)
3	3. Irregular ,Fruitless and wasteful expenditure not Investigated	The matter is ongoing-MPAC is currently busy with the finalisation of investigation.

CHAPTER 7. SERVICE DELIVERY PERFORMANCE

7.1 Service Delivery Performance and Challenges During The 2020/21 Financial Year

Section 46 (1) of the Local Government: Municipal Systems Act, Act 32 of 2000 requires municipalities and municipal entities to prepare the performance report that reflects the performance of the entity and that of its external service providers. Polokwane Housing Association wishes to highlight that the entity had one (1) project during the 2020/21 financial year. The said project is a multi-year project and was not due for completion in the year under review. The project completion time was revised and extended to be completed in the 2021/22 financial year due to various challenges experienced such as:

- The restrictions placed due to the global COVID 19 pandemic
- Stopping of projects by community members
- Cashflow challenges
- High-jacked units at Ga-Rena Rental Village project which led to poor rental collection
- Lack of planned maintenance of units at Ga-Rena Rental Village

Management Measures taken to improve performance

- The entity had to revised the project work schedule to accommodate the restrictions in place due to the COVID 19
- The entity together with the parent municipality drawn up a Cashflow schedule for the project to avoid any further delays due to Cashflow
- The entity amplified its public participation process related to the projects so that the community can be involved within the project and that there were some work potions of the project that were strictly reserved for local business
- The Entity reported the matter to the Tribunal and further took the culprits to court whereby the entity obtained a court order to evict all those that are not complying with the rules of the entity

- Management through its maintenance policy has made provision for planned maintenance that will be conducted as soon as the evictions are concluded and new tenants placed in the units which will boost the rental collection

7.2 Core Business / Basic Service Delivery

Ref	Strategic Objective	Programme	Key Performance Indicator	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual Achievement	Reason for Variance	Measures to Improve Performance	Portfolio of Evidence
Core Business/ Basic Service Delivery													
CEO1	Improve quality of living	Maintenance	No of Maintenance requests received and attended to within 2 weeks by 30 June 2021	#	01-Jul-20	30-Jun-21	15	156	165	263	More maintenance requests were made and attended to	None	Maintenance request logbook and forms that will show when the request was logged and closed
CEO2			Number of new fire hydrants purchased for Ga-Rena and C.R.U by 30 June 2021	#	01-Jul-20	30-Jun-21	10	New	88	44	Cashflow challenges	Provision and allocation of budget has been made to address the challenge in the 2021-22 FY	Purchase orders and delivery notes

Ref	Strategic Objective	Programme	Key Performance Indicator	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual Achievement	Reason for Variance	Measures to Improve Performance	Portfolio of Evidence
CEO3			Number of fire hydrants serviced for Ga-Rena and C.R.U by 30 June 2021	#	01-Jul-20	30-Jun-21	10	New	203	96	Cashflow challenges	Provision and allocation of budget has been made to address the challenge in the 2021-22 FY	Purchase orders and proof of work done
CEO4		SHRA Compliance	Number of monthly projects progress report compiled and submitted to SHRA by 30 June 2021	#	01-Jul-20	30-Jun-21	10	New	12	12	None	None	Monthly projects reports and proof of submission to SHRA
CEO5			Number of project reporting tools compiled and submitted to SHRA by 30 June 2021	#	01-Jul-20	30-Jun-21	10	New	4 Project Reporting Tools compiled and submitted to HRA	4	None	None	Project Reporting Tools and proof of submission

7.3 Financial Viability

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual Achievement	Reason for Variance	Measures to Improve Performance	Portfolio of Evidence
Financial Viability													
CEO9	Enhance revenue and asset base	Revenue Management	% of PHA rental housing units occupied by 30 June 2021	%	01-Jul-20	30-Jun-21	20	94%	95%	92.11%	Some units were being maintained which took longer than anticipated and could not be allocated	Fasttrack the maintenance of empty units and allocate to tenants	Monthly occupancy reports
CEO10			% of rental collected by 30 June 2021	%	01-Jul-20	30-Jun-21	20	30%	82%	26.13%	Low rental collection at Ga-Rena Village	Implementing Credit control measures put in-place	Monthly financial reports (section 71)
CEO11		Budget and Reporting	Maintain unqualified audit opinion by 30 April 2021	Date	01-Jul-20	30-Apr-21	20	Unqualified audit opinion	Unqualified Audit Opinion by 30 April 2021	Unqualified Audit Opinion maintained	None	None	AGSA Audit opinion report

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual Achievement	Reason for Variance	Measures to Improve Performance	Portfolio of Evidence
CEO12			Development of the Audit Action Plan for AG Report by 30 April 2021	Date	01-Jul-20	30-Apr-21	20	Developed Audit Action Plan	Develop Audit Action Plan by 30 April 2021	Action Plan developed and sent to Internal Audit for monitoring	None	None	Developed Audit Action Plan
CEO13		Assest Management	Complete Physical Asset Verification for moveable and immovable assets by 30 October 2020	Date	01-Jul-20	30-Oct-20	20	Completed physical asset verification	Complete Physical Asset Verification for moveable and immovable assets by 30 October 2020	Physical asset verification for moveable and immovable assets conducted	None	None	Completed physical asset verification report

7.4 Governance and Transformation

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Reason for Variance	Measures to Improve Performance	Portfolio of Evidence
Governance and Transformation													
CEO1 4	Improve admin and governance capacity	Budget and Reporting	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 30 October 2020	Date	01-Jul-20	30-Oct-20	15	31-Aug-19	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 30 October 2020	AFS compiled and submitted to Auditor General by 30 Oct 2020	None	None	Signed AFS and proof of submission to AG
CEO1 5			Prepare and submit revised Budget to the Shareholder by 28 Feb 2021	Date	01-Jul-20	28-Feb-21	10	28-Feb-20	Prepare and submit revised Budget to the Shareholder by 28 Feb 2021	Revised budget submitted to the shareholder on the 11 Feb 2021	None	None	Revised budget and proof of submission

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Reason for Variance	Measures to Improve Performance	Portfolio of Evidence
CEO16			Prepare and submit the final Entity Budget to the Shareholder by 30 March 2021	Date	01-Jul-20	30-Mar-21	5	30-Mar-20	Prepare and submit the final Entity Budget to the Shareholder by 30 March 2021	Draft budget submitted to the shareholder on the 12 March 2021	None	None	Final budget and proof of submission
CEO17		Performance Management	Prepare and submit the Entity Annual Report to the Shareholder by 30 March 2021	Date	01-Jul-20	30-Mar-21	5	20-Dec-11	Prepare and submit the Entity Annual Report to the Shareholder by 30 March 2021	Incomplete Draft Annual Report submitted to shareholder on 20 December 2020	AGSA only completed the audit of the 2019/20 FY by March 2021 which led to the delay of the submission of the final Annual Report	The 2019/20 Annual Report finalised and submitted to the Shareholder	Final Annual Report and proof of submission
CEO18			Number of Institutional Quarterly Performance Report compiled	#	01-Jul-20	30-Jun-21	5	4	4 Institutional Quarterly Performance	4	None	None	Institutional Quarterly Performance Report

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Reason for Variance	Measures to Improve Performance	Portfolio of Evidence
									e Report compiled				
CEO19			Development and submission the Mid-Year Budget and Performance Assessment Report to shareholder by 20 January 2021	Date	01-Jul-20	20-Jan-21	5	20-Jan-20	Develop and submit the Mid-Year Budget and Performance Assessment Report to shareholder by 20 January 2021	Mid-Year Budget and Performance Assessment Report submitted on 20 January 2021	None	None	Mid-Year Budget and Performance Assessment Report and proof of submission
CEO20			Make public the Mid-Year Budget and Performance Assessment Report by 31 January 2021	Date	01-Jul-20	30-Jan-21	5	30-Jan-20	Make public the Mid-Year Budget and Performance Assessment Report by 31 January 2021	The Mid Year report was made public on the municipal website	None	None	Public notice on notice boards and municipal website

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Reason for Variance	Measures to Improve Performance	Portfolio of Evidence
CEO2 1		CIPC Compliance	Submit the Annual Returns and/or amendments to CIPC by 30 May 2021	Date	01-Jul-20	30-May-21	5	May-20	Submit the Annual Returns and/or amendments to CIPC by 30 May 2021	Annual Returns were filed on the 27th October 2020 and Change of Directors was done on the 06th Jan 2021	The Annual Returns were done earlier as the company had outstanding returns	The Annual Returns were submitted	Annual Returns and/or amendments and proof of submission
CEO2 2		Secretariat	Number of ordinary Board meetings scheduled and convened	#	01-Jul-20	30-Jun-21	5	New	4 ordinary Board meeting scheduled and convened	4	None	None	Meeting notices, Agenda, Minutes and Attendance registers
CEO2 3			Number of ordinary Committee meetings scheduled and convened by 30 June 2021	#	01-Jul-20	30-Jun-21	5	New	16 Committee meetings scheduled and convened	16	None	None	Meeting notices, Agenda, Minutes and Attendance registers

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Reason for Variance	Measures to Improve Performance	Portfolio of Evidence
CEO2 4			Convene AGM by 30 April 2021	Date	01-Jul-20	30-Apr-21	5	New	Convene AGM by 30 April 2021	AGM held on the 30th June 2021	The meeting initial planned date had to be postponed due to COVID regulation as the meeting was planned to take place as contact meeting	The meeting was subsequently held as a virtual meeting	Meeting notices, Agenda, Minutes and Attendance registers
CEO2 5			Convene Annual Strategic Planning Session by 30 April 2021	Date	01-Jul-20	30-Apr-21	5	New	Convene Annual Strategic Planning Session by 30 April 2021	Strategic Planning Session held on the 27th June 2021	The meeting initial planned date had to be postponed due to COVID regulation	The meeting was subsequently held as a virtual meeting	Meeting notices, Agenda, Minutes and Attendance registers

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Reason for Variance	Measures to Improve Performance	Portfolio of Evidence
											as the meeting was planned to take place as contact meeting		
CEO2 6		Risk Management	Development of the Institutional Risk Register by 31 August 2020	Date	01-Jul-20	30-Sep-20	5	New	Develop Institutional Risk Register by 31 August 2020	Institutional Risk Register developed and served at the Risk Management Committee that was held on the 22nd June 2020	None	None	Approved Institutional Risk register
CEO2 7			Number of quarterly Institutional Risk Register progress reports compiled by 30 June 2021	#	01-Jul-20	30-Jun-21	5	New	4 Institutional Risk Register progress reports compiled	4	None	None	Institutional Risk Register progress reports

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Reason for Variance	Measures to Improve Performance	Portfolio of Evidence
CEO28	Invest in human capital and retain skills	Hhuman Resource Management	Review Human Resources Strategy by 30 June 2021	Date	01-Jul-20	30-Jun-21	5	30-Jun-19	Review Human Resources Strategy by 30 June 2021	Not achieved	HR Strategy to be reviewed as part of policy reviews	The HR Strategy will be reviewed with all other Policies to be tabled in the next coming Board seating of the 2021/22 FY	Reviewed and approved strategy
CEO29			Submission of Reviewed of WSP to LGSETA by 30 April 2021	Date	01-Jul-20	30-Apr-21	5	New	Submit reviewed WSP to LGSETA by 30 April 2021	WSP submitted to SETA by 30 April 2021	None	None	Reviewed WSP and proof of submission
CEO30			Number of training/workshops convened by 30 June 2021	#	01-Jul-20	30-Jun-21	5	New	2 trainings / workshops convened	2 trainings convened and attended	None	None	Invitations and attendance registers

CHAPTER 8 – AUDITOR GENERAL AUDIT FINDINGS

8.1 Analysis of the audit opinions over the past five financial years

2020/21	2019/20	2018/19	2017/18	2016/17
Unqualified	Unqualified	Unqualified	Unqualified	Qualified

CHAPTER 9: FINANCIAL PERFORMANCE

9.1 ANALYSIS OF REVENUE COMPONENT OF FINANCIAL STATEMENT

The entity derives its revenue from rental of housing units at Ga-Rena Village and Management fees from Seshego Community residential units (CRU) from the year ended 30 June 2021 the entity generated R11 315 747 in Revenue which consisted of R9 351 375 from Ga-Rena and R1 964 372 from Seshego CRU. The entity has Ladanna extension 2 project under construction which will be completed in the year 2022 and will enhance the entity's Revenue

The entity also received R119 810 195 as revenue from non-exchange from government subsidies and grants mainly towards the development of the afore-mentioned Ladanna extension 2

9.2 ANALYSIS OPERATING EXPENDITURE COMPONENT OF FINANCIAL STATEMENT

The entity incurred R29 mil in expenditure for the year ended 30 June 2021, however it must be noted that forty-five percent (45%)R13 mil of the expenditure consists of non-cash items, which in essence means the real total expenditure is R16 mil

9.3 ASSET AND LIABILITY MANAGEMENT COMPONENT OF FINANCIAL STATEMENT

The assets of the entity worth R301Mil in total both Non-current assets and Current assets combined, whilst the liabilities of the entity are R27 Million, included in the assets is work in progress of R196 Mil which upon completion of Ladanna extension 2 will then be transferred to Property, plant and equipment.

9.4 LIABILITY MANAGEMENT

The entity is without long term liabilities which is a good sign for the gearing of the entity, the entity only has current liabilities which are dominated by monies owed to contractors at Ladanna extension 2 which amounts to R21 mil out (this liability is guaranteed by Grants to be paid off) of R27mil total of Total current liability, this is a good sign for the entity as it Shows that the entity will be able to pay off its debt and remain a going concern.

9.5 COMPLIANCE COMPONENT OF FINANCIAL STATEMENT

The financial statements of the entity comply with Standards of Generally Recognised Accounting Practice.

9.6 CASH FLOW MANAGEMENT

The entity is managing its cash flow stringently so as to be able to meet its day to day obligation, this is against the collection rate is on the lower side, however they are measures in place that the entity will be implementing in 2022 to enhance the collection rate among others being the eviction of non-paying tenants

9.7 BORROWING AND INVESTMENTS

The entity is not having any investments nor borrowings, the financial statements are attached for ease of reference.

Notice

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Document enquiries can be directed to Polokwane Housing Association:

No. 35 Landros Mare Street, Polokwane, 0700, **SOUTH AFRICA**

Attention : John Maimela

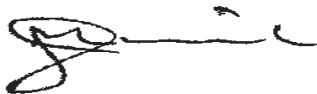
: Chief Executive Officer

Telephone : (015) 295 5402

Fax : (015) 295 6259

Approval

The signatories hereof, being duly authorized thereto, by their signatures hereto authorize the execution of the work detailed herein, or confirm their acceptance of the contents thereof and authorize the implementation/adoption thereof, as the case may be, for and on behalf of the parties represented by them.



Shimi Maimela

Chief Executive Officer:

ANNEXURES

Annexure A: 2020-2021 Annual Financial Statement

Annexure B: 2020-2021 Audit Report

Report of the auditor-general to the Limpopo provincial legislature on Polokwane Housing Association

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Polokwane Housing Association set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2021 the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget and actual amounts for the year ended, as well as notes to 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 Polokwane Housing Association as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standard of GRAP), and the requirements of the Municipal Finance Management Act, 2003 (Act no. 56 of 2003) (MFMA), and the Companies Act, 2008 (Act no. 71 of 2008).
3. I am independent of the entity 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.
4. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

6. As disclosed in note 36 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 municipal entity for the year ended 30 June 2020.

Material impairment

7. As disclosed in note 22 to the financial statements, material losses to the amount of R8 358 822 were incurred as a result of provision for impairment of trade debtors.

Responsibilities for the financial statements

8. The board of directors, which constitutes the accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP, the MFMA, and the Companies Act 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.
9. In preparing the financial statements, the accounting officer is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

10. 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.
11. 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

12. 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 objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity'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 Municipal entity 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.

14. 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 objectives presented in the Municipal entity's annual performance report for the year 30 June 2021:

Objectives	Pages in the annual performance report
KPA 1– Basic service delivery	x-x

15. 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.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:
- KPA 1 – Basic services delivery

Other matters

Achievement of planned targets

17. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

18. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the Municipal entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
19. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements, performance and annual reports

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

Material misstatements of non-current assets and revenue 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.

Expenditure management

21. Reasonable steps were not taken to prevent irregular expenditure, as required by section 95 (d) of the MFMA. Irregular expenditure amounting to R1 892 798, was incurred during the financial year.

Procurement and contract management

22. Contracts were extended or modified without the approval of a properly delegated official, in contravention of supply chain management regulation 5.

Consequence management

23. Irregular expenditure incurred by the entity was not investigated to determine if any person is liable for the expenditure, as required by municipal budget and reporting regulations 75(1).
24. Fruitless and wasteful expenditure incurred by the entity was not investigated to determine if any person is liable for the expenditure, as required by the municipal budget and reporting regulations 75(1).

Other information

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

28. I considered internal control relevant to my audit of the statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the unqualified opinion, the findings on compliance with legislation included in this report:
29. The accounting officer did not exercise adequate oversight responsibility regarding financial reporting, compliance as well as related internal controls. As a result, the financial statements had a number of material misstatements that were identified by auditors. Furthermore, the entity had material non-compliance with the legislation.

Auditor General

Polokwane

30 November 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the Municipal entity'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 Municipal entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board which constitutes 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 Polokwane Housing Association 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 Municipal entity 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.



NATURALLY PROGRESSIVE

Polokwane Municipality
Audited Consolidated Annual Financial Statements
for the year ended 30 June 2021

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

General Information

Legal form of entity	Municipality established in terms of Section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with Section 155 of the Constitution of the Republic of South Africa (Act 108 of 1996)
Executive Mayor	TP Nkadimeng
Mayoral committee	MJ Ralefatane - Speaker of Council Mk Teffo - Chief Whip RC Molepo - MMC Finance and LED NW Kganyago - MMC Water and Sanitation MF Kubjana - MMC Roads and Stormwater H Shaikh - MMC Spatial Planning and Development LR Setati - MMC Admin and Governance T Nkwe - MMC Housing MJ Maja - MMC Sports, Arts, Culture & Special Focus MB Malebana - MMC Energy SJ Malope - MMC Waste & Environment ML Mothata - MMC Community Services
Councillors	AR Baloyi AH Botha TDR Chidi C Coetzee ME Choshi SE Clarke SJ Dikgale FA Haas PJ Hiine TE Hopane FJ Joubert MJ Kaka N Khan MW Laka MV Ledwaba NJ Lekgodu Z Lekgodu LF Lephalala RF Lourens MG Mabote NE Machaba MF Maenetja ME Makamela TP Makgopja JF Makwela M Makwela ME Malatji ME Maleka RR Malema CM Mamabolo HS Manaka PE Manamela

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

General Information

HM Mankga
TR Manyaka
HF Marx
AM Masekela
TS Mashau
MC Mashiane
MV Mathye
MT Matonzi
ML Mehlahe
MA Moakamedi
KW Modiba
MT Modiba
MS Modiba
TF Moeti
TJ Mogale
DM Mohlabeng
MF Mohlasedi
RP Mohlaona
TSP Mojapelo
FJ Molepo
MB Molohe
PE Moshoeu
MS Mothapo
ME Mothapo
JE Mothapo
LS Mothata
MJ Mothiba
KJ Mphekgwana
TG Phaka
MR Phala
MS Phosoko
M Pretorius
MM Ramakgoakgoa
MF Ramaphakela
MO Ramaphoko
PA Rapetswa
TR Raphela
MW Sathekge
MR Sekgobela
MC Sesera
RV Shadung
KB Shibambu
NA Shivhabu
KM Skosana
KG Tsheola
MM Tsiri
K Vallabh

Grading of local authority

Grade 10

Accounting Officer

N.R Selepe

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

General Information

Chief Finance Officer (CFO)

Naazim Essa CA(SA)

Auditors

Auditor General of South Africa
Registered Auditors

Attorneys

Pule Incorporated
Mogaswa Attorneys
AM Carrim Attorneys
Maboku Mangena Attorneys
Kgatla Incorporated
Matabane Incorporated
Noko Maimela Incorporated
Rachoene Attorneys
Mohale Incorporated
Maboku Mangena Attorneys
Popela Maake Incorporated

Level of assurance

These draft annual financial statements have been audited in compliance with the applicable requirements of the Municipal Finance Management Act 56 of 2003.

Members of the Audit and Performance Audit Committee

MW Mokwela
MF Kekana
JM Mabuza
MP Ramutsheli

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Index

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

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Statement of Financial Position	6
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Cash Flow Statement	9
Statement of Comparison of Budget and Actual Amounts	10 - 11
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Reportable Segments	124

DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
MMC	Member of the Mayoral Committee
MSA	Municipal Systems Act
PHA	Polokwane Housing Association

Accounting Officer's Responsibilities and Approval

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

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

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

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

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited consolidated 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 group's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, he is satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

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

The external auditors are responsible for independently reviewing and reporting on the group's audited consolidated annual financial statements. The audited consolidated annual financial statements have been examined by the group's external auditors and their report is presented on page 6.

I would like to bring to your attention the following material matters to your attention:

I certify that the salaries, allowances and benefits of councillors as disclosed in Note 33 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The audited consolidated annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2021 and were signed on its behalf by:

RN Selepe
Acting Accounting Officer

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

		Group		Company	
		2021	2020	2021	2020
			Restated*		Restated*
	Note(s)				
Assets					
Current Assets					
Cash and cash equivalents	3	303 000 977	422 066 814	301 154 777	420 294 249
Receivables from exchange transactions	4	439 200 426	434 635 579	439 200 426	434 635 579
Other receivables from exchange transactions	5	20 166 089	20 662 210	19 353 656	19 755 402
Receivables from non-exchange transactions	6	174 904 371	175 947 097	169 825 549	175 949 160
Inventories	7	169 478 150	156 495 361	169 478 150	156 495 361
VAT receivable	8	45 026 798	61 284 236	45 026 798	61 284 236
Prepayments		-	25 246 315	-	25 246 315
		1 151 776 811	1 296 337 612	1 144 039 356	1 293 660 302
Non-Current Assets					
Investment property	10	715 040 632	687 388 096	715 040 632	687 388 096
Property, plant and equipment	11	16 497 182 834	16 490 671 922	16 213 774 849	16 311 279 963
Biological assets that form part of an agricultural activity	12	9 028 200	9 028 200	9 028 200	9 028 200
Heritage assets	13	21 899 818	21 899 818	21 899 818	21 899 818
Intangible assets	14	170 360 576	174 901 469	170 318 992	174 851 633
Investments in controlled entities	15	-	-	1 000	1 000
Other receivables from exchange transactions	5	144 352	144 352	144 352	144 352
Living resources	9	4 450 352	4 450 352	4 450 352	4 450 352
		17 418 106 764	17 388 484 209	17 134 658 195	17 209 043 414
Total Assets		18 569 883 575	18 684 821 821	18 278 697 551	18 502 703 716
Liabilities					
Current Liabilities					
Consumer deposits	16	68 565 261	71 199 462	68 565 261	71 199 462
Payables from exchange transactions	17	972 029 483	998 054 242	955 754 416	989 308 699
Other financial liabilities	18	20 076 910	50 541 553	20 076 910	50 541 553
Unspent conditional grants and receipts	19	80 099 687	147 917 307	80 091 377	147 917 307
Finance lease obligation	20	9 663 454	5 171 543	9 663 454	5 171 543
Provisions - non current	21	16 380 792	169 322 152	15 024 333	168 154 159
		1 166 815 587	1 442 206 259	1 149 175 751	1 432 292 723
Non-Current Liabilities					
Other financial liabilities	18	395 364 727	415 509 507	395 364 727	415 509 507
Finance lease obligation	20	21 873 970	20 268 260	21 873 970	20 268 260
Provisions - non current	21	210 510 394	181 845 912	210 510 394	181 845 912
Employee benefit obligation	22	204 408 000	197 335 000	204 408 000	197 335 000
		832 157 091	814 958 679	832 157 091	814 958 679
Total Liabilities		1 998 972 678	2 257 164 938	1 981 332 842	2 247 251 402
Net Assets		16 570 910 897	16 427 656 883	16 297 364 709	16 255 452 314
Reserves					
Revaluation reserve	23	10 381 031 661	10 383 047 138	10 302 713 865	10 304 729 342
Accumulated surplus		6 189 879 218	6 044 609 745	5 994 650 825	5 950 722 972
Total Net Assets		16 570 910 879	16 427 656 883	16 297 364 690	16 255 452 314

* See Note 52

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

		Group		Company	
		2021	2020 Restated*	2021	2020 Restated*
	Note(s)				
Revenue					
Revenue from exchange transactions					
Service charges	24	1 538 238 094	1 531 240 199	1 538 238 094	1 531 240 199
Rental of facilities and equipment	25	24 238 443	18 663 282	14 887 068	9 045 882
Interest earned on outstanding debtors	26	37 053 432	54 369 048	37 053 432	54 369 048
Agency services	27	22 604 494	23 152 861	20 640 122	21 214 389
Licences and permits	28	6 199 132	5 467 702	6 199 132	5 467 702
Other income	29	18 577 538	15 984 467	18 577 538	15 984 467
Interest received - investment	30	12 333 424	18 824 505	12 333 424	18 822 773
Total revenue from exchange transactions		1 659 244 557	1 667 702 064	1 647 928 810	1 656 144 460
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	31	472 481 861	462 439 368	472 481 861	462 439 368
Interest earned on outstanding debtors	26	29 082 660	33 529 000	29 082 660	33 529 000
Transfer revenue					
Government grants & subsidies	32	2 199 338 624	2 366 710 703	2 146 189 200	2 317 883 489
Public contributions and donations	33	5 634 278	2 125 841	5 634 278	2 125 841
Fines, Penalties and Forfeits	34	38 938 653	31 584 439	38 938 653	31 584 439
Total revenue from non-exchange transactions		2 745 476 076	2 896 389 351	2 692 326 652	2 847 562 137
Total revenue		4 404 720 633	4 564 091 415	4 340 255 462	4 503 706 597
Expenditure					
Employee related costs	35	(974 758 885)	(932 222 387)	(964 703 765)	(922 982 022)
Remuneration of councillors	36	(38 692 456)	(38 521 740)	(38 692 456)	(38 521 740)
Depreciation and amortisation	37	(953 235 210)	(716 798 021)	(948 091 275)	(711 651 908)
Finance costs	38	(61 910 286)	(69 673 253)	(61 910 286)	(69 673 253)
Lease rentals on operating lease	39	-	(43 998)	-	-
Debt impairment	40	(191 562 360)	(168 560 444)	(183 203 538)	(159 919 458)
Bulk purchases	41	(956 189 335)	(920 913 470)	(956 189 335)	(920 913 470)
Contracted services	42	(808 646 940)	(762 089 245)	(808 992 098)	(760 604 750)
Transfers and subsidies	43	(480 000)	(2 962 000)	(66 558 354)	(27 207 619)
Inventory consumed	44	(69 666 469)	(47 063 860)	(69 666 469)	(47 063 860)
General Expenses	45	(232 207 440)	(213 056 497)	(226 226 280)	(208 396 982)
Total expenditure		(4 287 349 381)	(3 871 904 915)	(4 324 233 856)	(3 866 935 062)
Operating surplus		117 371 252	692 186 500	16 021 606	636 771 535
(Loss)/gain on disposal of assets and liabilities	46	545 382	(1 435 850)	553 408	(1 432 906)
Fair value adjustments	47	27 373 697	18 436 762	27 373 697	18 436 762
Impairment loss	48	-	(696 417)	-	(696 417)
Inventories losses/write-downs	49	(20 865)	-	(20 865)	-
		27 898 214	16 304 495	27 906 240	16 307 439
Surplus for the year		145 269 466	708 490 995	43 927 846	653 078 974

* See Note 52

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

	Revaluation reserve	Accumulated surplus	Total net assets
Group			
Opening balance as previously reported	7 502 855 131	5 391 487 683	12 894 342 814
Adjustments			
Correction of errors	-	(55 368 933)	(55 368 933)
Balance at 01 July 2019 as restated*	7 502 855 131	5 336 118 750	12 838 973 881
Changes in net assets			
Revaluation of property, plant and equipment	2 883 057 016	-	2 883 057 016
Disposal of assets	(2 865 009)	-	(2 865 009)
Net income (losses) recognised directly in net assets	2 880 192 007	-	2 880 192 007
Surplus for the year	-	708 490 995	708 490 995
Total recognised income and expenses for the year	2 880 192 007	708 490 995	3 588 683 002
Total changes	2 880 192 007	708 490 995	3 588 683 002
Restated* Balance at 01 July 2020	10 383 047 138	6 044 609 752	16 427 656 890
Changes in net assets			
Revaluation of property, plant and equipment	(2 015 477)	-	(2 015 477)
Net income (losses) recognised directly in net assets	(2 015 477)	-	(2 015 477)
Surplus for the year	-	145 269 466	145 269 466
Total recognised income and expenses for the year	(2 015 477)	145 269 466	143 253 989
Total changes	(2 015 477)	145 269 466	143 253 989
Balance at 30 June 2021	10 381 031 661	6 189 879 218	16 570 910 879
Note(s)	23		
Company			
Opening balance as previously reported	7 424 537 335	5 352 907 477	12 777 444 812
Adjustments			
Correction of errors	-	(55 263 479)	(55 263 479)
Balance at 01 July 2019 as restated*	7 424 537 335	5 297 643 998	12 722 181 333
Changes in net assets			
Revaluation of property, plant and equipment	2 883 057 016	-	2 883 057 016
Disposal of assets	(2 865 009)	-	(2 865 009)
Net income (losses) recognised directly in net assets	2 880 192 007	-	2 880 192 007
Surplus for the year	-	653 078 974	653 078 974
Total recognised income and expenses for the year	2 880 192 007	653 078 974	3 533 270 981
Total changes	2 880 192 007	653 078 974	3 533 270 981
Restated* Balance at 01 July 2020	10 304 729 342	5 950 722 979	16 255 452 321
Changes in net assets			
Revaluation of property, plant and equipment	(2 015 477)	-	(2 015 477)
Net income (losses) recognised directly in net assets	(2 015 477)	-	(2 015 477)
Surplus for the year	-	43 927 846	43 927 846
Total recognised income and expenses for the year	(2 015 477)	43 927 846	41 912 369
Total changes	(2 015 477)	43 927 846	41 912 369
Balance at 30 June 2021	10 302 713 865	5 994 650 825	16 297 364 690
Note(s)	23		

* See Note 52

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

		Group		Company	
		2021	2020 Restated*	2021	2020 Restated*
	Note(s)				
Cash flows from operating activities					
Receipts					
Cash receipts from customers, government and others		4 112 604 247	4 292 145 377	3 989 742 752	4 216 044 935
Interest income		78 469 516	106 720 821	78 469 516	106 720 821
		4 191 073 763	4 398 866 198	4 068 212 268	4 322 765 756
Payments					
Cash paid to suppliers and employees		(3 248 636 185)	(2 764 747 085)	(3 238 769 531)	(2 755 764 603)
Finance costs		(65 671 758)	(95 567 212)	(61 910 286)	(69 673 253)
		(3 314 307 943)	(2 860 314 297)	(3 300 679 817)	(2 825 437 856)
Net cash flows from operating activities	51	876 765 820	1 538 551 901	767 532 451	1 497 327 900
Cash flows from investing activities					
Purchase of property, plant and equipment	11	(826 924 606)	(1 053 309 001)	(826 924 606)	(1 053 260 653)
Purchase of investment property	10	(278 839)	192 486	(278 839)	192 486
Purchase of other intangible assets	14	107 110	(143 374 635)	107 110	(143 374 635)
Purchase of financial assets		-	(3 600 000)	-	(3 600 000)
Proceeds from sale of financial assets		-	57 959 325	-	57 959 325
Purchase of work in progress		(109 159 735)	(61 852 488)	-	-
Net cash flows from investing activities		(936 256 070)	(1 203 984 313)	(827 096 335)	(1 142 083 477)
Cash flows from financing activities					
Repayment of other financial liabilities		(50 609 423)	(56 527 538)	(50 609 423)	(56 527 538)
Finance lease payments		(8 966 166)	(9 682 767)	(8 966 166)	(9 682 767)
Net cash flows from financing activities		(59 575 589)	(66 210 305)	(59 575 589)	(66 210 305)
Net increase/(decrease) in cash and cash equivalents		(119 065 839)	268 357 283	(119 139 473)	289 034 118
Cash and cash equivalents at the beginning of the year		422 066 814	153 709 534	420 294 249	131 260 132
Cash and cash equivalents at the end of the year	3	303 000 975	422 066 817	301 154 776	420 294 250

* See Note 52

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Group						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1 780 034 500	(43 000 000)	1 737 034 500	1 538 238 094	(198 796 406)	N1
Rental of facilities and equipment	32 334 950	(8 325 900)	24 009 050	24 238 443	229 393	N2
Interest received (trading)	97 347 204	-	97 347 204	66 276 011	(31 071 193)	N3
Agency services	29 830 496	(23 550)	29 806 946	22 604 494	(7 202 452)	N4
Licences and permits	16 557 436	(3 786 000)	12 771 436	6 199 132	(6 572 304)	N5
Other income - (rollup)	100 596 017	-	100 596 017	45 118 817	(55 477 200)	N6
Interest received - investment	13 069 489	-	13 069 489	12 333 424	(736 065)	
Total revenue from exchange transactions	2 069 770 092	(55 135 450)	2 014 634 642	1 715 008 415	(299 626 227)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	526 156 799	-	526 156 799	472 481 861	(53 674 938)	N8
Transfer revenue						
Government grants & subsidies	2 117 038 000	54 451 533	2 171 489 533	2 199 338 624	27 849 091	N9
Public contributions and donations	-	-	-	5 634 278	5 634 278	N9
Fines, Penalties and Forfeits	36 673 036	-	36 673 036	38 938 653	2 265 617	N10
Total revenue from non-exchange transactions	2 679 867 835	54 451 533	2 734 319 368	2 716 393 416	(17 925 952)	
Total revenue	4 749 637 927	(683 917)	4 748 954 010	4 431 401 831	(317 552 179)	
Expenditure						
Personnel	(1 001 573 912)	(17 276 865)	(1 018 850 777)	(974 758 885)	44 091 892	N11
Remuneration of councillors	(42 510 996)	-	(42 510 996)	(38 692 456)	3 818 540	N12
Depreciation and amortisation	(260 027 000)	(77 354 525)	(337 381 525)	(953 235 210)	(615 853 685)	N13
Finance costs	(97 987 467)	27 217 832	(70 769 635)	(61 910 286)	8 859 349	N14
Debt Impairment	(258 000 000)	93 330 489	(164 669 511)	(191 562 360)	(26 892 849)	N11
Bulk purchases	(1 051 821 725)	95 565 555	(956 256 170)	(956 189 335)	66 835	N11
Contracted Services	(682 820 582)	(174 871 519)	(857 692 101)	(808 646 940)	49 045 161	N15
Transfers and Subsidies	(500 008)	-	(500 008)	(480 000)	20 008	N11
Inventory consumed	(89 586 798)	(6 631 142)	(96 217 940)	(69 666 469)	26 551 471	N12
General Expenses	(215 891 543)	(18 621 776)	(234 513 319)	(232 207 440)	2 305 879	N11
Total expenditure	(3 700 720 031)	(78 641 951)	(3 779 361 982)	(4 287 349 381)	(507 987 399)	
Surplus before taxation	1 048 917 896	(79 325 868)	969 592 028	144 052 450	(825 539 578)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	1 048 917 896	(79 325 868)	969 592 028	144 052 450	(825 539 578)	

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Company						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1 780 034 500	(43 000 000)	1 737 034 500	1 538 238 094	(198 796 406)	N1
Rental of facilities and equipment	21 361 950	(7 000 000)	14 361 950	14 887 068	525 118	N2
Interest received (trading)	97 347 204	-	97 347 204	66 276 011	(31 071 193)	N3
Agency services	27 798 496	-	27 798 496	20 640 122	(7 158 374)	N4
Licences and permits	16 557 436	(3 786 000)	12 771 436	6 199 132	(6 572 304)	N5
Other income - (rollup)	100 596 017	-	100 596 017	45 126 843	(55 469 174)	N6
Interest received - investment	13 069 489	-	13 069 489	12 333 424	(736 065)	N7
Total revenue from exchange transactions	2 056 765 092	(53 786 000)	2 002 979 092	1 703 700 694	(299 278 398)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	526 156 799	-	526 156 799	472 481 861	(53 674 938)	N8
Transfer revenue						
Government grants & subsidies	2 062 983 000	165 806 533	2 228 789 533	2 146 189 200	(82 600 333)	N9
Public contributions and donations	-	-	-	5 634 278	5 634 278	N9
Fines, Penalties and Forfeits	36 673 036	-	36 673 036	38 938 653	2 265 617	N10
Total revenue from non-exchange transactions	2 625 812 835	165 806 533	2 791 619 368	2 663 243 992	(128 375 376)	
Total revenue	4 682 577 927	112 020 533	4 794 598 460	4 366 944 686	(427 653 774)	
Expenditure						
Employee Related Costs	(990 053 021)	(17 960 756)	(1 008 013 777)	(964 703 765)	43 310 012	N11
Remuneration of councillors	(42 510 996)	-	(42 510 996)	(38 692 456)	3 818 540	N12
Depreciation and amortisation	(255 000 000)	(77 354 525)	(332 354 525)	(948 091 275)	(615 736 750)	N13
Finance costs	(97 987 467)	27 217 832	(70 769 635)	(61 910 286)	8 859 349	N14
Bad debts written off	(250 000 000)	93 330 489	(156 669 511)	(183 203 538)	(26 534 027)	N11
Bulk purchases	(1 051 821 725)	95 565 555	(956 256 170)	(956 189 235)	66 935	N11
Contracted Services	(682 020 582)	(174 871 519)	(856 892 101)	(808 992 098)	47 900 003	N15
Transfers and Subsidies	(11 500 008)	(57 300 000)	(68 800 008)	(66 558 354)	2 241 654	N11
Inventory Consumed	(89 586 798)	(6 631 142)	(96 217 940)	(69 666 469)	26 551 471	N12
General Expenses	(208 986 543)	(19 261 775)	(228 248 318)	(226 226 280)	2 022 038	N11
Total expenditure	(3 679 467 140)	(137 265 841)	(3 816 732 981)	(4 324 233 756)	(507 500 775)	
Surplus before taxation	1 003 110 787	(25 245 308)	977 865 479	42 710 930	(935 154 549)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	1 003 110 787	(25 245 308)	977 865 479	42 710 930	(935 154 549)	

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

	Group	Company
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1. Presentation of Audited Consolidated Annual Financial Statements

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

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Materiality

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

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

1.4 Transfer of functions between entities not under common control

Definitions

An acquiree is the entity and/or the functions that the acquirer obtains control of in a transfer of functions.

An acquirer is the entity that obtains control of the acquiree or transferor.

Acquisition date is the date on which the acquirer obtains control of the acquiree.

Contingent consideration is usually, an obligation of the acquirer to transfer additional assets or a residual interest to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met. However, contingent consideration also may give the acquirer the right to the return of previously transferred consideration if specified conditions are met.

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

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 function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential.

Accounting Policies

1.4 Transfer of functions between entities not under common control (continued)

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A merger is the establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified.

Non-controlling interest is the interest in the net assets of a controlled entity not attributable, directly or indirectly, to a company.

Owners (for the purposes of this Standard), is used broadly to include holders of residual interests.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

The acquisition method

The group accounts for each transfer of functions between entities not under common control by applying the acquisition method.

Applying the acquisition method requires:

- (a) identifying the acquirer;
- (b) determining the acquisition date;
- (c) recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
- (d) recognising the difference between (c) and the consideration transferred to the seller.

Identifying the acquirer

For each transfer of functions between entities not under common control, one of the combining entities is identified as the acquirer.

The terms and conditions of a transfer of functions undertaken between entities not under common control are set out in a binding arrangement.

Determining the acquirer includes a consideration of, amongst other things, which of the combining entities initiated the transaction or event, the relative size of the combining entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event is accounted for in terms of the Standard of GRAP on Mergers.

Determining the acquisition date

The acquirer identifies the acquisition date, which is the date on which it obtains control of the acquiree.

All relevant facts and circumstances are considered in identifying the transfer date.

Recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree

Recognition principle

Accounting Policies

1.4 Transfer of functions between entities not under common control (continued)

As of the acquisition date, the municipality as acquirer recognises, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree.

Recognition conditions:

To qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the acquisition date.

In addition, to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must be part of what the municipality as acquirer and the acquiree (or its former owners) agreed in the binding arrangement rather than the result of separate transactions.

Operating leases:

The municipality as acquirer recognises no assets or liabilities related to an operating lease in which the acquiree is the lessee.

The municipality as acquirer determines whether the terms of each operating lease in which the acquiree is the lessee are favourable or unfavourable. The municipality as acquirer recognises an intangible asset if the terms of an operating lease are favourable relative to market terms and a liability if the terms are unfavourable relative to market terms.

An identifiable intangible asset may be associated with an operating lease, which may be evidenced by market participants' willingness to pay a price for the lease even if it is at market terms.

Intangible assets:

The municipality as acquirer separately recognises the identifiable intangible assets acquired in a transfer of functions. An intangible asset is identifiable if it meets either the separability criterion or the contractual-legal right criterion.

Classifying or designating identifiable assets acquired and liabilities assumed in a transfer of functions:

At the acquisition date, the municipality as acquirer classifies or designates the identifiable assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequent to the acquisition date. The municipality as acquirer makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, its operating or accounting policies and other relevant conditions as they exist at the acquisition date.

Measurement principle

The municipality as acquirer measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

Non-controlling interest in an acquiree:

For each transfer of functions, the municipality as acquirer measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either:

- fair value; or
- the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Assets with uncertain cash flows (valuation allowances):

The municipality as acquirer does not recognise a separate valuation allowance as of the acquisition date for assets acquired in a transfer of functions that are measured at their acquisition-date fair values because the effects of uncertainty about future cash flows are included in the fair value measure.

Assets subject to operating leases in which the acquiree is the lessor:

In measuring the acquisition-date fair value of an asset such as a building or a patent that is subject to an operating lease in which the acquiree is the lessor, the municipality as acquirer takes into account the terms of the lease.

Accounting Policies

1.4 Transfer of functions between entities not under common control (continued)

Exceptions to the recognition principles

Contingent liabilities:

The requirements in the Standard of GRAP on Provisions - non current, Contingent assets and Contingent liabilities do not apply in determining which contingent liabilities to recognise as of the acquisition date. Instead, the municipality as acquirer recognises as of the acquisition date a contingent liability assumed in a transfer of functions if it is a present obligation that arises from past events and its fair value can be measured reliably.

Exceptions to both the recognition and measurement principles

Employee benefits:

The municipality as acquirer recognises and measures a liability (or asset, if any) related to the acquiree's employee benefit arrangements in accordance with the Standard of GRAP on Employee Benefits.

Indemnification assets:

The seller in a transfer of functions may contractually indemnify the municipality as acquirer for the outcome of a contingency or uncertainty related to all or part of a specific asset or liability. The municipality as acquirer recognises an indemnification asset at the same time that it recognises the indemnified item measured on the same basis as the indemnified item, subject to the need for a valuation allowance for uncollectible amounts. Therefore, if the indemnification relates to an asset or a liability that is recognised at the acquisition date and measured at its acquisition-date fair value, the municipality as acquirer recognises the indemnification asset at the acquisition date measured at its acquisition-date fair value. For an indemnification asset measured at fair value, the effects of uncertainty about future cash flows because of collectability considerations are included in the fair value measure and a separate valuation allowance is not necessary.

Exceptions to the measurement principle

Reacquired rights:

The municipality as acquirer measures the value of a reacquired right recognised as an intangible asset on the basis of the remaining contractual term of the related contract or other binding arrangement regardless of whether market participants would consider potential renewals of the contract or other binding arrangement in determining its fair value.

Assets held for sale:

The municipality as acquirer measures an acquired non-current asset (or disposal group) that is classified as held for sale at the acquisition date in accordance with the Standard of GRAP on Non-current assets held for sale and Discontinued operations at fair value less costs to sell.

Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred (if any)

The municipality as acquirer recognises the difference between the assets acquired and liabilities assumed and the consideration transferred (if any) as of the acquisition date in surplus or deficit. This difference is measured as the excess of (a) over (b) below:

(a) the aggregate of:

(i) the consideration transferred (if any) measured in accordance with this Standard, which generally requires acquisition-date fair value;

(ii) the amount of any non-controlling interest in the acquiree measured in accordance with this Standard; and

(iii) in a transfer of functions achieved in stages, the acquisition-date fair value of the entity as acquirer's previously held equity interest in the acquiree.

(b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this Standard.

Subsequent measurement and accounting

Accounting Policies

1.4 Transfer of functions between entities not under common control (continued)

In general, an municipality as acquirer subsequently measure and account for assets acquired, liabilities assumed or incurred and the residual interest issued in a transfer of functions in accordance with other applicable Standards of GRAP for those items, depending on their nature.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the audited consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited consolidated annual financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

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

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

Allowance for slow moving, damaged and obsolete stock

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

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

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

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The group has identified all its capital assets excluding Investment Property, as non-cash generating assets as it is the municipality's view that the primary objective of these assets are to provide a service and not to generate a commercial return. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors together with economic factors..

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 21 - Provisions.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Inventories

Unsold properties are taken at fair value on the date when the intention to dispose land has arisen to the inventory from investment property on initial recognition.

Water inventory is measured on average cost basis per kilolitre.

Post-retirement benefits

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

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 22.

Effective interest rate

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

Allowance for doubtful debts

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

Useful lives of assets

The municipality's management determines the estimated useful lives and related depreciation charges. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Residual value

The estimated value of an asset at the end of its useful life, or the value that remains at the end of the analysis period where the asset useful life exceed the analysis period. The residual value is considered as a benefit (cash inflow) in the final year of the analysis period.

Revenue-estimation meter readings

Where meter readings are not available meter readings are estimated as follows:

- i) where the readings are not available other than as a result of a meter fault, estimations are done by using the consumption of the reading of the same period of the preceding year, or an average of any consecutive two months.
- ii) where Council or the owner are of the opinion that the meter is faulty, such a meter must be replaced and sent for testing. The results of the testing of a meter will determine the correction of the account as prescribed in the respective year's Tariff of Charges Policy.

Accounting Policies

1.6 Biological assets that form part of an agricultural activity

The entity recognises biological assets that form part of an agricultural activity or agricultural produce when, and only when:

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

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.

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

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

An unconditional government grant related to biological assets that form part of an agricultural activity measured at its fair value less costs to sell is recognised as income when the government grant becomes receivable.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on biological assets that form part of an agricultural activity where fair value cannot be determined, to write down the cost, less residual value, by equal instalments over their useful lives as follows:

1.7 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 group, 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.

The cost of self-constructed investment property is the cost at date of completion.

Transfers are made to and or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Accounting Policies

1.7 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value. This entails determining the fair value of the investment property on a regular basis. To the extent that the fair value model is applied investment property is not depreciated.

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.

Derecognition

An investment property is derecognised when there is a disposal or no future economic benefits or service potential are to be derived from the property. All gains or losses, which result from the derecognition, are recognised in the Statement of Financial Performance.

1.8 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 group; 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, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

Accounting Policies

1.8 Property, plant and equipment (continued)

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.

Land and Infrastructure assets are carried at fair value less accumulated depreciation and accumulated impairments.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Land is not depreciated and is deemed to have indefinite useful life.

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

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

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

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset. If a revaluation is necessary, all assets of that class are revalued.

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

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

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

Item	Depreciation method	Average useful life
Land	Straight line	Infinite
Office equipment	Straight line	3 - 10 years
IT equipment	Straight line	3 - 7 years
Infrastructure	Straight line	3 - 100 years
Community	Straight line	5 - 100 years
Other property, plant and equipment	Straight line	2 - 15 years

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

Accounting Policies

1.8 Property, plant and equipment (continued)

The group assesses at each reporting date whether there is any indication that the group 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 group 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.

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.

Assets which the group holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

In assessing whether there is any indication that the expected useful life of an asset has changed, an entity considers the following indications

- The composition of an asset has changed during the reporting period, that is, the significant components of the asset changed.

1.9 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 group 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.

Intangible assets are initially recognised at cost

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

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 group; and
- the cost or fair value of the asset can be measured reliably.

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.

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

Accounting Policies

1.9 Intangible assets (continued)

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
Computer software, internally generated	Straight line	3 - 5 years
Computer software, other	Straight line	3 - 5 years

Amortisation begins when the asset is available for use.

Intangible assets are derecognised:

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

1.10 Heritage assets

Assets are resources controlled by an group as a result of past events and from which future economic benefits or service potential are expected to flow to the group.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an group's operations that is shown as a single item for the purpose of disclosure in the audited consolidated annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

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.

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.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an group is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Accounting Policies

1.10 Heritage assets (continued)

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

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

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

Recognition

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

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

Derecognition

The group 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).

1.11 Investments in controlled entities

In the municipality's separate draft annual financial statements, investments in investments in controlled entities are carried at cost.

Investments in controlled entities that are accounted for in accordance with the accounting policy on Financial instruments in the consolidated draft annual financial statements, are accounted for in the same way in the controlling entity's separate draft annual financial statements.

1.12 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.

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

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Accounting Policies

1.12 Financial instruments (continued)

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

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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

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 in 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.

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

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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

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

Accounting Policies

1.12 Financial instruments (continued)

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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

Receivables
Cash and bank
Investments

Category

Financial asset measured at amortised cost
Financial asset measured at cost
Financial asset measured at fair value

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

Borrowings
Payables

Category

Financial liability measured at amortised cost
Financial liability measured at cost

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Accounting Policies

1.12 Financial instruments (continued)

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Accounting Policies

1.12 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

Fair value measurement considerations

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

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

Accounting Policies

1.12 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the municipality recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Accounting Policies

1.12 Financial instruments (continued)

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.13 Consumer Deposits

The municipality recognises consumer deposits as a current liability when the municipality becomes a party to the contract i.e. when the deposit is made. The consumer deposit is recognised as a liability as the municipality has an obligation to pay the money back to the consumer once the consumer account is closed. As the timing of when a consumer will close their account is unknown, the consumer deposits are classified as a current liability.

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

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

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

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

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

1.14 Leases

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

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

Finance leases - 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 .

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.

Accounting Policies

1.14 Leases (continued)

Operating leases - lessor

The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. The liability is not discounted.

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

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

Operating leases - lessee

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

1.15 Inventories

Initial measurement:

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.

Subsequent measurement:

Land and water inventory:

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

Consumables:

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 group 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.

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.

1.16 Impairment of cash-generating assets

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

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

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

Accounting Policies

1.16 Impairment of cash-generating assets (continued)

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

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

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

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

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

Useful life is either:

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

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the statement of financial performance in the period the impairment is recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the statement of financial performance.

Designation

At initial recognition, the group designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an group's objective of using the asset.

The group designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the group expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the group designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

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

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

Accounting Policies

1.16 Impairment of cash-generating assets (continued)

Cash-generating units

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

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

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

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

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

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

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

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

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

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

Reversal of impairment loss

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

Redesignation

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

1.17 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with the policies adopted by a profit-oriented entity. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

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

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

Accounting Policies

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

Useful life is either:

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

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss which is recognised as an expense in the Statement of Financial Performance in the period the impairment is recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment had been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

Designation

At initial recognition, the group designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an group's objective of using the asset.

The group designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The group designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the group expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the group designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

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

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

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

Accounting Policies

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

Value in use

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

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

Depreciated replacement cost approach

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

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

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Accounting Policies

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

Reversal of an impairment loss

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

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

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

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

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

Redesignation

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

1.18 Employee benefits

Employee benefits are all forms of consideration given by an entity 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 entity'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 entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Accounting Policies

1.18 Employee benefits (continued)

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Post-employment benefits

Post-employment 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.

Accounting Policies

1.18 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

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

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

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

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Accounting Policies

1.18 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Accounting Policies

1.18 Employee benefits (continued)

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

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

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

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

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

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

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

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Accounting Policies

1.18 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.19 Provisions and contingencies

Provisions are recognised when:

- the group 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 group settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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

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

Provisions are not recognised for future operating surplus (deficit).

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.

Accounting Policies

1.19 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 an 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 group

No obligation arises as a consequence of the sale or transfer of an operation until the group 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 55.

- 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.

1.20 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.21 Revenue from exchange transactions

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

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

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

Measurement

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

Accounting Policies

1.21 Revenue from exchange transactions (continued)

Sale of goods

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

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

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the group;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by a variety of methods. Depending on the nature of the transaction, the methods may include:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest, royalties and dividends

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

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

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

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.22 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.

Accounting Policies

1.22 Revenue from non-exchange transactions (continued)

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 arises 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.

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

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

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

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

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

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

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

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

Measurement

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

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Accounting Policies

1.22 Revenue from non-exchange transactions (continued)

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

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

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

Fines

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

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

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

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in-kind

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

1.23 Unspent Conditional Grants

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

1.24 Investment income

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

1.25 Borrowing costs

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

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits or service potential to the group, and the costs can be measured reliably. The group applies this consistently to all borrowing costs that are directly attributable to the acquisition, construction, or production of all qualifying assets of the group. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the group on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

Accounting Policies

1.25 Borrowing costs (continued)

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets and Inventories as per accounting policy number 1.17, 1.15 and 1.16. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation is suspended during extended periods in which active development is suspended.

Extended periods are periods that exceed X months.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the group completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the group ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.26 Comparative figures

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

1.27 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.

1.28 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.

1.29 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

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.

Accounting Policies

1.29 Irregular expenditure (continued)

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.

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

1.30 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.31 revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.32 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- 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.

Accounting Policies

1.32 Segment information (continued)

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.

1.33 Budget information

Group 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 group shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 2010/04/01 to 2011/03/31.

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

The audited consolidated 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.

1.34 Related parties

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

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

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

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

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

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

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

Accounting Policies

1.34 Related parties (continued)

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.

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

1.35 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 group will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The group 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.

1.36 Statutory receivables

Identification

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

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

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

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

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The group recognises statutory receivables as follows:

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

Initial measurement

The group initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Accounting Policies

1.36 Statutory receivables (continued)

- amounts derecognised.

Accrued interest

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

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

Impairment losses

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

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

- Significant financial difficulty of the debtor, which may be evidenced by customers being hand over to debt collectors.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).

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

Derecognition

The group derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;

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

1.37 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an group after deducting all of its liabilities.

1.38 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

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

Accounting Policies

1.38 Accounting by principals and agents (continued)

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

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

Binding arrangement

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

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

Assessing which entity benefits from the transactions with third parties

When the group in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the group concludes that it is not the agent, then it is the principal in the transactions.

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

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

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

Recognition

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

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

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

1.39 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Accounting Policies

1.40 Internal reserves

1.41 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.42 Living and non-living resources

Living resources are those resources that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Agricultural activity is the management by an group of the biological transformation and harvest of biological assets for:

- (a) sale;
- (b) distribution at no charge or for a nominal charge; or
- (c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

A bearer plant is a living plant that:

- (a) is used in the production or supply of agricultural produce;
- (b) is expected to bear produce for more than one period; and
- (c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Biological transformation (for purposes of this Standard) comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or development and, where applicable, the amount attributed to the asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

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.

Group of resources means a grouping of living or non-living resources of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the audited consolidated annual financial statements.

The residual value of an asset is the estimated amount that an group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Useful life is the period over which an asset is expected to be available for use by an group, or the number of production or similar units expected to be obtained from the asset by an group.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group	Company
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IGRAP 20: Accounting for Adjustments to revenue	01 April 2020	The impact of the standard is not material.
• GRAP 34: Separate Financial Statements	01 April 2020	The impact of the standard is not material.
• IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue	01 April 2020	The impact of the standard is not material.
• Directive 7 (revised): The Application of Deemed Cost	01 April 2020	The impact of the standard is not material.
• GRAP 18 (as amended 2016): Segment Reporting	01 April 2020	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• Guideline: Guideline on Accounting for Landfill sites	01 April 2020	

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	15 213	15 213	15 153	15 153
Bank balances	301 340 873	420 440 124	301 139 624	420 279 096
Short-term deposits	1 644 474	1 611 365	-	-
Other cash and cash equivalents	417	112	-	-
	303 000 977	422 066 814	301 154 777	420 294 249

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

3. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
Standard Bank - Business current account - 030172349	298 801 209	438 137 581	118 889 404	300 593 492	419 745 656	59 976 086
Standard Bank - Business current account (DBSA) - 80472818	-	-	656 753	-	-	656 753
Standard Bank - Business current account (Grant account) - 251753846	-	-	478 828	-	-	478 828
Standard Bank - Business current account (Housing account) - 330535269	546 132	534 013	508 262	546 132	534 013	508 262
FNB BANK - Annerdale Ext 2 - 62808280490	7 099	808	20 557 398	7 099	808	20 557 398
FNB BANK - Polokwane Ext 76 - 62808279352	456	126	100	456	126	100
FNB BANK - 32 day notice - 74372485836	1 644 474	1 611 365	1 660 771	1 644 474	1 611 365	1 660 771
FNB BANK - Refundable deposit - 62118359191	417	112	89	417	112	89
FNB BANK - Operational - 62078322105	193 693	160 094	230 985	193 693	160 094	230 985
Total	301 193 480	440 444 099	142 982 590	302 985 763	422 052 174	84 069 272

4. Receivables from exchange

Gross balances

Electricity	263 294 740	242 029 690	263 294 740	242 029 690
Water	388 489 259	381 559 558	388 489 259	381 559 558
Waste water	108 529 554	91 566 231	108 529 554	91 566 231
Refuse	134 205 105	115 981 499	134 205 105	115 981 499
Other sundry receivables	228 576 288	185 157 303	228 576 288	185 157 303
Housing rental	2 419 301	1 308 801	2 419 301	1 308 801
Housing selling schemes	292 972	289 174	292 972	289 174
	1 125 807 219	1 017 892 256	1 125 807 219	1 017 892 256

Less: Allowance for impairment

Provision for bad debts & RD cheques	(686 606 793)	(583 256 677)	(686 606 793)	(583 256 677)
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Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
4. Receivables from exchange (continued)				
Net balance				
Provision for bad debts & RD cheques	(686 606 793)	(583 256 677)	(686 606 793)	(583 256 677)
Electricity	263 294 740	242 029 690	263 294 740	242 029 690
Water	388 489 259	381 559 558	388 489 259	381 559 558
Waste water	108 529 554	91 566 231	108 529 554	91 566 231
Refuse	134 205 105	115 981 499	134 205 105	115 981 499
Other sundry receivables	228 576 288	185 157 303	228 576 288	185 157 303
Housing rental	2 419 301	1 308 801	2 419 301	1 308 801
Housing selling schemes	292 972	289 174	292 972	289 174
	439 200 426	434 635 579	439 200 426	434 635 579
Allowance for impairment & RD cheques				
Provision for bad debts	(688 056 534)	(584 706 418)	(688 056 534)	(584 706 418)
RD cheques	1 449 741	1 449 741	1 449 741	1 449 741
	(686 606 793)	(583 256 677)	(686 606 793)	(583 256 677)
Electricity				
Current (0 -30 days)	93 253 234	73 342 993	93 253 234	73 342 993
31 - 60 days	13 680 872	14 802 438	13 680 872	14 802 438
61 - 90 days	7 034 417	11 652 043	7 034 417	11 652 043
91 - 120 days	6 087 413	8 730 041	6 087 413	8 730 041
121 - 365 days	143 238 804	133 502 175	143 238 804	133 502 175
	263 294 740	242 029 690	263 294 740	242 029 690
Water				
Current (0 -30 days)	101 798 737	93 461 137	101 798 737	93 461 137
31 - 60 days	10 827 286	14 561 070	10 827 286	14 561 070
61 - 90 days	8 637 713	10 163 544	8 637 713	10 163 544
91 - 120 days	6 924 334	15 485 484	6 924 334	15 485 484
121 - 365 days	260 301 189	247 888 323	260 301 189	247 888 323
	388 489 259	381 559 558	388 489 259	381 559 558
Waste water				
Current (0 -30 days)	36 709 056	13 953 444	36 709 056	13 953 444
31 - 60 days	4 558 435	5 653 473	4 558 435	5 653 473
61 - 90 days	3 264 082	4 164 085	3 264 082	4 164 085
91 - 120 days	2 838 392	3 583 832	2 838 392	3 583 832
121 - 365 days	61 159 589	64 211 397	61 159 589	64 211 397
	108 529 554	91 566 231	108 529 554	91 566 231
Refuse				
Current (0 -30 days)	35 628 249	20 744 791	35 628 249	20 744 791
31 - 60 days	5 169 903	6 531 058	5 169 903	6 531 058
61 - 90 days	3 881 220	5 250 507	3 881 220	5 250 507
91 - 120 days	3 375 390	4 731 077	3 375 390	4 731 077
121 - 365 days	86 150 343	78 724 066	86 150 343	78 724 066
	134 205 105	115 981 499	134 205 105	115 981 499

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
4. Receivables from exchange (continued)				
Other sundry debtors				
Current (0 -30 days)	4 905 161	(30 492 130)	4 905 161	(30 492 130)
31 - 60 days	7 321 743	2 972 417	7 321 743	2 972 417
61 - 90 days	6 700 521	2 554 624	6 700 521	2 554 624
91 - 120 days	4 275 612	6 506 294	4 275 612	6 506 294
121 - 365 days	205 373 251	203 616 098	205 373 251	203 616 098
	228 576 288	185 157 303	228 576 288	185 157 303
Housing rental				
Current (0 -30 days)	100 516	86 176	100 516	86 176
31 - 60 days	93 070	86 176	93 070	86 176
61 - 90 days	93 070	86 176	93 070	86 176
91 - 120 days	93 070	86 176	93 070	86 176
121 - 365 days	2 039 575	964 097	2 039 575	964 097
	2 419 301	1 308 801	2 419 301	1 308 801
Housing selling scheme				
Current (0 -30 days)	1 391	3 137	1 391	3 137
31 - 60 days	1 392	3 037	1 392	3 037
61 - 90 days	2 381	2 814	2 381	2 814
91 - 120 days	2 230	2 481	2 230	2 481
121 - 365 days	285 578	277 705	285 578	277 705
	292 972	289 174	292 972	289 174
Reconciliation of allowance for impairment				
Balance at beginning of the year	(584 706 419)	(529 305 445)	(584 706 419)	(529 305 445)
RD cheques opening balance	1 449 742	1 865 591	1 449 742	1 865 591
RD cheques recognised during the year	-	(415 849)	-	(415 849)
Contributions to provision for consumer debtors	(103 350 116)	(55 400 974)	(103 350 116)	(55 400 974)
	(686 606 793)	(583 256 677)	(686 606 793)	(583 256 677)
Consumer debtors pledged as security				
No consumer debtors are pledged as security.				
5. Other receivables from exchange transactions				
Trade debtors	12 107	207 721	-	-
Deposits - Eskom	800 724	800 724	800 724	800 724
Baroka Football Club	759 166	759 166	759 166	759 166
Rental smoothing receivable	1 031 190	2 447 972	1 031 190	2 447 972
Current portion of housing selling scheme loans	3 891	3 891	3 891	3 891
Housing selling scheme loans	144 352	144 352	144 352	144 352
Prepaid expenses	10 293 063	9 900 530	10 293 063	9 900 530
Over and under banking	-	5 129	-	5 129
Leelyn Management Parking	1 562 511	443 855	1 562 511	443 855
Staff loans	23 109	23 109	-	-
Standard bank - Interest receivable	740 220	1 231 244	740 220	1 231 244
Unclaimed receipts	777 217	675 978	-	-
Sundry debtors - auctioneer	3 185 393	3 185 393	3 185 393	3 185 393
Debtor suspense account	977 498	977 498	977 498	977 498
	20 310 441	20 806 562	19 498 008	19 899 754

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
5. Other receivables from exchange transactions (continued)				
Non-current assets	144 352	144 352	144 352	144 352
Current assets	20 166 089	20 662 210	19 353 656	19 755 402
	20 310 441	20 806 562	19 498 008	19 899 754
6. Receivables from non-exchange transactions				
Fines	48 634 141	53 821 931	48 634 141	53 821 931
Government grants and subsidies	5 182 305	-	-	-
SARS: PAYE	(103 483)	(2 063)	-	-
CDM	-	322 848	-	322 848
Consumer debtors - Rates	121 191 408	121 804 381	121 191 408	121 804 381
	174 904 371	175 947 097	169 825 549	175 949 160
Receivables from non-exchange transactions pledged as security				
No non-exchange transactions are pledged as security.				
Reconciliation of provision for impairment of traffic fines receivable				
Opening balance	44 928 067	37 762 666	44 928 067	37 762 666
Provision for impairment	33 028 494	7 165 401	33 028 494	7 165 401
	77 956 561	44 928 067	77 956 561	44 928 067
Reconciliation of traffic fines receivable net amount				
Traffic fines receivable: Gross amount	126 590 702	98 749 999	126 590 702	98 749 999
Less: Provision for impairment	(77 956 561)	(44 928 067)	(77 956 561)	(44 928 067)
	48 634 141	53 821 932	48 634 141	53 821 932
Consumer debtors - rates				
Age analysis				
Current (0-30 days)	4 030 296	42 731 080	4 030 296	42 731 080
31 - 60 days	19 056 691	23 395 865	19 056 691	23 395 865
61 - 90 days	13 350 827	19 728 628	13 350 827	19 728 628
91 - 120 days	12 218 113	16 955 463	12 218 113	16 955 463
>120 days	72 535 481	18 993 346	72 535 481	18 993 346
	121 191 408	121 804 382	121 191 408	121 804 382
Reconciliation of consumer debtors - rates net amount				
Consumer debtors - rates gross amount	402 228 584	384 498 570	402 228 584	384 498 570
	(281 037 176)	(262 694 188)	(281 037 176)	(262 694 188)
	121 191 408	121 804 382	121 191 408	121 804 382

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

6. Receivables from non-exchange transactions (continued)

Reconciliation of provision for impairment of consumer debtor - rates

Opening balance	262 694 188	240 065 621	262 694 188	240 065 621
Contributions to provision for consumer debtors - rates	18 342 988	22 628 567	18 342 988	22 628 567
	281 037 176	262 694 188	281 037 176	262 694 188

7. Inventories

Water for distribution	255 683	312 112	255 683	312 112
Consumable stores - at cost	162 574 107	149 534 889	162 574 107	149 534 889
Land inventory	6 648 360	6 648 360	6 648 360	6 648 360
	169 478 150	156 495 361	169 478 150	156 495 361

Inventory pledged as security

None of the inventories are pledged as security.

Water for distribution

Opening balance		312 112	497 354	312 112	497 354
Purchases		163 957 435	164 283 635	163 957 435	164 283 635
Issued		(120 552 992)	(127 815 300)	(120 552 992)	(127 815 300)
Water losses	41	(43 460 872)	(36 653 577)	(43 460 872)	(36 653 577)
Closing balance		255 683	312 112	255 683	312 112

8. VAT receivable

VAT receivable	45 026 798	61 284 236	45 026 798	61 284 236
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The VAT payable should be netted off against the VAT receivable resulting in a net amount of R45 026 798 receivable from SARS. For the breakdown of the balance, please refer to the table below:

VAT claimable (not due - accrued)	114 967 696	97 658 773	114 967 696	97 658 773
VAT payable (output - accrued)	(91 993 101)	(90 420 435)	(91 993 101)	(90 420 435)
Net VAT refundable by SARS	22 052 203	54 009 689	22 052 203	54 009 689
	45 026 798	61 248 027	45 026 798	61 248 027

9. Living resources

Group	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Game	4 450 352	-	4 450 352	4 732 398	(282 046)	4 450 352

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

9. Living resources (continued)

Company	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Game	4 450 352	-	4 450 352	4 732 398	(282 046)	4 450 352

Reconciliation of living resources - Group - 2021

	Opening balance	Total
Game	4 450 352	4 450 352

Reconciliation of living resources - Group - 2020

	Opening balance	Impairment loss	Total
Game	4 732 398	(282 046)	4 450 352

Reconciliation of living resources - Company - 2021

	Opening balance	Total
Game	4 450 352	4 450 352

Reconciliation of living resources - Company - 2020

	Opening balance	Impairment loss	Total
Game	4 732 398	(282 046)	4 450 352

The municipality has 837 animals which are management and protected in terms of the National Environmental Management Act as well as the Protected Area Act.

Living resources borrowed from other entities

There are no living resources which are borrowed from or loaned to other entities.

Title restrictions

There are no living resources whose title is restricted.

Restrictions on use or capacity to sell

There are no restrictions with regards to the municipality's ability to sell the animals. Animals are traded during hunting season when the carrying capacity of the game reserve is exceeded, while protecting endangered species.

There is no contractual commitment for acquisition, development or disposal of living and non living resources.

There was no compensation for impairment, losses and resources given up for the financial year.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

9. Living resources (continued)

Revaluations

Game

Living resources are revalued every three financial years, with the latest revaluation done in the 2019-20 financial year. The municipality has not previously experienced any challenges relating to measurement of the fair value of living resources.

The impact of adopting the Standard of GRAP 110 for living and non living resources is immaterial. The impact of the change is the amount reflected in the note above.

10. Investment property

Group	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	715 040 632	-	715 040 632	687 388 096	-	687 388 096

Company	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	715 040 632	-	715 040 632	687 388 096	-	687 388 096

Reconciliation of investment property - Group - 2021

	Opening balance	Additions	Fair value adjustments	Total
Investment property	687 388 096	278 839	27 373 697	715 040 632

Reconciliation of investment property - Group - 2020

	Opening balance	Disposals	Fair value adjustments	Total
Investment property	665 391 971	(192 487)	22 188 612	687 388 096

Reconciliation of investment property - Company - 2021

	Opening balance	Additions	Fair value adjustments	Total
Investment property	687 388 096	278 839	27 373 697	715 040 632

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

10. Investment property (continued)

Reconciliation of investment property - Company - 2020

	Opening balance	Disposals	Fair value adjustments	Total
Investment property	665 391 971	(192 487)	22 188 612	687 388 096

Pledged as security

No investment property assets are pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The values were determined by an external profession valuer registered in terms of the Property Valuers Act No 47 of 2000, Registration number 4761. The value of investment property comprising of land and building was determined by using a combination of valuation approaches. Each of these approaches assessed the relevance of each specific property based on their nature, use and comparable market transactions. The preferred valuation methodology applied to vacant land was that of comparable market related sales based on use, location and extent. In cases where no reasonable comparable sales were available the discounted cash flow methodology was used based on market related rentals for similar properties. Investment properties were fair valued by Gail Adams, a registered professional associated valuer (SA), registration number: 4761.

There are no restrictions on investment properties.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	14 887 068	9 045 883	14 887 068	9 045 883
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Property interests

There are no property interests held under operating leases.

Operating expenses

The municipality does not incur any operating expenses (including repairs and maintenance) on investment properties.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

11. Property, plant and equipment

Group	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	255 802 434	-	255 802 434	255 802 434	-	255 802 434
Buildings	127 366 512	(69 280 558)	58 085 954	127 366 512	(64 185 898)	63 180 614
Infrastructure	29 574 510 145	(16 134 252 861)	13 440 257 284	28 846 966 617	(15 374 262 140)	13 472 704 477
Community	4 850 217 580	(2 423 802 458)	2 426 415 122	4 721 313 796	(2 280 361 284)	2 440 952 512
Movable assets and other	457 423 285	(170 670 311)	286 752 974	402 442 737	(168 325 505)	234 117 232
Leased assets	49 396 404	(19 527 338)	29 869 066	43 704 145	(19 789 492)	23 914 653
Total	35 314 716 360	(18 817 533 526)	16 497 182 834	34 397 596 241	(17 906 924 319)	16 490 671 922

Company	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	227 402 434	-	227 402 434	227 402 434	-	227 402 434
Infrastructure	29 377 753 748	(16 134 252 861)	13 243 500 887	28 759 369 955	(15 374 262 140)	13 385 107 815
Community	4 850 217 580	(2 423 802 458)	2 426 415 122	4 721 313 796	(2 280 361 284)	2 440 952 512
Movable assets and other	456 665 036	(170 077 696)	286 587 340	401 626 597	(167 724 048)	233 902 549
Leased assets	49 225 370	(19 356 304)	29 869 066	43 533 111	(19 618 458)	23 914 653
Total	34 961 264 168	(18 747 489 319)	16 213 774 849	34 153 245 893	(17 841 965 930)	16 311 279 963

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance	Additions	Disposals	Derecognition loss	Depreciation	Impairment loss	Total
Land	255 802 434	-	-	-	-	-	255 802 434
Buildings	63 180 614	-	-	-	(5 094 660)	-	58 085 954
Infrastructure	13 472 704 477	732 950 076	(644 122)	-	(764 797 411)	44 264	13 440 257 284
Community	2 440 952 512	129 311 161	(407 378)	-	(143 441 173)	-	2 426 415 122
Movable assets and other	234 117 232	84 226 722	(310 197)	(6 852)	(31 273 931)	-	286 752 974
Leased assets	23 914 653	15 063 788	(744 221)	-	(8 365 154)	-	29 869 066
	16 490 671 922	961 551 747	(2 105 918)	(6 852)	(952 972 329)	44 264	16 497 182 834

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2020

	Opening balance	Additions	Disposals	Transfers received	Revaluations	Derecognition loss	Depreciation	Impairment loss	Impairment reversal
Land	230 659 920	-	-	-	25 142 514	-	-	-	-
Buildings	68 275 275	-	-	-	-	-	(5 094 661)	-	-
Infrastructure	10 578 828 744	1 051 289 456	(4 098 981)	-	2 261 161 563	-	(413 739 519)	(1 964 025)	1 227 239
Community	2 049 695 433	41 906 804	(6 892)	-	443 725 962	-	(94 409 164)	(622 722)	663 091
Movable assets and other	256 490 929	11 689 660	-	1 082 841	-	(2 944)	(35 143 254)	-	-
Leased assets	33 402 975	529 940	(260 851)	-	-	-	(9 757 411)	-	-
	13 217 353 276	1 105 415 860	(4 366 724)	1 082 841	2 730 030 039	(2 944)	(558 144 009)	(2 586 747)	1 890 330

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2021

	Opening balance	Additions	Disposals	Depreciation	Impairment reversal	Total
Land	227 402 434	-	-	-	-	227 402 434
Infrastructure	13 385 107 815	623 790 341	(644 122)	(764 797 411)	44 264	13 243 500 887
Community	2 440 952 512	129 311 161	(407 378)	(143 441 173)	-	2 426 415 122
Movable assets and other	233 902 549	84 226 722	(310 197)	(31 231 734)	-	286 587 340
Leased assets	23 914 653	15 063 788	(744 221)	(8 365 154)	-	29 869 066
	16 311 279 963	852 392 012	(2 105 918)	(947 835 472)	44 264	16 213 774 849

Reconciliation of property, plant and equipment - Company - 2020

	Opening balance	Additions	Disposals	Transfers received	Revaluations	Depreciation	Impairment loss	Impairment reversal	Total
Land	202 259 920	-	-	-	25 142 514	-	-	-	227 402 434
Infrastructure	10 553 084 570	989 436 968	(4 098 981)	-	2 261 161 563	(413 739 519)	(1 964 025)	1 227 239	13 385 107 815
Community	2 049 695 433	41 906 804	(6 892)	-	443 725 962	(94 409 164)	(622 722)	663 091	2 440 952 512
Movable assets and other	256 278 675	11 641 312	-	1 082 841	-	(35 100 279)	-	-	233 902 549
Leased assets	33 402 975	529 940	(260 851)	-	-	(9 757 411)	-	-	23 914 653
	13 094 721 573	1 043 515 024	(4 366 724)	1 082 841	2 730 030 039	(553 006 373)	(2 586 747)	1 890 330	16 311 279 963

Pledged as security

No assets have been pledged as security.

The contractual commitment for the acquisition of property, plant and equipment is as follows:

Infrastructure: R878 462 097 (2020: R1 181 357 717)

Community assets: R0 (2020: R25 314 198)

Borrowing costs capitalised

There are no borrowing costs that have been capitalised to the property, plant and equipment.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

11. Property, plant and equipment (continued)

Assets subject to finance lease (Net carrying amount)

Leased assets	29 869 066	23 914 653	29 869 066	23 914 653
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Revaluations

The effective date of the revaluations was Tuesday, 30 June 2020. Revaluations were performed by MMB Consulting. MMB Consulting and its directors are not connected to the group. (The valuations are performed by Mr Zack van der Merwe [National Diploma Real Estate - Unisa (Property Valuation) RSA 2005].

Land and infrastructure are re-valued independently every three years.

The valuation for Public Service Infrastructure were valued through a calculated nominal value.

The valuation for land is based on the market rate per square metre, taking into account the extent of the property.

All assumptions were based on current market conditions at the time of the valuation.

Other information

Carrying value of delayed projects

Projects terminated due to poor performance by contractors	216 947 871	153 366 582	216 947 871	153 366 582
Delay in servitude negotiation and payment agreements	2 407 018	2 407 018	2 407 018	2 407 018
Delay in electrification of feeder boreholes	-	30 201 730	-	30 201 730
	219 354 889	185 975 330	219 354 889	185 975 330

The carrying value of halted projects for the current year is Rnil. (2020: 78 893 115).

An impairment loss of Rnil (2020: Rnil) has been recognised on the above capital project. Condition assessment were performed for consideration of impairment in all the delayed projects. Reduction in budget due to Covid 19 did not have any impact relating to the WIP and delayed or halted projects.

Reconciliation of Work-in-Progress Group - 2021

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	2 289 424 000	306 377 549	7 388 963	2 603 190 512
Additions/capital expenditure	716 002 476	129 311 161	25 246 315	870 559 952
Transferred to completed items	(213 723 216)	(22 432 241)	-	(236 155 457)
	2 791 703 260	413 256 469	32 635 278	3 237 595 007

Reconciliation of Work-in-Progress Group - 2020

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	1 668 295 046	291 876 659	1 411 146	1 961 582 851
Additions/capital expenditure	1 032 143 954	41 906 806	5 977 817	1 080 028 577
Transferred to completed items	(170 784 653)	(13 720 577)	-	(184 505 230)
Correction of WIP	(240 230 348)	(13 685 340)	-	(253 915 688)
	2 289 423 999	306 377 548	7 388 963	2 603 190 510

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

11. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress Company - 2021

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	2 201 827 338	306 377 549	7 388 963	2 515 593 850
Additions/capital expenditure	606 842 741	129 311 161	25 246 315	761 400 217
Transferred to completed items	(213 723 216)	(22 432 241)	-	(236 155 457)
	2 594 946 863	413 256 469	32 635 278	3 040 838 610

Reconciliation of Work-in-Progress Company - 2020

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	1 642 550 872	291 876 659	1 411 146	1 935 838 677
Additions/capital expenditure	970 291 466	41 906 806	5 977 817	1 018 176 089
Transferred to completed items	(170 784 653)	(13 720 577)	-	(184 505 230)
Correction of WIP	(240 230 348)	(13 685 340)	-	(253 915 688)
	2 201 827 337	306 377 548	7 388 963	2 515 593 848

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

Contracted services	269 893 742	253 525 297	269 893 742	253 525 297
Employee costs	209 717 966	64 337 185	209 717 966	64 337 185
Inventory consumed	38 918 928	35 810 988	38 918 928	35 810 988
Operational cost	7 509 124	13 289 870	7 509 124	13 289 870
	526 039 760	366 963 340	526 039 760	366 963 340

Verification of assets

During the year, assets with a carrying value of R 945 706.57 could not be verified and as a result they have been left in the asset register pending investigation report. The assets were part of the infrastructure and Community assets. Action shall be taken once the asset management unit receives a full report on the respective components.

Change in estimated remaining useful lives

Property, plant and equipment

Depreciable assets - During the year, the useful life of property, plant and equipment had been re-estimated at the beginning of the current period to reflect the actual pattern of service potential derived from the assets.

The effect on the current and future periods will be a decrease in the depreciation charge of R77 531 486 in the current period and an equal increase in the depreciation charge of R77 531 486 over the remaining period/s.

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.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

12. Biological assets that form part of an agricultural activity

Group	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Timber trees	9 028 200	-	9 028 200	9 028 200	-	9 028 200

Company	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Biological assets 1 - Bearer	9 028 200	-	9 028 200	9 028 200	-	9 028 200

Reconciliation of biological assets that form part of an agricultural activity - Group - 2021

	Opening balance	Total
Timber trees	9 028 200	9 028 200

Reconciliation of biological assets that form part of an agricultural activity - Group - 2020

	Opening balance	Total
Timber trees	9 028 200	9 028 200

Reconciliation of biological assets that form part of an agricultural activity - Company - 2021

	Opening balance	Total
Timber trees	9 028 200	9 028 200

Reconciliation of biological assets that form part of an agricultural activity - Company - 2020

	Opening balance	Total
Timber trees	9 028 200	9 028 200

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

		Group		Company	
		2021	2020	2021	2020

12. Biological assets that form part of an agricultural activity (continued)

Non-financial information

All biological assets relate to timber.

All biological assets held by the municipality are bearer biological assets. These assets are used for more than one financial year.

The Municipality does not have consumable biological assets.

The Municipality does not have any biological held for sale or held for distribution at no charge or for nominal value.

The municipality holds biological assets at the Kroomdraai farm which are held for more than one financial year.

The fair value of the timber is determined with reference to recent market prices for the biological assets in the market.

There are no biological assets whose title is restricted and the municipality does not have restrictions regarding the sale of the biological assets.

There is no commitment for the development or acquisition of biological assets.

There are no financial management risks related to agricultural activity in the municipality.

The biological assets are matured and have reached harvest stage.

There was no harvest of biological assets during the financial year.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

13. Heritage assets

Group	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art works	17 897 171	-	17 897 171	17 897 171	-	17 897 171
Heritage sites	144 000	-	144 000	144 000	-	144 000
Memorials and statues	3 858 647	-	3 858 647	3 858 647	-	3 858 647
Total	21 899 818	-	21 899 818	21 899 818	-	21 899 818

Company	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art works	17 897 171	-	17 897 171	17 897 171	-	17 897 171
Heritage sites	144 000	-	144 000	144 000	-	144 000
Memorials and statues	3 858 647	-	3 858 647	3 858 647	-	3 858 647
Total	21 899 818	-	21 899 818	21 899 818	-	21 899 818

Reconciliation of heritage assets Group - 2021

	Opening balance	Total
Art works	17 897 171	17 897 171
Heritage sites	144 000	144 000
Memorials and statues	3 858 647	3 858 647
	21 899 818	21 899 818

Reconciliation of heritage assets Group - 2020

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

13. Heritage assets (continued)

	Opening balance	Total
Art works	17 897 171	17 897 171
Heritage sites	144 000	144 000
Memorials and statues	3 858 647	3 858 647
	21 899 818	21 899 818

Reconciliation of heritage assets Company - 2021

	Opening balance	Impairment losses recognised	Total
Art works	17 897 171	-	17 897 171
Heritage sites	144 000	-	144 000
Memorials and statues	3 858 647	-	3 858 647
	21 899 818	-	21 899 818

Reconciliation of heritage assets Company - 2020

	Opening balance	Impairment losses recognised	Total
Art works	17 897 171	-	17 897 171
Heritage sites	144 000	-	144 000
Memorials and statues	3 858 647	-	3 858 647
	21 899 818	-	21 899 818

Age and/or condition of heritage assets

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

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

13. Heritage assets (continued)

Heritage assets borrowed from other entities

No heritage assets are borrowed from other entities.

Heritage assets on loan to other entities

No heritage assets are loaned to other entities.

Restrictions on heritage assets

There are no restrictions on any class of heritage assets owned by the municipality.

Pledged as security

No heritage assets are pledged as security.

Contractual commitments for the acquisition, maintenance and restoration of heritage assets

No amount included in the commitments amount as reflected in Note 50 relate to heritage assets.

Compensation from third parties

No compensation from third parties were received as no items of heritage assets were impaired, lost or given up.

Heritage assets used for more than one purpose

The assets are only used for heritage use and no other purpose.

Fair value of heritage assets (measured at cost less accumulated impairment losses)

As the fair values are not materially different from the cost of the heritage assets together with the fact that there is no fluctuation in the carrying values of both years, the fair values are not separately disclosed.

Heritage assets which fair values cannot be reliably measured

The municipality has one heritage asset for which the fair value could not be determined due to the asset not being traced.

Expenditure incurred to repair and maintain heritage assets

There were no expenditure incurred relating to repairs and maintenance of heritage assets during the year.

Heritage assets under construction

There are no heritage assets currently under construction.

Held for disposal

There are no heritage assets currently held for disposal.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

14. Intangible assets

Group

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Patents, trademarks and other rights	1 304 768	-	1 304 768	1 304 768	-	1 304 768
Computer software, other	34 660 748	(18 247 940)	16 412 808	36 217 106	(15 263 405)	20 953 701
Operating rights	152 643 000	-	152 643 000	152 643 000	-	152 643 000
Total	188 608 516	(18 247 940)	170 360 576	190 164 874	(15 263 405)	174 901 469

Company

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Patents, trademarks and other rights	1 304 768	-	1 304 768	1 304 768	-	1 304 768
Computer software, other	34 577 072	(18 205 848)	16 371 224	36 071 061	(15 167 196)	20 903 865
Operating rights	152 643 000	-	152 643 000	152 643 000	-	152 643 000
Total	188 524 840	(18 205 848)	170 318 992	190 018 829	(15 167 196)	174 851 633

Reconciliation of intangible assets - Group - 2021

	Opening balance	Disposals	Derecognition loss	Amortisation	Total
Patents, trademarks and other rights	1 304 768	-	-	-	1 304 768
Computer software, other	20 953 701	(107 110)	(1 174)	(4 432 609)	16 412 808
Operating rights	152 643 000	-	-	-	152 643 000
	174 901 469	(107 110)	(1 174)	(4 432 609)	170 360 576

Polokwane Municipality

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Figures in Rand

14. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2020

	Opening balance	Additions	Amortisation	Total
Patents, trademarks and other rights	1 304 768	-	-	1 304 768
Computer software, other	26 587 503	-	(5 633 802)	20 953 701
Operating rights	-	152 643 000	-	152 643 000
	27 892 271	152 643 000	(5 633 802)	174 901 469

Reconciliation of intangible assets - Company - 2021

	Opening balance	Disposals	Amortisation	Total
Patents, trademarks and other rights	1 304 768	-	-	1 304 768
Computer software, other	20 903 865	(107 110)	(4 425 531)	16 371 224
Operating rights	152 643 000	-	-	152 643 000
	174 851 633	(107 110)	(4 425 531)	170 318 992

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

14. Intangible assets (continued)

Reconciliation of intangible assets - Company - 2020

	Opening balance	Additions	Amortisation	Total
Patents, trademarks and other rights	1 304 768	-	-	1 304 768
Computer software, other	26 529 190	-	(5 625 325)	20 903 865
Operating rights	-	152 643 000	-	152 643 000
	27 833 958	152 643 000	(5 625 325)	174 851 633

The 2020 opening balance of R9 211 355 has been reversed fully due to:

- an amount of R1 750 000 that should have been capitalised in the years prior to the 2019-20 financial year, and
- the balance of R7 461 355 that relate to IT operating expenditure of prior years.

There are no intangible assets work in progress that are halted, delayed or taking a significantly long time to be developed in the 2021 financial year.

Reconciliation of Work in progress

Opening balance	-	9 211 355	-	9 211 355
Prior period corrections	-	(9 211 355)	-	(9 211 355)
	-	-	-	-

Pledged as security

No intangible assets are pledged as security.

Restricted title

There are no title restrictions for any of the municipal intangible assets.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

14. Intangible assets (continued)

Other information

Intangible assets with indefinite lives:

Other intangible assets	1 304 768	1 304 768	1 304 768	1 304 768
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Polokwane Municipality has servitudes as part of their intangible assets as contained within their records. These servitudes are assessed as having an indefinite useful life. The reason supporting this assessment is as follows:

The right of way/servitude merely exists because the asset exists and the need of service exists. Therefore, the servitude will continue to exist until such time as the need for the service (addressed through the associated infrastructure asset itself) no longer exists. In fact, the ability to operate and maintain this asset is dependent on the existence of this right, this need is confirmed through the inclusion of section 101 of the Municipal Systems Act which governs municipal rights to access premises.

Impairment

There is no impairment for intangible assets for the 2021 financial year.

Research and development expenditure

There was no expenditure on research and development of intangible assets in the current financial year.

Review of useful life

In the current year, useful lives were reviewed for intangible assets that are nearing the end of their useful lives. The remaining useful lives were allocated based on the users intention to continue with the use of the assets. The impact is immaterial.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

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	Group		Company	
	2021	2020	2021	2020

15. Interests in other entities

Investments in controlled entities

Name	Determination of ownership interest	Economic Entity ownership interest 2021	Economic Entity ownership interest 2020	Controlling Entity ownership interest 2021	Controlling Entity ownership interest 2020	Economic Entity Carrying amount 2021	Economic Entity Carrying amount 2020	Controlling Entity Carrying amount 2021	Controlling Entity Carrying amount 2020
Polokwane Housing Association	Shares	- %	- %	100.00 %	100.00 %	-	-	1 000	1 000
						-	-	1 000	1 000
						-	-	1 000	1 000

16. Consumer deposits

Electricity	47 617 447	50 123 272	47 617 447	50 123 272
Water	10 670 078	11 144 862	10 670 078	11 144 862
Housing rental	10 277 736	9 931 328	10 277 736	9 931 328
	68 565 261	71 199 462	68 565 261	71 199 462

17. Payables from exchange transactions

Trade payables	487 507 312	517 806 579	497 112 353	517 713 275
Payments received in advanced - contract in process	69 089 977	71 620 559	69 022 955	71 579 441
Retention withheld	134 582 668	133 396 663	134 582 668	133 396 663
Accrued leave pay	147 403 765	151 927 624	147 403 765	151 927 624
Accrued expense	1 867 296	557 632	-	-
Deposits received	1 952 363	1 790 374	-	-
Deferred income - prepaid water and electricity	26 247 856	39 980 945	26 247 856	39 980 945
Salary and wage control	(1)	(1)	-	-
Skills development levy	5 957	-	-	-
CoGHSTA unspent grant	(1)	(1)	-	-
Payables relating to work in progress	21 210 255	5 587 139	-	-
Unidentified receipts	59 051 557	56 328 395	58 274 340	55 652 417
Capricorn District Municipality	3 311 152	-	3 311 152	-
Provision for bonus	19 906 425	18 561 746	19 906 425	18 561 746
Other minor payables	(107 098)	496 588	(107 098)	496 588
	972 029 483	998 054 242	955 754 416	989 308 699

Unclaimed receipts is an account from PHA. Tenants from time to time deposit rentals using incorrect reference numbers. This becomes impossible for management to allocate such receipts to a specific rental debtor.

Polokwane Municipality

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	Group		Company	
	2021	2020	2021	2020

18. Long term loans

At amortised cost

Long term loans

415 441 637	466 051 060	415 441 637	466 051 060
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The Municipality had entered into a loan agreement with the Development Bank of Southern Africa in February 2011 to borrow R320 million at a interest rate of 8.875% over 10 years. The last instalment is repayable on 30 June 2021.

The Municipality had entered into a loan agreement with the Development Bank of Southern Africa in February 2011 to borrow R50 million at a interest rate of 11.52% over 10 years. The last instalment is repayable on 30 June 2020.

The Municipality had entered into a loan agreement with the Development Bank of Southern Africa in March 2017 to borrow R235 million at a interest rate of 10.756% over 14.92 years. The last instalment is repayable on 31 January 2032.

The Municipality had entered into a loan agreement with Standard Bank in January 2018 to borrow R205 million at a interest rate of 10.98% over 15years. The last instalment is repayable on 31 January 2032.

As per clause 13.6.1 of the Standard Bank contract which states that if the municipality does not obtain an unqualified audit opinion, the bank has the right to request early payment on demand. However, the municipality has subsequently engaged with the bank and obtained confirmation that the bank does not have an intention to apply the clause as their financial assessment on the municipality is still favourable.

Non-current liabilities

At amortised cost

395 364 727	415 509 507	395 364 727	415 509 507
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Current liabilities

At amortised cost

20 076 910	50 541 553	20 076 910	50 541 553
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Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

19. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Public transport network grant	29 730 676	89 374 288	29 730 676	89 374 288
Neighbourhood Development Partnership Grant	882	22 255 922	882	22 255 922
Local Government - housing accreditation grant	546 282	534 013	546 282	534 013
Limpopo Provincial Government	2 949 710	2 949 710	2 949 710	2 949 710
Capricorn District Municipality	17 589	17 589	17 589	17 589
Energy Efficiency and Demand Side Management Grant	-	653 891	-	653 891
Water Services Infrastructure Grant	6 793 122	8 067 286	6 793 122	8 067 286
Integrated National Electrification Programme	561 112	7 337 771	561 112	7 337 771
Regional Bulk Infrastructure Grant	11 802 110	16 726 837	11 802 110	16 726 837
Integrated Urban Development Grant	27 689 894	-	27 689 894	-
Social Housing Regulatory Authority Grant	8 310	-	-	-
	80 099 687	147 917 307	80 091 377	147 917 307

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

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

Polokwane Municipality

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	Group		Company	
	2021	2020	2021	2020
20. Finance lease obligation				
Minimum lease payments due				
- within one year	14 239 027	9 494 476	14 239 027	9 494 476
- in second to fifth year inclusive	25 338 099	14 048 434	25 338 099	14 048 434
	39 577 126	23 542 910	39 577 126	23 542 910
less: future finance charges	(8 039 703)	(11 278 852)	(8 039 703)	(11 278 852)
Present value of minimum lease payments	31 537 423	12 264 058	31 537 423	12 264 058
Present value of minimum lease payments due				
- within one year	9 663 453	5 171 541	9 663 453	5 171 541
- in second to fifth year inclusive	21 873 970	7 092 517	21 873 970	7 092 517
	31 537 423	12 264 058	31 537 423	12 264 058
Non-current liabilities	21 873 970	20 268 260	21 873 970	20 268 260
Current liabilities	9 663 454	5 171 543	9 663 454	5 171 543
	31 537 424	25 439 803	31 537 424	25 439 803

It is group policy to lease certain motor vehicles, cellphones and photocopiers under finance leases.

The vehicle lease contracts were signed with ABSA over a period of 5 years.

The cellphone lease contracts were signed with Telkom over a period of 2 years.

The photocopier contracts were signed with DIDO over a period of 3 years.

Polokwane Municipality

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	Group		Company	
	2021	2020	2021	2020

21. Provisions - non current

Reconciliation of provisions - non current - Group - 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Reduction due to re-measurement or settlement without cost to entity	Total
Provision for leave	823 888	254 299	-	(92 496)	-	985 691
Provision for rehabilitation of landfill sites	130 249 031	18 484 658	-	-	-	148 733 689
Provision for bonus	344 105	26 663	-	-	-	370 768
Provision for Fleet Africa	8 177 040	-	-	-	-	8 177 040
Provision for ex-gratia benefits	9 791 000	(771 450)	-	-	2 610 450	11 630 000
Provision for Taxi Association Compensation	155 125 000	-	(152 643 002)	-	-	2 481 998
Provision for long service awards	46 658 000	(264 062)	-	-	8 118 062	54 512 000
	351 168 064	17 730 108	(152 643 002)	(92 496)	10 728 512	226 891 186

Reconciliation of provisions - non current - Group - 2020

	Opening Balance	Additions	Reversed during the year	Reduction due to re-measurement or settlement without cost to entity	Total
Provision for leave	596 047	324 233	(96 392)	-	823 888
Provision for rehabilitation of landfill sites	118 135 431	12 113 600	-	-	130 249 031
Provision for bonus	314 062	30 043	-	-	344 105
Provision for Fleet Africa	8 177 041	(1)	-	-	8 177 040
Provision for ex-gratia benefits	10 697 000	1 184 708	-	(2 090 708)	9 791 000
Provision for Taxi Association Compensation	-	155 125 000	-	-	155 125 000
Provision for long service awards	45 452 000	8 018 898	-	(6 812 898)	46 658 000
	183 371 581	176 796 481	(96 392)	(8 903 606)	351 168 064

Reconciliation of provisions - non current - Company - 2021

	Opening Balance	Additions	Utilised during the year	Reduction due to re-measurement or settlement without cost to entity	Total
Provision for rehabilitation of landfill sites	130 249 031	18 484 658	-	-	148 733 689
Provision for Fleet Africa	8 177 040	-	-	-	8 177 040
Provision for ex-gratia benefits	9 791 000	(771 450)	-	2 610 450	11 630 000
Provision for Taxi Association Compensation	155 125 000	-	(152 643 002)	-	2 481 998
Provision for long service awards	46 658 000	(264 062)	-	8 118 062	54 512 000
	350 000 071	17 449 146	(152 643 002)	10 728 512	225 534 727

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	Group		Company	
	2021	2020	2021	2020

21. Provisions - non current (continued)

Reconciliation of provisions - non current - Company - 2020

	Opening Balance	Additions	Reduction due to re-measurement or settlement without cost to entity	Total
Provision for rehabilitation of landfill sites	118 135 431	12 113 600	-	130 249 031
Provision for Fleet Africa	8 177 041	(1)	-	8 177 040
Provision for ex-gratia benefits	10 697 000	1 184 708	(2 090 708)	9 791 000
Provision for Taxi Association Compensation	-	155 125 000	-	155 125 000
Provision for long service awards	45 452 000	8 018 898	(6 812 898)	46 658 000
	182 461 472	176 442 205	(8 903 606)	350 000 071
Non-current liabilities	210 510 394	181 845 912	210 510 394	181 845 912
Current liabilities	16 380 792	169 322 152	15 024 333	168 154 159
	226 891 186	351 168 064	225 534 727	350 000 071

Provision for rehabilitation of landfill sites

The landfill rehabilitation provision is created for the rehabilitation of Weltevreden landfill site which is evaluated at each year-end to reflect the best estimate at reporting date. The valuation for the landfill site was performed by a team from **Environmental and Sustainability Solutions CC** consisting of Mr Seakle Godschalk MSc(Zoology) with the following qualifications: MCom(Accounting), SAIEES, CIGFARO, SACNASP and Maryna Mohr with the following qualifications: DTech (Environmental Management), MBA. The warranty provision represents management's best estimate of the liability under one period warranties granted on (electrical) (products), based on (prior experience) (and) (industry averages for defective products).

Key financial assumptions used in this calculation were as follows:

Weltevreden landfill

CPI - 3,0507%
Discount rate - 6,5507%
Net effective discount rate - 3,5%
Approximate size used until June 2020 - 310,128 square metres
Remaining useful lives - 1 year

The disclosed amount of R130,249,031 represents an increase of R12 113 600 over the provision of R118 135 431 in the previous financial year. This comprises of changes in the CPI, discount rate and unit costs which resulted in the change in the closure provision of R3 023 433. The interest charge relating to the assessment amounts to R9 090 167.

Provision for Fleet Africa

This provision is due to a dispute on the invoices raised by Fleet Africa to the municipality for services rendered. Fleet Africa therefore took the matter to court. The timing of the outflow is uncertain on this matter.

Provision for ex gratia benefits

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
21. Provisions - non current (continued)				
Reconciliation of provision for ex gratia benefits				
Opening balance	(9 791 000)	(10 697 000)	(9 791 000)	(10 697 000)
Current service cost	(829 000)	(963 000)	(829 000)	(963 000)
Interest	(1 226 000)	(1 022 000)	(1 226 000)	(1 022 000)
Benefits paid	771 450	800 292	771 450	800 292
Actuarial gain/(loss)	(555 450)	2 090 708	(555 450)	2 090 708
	(11 630 000)	(9 791 000)	(11 630 000)	(9 791 000)

Provision for long service awards

Reconciliation of provision for long service awards

Opening balance	(46 658 000)	(45 452 000)	(46 658 000)	(45 452 000)
Current service cost	(4 278 000)	(4 377 000)	(4 278 000)	(4 377 000)
Interest cost	(4 122 000)	(3 785 000)	(4 122 000)	(3 785 000)
Benefits paid	264 062	143 102	264 062	143 102
Actuarial gain/(loss)	281 938	6 812 898	281 938	6 812 898
	(54 512 000)	(46 658 000)	(54 512 000)	(46 658 000)

Key assumptions

The basis on which the discount rate has been determined is as follows:

Long service awards: The nominal and real zero curves as at 30 June 2021 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period is used. For example, a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years.

The expected rates of salary increases is equal to CPI+1%. The assumed increase on 1 July 2021 was 6.25%.

The CPI and discount rates are the same as the post employment medical obligation as reflected below.

Ex- gratia: To obtain the applicable discount rate, the implied duration of the liability to obtain an appropriate interest rate on the yield curve is used. The nominal and real zero curves as at 30 June 2021 supplied by the JSE to determine our discounted rates and CPI assumptions is used.

The discount rate used is 12.15%. (Net effective discount rate: 3.85%)

The expected rates of salary increases is equal to CPI+1%.

The consumer price inflation value used is 7.99%

The average retirement age used is 63 years in order to implicitly allow for ill health and early retirements.

Mortality rate used has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

22. Employee benefit obligations

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

Carrying value

Accrued liability at the beginning of the year	(197 335 000)	(193 906 000)	(197 335 000)	(193 906 000)
Current service cost	(8 267 000)	(6 757 000)	(8 267 000)	(6 757 000)
Interest cost	(24 146 000)	(19 141 000)	(24 146 000)	(19 141 000)
Benefits paid	7 304 954	7 595 030	7 304 954	7 595 030
Actuarial gain/(loss)	18 035 046	14 873 970	18 035 046	14 873 970
	(204 408 000)	(197 335 000)	(204 408 000)	(197 335 000)

The municipality operates on 7 accredited medical aid schemes, namely Bonitas, Hosmed, Key-Health, LA Health and Samwumed, Resolution Health, and Government Employees Medical Scheme. Pensioners may continue on the option they belonged to on the day of their retirement.

The last post-employment health care benefits actuarial valuation in terms of GRAP 25 was done by ZAQ Consultants and Actuaries for the period ending 30 June 2019.

Key assumptions used

The basis on which the discount rate has been determined is as follows:

The nominal and real zero curves as at 30 June 2021 supplied by the JSE to determine the discount rates and CPI assumptions at each relevant time period was used. For example, a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years.

The discount rate used is yield curve based.

Medical cost trends: It is assumed that 100% of all active members on medical aid will remain on medical aid once they retire and that all active members will remain on the same medical aid option at retirement. It was assumed that 22.5% of in-service members not currently on a medical aid would join the Key-Health Silver medical aid scheme by retirement. The medical aid contribution inflation value used is equal to the CPI+1%

The consumer price inflation value used is the difference between nominal and yield curves.

The average retirement age used is 63 years in order to implicitly allow for ill health and early retirements.

Mortality rate used has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry.

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	27 213 000	35 817 000	27 213 000	35 817 000

Amounts for the current and previous four years are as follows:

	2021	2020	2019	2018	2017
Defined benefit obligation	204 408 000	197 335 000	193 906 000	163 547 000	160 479 000

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
23. Revaluation reserve				
Opening balance	10 383 047 138	7 502 855 131	10 304 729 342	7 424 537 335
Revaluation for the year	(2 015 477)	2 883 057 016	(2 015 477)	2 883 057 016
Revaluation reserve of asset disposal	-	(2 865 009)	-	(2 865 009)
	10 381 031 661	10 383 047 138	10 302 713 865	10 304 729 342
24. Service charges				
Sale of electricity	1 048 937 898	1 036 368 018	1 048 937 898	1 036 368 018
Sale of water	236 489 780	261 944 017	236 489 780	261 944 017
Solid waste	127 359 836	114 482 565	127 359 836	114 482 565
Sewerage and sanitation charges	125 450 580	118 445 599	125 450 580	118 445 599
	1 538 238 094	1 531 240 199	1 538 238 094	1 531 240 199
25. Rental of facilities and equipment				
Premises				
Rental income - Ga Rena	9 351 375	9 617 400	-	-
Facilities and equipment				
Rental of facilities	14 887 068	9 045 882	14 887 068	9 045 882
	24 238 443	18 663 282	14 887 068	9 045 882
26. Interest earned on outstanding debtors				
Interest - Property rates	29 082 660	33 529 000	29 082 660	33 529 000
Interest earned from exchange transactions	37 053 432	54 369 048	37 053 432	54 369 048
	66 136 092	87 898 048	66 136 092	87 898 048
27. Agency services				
Management Fees	22 604 494	23 152 861	20 640 122	21 214 389
28. Licences and permits (exchange)				
Trading & other	24 627	(4 720)	24 627	(4 720)
Road and Transport	6 174 505	5 472 422	6 174 505	5 472 422
	6 199 132	5 467 702	6 199 132	5 467 702

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
29. Other income				
Administrative handling fees	4 377	665	4 377	665
Burial fees	1 653 299	1 133 614	1 653 299	1 133 614
Sale of erven	469 525	47	469 525	47
Building plan fees	7 849 922	8 766 966	7 849 922	8 766 966
Admission fees	415 571	708 235	415 571	708 235
Tender deposits	109	250	109	250
Municipal information & statistics	382	565	382	565
Insurance claims & related income	2 265 373	1 187 006	2 265 373	1 187 006
Refund seta levy	-	103	-	103
Other minor income	5 918 980	4 187 016	5 918 980	4 187 016
	18 577 538	15 984 467	18 577 538	15 984 467
30. Interest received - Investments				
Interest revenue				
Bank	12 333 424	18 824 505	12 333 424	18 822 773
31. Property rates				
Rates received				
Residential	215 206 382	197 746 584	215 206 382	197 746 584
Farm properties	13 171 877	19 983 856	13 171 877	19 983 856
Industrial properties	51 295 806	46 736 220	51 295 806	46 736 220
Municipal properties	(7 086)	151 335	(7 086)	151 335
Public Benefit Organisations	206 863	(544 325)	206 863	(544 325)
Public Service Infrastructure Properties	329 113	356 527	329 113	356 527
Residential properties	174 221 080	183 276 253	174 221 080	183 276 253
Small holding	7 871	637 565	7 871	637 565
State owned properties	18 049 955	14 095 353	18 049 955	14 095 353
	472 481 861	462 439 368	472 481 861	462 439 368

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

32. Government grants and subsidies

Operating grants

Equitable share	1 181 769 465	922 585 688	1 181 769 465	922 585 688
Finance Management Grant	2 500 000	2 500 000	2 500 000	2 500 000
Integrated National Electrification Programme Grant	28 805 306	15 208 943	28 805 306	15 208 943
Energy Efficiency and Demand Side Management Grant	653 891	7 346 109	653 891	7 346 109
Public Transport Network Grant	98 244 808	222 495 474	98 244 808	222 495 474
Infrastructure Skills Development Grant	6 203 000	5 111 000	6 203 000	5 111 000
Expanded Public Works Programme Incentive Grant	9 527 000	4 201 000	9 527 000	4 201 000
Integrated Urban Development Grant	53 492 815	110 963 142	53 492 815	110 963 142
Municipal Disaster Grant	-	596 000	-	596 000
	1 381 196 285	1 291 007 356	1 381 196 285	1 291 007 356

Capital grants

Municipal Infrastructure Grant	24 700 000	-	24 700 000	-
Public transport network grant	87 988 320	20 563 238	87 988 320	20 563 238
Neighbourhood Development Grant	22 750 119	20 557 078	22 750 119	20 557 078
Regional Bulk Infrastructure Grant	295 843 668	614 271 163	295 843 668	614 271 163
Water Services Infrastructure Grant	51 274 164	88 586 510	51 274 164	88 586 510
Integrated National Electrification Programme	16 971 353	15 571 286	16 971 353	15 571 286
Integrated Urban Development Grant	265 465 291	267 326 858	265 465 291	267 326 858
SHRA subsidies	53 149 424	48 827 214	-	-
	818 142 339	1 075 703 347	764 992 915	1 026 876 133
	2 199 338 624	2 366 710 703	2 146 189 200	2 317 883 489

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	1 017 569 159	1 444 125 015	964 419 735	1 395 297 801
Unconditional grants received	1 181 769 465	922 585 688	1 181 769 465	922 585 688
	2 199 338 624	2 366 710 703	2 146 189 200	2 317 883 489

32.1 Public transport network grant

Balance unspent at beginning of year	89 374 288	55 985 461	89 374 288	55 985 461
Current-year receipts	147 323 000	332 433 000	147 323 000	332 433 000
Conditions met - transferred to revenue	(186 233 128)	(243 058 712)	(186 233 128)	(243 058 712)
Paid back to National Treasury	(20 733 484)	(55 985 461)	(20 733 484)	(55 985 461)
	29 730 676	89 374 288	29 730 676	89 374 288

Conditions still to be met - remain liabilities (see note 19).

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

32. Government grants and subsidies (continued)

32.2 Neighbourhood development partnership grant

Balance unspent at beginning of year	22 255 922	6 415 024	22 255 922	6 415 024
Current-year receipts	22 751 000	42 813 000	22 751 000	42 813 000
Conditions met - transferred to revenue	(22 750 118)	(20 557 078)	(22 750 118)	(20 557 078)
Paid back to National Treasury	(22 255 922)	(6 415 024)	(22 255 922)	(6 415 024)
	882	22 255 922	882	22 255 922

Conditions still to be met - remain liabilities (see note 19).

32.3 Local government - Housing accreditation grant

Balance unspent at beginning of year	534 013	508 262	534 013	508 262
Current-year receipts	12 269	25 751	12 269	25 751
	546 282	534 013	546 282	534 013

Conditions still to be met - remain liabilities (see note 19).

32.4 Municipal infrastructure grant

Balance unspent at beginning of year	-	25 334 371	-	25 334 371
Current-year receipts	24 700 000	-	24 700 000	-
Conditions met - transferred to revenue	(24 700 000)	-	(24 700 000)	-
Paid back to National Treasury	-	(25 334 371)	-	(25 334 371)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 19).

32.5 Limpopo Provincial Government - Dept Local government and housing

Balance unspent at beginning of year	2 949 710	2 949 710	2 949 710	2 949 710
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Conditions still to be met - remain liabilities (see note 19).

32.6 Capricorn District Municipality

Balance unspent at beginning of year	17 589	17 589	17 589	17 589
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Conditions still to be met - remain liabilities (see note 19).

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

32. Government grants and subsidies (continued)

32.7 Energy efficiency and demand side management grant

Balance unspent at beginning of year	653 891	4 191 084	653 891	4 191 084
Current-year receipts	-	8 000 000	-	8 000 000
Conditions met - transferred to revenue	(653 891)	(7 346 109)	(653 891)	(7 346 109)
Paid back to National Treasury	-	(4 191 084)	-	(4 191 084)
	-	653 891	-	653 891

Conditions still to be met - remain liabilities (see note 19).

32.8 Equitable Share

Current-year receipts	1 181 769 465	922 585 688	1 181 769 465	922 585 688
Conditions met - transferred to revenue	(1 181 769 465)	(922 585 688)	(1 181 769 465)	(922 585 688)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 19).

32.9 Finance Management Grant

Current-year receipts	2 500 000	2 500 000	2 500 000	2 500 000
Conditions met - transferred to revenue	(2 500 000)	(2 500 000)	(2 500 000)	(2 500 000)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 19).

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

32.10 Municipal Systems Improvement grant

Balance unspent at beginning of year	-	376 454	-	376 454
Paid back to National Treasury	-	(376 454)	-	(376 454)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 19).

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

32. Government grants and subsidies (continued)

32.11 Water Services Infrastructure Grant

Balance unspent at beginning of year	8 067 286	3 796	8 067 286	3 796
Current-year receipts	50 000 000	96 650 000	50 000 000	96 650 000
Conditions met - transferred to revenue	(51 274 164)	(88 586 510)	(51 274 164)	(88 586 510)
	6 793 122	8 067 286	6 793 122	8 067 286

Conditions still to be met - remain liabilities (see note 19).

32.12 Expanded Public Works Programme Integrated Grant

Current-year receipts	9 527 000	4 201 000	9 527 000	4 201 000
Conditions met - transferred to revenue	(9 527 000)	(4 201 000)	(9 527 000)	(4 201 000)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 19).

32.13 Integrated National Electrification Programme

Balance unspent at beginning of year	7 337 771	21 125 511	7 337 771	21 125 511
Current-year receipts	39 000 000	38 118 000	39 000 000	38 118 000
Conditions met - transferred to revenue	(45 776 659)	(30 780 229)	(45 776 659)	(30 780 229)
Paid back to National Treasury	-	(21 125 511)	-	(21 125 511)
	561 112	7 337 771	561 112	7 337 771

Conditions still to be met - remain liabilities (see note 19).

32.14 Regional Bulk Infrastructure Grant

Balance unspent at beginning of year	16 726 837	333 783	16 726 837	333 783
Current-year receipts	292 133 000	630 998 000	292 133 000	630 998 000
Conditions met - transferred to revenue	(295 843 668)	(614 271 162)	(295 843 668)	(614 271 162)
Paid back to National Treasury	(1 214 059)	(333 784)	(1 214 059)	(333 784)
	11 802 110	16 726 837	11 802 110	16 726 837

Conditions still to be met - remain liabilities (see note 19).

32.15 Integrated Urban Development grant

Current-year receipts	346 648 000	378 290 000	346 648 000	378 290 000
Conditions met - transferred to revenue	(318 958 106)	(378 290 000)	(318 958 106)	(378 290 000)
	27 689 894	-	27 689 894	-

Conditions still to be met - remain liabilities (see note 19).

32.16 Municipal Disaster Grant

Current-year receipts	-	596 000	-	596 000
Conditions met - transferred to revenue	-	(596 000)	-	(596 000)
	-	-	-	-

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

32. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 19).

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

32.17 Infrastructure Skills Development Grant

Current-year receipts	6 203 000	5 111 000	6 203 000	5 111 000
Conditions met - transferred to revenue	(6 203 000)	(5 111 000)	(6 203 000)	(5 111 000)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 19).

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

32.18 Social Housing Regulatory Authority Grant

Current-year receipts	53 157 734	50 238 687	-	-
Conditions met - transferred to revenue	(53 149 424)	(50 238 687)	-	-
	8 310	-	-	-

Conditions still to be met - remain liabilities (see note 19).

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

33. Public contributions and donations

Public contributions and donations	5 634 278	2 125 841	5 634 278	2 125 841
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34. Fines, Penalties and Forfeits

Illegal Connections Fines	8 300 650	1 940 074	8 300 650	1 940 074
Law Enforcement Fines	-	104 346	-	104 346
Overdue Books Fines	-	10 479	-	10 479
Pound Fees Fines	49 153	2 973	49 153	2 973
Municipal Traffic Fines	30 588 850	29 505 597	30 588 850	29 505 597
Retentions Forfeits	-	20 970	-	20 970
	38 938 653	31 584 439	38 938 653	31 584 439

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
35. Employee related costs				
Basic	564 263 112	515 017 861	556 656 543	508 275 384
Bonus	43 355 439	39 876 127	42 984 671	39 532 022
Medical aid - company contributions	40 183 915	36 096 114	39 803 524	35 738 414
UIF	4 208 661	3 859 495	4 162 129	3 817 190
SDL	48 407	57 951	-	-
Leave pay provision charge	21 457 335	57 656 424	21 203 036	57 332 191
Defined contribution plans	104 542 284	96 140 466	103 772 722	95 464 778
Travel, motor car, accommodation, subsistence and other allowances	67 344 057	65 256 851	66 998 975	64 810 896
Overtime payments	92 772 553	95 078 183	92 771 360	95 045 986
Long-service awards	(166 834)	55 957	(166 834)	55 957
Housing benefits and allowances	11 409 326	10 648 115	11 177 844	10 431 158
Interest cost - employee benefit plans	29 494 000	23 948 000	29 494 000	23 948 000
Actuarial gain/losses - employee benefit plans	(17 761 534)	(23 777 576)	(17 761 534)	(23 777 576)
Current cost - employee benefit plans	13 374 000	12 097 000	13 374 000	12 097 000
Bargaining council levy	234 164	211 419	233 329	210 622
	974 758 885	932 222 387	964 703 765	922 982 022

Remuneration of Municipal Manager

The Municipal Manager was appointed in May 2017.

Annual remuneration	1 522 677	1 523 145	1 522 677	1 523 145
Housing allowance	278 507	278 507	278 507	278 507
Motor car allowance	267 898	267 885	267 898	267 885
Council contributions	276 110	275 683	276 110	275 683
	2 345 192	2 345 220	2 345 192	2 345 220

Remuneration of Chief Finance Officer

Annual remuneration	1 121 398	1 121 983	1 121 398	1 121 983
Housing allowance	574 543	130 000	574 543	130 000
Motor car allowance	129 523	49 650	129 523	49 650
Council contributions	50 741	574 543	50 741	574 543
	1 876 205	1 876 176	1 876 205	1 876 176

Director Planning and Economic Development

Annual remuneration	1 218 628	1 216 323	1 218 628	1 216 323
Housing allowance	182 966	225 141	182 966	225 141
Motor car allowance	221 404	251 747	221 404	251 747
Council contributions	253 208	182 966	253 208	182 966
	1 876 206	1 876 177	1 876 206	1 876 177

Director Community Services

Annual remuneration	1 219 514	1 219 515	1 219 514	1 219 515
Housing allowance	170 823	170 823	170 823	170 823
Motor car allowance	281 426	281 426	281 426	281 426
Council contributions	204 440	204 412	204 440	204 412
	1 876 203	1 876 176	1 876 203	1 876 176

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
35. Employee related costs (continued)				
Director Corporate and Shared Services				
Annual remuneration	1 219 514	1 219 514	1 219 514	1 219 514
Housing allowance	317 166	317 166	317 166	317 166
Motor car allowance	281 426	281 426	281 426	281 426
Council contributions	58 098	58 070	58 098	58 070
	1 876 204	1 876 176	1 876 204	1 876 176
Director Strategic Planning, Monitoring and Evaluation				
Annual remuneration	1 219 514	1 219 515	1 219 514	1 219 515
Housing allowance	170 823	170 823	170 823	170 823
Motor car allowance	281 426	281 426	281 426	281 426
Council contributions	204 440	204 412	204 440	204 412
	1 876 203	1 876 176	1 876 203	1 876 176
Director Transportation Services				
Annual remuneration	1 219 514	1 219 515	1 219 514	1 219 515
Housing allowance	170 823	170 823	170 823	170 823
Motor car allowance	281 427	281 427	281 427	281 427
Council contributions	204 440	204 412	204 440	204 412
	1 876 204	1 876 177	1 876 204	1 876 177
Director Energy Services				
Annual remuneration	1 219 514	562 853	1 219 514	562 853
Housing allowance	143 309	74 155	148 309	74 155
Motor car allowance	281 426	140 713	281 426	140 713
Council contributions	226 954	102 206	226 954	102 206
	1 871 203	879 927	1 876 203	879 927
Director Water and Sanitation				
Annual remuneration	1 219 514	656 662	1 219 514	656 662
Housing allowance	230 337	-	230 337	-
Motor car allowance	164 911	98 000	164 911	98 000
Council contributions	261 441	150 689	261 441	150 689
Acting allowance	-	134 383	-	134 383
	1 876 203	1 039 734	1 876 203	1 039 734
36. Remuneration of councillors				
Executive Major	1 091 397	1 091 397	1 091 397	1 091 397
Mayoral Committee Members	6 266 275	7 047 320	6 266 275	7 047 320
Speaker	881 998	881 997	881 998	881 997
Councillors	29 623 139	28 671 379	29 623 139	28 671 379
Chief Whip	829 647	829 647	829 647	829 647
	38 692 456	38 521 740	38 692 456	38 521 740

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	Group		Company	
	2021	2020	2021	2020
37. Depreciation and amortisation				
Property, plant and equipment	953 228 132	716 789 544	948 091 275	711 651 908
Intangible assets	7 078	8 477	-	-
	953 235 210	716 798 021	948 091 275	711 651 908
38. Finance costs				
Non-current borrowings	61 910 286	69 673 253	61 910 286	69 673 253
39. Lease rentals on operating lease				
Equipment				
Contractual amounts	-	43 998	-	-
40. Debt impairment				
Debt impairment	191 562 360	168 560 444	183 203 538	159 919 458
Reconciliation of bad debts expense				
Contributions to provisions for consumer debtors	108 212 656	92 493 899	108 212 656	92 493 899
Contributions to provisions for traffic fines	33 028 495	7 165 401	33 028 495	7 165 401
Other write offs	41 962 387	60 260 158	41 962 387	60 260 158
Bad debts relating to PHA	8 358 822	8 640 986	-	-
	191 562 360	168 560 444	183 203 538	159 919 458
41. Bulk purchases				
Electricity - Eskom	765 100 660	725 603 106	765 100 660	725 603 106
Water	191 088 675	195 310 364	191 088 675	195 310 364
	956 189 335	920 913 470	956 189 335	920 913 470
Electricity losses				
Distribution loss in KWH	-	-	115 503 860	103 514 580
Percentage Loss: Through distribution			15 %	15 %
Water losses				
Distribution losses			43 461 586	36 722 548
Distribution loss in KL			8 004 392	6 994 771
Percentage Loss: Loss through distribution			18 %	22 %

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	Group		Company	
	2021	2020	2021	2020
42. Contracted services				
Animal Care	1 685 137	2 240 148	1 685 137	2 240 148
Burial Services	4 747 499	1 279 246	4 747 499	1 279 246
Call Centre	9 064 104	12 863 909	9 064 104	12 863 909
Cleaning Services	1 138 728	1 221 045	1 138 728	1 221 045
Clearing and Grass Cutting Services	1 961 388	1 818 868	1 961 388	1 818 868
Hygiene Services	1 093 968	1 313 211	1 093 968	1 313 211
Meter Management	24 424 944	24 144 145	24 424 944	24 144 145
Medical Services [Medical Health Services & Support	16 417 009	-	16 417 009	-
Personnel and Labour	36 375 761	33 642 914	36 375 761	33 642 914
Connection/Dis-connection	3 759	1 604 821	3 759	1 604 821
Refuse Removal	62 483 519	61 009 381	62 483 519	61 009 381
Security Services	60 449 517	46 589 246	60 449 517	46 589 246
Sewerage Services	41 815 902	49 428 686	41 815 902	49 428 686
Translators, Scribes and Editors	14 770	28 800	14 770	28 800
Transport Services	33 095 873	27 837 304	33 095 873	27 837 304
Drivers Licence Cards	980	-	980	-
Water Takers	48 378 077	58 442 346	48 378 077	58 442 346
Business and Advisory	199 332 851	245 199 153	199 915 268	245 199 153
Infrastructure and Planning	79 088 326	31 311 650	79 088 326	29 900 177
Laboratory Services	35 402 629	25 247 503	35 402 629	25 247 503
Legal Cost	24 922 080	19 821 340	24 922 080	19 821 340
Catering Services	959 189	1 862 249	959 189	1 862 249
Electrical	25 940 952	32 366 324	25 940 952	32 366 324
Employee Wellness	425 979	189 617	425 979	189 617
Event Promoters	199 007	434 081	199 007	434 081
Fire Protection	893 474	1 829 888	893 474	1 829 888
Gardening Services	2 057 741	2 776 832	2 057 741	2 776 832
Grading of Sport Fields	91 202	1 123 597	91 202	1 123 597
Maintenance of Buildings and Facilities	49 027 680	25 576 092	48 790 421	25 505 703
Maintenance of Equipment	18 893 099	22 544 621	18 893 099	22 541 988
Maintenance of Unspecified Assets	11 104 878	22 974 296	11 104 878	22 974 296
Management of Informal Settlements	134 722	451 096	134 722	451 096
Transportation	17 022 196	4 916 836	17 022 196	4 916 836
	808 646 940	762 089 245	808 992 098	760 604 750
43. Transfers and subsidies				
Other subsidies				
SPCA	480 000	480 000	480 000	480 000
Taxi Association	-	2 482 000	-	2 482 000
Polokwane Housing Association	-	-	66 078 354	24 245 619
	480 000	2 962 000	66 558 354	27 207 619
44. Inventory consumed				
Standard rated	5 759 202	3 874 999	5 759 202	3 874 999
Zero rated	174 331	355 851	174 331	355 851
Materials and supplies	63 732 936	42 833 010	63 732 936	42 833 010
	69 666 469	47 063 860	69 666 469	47 063 860

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
45. General expenses				
Accounting fees	429 764	174 694	-	-
Advertising	8 728 513	15 551 015	8 720 574	15 546 165
Auditors remuneration	14 911 045	15 230 122	13 839 086	14 340 032
Bank charges	4 049 025	4 066 657	4 006 902	4 022 157
Staff welfare	1 780	10 794	-	-
Hire	5 468 112	3 212 304	5 468 112	3 212 304
Insurance	19 537 792	22 052 680	19 325 094	21 848 494
Conferences and seminars	52 470	-	-	-
IT expenses	10 058 437	8 636 863	10 044 633	8 629 076
Levies	11 941 886	6 447 978	11 941 886	6 447 978
Fuel and oil	41 908 455	35 054 789	41 908 455	35 054 789
Postage and courier	4 788 724	3 910 572	4 788 724	3 910 572
Printing and stationery	35 927	46 239	-	-
Protective clothing	11 800 946	23 248 216	11 781 286	23 239 654
Security (Guarding of municipal property)	2 245 800	2 140 210	-	-
Software expenses	653 548	670 984	-	-
Subscriptions and membership fees	9 590 040	9 153 597	9 551 940	9 116 259
Telephone and fax	19 348 124	8 873 526	19 226 468	8 735 828
Training	-	10 405	-	-
Travel - local	230 843	1 248 236	178 872	1 006 733
Title deed search fees	17 048	23 604	17 048	23 604
Municipal services	19 693 188	17 859 865	19 693 188	17 859 865
Legal fees	953 211	-	-	-
Management fees	3 728 761	3 079 009	3 728 761	3 079 009
Impairment of SARS amount	-	29 675	-	-
Other expenses	42 034 001	32 324 463	42 005 251	32 324 463
	232 207 440	213 056 497	226 226 280	208 396 982
46. Gain/(Loss) on disposal of assets and liabilities				
Disposal of fixed and intangible - Infrastructure	1 008 243	(1 242 761)	1 008 243	(1 242 761)
Disposal of fixed and intangible - Community assets	-	1 896	-	1 896
Disposal of fixed and intangible - Investment property	-	(192 484)	-	(192 484)
Disposal of fixed and intangible - Movable assets	(461 687)	(2 501)	(454 835)	443
Disposal of fixed and intangible - Intangible assets	(1 174)	-	-	-
	545 382	(1 435 850)	553 408	(1 432 906)
47. Fair value adjustments				
Investment property (Fair value model)	27 373 697	22 188 612	27 373 697	22 188 612
Biological assets - (Fair value model)	-	(282 046)	-	(282 046)
Other financial assets				
• Investments (Designated as at FV through P&L)	-	(3 469 804)	-	(3 469 804)
	27 373 697	18 436 762	27 373 697	18 436 762
48. Impairment loss				
Impairments				
Property, plant and equipment	-	696 417	-	696 417

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
49. Inventories losses/write-downs				
Inventories losses/write-downs	(20 865)	-	(20 865)	-
50. Auditors' remuneration				
Fees	14 911 045	15 230 122	13 839 086	14 340 032
51. Cash generated from operations				
Surplus	145 269 466	708 490 995	43 927 846	653 078 974
Adjustments for:				
Depreciation and amortisation	953 235 210	716 798 021	948 091 275	711 651 908
(Loss) gain on sale of assets and liabilities	(545 382)	1 435 850	(553 408)	1 432 906
Donated assets	(5 634 278)	-	(5 634 278)	-
Fair value adjustments	(27 373 697)	(18 436 762)	(27 373 697)	(18 436 762)
Impairment deficit	-	696 417	-	696 417
Debt impairment	191 562 360	168 314 648	183 203 538	159 919 458
Movements in retirement benefit assets and liabilities	7 073 000	3 429 000	7 073 000	3 429 000
Movements in provisions	(124 276 878)	167 796 482	(124 465 344)	167 538 599
Inventory write down/losses	20 865	-	20 865	-
Interest income	(78 469 516)	(106 720 821)	(78 469 516)	(106 720 821)
Finance cost	61 910 287	69 673 253	61 910 287	69 673 253
Changes in working capital:				
Inventories	(13 003 654)	(13 231 971)	(13 003 654)	(13 231 971)
Other receivables from exchange transactions	(7 862 701)	(17 859 403)	401 746	(9 572 664)
Consumer debtors	(187 768 386)	(427 096 564)	(187 768 386)	(427 096 564)
Other receivables from non-exchange transactions	(8 935 754)	207 590 953	6 123 611	207 562 193
Prepayments	25 246 315	5 980 357	25 246 315	5 977 817
Unidentified receipts	2 723 162	19 583 039	2 621 923	19 547 653
Payments received in advance	(2 556 486)	13 447 355	(2 556 486)	13 447 355
Deferred income	(14 771 193)	(13 602 904)	(14 771 193)	(13 602 904)
Payables from exchange transactions	(1 441 766)	(380 075)	(18 848 529)	19 390 022
VAT	16 257 438	(13 177 627)	16 257 438	(13 177 627)
Unspent conditional grants and receipts	(67 817 620)	30 676 262	(67 825 930)	30 676 262
Consumer deposits	(2 634 201)	(1 902 172)	(2 634 201)	(1 902 172)
Interest received	78 469 516	106 720 821	78 469 516	106 720 821
Finance cost paid	(61 910 287)	(69 673 253)	(61 910 287)	(69 673 253)
	876 765 820	1 538 551 901	767 532 451	1 497 327 900

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

52. Prior period errors/Reclassification

The Reclassification is as a result of implementation of Municipal Standard Charts of Accounts (mSCOA). The reclassification was done to achieve fair presentation of financial statements.

The prior period error was as a result of amortisation of intangible assets that was incorrectly calculated in the prior year.

Statement of Financial Position

Note(s)	Group		Company	
	Audited	Prior year adjustments	Reclassifying adjustments	Restated
Assets				
Current Assets				
Cash and cash equivalents	422 066 814	-	-	422 066 814
Receivables from exchange transactions	111 372 825	323 262 754	-	434 635 579
Other receivables from exchange transactions	21 431 417	(769 207)	-	20 662 210
Receivables from non-exchange transactions	494 936 754	(318 989 657)	-	175 947 097
Inventories	154 851 074	1 644 287	-	156 495 361
VAT receivable	70 686 817	(9 402 581)	-	61 284 236
Prepayments	25 246 315	-	-	25 246 315
	1 300 592 016	(4 254 404)	-	1 296 337 612
Non-Current Assets				
Biological assets that form part of an agricultural activity	4 450 352	9 028 200	(4 450 352)	9 028 200
Investment property	1 115 883 515	(428 495 419)	-	687 388 096
Property, plant and equipment	15 749 341 361	741 330 561	-	16 490 671 922
Intangible assets	30 206 468	144 695 001	-	174 901 469
Heritage assets	21 899 818	-	-	21 899 818
Other receivables from exchange transactions	144 352	-	-	144 352
Living resources	-	-	4 450 352	4 450 352
	16 921 925 866	466 558 343	-	17 388 484 209
Total Assets	18 222 517 882	462 303 939	-	18 684 821 821
Liabilities				
Current Liabilities				
Payables from exchange transactions	999 558 656	(1 504 414)	-	998 054 242
Unspent conditional grants and receipts	147 467 068	450 239	-	147 917 307
Finance lease obligation	5 171 543	-	-	5 171 543
Consumer deposits	71 199 462	-	-	71 199 462
Other financial liabilities	50 541 553	-	-	50 541 553
Provisions - current	164 470 033	4 852 119	-	169 322 152
	1 438 408 315	3 797 944	-	1 442 206 259
Non-Current Liabilities				
Finance lease obligation	7 092 516	13 175 744	-	20 268 260
Employee benefit obligation	197 335 000	-	-	197 335 000
Provisions - non current	186 698 031	(4 852 119)	-	181 845 912
Other financial liabilities	415 509 507	-	-	415 509 507
	806 635 054	8 323 625	-	814 958 679
Total Liabilities	2 245 043 369	12 121 569	-	2 257 164 938

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

52. Prior period errors/Reclassification (continued)

Net Assets	15 977 474 513	450 182 370	- 16 427 656 883
Net Assets			
Reserves			
Revaluation reserve	9 672 420 043	710 627 095	- 10 383 047 138
Accumulated surplus	6 305 054 471	(260 444 726)	- 6 044 609 745
Total Net Assets	15 977 474 514	450 182 369	- 16 427 656 883

52.1 Receivables from exchange transactions

Balance previously reported	111 372 826
Correction of Mankweng billing	29 423 584
Correction of provision for impairment relating to the exchange and non exchange receivables split	262 694 188
Recognition of water and electricity receivable apportionment for 15 days	31 144 981
	434 635 579

Comparative amounts for receivables from exchange transactions were restated to correct errors in the billing of Mankweng accounts for water, waste management, waste water management, and sundry debtors (interest) as identified and reported by the Auditor General in the audit report for the financial year 2019/2020.

According to GRAP standards, the municipality should recognise revenue in the period in which it is earned, which is not necessarily when cash is being received. The municipality therefore is expected to split the water and electricity revenue based on the 15 days at year end to take into account the amount of revenue earned versus the billing date. Management had however omitted this recognition in the prior year.

52.2 Other receivables from exchange transactions

Balance previously reported	21 431 417
Correction of interest accrual relating to the prior year	(1 048 948)
Correction of third party refunds	279 741
	20 662 210

52.3 Receivables from non-exchange transactions

Balance previously reported	494 936 754
Correction of errors on municipal property incorrectly charged for property rates	(30 678 375)
Correction of interest charged	(1 722 713)
Correction of errors regarding Mankweng properties without title deed incorrectly billed for property rates	(11 543 855)
Correction of CDM receivable for expenses paid on behalf of the municipality	(3 079 009)
Correction of provision for impairment relating to the exchange and non exchange receivables split	(262 694 188)
Correction of duplicate billing for property rates	(9 271 517)
	175 947 097

Comparative amounts for receivable from non-exchange transactions were restated to correct errors regarding municipal property, incorrectly charged, property rates due to incorrect classification on the valuation roll. Furthermore, restatement is due to correction of billing of Mankweng properties which do not have the title deeds.

Expenses relating to pump operators were paid by Capricorn District Municipality on behalf of Polokwane Municipality. The expense was overlooked in the prior year.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

52. Prior period errors/Reclassification (continued)

52.4 Inventories

Balance previously reported	154 851 074
Reversal of uniforms issued that were not affected in the prior year	1 644 287
	156 495 361

52.5 VAT receivable

Balance previously reported	70 686 816
VAT effect of correction of Mankweng billing	(9 402 580)
	61 284 236

Comparative amounts for VAT receivable was restated as a result of VAT impact of the journals for correction of Mankweng billing.

52.6 Property, plant and equipment

Balance previously reported	15 749 341 361
Correction of accumulated depreciation due, useful life assessment and capitalisation of delayed and omitted projects	10 527 711
Correction of costs due to reversal of revaluation and delayed projects	703 413 989
Reversal of accrual of capital expenditure relating to infrastructure assets	(59 384)
Correction of land reclassified from investment property	41 310 444
Correction of depreciation and fair value	(14 839 587)
Recognition of donated assets	1 082 841
PHA: Correction of prior period depreciation on buildings	(105 453)
	16 490 671 922

During the current year the municipality corrected the prior period accumulated depreciation as a result of reassessment of useful lives and inclusion of completed projects in the asset register as at prior periods.

Correction of costs due to revaluation on delayed projects capitalised as at prior years, which were subject to re-evaluation in the 2020 financial year; as well as vacant land parcels recognised from opening balance.

Recognition of land reclassified from investment property from previous year and timber farm not previously recognised.

PHA: During the current audit of the municipal entity, it was discovered that depreciation on buildings relating to the 2007 years was inaccurate by R104 453.

52.7 Intangible assets

Balance previously reported	30 206 468
Correction of valuation of intangible assets	(9 049 615)
Recognition of fleet software	1 750 000
Recognition of intangible assets relating to Taxi Association compensation	152 643 000
Correction of amortisation	(486 644)
Removal of IT expenditure that was erroneously capitalised	(161 740)
	174 901 469

Recognition of Fleet software that is still in use together with its resultant amortisation gave rise to this prior period error.

The compensation to the Taxi Association as a restriction of trade was erroneously recognised as a subsidy payment instead of an intangible asset.

The reintegration of GIS to the financial system was initially capitalised, however this should have been expensed, and hence removed.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

52. Prior period errors/Reclassification (continued)

52.8 Biological assets that form part of an agricultural activity

Balance previously reported	4 450 352
Retrospective reclassification of biological assets to living resources	(4 450 352)
Recognition of timber trees as biological assets	9 028 200
	9 028 200

The municipality adopted GRAP 110, which requires the game animals that were presented as biological assets to be presented as living resources instead.

The municipality classified Timber trees that were identified as biological assets as per AGSA's recommendation.

52.9 Investment property

Balance previously reported	1 115 883 515
Correction of investment property recognition & fair value adjustment	(428 495 419)
	687 388 096

Properties which no longer meet the definition of investment property were removed from the investment property register and the 2020 fair value was also corrected.

52.10 Living resources

Balance previously reported	-
Reclassification of game previously recognised as biological assets	4 450 352
	4 450 352

The municipality adopted GRAP 110, which required the game animals that were presented as biological assets to be presented as living resources instead.

52.11 Payables from exchange transactions

Balance previously reported	999 558 654
Correction of retentions opening balance of the prior period	(62 409)
Reversal of accrual that was erroneously captured twice	(24 840)
Correction of accrual relating to property, plant and equipment	(59 383)
Correction of accrual of SDL affecting salary control accounts	(1 357 780)
	998 054 242

Retention correction was done to reduce the amount accrued in line with the completion certificate from the contractor.

An accrual relating to bursaries was erroneously captured. The reversal was completed in the new financial year thereby resulting in the prior period correction.

Capital expenditure to the value of R59 836 was erroneously accrued.

The municipality had accrued for Skills Development Levy for May and June in the prior year despite SARS granting a tax holiday during the lockdown level 5 period. The accrual was reversed in the current year as a prior period error.

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

52. Prior period errors/Reclassification (continued)

52.12 Unspent conditional grants and receipts

Balance previously reported	147 467 068
PHA: Correction of excess grant spend against unspent grants recognised	450 239
	147 917 307

The municipal entity had spent more on the grant project that was received. The excess recognised as revenue caused the unspent grant to have a debit balance. The error was identified in the current year and corrected.

52.13 Provisions - non current

Balance previously reported	164 470 033
Correction of provision relating landfill sites	4 852 119
	169 322 152

A portion relating to the current provision of the landfill provision was incorrectly presented under non current provision.

52.14 Finance lease obligation

Balance previously reported	7 092 516
Correction of long term obligation portion	13 175 744
	20 268 260

During the year, it was noted that the opening finance lease obligation did not reconcile back to the amortisation schedules. This was due to the correction of prior years based on auditors recommendation. The impact was on the finance leased portion.

52.15 Provisions - non current

Balance previously reported	186 698 031
Correction of provision relating landfill sites	(4 852 119)
	181 845 912

A portion relating to the current provision of the landfill provision was incorrectly presented under non current provision.

52.16 Revaluation reserve

Balance as previously reported	9 672 420 043
Correction of revaluation as a result of infrastructure assets	689 703 453
Correction of revaluation of land	20 923 642
	10 383 047 138

The review of useful life correction from the 2020 financial year resulted in a reduction in the revalued accumulated depreciation and ultimately an increase in the carrying amount of the reassessed assets. Delayed projects capitalised from the opening balance were subject to the 2020 revaluation.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

52. Prior period errors/Reclassification (continued)

52.17 Accumulated surplus

Balance previously reported	6 305 054 471
Correction of service charges relating to periods prior to the 2019-2020 financial year	74 255 530
Correction of property rates relating to periods prior to the 2019-2020 financial year	(9 165 121)
Correction of retention withheld for periods prior to the 2019-2020 financial year	62 409
Adjustments to depreciation charge of infrastructure assets relating to periods prior to 2019-20 financial year	(33 015 440)
Correction of flat rate charges relating to periods prior to 2019-20 financial year	(44 543 854)
Correction of fair value recognised for investment property for periods prior to 2019-20 financial year	(71 869 292)
Correction of fair value of land for periods prior to the 2019-20 financial year	(20 923 640)
Correction of depreciation charge relating to periods prior to 2019-20 financial year	48 185 937
Reversal of write-off of software program relating to the 2019-20 financial year	1 750 000
Correction of service charges	40 912 387
Correction of interest received from investments	(1 048 948)
Correction of interest received from outstanding debtors - non exchange	(1 722 713)
Correction of general expenses	(213 849)
Correction of donations received	1 082 841
Correction of contracted services	(675 812)
Correction of depreciation	21 854 805
Correction of transfers and subsidies paid	152 643 000
Correction of gains and losses relating to disposal of assets	(355 950 313)
Correction of interest earned on outstanding debtors	(19 178 338)
Correction of property rates	(42 328 623)
PHA: Correction of excess grant revenue recognised	(450 239)
PHA: Correction of depreciation expense on buildings relating to prior periods	(105 453)
	6 044 609 745

Refer to the nature of the adjustments in the financial statement line items as indicated above.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

52. Prior period errors/Reclassification (continued)

Statement of Financial Performance

Note(s)	Group		Company	
	Audited	Prior year adjustments	Reclassifying adjustments	Restated
Revenue				
Revenue from exchange transactions				
Service charges	1 490 130 351	41 109 848	-	1 531 240 199
Rental of facilities and equipment	18 663 282	-	-	18 663 282
Interest earned on outstanding debtors	73 744 846	(19 375 798)	-	54 369 048
Agency services	23 152 861	-	-	23 152 861
Licences and permits	5 467 702	-	-	5 467 702
Other operating revenue	15 984 467	-	-	15 984 467
Interest received - Investment	19 873 453	(1 048 948)	-	18 824 505
Total revenue from exchange transactions	1 647 016 962	20 685 102	-	1 667 702 064
Revenue from non-exchange transactions				
Taxation revenue				
Property rates	504 767 991	(42 328 623)	-	462 439 368
Interest earned on outstanding debtors	35 251 713	(1 722 713)	-	33 529 000
Transfer revenue				
Government grants & subsidies	2 367 160 942	(450 239)	-	2 366 710 703
Public contributions and donations	1 043 000	1 082 841	-	2 125 841
Fines, Penalties and Forfeits	31 584 439	-	-	31 584 439
Total revenue from non-exchange transactions	2 939 808 085	(43 418 734)	-	2 896 389 351
Total revenue	4 586 825 047	(22 733 632)	-	4 564 091 415
Expenditure				
Employee related costs	(932 222 388)	-	-	(932 222 388)
Remuneration of councillors	(38 521 740)	-	-	(38 521 740)
Depreciation and amortisation	(738 652 826)	21 854 805	-	(716 798 021)
Lease rentals on operating lease	(43 998)	-	-	(43 998)
Finance costs	(69 673 253)	-	-	(69 673 253)
Debt impairment	(168 560 444)	-	-	(168 560 444)
Inventory consumed	(47 063 860)	-	-	(47 063 860)
Bulk purchases	(920 913 470)	-	-	(920 913 470)
Contracted services	(761 413 433)	(675 812)	-	(762 089 245)
Transfers and subsidies	(155 605 000)	152 643 000	-	(2 962 000)
General Expenses	(212 842 652)	(213 845)	-	(213 056 497)
Total expenditure	(4 045 513 064)	173 608 148	-	(3 871 904 916)
Operating surplus	541 311 983	150 874 516	-	692 186 499
Gain on disposal of assets and liabilities	(1 435 850)	-	-	(1 435 850)
Fair value adjustments	374 387 076	(355 950 314)	-	18 436 762
Impairment loss	(696 417)	-	-	(696 417)
	372 254 809	(355 950 314)	-	16 304 495
Surplus (deficit) for the year	913 566 792	(205 075 798)	-	708 490 994

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

52. Prior period errors/Reclassification (continued)

52.18 Service charges

Balance previously reported	1 490 130 351
Correction of errors on Mankweng billing	9 964 867
Correction of revenue recognised relating to water and electricity	31 144 981
	1 531 240 199

Comparative amounts of service charges were restated to correct errors in the billing of Mankweng accounts for water, waste management and waste water management as identified and reported by the Auditor General in the prior year.

According to GRAP standards, the municipality should recognise revenue in the period in which it is earned, which is not necessarily when cash is being received. The municipality therefore is expected to split the water and electricity revenue based on the 15 days at year end to take into account the amount of revenue earned versus the billing date. Management had however omitted this recognition in the prior year.

52.19 Interest earned on outstanding debtors - exchange transactions

Balance previously reported	73 744 846
Correction of interest charges incorrectly billed on Mankweng accounts	(19 375 798)
	54 369 048

Comparative amounts on interest received were restated to correct errors in billing of Mankweng accounts for incorrectly billed interest. Furthermore, restatement is due to correction of interest charged on municipal property incorrectly charged.

52.20 Interest received - investment

Balance previously reported	19 873 453
Correction of interest accrual in the prior period	(1 048 948)
	18 824 505

52.21 Property rates

Balance previously reported	420 312 776
Correction of Mankweng billing	42 126 592
	462 439 368

52.22 Interest earned on outstanding debtors - non exchange transactions

Balance previously reported	35 251 713
Correction of interest recognised on debtors relating to non exchange transactions	(1 722 713)
	33 529 000

Interest on property rates were incorrectly charged. This was identified during the current year and corrected accordingly.

52.23 Government grants & subsidies

Balance previously reported	2 367 160 942
PHA: Correction of excess grant revenue recognised	(450 239)
	2 366 710 703

The municipal entity had spent more on the grant project that was received. The excess recognised as grant revenue had to be reversed. The correction of this error will have an impact on the accumulated surplus balance

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

52. Prior period errors/Reclassification (continued)

52.24 Public contribution and donations

Balance previously reported	1 043 000
Recognition of donated assets erroneously omitted	1 082 841
	<u>2 125 841</u>

The municipality had overlooked the recording of an asset that was received as a donation in the previous year.

52.25 Depreciation and amortisation

Balance previously reported	(738 652 826)
Correction of depreciation charge relating to infrastructure assets	22 404 637
Correction of depreciation charge relating to transport assets	(549 832)
	<u>(716 798 021)</u>

52.26 Contracted services

Balance previously reported	(761 413 433)
Correction of contracted services	(675 812)
	<u>(762 089 245)</u>

Contracted services vote numbers was erroneously mapped to the general expenses

52.27 'Grants and subsidies paid

Balance previously reported	(155 605 000)
Correction of compensation paid to the Taxi Association as an intangible asset instead	152 643 000
	<u>(2 962 000)</u>

During the current audit, the Auditor General instructed the municipality to recognise the R152 643 000 payable to the Taxi Association as a restraint of trade, as an intangible asset instead of as a subsidy.

52.28 General Expenses

Balance previously reported	(212 842 652)
Correction of bursaries invoice incorrectly captured	24 840
Correction of reversal of uniforms and protective clothing issues	1 644 287
Reversal of SDL accrual relating to the prior year	1 357 778
Recognition of expense paid by CDM	(3 079 010)
Recognition of ICT expenditure that was erroneously capitalised	(161 740)
	<u>(213 056 497)</u>

A bursary invoice was inaccurately captured and only corrected in the current year.

Uniforms were not physically issued. The reversal of the inventory issue had only taken place after year end.

Skills Development Levy were raised for the months of May and June 2020 despite SARS granting a tax holiday. The correction was only effected in the current year.

Capricorn District Municipality had paid for pump operators. This expense was never recognised in the prior year and as such corrected during the current financial year.

Expenditure relating to the IT department was erroneously capitalised in the prior years.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

52. Prior period errors/Reclassification (continued)

52.29 Irregular expenditure

Balance previously reported	497 375 182
Correction of amount written off	(51 308)
Correction of irregular expenditure incurred	2 647 719
	499 971 593

The amount approved for write-off of irregular expenditure was erroneously recorded as R89 400 000 instead of R8 451 308, resulting in the misstatement of the balance of irregular expenditure in the prior year.

52.30 Fair value adjustments

Balance previously reported	374 387 076
Correction of revaluation of investment property	(355 664 646)
Removal of fair value of duplicate land parcels	(285 668)
	18 436 762

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

53. Additional disclosure in terms of Municipal Finance Management Act

	Group		Company	
	2021	2020	2021	2020
Contributions to SALGA				
Current year subscription / fee	9 534 740	9 107 719	9 534 740	9 107 719
Amount paid - current year	(9 534 740)	(9 107 719)	(9 534 740)	(9 107 719)
	-	-	-	-
Audit fees				
Current year subscription / fee	14 911 045	15 230 122	13 839 086	14 340 032
Amount paid - current year	(14 911 045)	(15 230 122)	(13 839 086)	(14 340 032)
	-	-	-	-
PAYE and UIF				
Current year subscription / fee	163 638 167	149 535 844	162 317 318	148 276 610
Amount paid - current year	(163 638 167)	(149 535 844)	(162 317 318)	(148 276 610)
	-	-	-	-
Pension and Medical Aid Deductions				
Current year subscription / fee	221 726 120	202 025 699	220 654 503	200 992 311
Amount paid - current year	(221 726 120)	(202 025 699)	(220 654 503)	(200 992 311)
	-	-	-	-
VAT				
VAT receivable	45 026 798	61 284 236	45 026 798	61 284 236

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

VAT on a cash basis reflects a net VAT refundable amount of R22 052 203 (2020: R54 009 689)

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

53. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

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

30 June 2021	Outstanding less than 90 days	Outstanding more than 90 days	Total
C Coetzee	-	15	15
TS Mashau	2 365	-	2 365
FA Haas	1 755	-	1 755
ME Makamela	390	-	390
TP Nkadimeng	2 487	-	2 487
MS Sathekge	1 073	-	1 073
MF Mohlabeng	520	-	520
TSP Mojabelo	2 026	620	2 646
TF Moeti	975	-	975
FJ Joubert	1 808	-	1 808
MJ Ralefatane	3 612	-	3 612
MK Teffo	1 818	-	1 818
MF Ramaphakela	2 787	3 507	6 294
	21 616	4 142	25 758

30 June 2020	Outstanding less than 90 days	Outstanding more than 90 days	Total
C Coetzee	-	14	14
TSP Mojabelo	2 136	7 623	9 759
MJ Ralefatane	2 979	923	3 902
MF Ramaphakela	2 985	1 072	4 057
	8 100	9 632	17 732

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2021		Highest outstanding amount	Aging (in days)
C Coetzee	-	15	90
TSP Mojabelo	-	620	90
MF Ramaphakela	-	3 507	90
	-	4 142	-
30 June 2020		Highest outstanding amount	Aging (in days)
TSP Mojabelo	-	8 087	90
MF Ramaphakela	-	1 693	90
MJ Ramaphakela	-	923	90
C Coetzee	-	14	-
	-	10 717	-

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
54. Commitments				
Authorised capital expenditure				
Already contracted for but not provided for				
• Infrastructure	898 029 624	1 292 723 311	869 108 992	1 181 357 717
• Community	-	25 314 198	-	25 314 198
• Other	59 162 747	66 568 800	59 162 747	66 568 800
	957 192 371	1 384 606 309	928 271 739	1 273 240 715
Total capital commitments				
Already contracted for but not provided for	957 192 371	1 384 606 309	928 271 739	1 273 058 986
Authorised operational expenditure				
Already contracted for but not provided for				
• Contract amount	6 311 840	1 676 899	-	-
• Expenditure to date	(280 526)	(958 228)	-	-
	6 031 314	718 671	-	-
Total operational commitments				
Already contracted for but not provided for	6 031 314	718 671	-	-
55. Contingencies				
Contingent liabilities	225 439 301	153 531 624	225 439 301	153 531 624
The above legal matters are ongoing and have not yet been finalised.				
See Annexure G for the contingent liabilities register.				
56. Unauthorised expenditure				
Opening balance as previously reported	536 551 764	511 542 519	536 551 764	511 542 519
Opening balance as restated	536 551 764	511 542 519	536 551 764	511 542 519
Add: unauthorised expenditure - current	614 252 938	462 089 517	614 252 938	462 089 517
Less: authorised by council	-	(437 080 272)	-	(437 080 272)
Closing balance	1 150 804 702	536 551 764	1 150 804 702	536 551 764
Current year unauthorised expenditure analysed as follows: non-cash				
Employee related cost	-	12 210 123	-	12 210 123
Depreciation and amortisation	614 252 938	449 879 394	614 252 938	449 879 394
	614 252 938	462 089 517	614 252 938	462 089 517
57. Fruitless and wasteful expenditure				
Opening balance as previously reported	494 400	471 660	-	8 629
Opening balance as restated	494 400	471 660	-	8 629
Add: Expenditure identified - current	17 708	31 369	17 708	-
Less: Amount written off - current	-	(8 629)	-	(8 629)
Closing balance	512 108	494 400	17 708	-

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

57. Fruitless and wasteful expenditure (continued)

Expenditure identified in the current year include those listed below:

	Disciplinary steps taken/criminal proceedings				
Interest on DBSA loan due to late payment		17 708	-	17 708	-

58. Irregular expenditure

Opening balance as previously reported	500 022 901	583 118 701	480 756 589	566 049 457
Correction of prior period error	(51 308)	-	(51 308)	-
Opening balance as restated	499 971 593	583 118 701	480 705 281	566 049 457
Add: Irregular Expenditure - current	74 827 402	6 304 200	72 934 604	4 107 132
Less: Amount written off by council	-	(89 451 308)	-	(89 451 308)
Closing balance	574 798 995	499 971 593	553 639 885	480 705 281

Other

Included in the opening balance is an amount of R7 101 865 from the former Aganang municipality.
PHA: The Municipal Public Accounts Committee is currently busy with investigations.

59. Risk management

Fair value

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

59. Risk management (continued)

The table below analyses financial instruments carried at fair value at the end of the reporting period, by level of fair value hierarchy. The different levels are based on the extent to which quoted prices are used in the calculation of the fair value of the financial instruments and have been defined as follows:

Level 1

Fair values are based on quoted market prices in active markets for an identical instrument.

Level 2

Fair values are calculated using valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments.

Level 3

Fair values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Level 1

Cash and cash equivalents	303 000 977	422 066 814	301 154 777	420 294 249
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Level 3

Investments	-	-	1 000	1 000
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Total

Investments	-	-	1 000	1 000
Cash and cash equivalents	303 000 977	422 066 814	301 154 777	420 294 249
	303 000 977	422 066 814	301 155 777	420 295 249

Financial risk management

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

59. Risk management (continued)

Liquidity risk

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Borrowings - Up to 1 year

Capital repayments	20 076 910	50 541 553	20 076 910	50 541 553
Interest	44 847 142	48 972 717	44 847 142	48 972 717
	64 924 052	99 514 270	64 924 052	99 514 270

Borrowings - between 1 and 5 years

Capital repayments	99 992 563	144 776 682	99 992 563	144 776 682
Interest	153 163 648	213 987 222	153 163 648	213 987 222
	253 156 211	358 763 904	253 156 211	358 763 904

Borrowings - greater than 5 years

Capital repayments	295 372 167	270 732 825	295 372 167	270 732 825
Interest	117 737 804	190 414 895	117 737 804	190 414 895
	413 109 971	461 147 720	413 109 971	461 147 720

Borrowings - Total

Capital repayments	415 441 639	466 051 060	415 441 639	466 051 060
Interest	315 748 593	453 374 834	315 748 593	453 374 834
	731 190 232	919 425 894	731 190 232	919 425 894

Trade and other payables - up to 1 year

Trade and other payables	981 230 746	997 378 266	955 754 416	989 308 699
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Finance lease - up to 1 year - capital repayments

Vehicles	2 908 985	2 479 275	2 908 985	2 479 275
Cellphones	5 268 051	1 674 451	5 268 051	1 674 451
Photocopiers	1 486 416	1 017 816	1 486 416	1 017 816
	9 663 452	5 171 542	9 663 452	5 171 542

Finance lease - up to 1 year - Interest

Vehicles	3 564 338	4 219 861	3 564 338	4 219 861
Cellphones	676 848	81 781	676 848	81 781
Photocopiers	334 388	21 293	334 388	21 293
	4 575 574	4 322 935	4 575 574	4 322 935

Finance lease - between 1 and 5 years - capital repayments

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
59. Risk management (continued)				
Vehicles	16 590 336	20 179 529	16 590 336	20 179 529
Cellphones	2 757 142	88 731	2 757 142	88 731
Photocopiers	2 526 492	-	2 526 492	-
	21 873 970	20 268 260	21 873 970	20 268 260
Finance lease - between 1 and 5 years - interest				
Vehicles	3 154 049	6 952 749	3 154 049	6 952 749
Cellphones	105 366	3 169	105 366	3 169
Photocopiers	204 715	-	204 715	-
	3 464 130	6 955 918	3 464 130	6 955 918
Finance lease - Total				
Capital repayments	31 537 422	12 264 058	31 537 422	12 264 058
Interest	8 039 704	11 278 852	8 039 704	11 278 852
	39 577 126	23 542 910	39 577 126	23 542 910

Credit risk

Credit risk is the risk of financial loss to the municipality if customers or counterparties to financial instruments fail to meet their contractual obligations, and arises principally from investments, loans, receivables and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June 2021 is as follows:

Financial instrument	Group - 2021	Group - 2020	Company - 2021	Company - 2020
Cash and cash equivalents	303 000 977	422 066 814	301 154 777	420 294 249
Trade and other receivables	629 192 065	631 246 949	628 379 631	630 340 141

Investments; and cash and cash equivalents:

The Municipality limits its exposure to credit risk by investing only with reputable financial institutions that have a sound credit rating and within guidelines set in accordance with Councils approved investment policy. The municipality does not consider there to be any significant exposure to credit risk.

Receivables

Receivables are amounts owing by consumers and are presented net of impairment losses. The Municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Deposits are required for service connections serving as a guarantee. Policies and processes are in place to manage risk.

Refer to Note 5,6 and 7 for additional information relating to the analysis of receivables.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

Group		Company	
2021	2020	2021	2020

60. Related parties

Relationships
Accounting Officer
Ultimate company
Company
Controlled entities

Members of key management

Refer to accounting officer's report note
Polokwane Local Municipality
Polokwane Local Municipality
Polokwane Housing Association. Refer to related
party transactions note below as well as to note
No other payments are made outside the contractual
employment payments from employment. Refer to
Note 35 for remuneration.
For councillor names, refer to the General Information
page. The remuneration to councillors have been
included in this note.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

60. Related parties (continued)

Remuneration of management

Management class: Councillors/mayoral committee members

2021

	Basic salary	Travel	Medical aid allowance	Pension contribution	Data card	Cellphone	Total
Name							
Executive mayor	730 266	120 000	87 148	109 583	3 600	40 800	1 091 397
Speaker	546 259	209 399	-	81 939	3 600	40 800	881 997
Chief Whip	483 838	196 312	32 504	72 593	3 600	40 800	829 647
Mayoral committee members	3 614 838	1 450 362	229 678	542 195	34 800	394 400	6 266 273
Councillors	17 110 475	6 003 577	361 507	2 581 596	275 902	3 290 085	29 623 142
	22 485 676	7 979 650	710 837	3 387 906	321 502	3 806 885	38 692 456

2020

	Basic salary	Travel	Medical aid allowance	Pension contribution	Data card	Cellphone	Total
Name							
Executive mayor	731 796	120 000	85 432	109 769	3 600	40 800	1 091 397
Speaker	546 259	209 399	-	81 939	3 600	40 800	881 997
Chief Whip	484 465	196 312	31 800	72 670	3 600	40 800	829 647
Mayoral committee members	4 283 351	1 500 662	161 387	641 699	37 315	422 906	7 047 320
Councillors	16 510 403	6 160 351	348 106	2 453 941	275 400	3 332 515	29 080 716
	22 556 274	8 186 724	626 725	3 360 018	323 515	3 877 821	38 931 077

Management class: Executive management (Municipal entity)

2021

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

60. Related parties (continued)

Name	Basic salary	Medical aid	Provident fund	UIF & SDL	Total
J.T Maimela	1 133 444	77 555	98 813	7 688	1 317 500

2020

Name	Basic salary	Medical aid	Provident fund	UIF & SDL	Total
J. T Maimela	1 144 683	74 534	98 813	11 946	1 329 976

Management class: Non executive management (Municipal entity)

2021

Name	Directors fees	Travel	Other	Total
M.J Gololo	169 161	-	-	169 161
M Kgosaana	153 783	-	-	153 783
S.M Mashabela	303 117	3 185	-	306 302
S.M Vilakazi	153 783	-	-	153 783
O Galane	199 918	2 930	-	202 848
Other expenditure relating to directors	-	-	4 884	4 884
	979 762	6 115	4 884	990 761

2020

Name	Directors fees	Travel	Other	Total
M.J Gololo	108 380	7 904	-	116 284
M Kgosaana	139 136	6 057	-	145 193
S.M Mashabela	238 104	12 308	-	250 412

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020
60. Related parties (continued)				
S.M Vilakazi	108 380	8 650	-	117 030
O Galane	128 602	3 049	-	131 651
Other expenditure relating to directors	-	-	133 444	133 444
	722 602	37 968	133 444	894 014

61. Going concern

The COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the virus on the operations and measures taken by various governments to contain the virus have negatively affected the group's results in the reporting period. The currently known impacts of COVID-19 on the group are:

- A decline in service charge revenues which resulted in a 13% variance behind budgeted projections.
- A delay in certain capital projects from been implemented
- Unemployment and a drop in salaries within the city had an impact on the collection rates for March, April and May which reduced to an average of 72% during this period as opposed to a 87% collection pre lock down.

Notwithstanding the impact realized above, **no material uncertainty exists** that could otherwise cast significant doubt upon the group's ability to continue as a going concern and therefore the group will realize its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Consolidated Annual Financial Statements

Group		Company	
2021	2020	2021	2020

61. Going concern (continued)

Management assessment is based on the following key indicators:

- National Treasury has assessed our budget as funded over the MTEF period;
- Cash collections recorded significant improvements since the hard restrictions were lifted around June 2020 which saw average collections rates of just above 100% from June 2020 to the first quarter of the 2020/21 financial year;
- No defaults in our loan book and a major loan taken in 2010 expired in June 2020 with no other new long term loans anticipated in the long term.
- Cost containment measures such as the decrease in contracted services, purchase of water tankers and the installation of pre-paid meters will have a significantly favourable impact on the cash flows of the municipality in the short term.
- Effective credit control and the establishment of revenue protection unit have further proven to have a positive impact on our revenue streams
- Certain resilience is created in the city's economy due to a major contribution of community services (provincial state institutions head quartered in the city) to the local GDP.

Management has therefore determined that the actions that it has taken are sufficient to mitigate the uncertainty and has therefore prepared the financial reporting on a going concern basis.

However, if the national government's economy recovery plans prove to be ineffective (realization of systematic risks) in the long term and the impact thereof is realized into the local economy then it will be necessary to re-assess our budget assumptions in particular our revenue projections and planned expenditures.

62. Events after the reporting date

The South African government declared a level 4 lockdown restriction in terms of the Disaster Management Act from the 28th June 2021 to 25th July 2021. The lockdown restrictions during this period had no material impact on the municipality.

63. Budget differences

Material differences between budget and actual amounts

Notes to the Audited Consolidated Annual Financial Statements

63. Budget differences (continued)

N1 - Service charges: Service charges have four components, the variance which are explained separately below:

1. Services charges water - The underperformance is attributable to shortage and unauthorized connection of water and faulty meters.
2. Service charges refuse - Refuse revenue overperformance is attributable to adjustments and improvements of fixed basic charge relating to Mankweng revenue.
3. Service charges sanitation - The underperformance is attributable to possible over projection of growth affected by moratorium on water.
4. Service charges electricity - The underperformance is attributable to decrease in electricity usage as a results of the use of alternative energy, loadshedding and credit control and less commercial usage due to lockdown.

N2 - Rental of facilities: The immaterial variance is due to restriction of usage of facilities due to lockdown and Covid 19 restrictions.

N3 - Interest earned on outstanding debtors: The underperformance is attributable to the stagnant debt book and the payment rate improvement and indigent write-offs. The write-off and Mankweng reversals resulted in interest reduction..

N4 - Agency fees: The variance is due to extension of renewal dates due to lockdown & Covid 19 restrictions. The coronavirus lockdown made it almost impossible for motorists to renew documentation as licensing centres were often closed due to disinfection.

N5 - Licences and permits: The variance is due to restriction of closure of licensing facilities due to lockdown & Covid 19 restrictions. All motor vehicle license discs, temporary permits and roadworthy certificates that expired between 26 March 2020 up to and including 31 December 2021 are deemed to be valid and their validity period is extended for a further grace period ending on 31 August 2021.

N6 - Other revenue: The fair value adjustments were anticipated to be high taking into consideration the previous year's audit outcome.

N7 - Interest earned - investments: The money invested in the grant account did not yield sufficient interest due to the decision by the SARB to reduce the REPO rate which has a direct impact on the interest earned.

N8 - Property rates: A new valuation roll has been implemented during the previous financial year. The resultant regular adjustments are sanctioned by Section 78 of the Municipal Property Rates Act. These adjustments have been taking place throughout the year. The expected increase is anticipated in future years.

N9 - Government grants and subsidies; Public contributions: This is due to the delay on appointment of contractors for PTNG and IUDG (Roads concession projects). The adjustments budget to include the roads concession funded by IUDG was approved in March 2021. PTNG, the largest contributor to the unspending is due to Covid 19 lockdown. PTNG - given that construction is the largest expenditure driver the late appointment gave rise to the unspending however contractors have been appointed and currently onsite and the funding has been committed.

PHA: Additional grants received than anticipated in relation to Annerdale Extension.

N10 - Fines, penalties and forfeits: Over performance attributable to reconciliation, possible increase on services and fines issued.

N11 - As the variance is below 10%, the variance is regarded as immaterial and no explanation is provided.

N12 - Inventory consumed: This is attributable to the acquisition of smart meter segment. The service provider did not deliver according to the order.

N13 - Depreciation and amortisation: The increase in depreciation charge is as a result of the increased assets value arising from the revaluation of assets, whilst the remaining useful lives have remained constant.

N14 - Finance charges: The municipality had budgeted for a loan to fund road concession projects, however the decision was rescinded by council resulting in savings on finance charges.

N15 - Contracted services: The underspending is attributable to the roads maintenance segment expenditure that has been capitalised.

PHA: The major component of contracted services are repairs and maintenance. Complaints from tenants regarding

Notes to the Audited Consolidated Annual Financial Statements

63. Budget differences (continued)

repairs and maintenance are not tendered to where tenants have rental outstanding. This, together with limited resources has resulted in less repairs and maintenance incurred than what was initially budgeted for.

64. 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 audited consolidated annual financial statements.

Prescribed procurement processes were not followed but was approved by the Municipal Manager in terms of delegated powers and in accordance with Supply Chain Management Regulations and Policy. Valid reasons for deviations were recorded in all instances.

Deviations rand value	8 601 718	5 432 834	8 601 718	5 432 834
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65. Accounting by principals and agents

The entity is a party to a principal-agent arrangement.

Details of the arrangement is as follows:Details of the arrangement is as follows:

The municipality is the agent to the provincial Department of Transport.

The provincial government, through the respective provincial department of transport, is mandated to collect motor vehicle licenses on an annual basis. The provincial department of transport determines the fee that is payable annually by motor vehicle owners, which varies depending on the type of motor vehicle owned.

To make the payment of the motor vehicle licenses easier, the provincial departments entered into a contractual arrangement with the Polokwane municipality to undertake this activity on their behalf. In terms of the arrangement:

- The provincial department of transport issues the motor vehicle licence renewal form to the respective owners of the motor vehicles, indicating the amount due for the year.
- The municipality provide facilities for owners of motor vehicles to pay their licences.
- The provincial department provides the municipality with access to its IT systems so that they can capture the amounts received and issue the motor vehicle licenses on their behalf. The system automatically generates the motor vehicle license upon capturing the payment of the fees due.
- The municipality collect the fees due from motor vehicles owners and simultaneously issue the new licenses on behalf of the provincial government.
- The municipalities are required to pay over any revenue (cash) collected to the provincial government in respect of motor vehicle licenses.
- The municipalities are entitled to retain 20% and 3% of the cash collected for undertaking this activity for the provincial Department of Transport and AARTO respectively.

No significant risks exist other than risks associated with cash management. The application controls designed within the IT system are adequate to correctly account for such revenues.

Notes to the Audited Consolidated Annual Financial Statements**65. Accounting by principals and agents (continued)****Entity as agent**

Revenue recognised as compensation for the transactions carried out on behalf of the principal	20 889 121	21 214 389	20 889 121	21 214 389
Revenue received on behalf of the principal	83 363 394	77 779 798	83 363 394	77 779 798
Payables or receivables held on behalf of the principal				
Total collected	104 252 515	98 994 187	104 252 515	98 994 187
Paid over to the principal	(83 363 394)	(77 779 798)	(83 363 394)	(77 779 798)
Recognised as agency revenue	(20 889 121)	(21 214 389)	(20 889 121)	(21 214 389)
	-	-	-	-

There are no expenditure paid or incurred on behalf of the principal.

There are no receivables held on behalf of the principal.

Resources (including assets and liabilities) of the entity under the custodianship of the agent

The resources have been recognised/have not been recognised by the agent in its financial statements. [Choose as appropriate]

The remittance of resources during the period [State details].

The expected timing of remittance of remaining resources by the agent to the entity, are [State timing and details].

The expected timing of remittance of remaining resources by the agent to third parties, are [State timing and details].

Resource or cost implications for the entity if the principal-agent arrangement is terminated, are [State information/discussion].

[Provide additional info as appropriate]

Fee paid**Resource and/or cost implications for the entity if the principal-agent arrangement is terminated**

The resource and/or cost implications for the entity if the principal-agent arrangement is terminated, are [State information/discussion].

[Provide additional info as appropriate]

66. Segment information**General information**

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

66. Segment information (continued)

Identification of segments

The group is organised and reports to management on the basis of three major functional areas: primary, secondary and tertiary educational services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

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

Aggregated segments

Segment surplus or deficit, assets and liabilities

By function

Group - 2021

	Statement of Financial Performance			Statement of financial position
	Total segment revenue	Total segment expenditure	Total segment surplus/ (Deficit)	Total segment capital expenditure
Governance and administration				
Executive and council	-	285 126 739	(285 126 739)	-
Finance and administration	2 701 141 404	768 257 564	1 932 883 840	67 714 202
Internal audit	-	10 399 453	(10 399 453)	-
Community and public safety				
Community and social services	7 464 963	63 398 493	(55 933 530)	2 232 977
Sport and recreation	2 479 555	104 432 052	(101 952 497)	58 719 698
Public safety	1 123 692	60 576 925	(59 453 233)	-
Housing	1 121 800	13 915 003	(12 793 203)	-
Health	-	7 728 913	(7 728 913)	-
Economic and environmental services				
Planning and development	39 302 935	118 831 748	(79 528 813)	-
Road transport	58 825 324	642 117 557	(583 292 233)	249 778 182
Environmental protection	178	24 301 981	(24 301 803)	-
Trading services				
Energy sources	1 057 236 144	931 316 313	125 919 831	50 016 458
Water management	236 497 450	492 826 843	(256 329 393)	198 949 753
Waste water management	125 450 148	45 587 759	79 862 389	194 707 676
Waste management	127 359 585	144 054 624	(16 695 039)	2 079 121
Total	4 358 003 178	3 712 871 967	645 131 211	824 198 067

Company - 2021

Polokwane Municipality

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Notes to the Audited Consolidated Annual Financial Statements

	Group		Company	
	2021	2020	2021	2020

66. Segment information (continued)

	Statement of Financial Performance			Statement of financial position
	Total segment revenue	Total segment expenditure	Total segment surplus/ (Deficit)	Total segment capital expenditure
Governance and administration				
Executive and council	-	321 970 043	(321 970 043)	-
Finance and administration	2 701 141 404	768 839 981	1 932 301 423	67 714 202
Internal audit	-	10 399 453	(10 399 453)	-
Community and public safety				
Community and social services	7 464 963	63 398 493	(55 933 530)	2 232 977
Sport and recreation	2 479 555	104 432 052	(101 952 497)	58 719 698
Public safety	1 123 692	60 576 925	(59 453 233)	-
Housing	1 121 800	43 150 053	(42 028 253)	-
Health	-	7 728 913	(7 728 913)	-
Economic and environmental services				
Planning and development	39 302 935	118 831 748	(79 528 813)	-
Road transport	58 825 324	642 117 557	(583 292 233)	249 778 182
Environmental protection	178	24 301 981	(24 301 803)	-
Trading services				
Energy sources	1 057 236 144	931 316 313	125 919 831	50 016 458
Water management	236 497 450	492 826 843	(256 329 393)	198 949 753
Waste water management	125 450 148	45 587 759	79 862 389	194 707 676
Waste management	127 359 585	144 054 624	(16 695 039)	2 079 121
Total	4 358 003 178	3 779 532 738	578 470 440	824 198 067

Polokwane Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2021

Reportable Segments for the year ended 30 June 2021

Company - 2021

	Community and public safety	Economic and environmental services	Trading services	Unallocated	Total
Segment revenue					
External revenue from non-exchange transactions	5 634 278	30 638 003	8 300 650	2 647 753 721	2 692 326 652
External revenue from exchange transactions	3 231 801	40 116 737	1 538 242 677	40 347 569	1 621 938 784
Interest revenue	-	-	-	12 333 424	12 333 424
Total	8 866 079	70 754 740	1 546 543 327	2 700 434 714	4 326 598 860
Segment expenses					
Total segment expenses	(259 749 226)	(404 016 407)	(1 605 679 284)	(1 028 983 424)	(3 298 428 341)
Depreciation and amortisation	(19 537 220)	(381 234 882)	(8 106 252)	(10 141 620)	(419 019 974)
Interest expense	-	-	-	(61 910 286)	(61 910 286)
Total	(279 286 446)	(785 251 289)	(1 613 785 536)	(1 101 035 330)	(3 779 358 601)
Surplus for the year	(270 420 367)	(714 496 549)	(67 242 209)	1 599 399 384	547 240 259
Other information					
Segment assets	(441 648 579)	1 531 218 458	4 665 873 931	2 368 996 758	8 124 440 568
Segment liabilities	(9 823 677)	(110 638 156)	(194 118 718)	(1 663 441 139)	(1 978 021 690)
Total capital expenditure	(176 364 758)	224 531 867	444 838 590	74 840 999	567 846 698

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* See Note 52