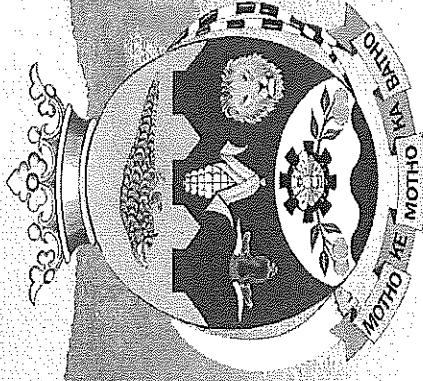


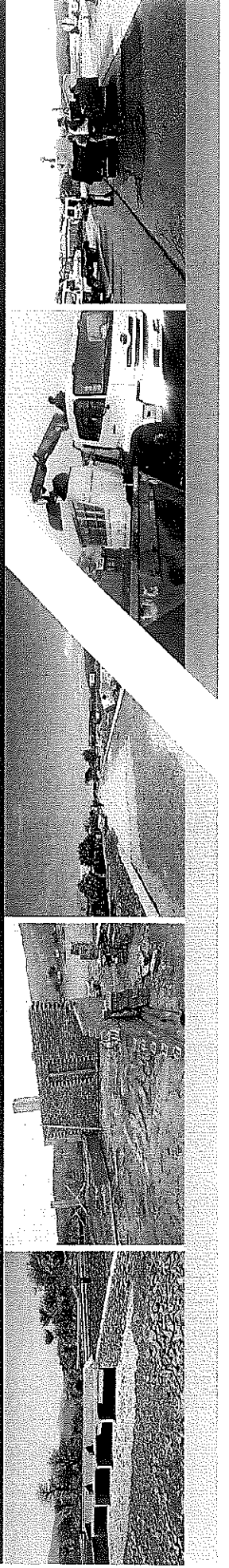
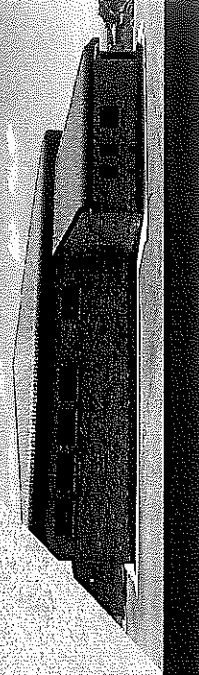


LEPELLE-NKUMPI **LOCAL MUNICIPALITY**

ANNUAL REPORT

Compiled in terms of Chapter 12, Section 121 and Circular No. 63 of the MFMA No.56 of 2003

2021-2022 (LIM355)



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ACRONYMS

AFS	: Annual Financial Statements	LED : Local Economic Development
CAPEX	: Capital Expenditure	MFMA : Municipal Financial Management Act
CDM	: Capricorn District Municipality	MIG : Municipal Infrastructure Grant
CDW	: Community Development Workers	MM : Municipal Manager
CFO	: Chief Financial Officer	LGMPMR : Local Government Municipal Performance Regulation
EEP	: Employment Equity Plan	PMS : Performance Management Systems
EM	: Executive Mayor	SDBIP : Service Delivery and Budget Implementation Plan
EPWP	: Expanded Public Works Programme	LM : Local Municipality
FBW	: Free Basic Water	
HRM	: Human Resource Management	
HRD	: Human Resource Development	
ICT	: Information Communication Technology	
IDP	: Integrated Development Plan	
ISDF	: Integrated Spatial Development Framework	
KPA	: Key Performance Area	
KPI	: Key Performance Indicator	

MUNICIPAL VISION, MISSION AND VALUES

Vision:

"Be financially viable municipality, geared towards the improvement of quality of life of the people, by providing sustainable services"

Mission:

"To effectively and efficiently provide quality basic services and thus make a significant contribution to social and economic development of the community"

Values:

Honesty, Transparency, Ubuntu, Consultation, value for time and money, access to information and access to services

Mayor's Foreword

It is with great pleasure and privilege to present to you 2021/2022 Annual Report covering the Period 1 July 2021 to 30 June 2022. The report tracks the Municipality's operational performance in the context of the priorities reflected in its approved 2021/2022 Integrated Development Plan (IDP), budgeted and Service Delivery and Budget Implementation Plan (SDBIP). As a new council we are more determined to provide proper and quality services to our people. We commit ourselves to strengthen our relationship with Magoshi to unlock all outstanding issues of Land and service delivery within our communities. We will continue to engage with our Magoshi until amicable solutions are reached for the benefit of the people of Lepelle-Nkumpi Municipality.

As we continue to strive to be a Smart Municipality, we will continue to stimulate economic growth through urbanization of townships. Through Inter- Government relations and District Development Model, we will strengthen our ability for Waste management control within our Municipality to deal with illegal dumping and maintain a clean and healthy environment. Working with the Department of Cooperative Governance, Human Settlement and Traditional affairs, the Municipality is busy developing Unit H for 350 sites and Unit R for 420 sites at Lebowakgomo in terms of sewer, water reticulation and household connection in order to enhance more revenue collection and for township development.

We will continue to work with other state institution' to maintain our open spaces and parks, to provide proper plan in terms of retail and manufacturing in order to provide more jobs for our people. We will formalize our hawkers by providing them with stalls in order to maintain cleanliness of our town. We will employ more general workers and plant operators, and have more teams for roads repair and waste management in order to clear the backlog we have as the Municipality. We are busy finalizing the preparation to hold an investment Conference and attract even more private sector investment to our area in order to grow the economy of our Municipality and create more jobs for our people.

We are planning to establish satellite offices in other clusters of the Municipality for our people to access municipal services and to create more jobs. It is that time of the year when we look back in the previous financial year and reflect on all activities, programs, the achievements as well as our performance in the previous financial year. We will make an assessments in terms of IDP objectives and SDBIP targets in our efforts to provide proper quality services to our people. I would like to thank our Councilors, Magoshi, the Staff of our Municipality, for the continuous support and services we are giving to our people.

I present to you Annual Report for 2021/2022 Financial year.

Cllr Molala M.M

Mayor

31/01/2023

Date

Municipal Manager's Foreword

The 2021/2022 annual report is structured around the six strategic focus areas and their underlying objectives, as contained in the Municipality's five-year strategic plan, the Integrated Development Plan (IDP). The key performance areas (KPIs) which are aligned to Section 152 of the Constitution of the Republic of South Africa, 1996 are as follows:

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

The annual report is compiled in accordance with Section 46 (1) of Local Government: Municipal Systems Act, 2000 and Section 121 (1) of Local Government: Municipal Finance Management Act, 2003 as part of measuring performance in relation to implementation of the Service Delivery and Budget Implementation Plan (SDBIP). Accomplishments, attainments, and challenges during the financial year under review are thus outlined in this regard against the backdrop of the country recovering from the negative effects of the Coronavirus (COVID-19) pandemic.

Our communities benefitted from job opportunities created through the municipal Expanded Public Works Programme (EPWP) programme, with five (5) participants in each Ward. Municipal supply chain management processes have also contributed to the development of the local economy through procurement of services, thereby addressing a whole range of socio-economic challenges including unemployment.

A summary of achievement of key performance indicators (KPIs) across the six KPAs in the 2021/2022 financial year compared to the previous one is as follows:

- Basic Service Delivery: Thirteen or 17.0% of the 75 achieved compared to 13 or 23.0% of the 57 KPIs.
- Spatial Rationale: Four (4) or 80.0% of the five (5) achieved compared to four (4) or 40.0% of the 10 KPIs.
- Local Economic Development: Two (2) or 100.0% of the two achieved compared to 2 or 67.0% of the 3 KPIs.
- Financial Viability: Five (5) or 100.0% of the 5 achieved compared to 8 or 80.0% of the 10 KPIs.
- Municipal Transformation: Fifteen or 75.0% of the 20 achieved compared to 15 or 83.0% of the 18 KPIs.
- Good Governance and Public Participation: Ten or 67.0% of the 15 achieved compared to 9 or 60.0% of the 15 KPIs.

In terms of challenges encountered in the 2021/2022 financial year, it has been a challenging year for Lepelle-Nkumpi, with contributing factors such as shortage of staff, delays in appointment of service providers and non-responsive bids. Constitutional Court ruling which declaring Preferential Procurement Regulations, 2017 invalid also had a significant impact on projected deliverables.

The Auditor-General of South Africa (AGSA) audited our SDBIP performance measurements in line with Section 45 (b) of Municipal Systems Act, 2000 and annual financial statements in line with Section 126 (3) of MFMA. The performance measurements set out for the year under review and thereafter audited, with the AGSA expressing a **Qualified Audit Opinion**, were set in accordance with Section 41 (1) (c) of MSA. The accompanying annual financial statements were prepared in line with Section 122 (1) of MFMA.

Besides regressing on the audit opinion compared to an **Unqualified Audit Opinion** for the 2020/2021 financial year, I am thankful to the employees and management for their commitment, passion, and hard work, which augurs well for the road ahead. Further that, I would like to thank the Mayor, Speaker, Councillors, colleagues in executive management, overall staff complement and the community for their support and patience and believing that we shall overcome.

It is imperative that we improve our institutional mechanisms to promote social cohesion and sustainable development for us to be able to discharge our mandate and derive direct monetary benefits.

There is a solid base to propel excellence even further. We are counting on Council to create an environment conducive enough for all parties to efficiently play a meaningful role and depend on our communities to provide the much-needed support and take their rightful place in the review and monitoring of performance management system.



Ms Monyepao M.A
Municipal Manager

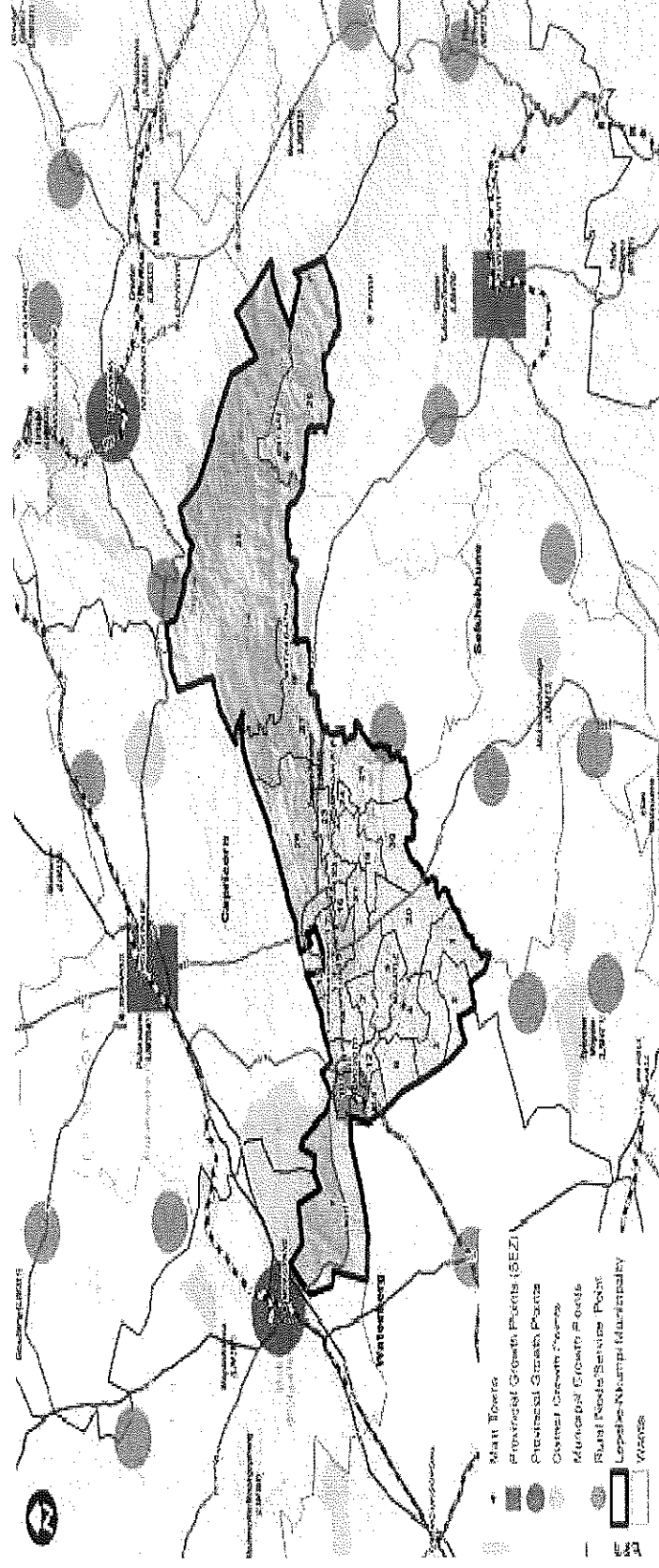
31/01/2023

Date

Municipal Overview

Lepelle-Nkumpi is one of the four local municipalities within the Capricorn District Municipality in Limpopo Province and is located in the southern part of the Capricorn District. The municipality is pre-dominantly rural with a population of approximately 233925 people. It covers 3,464.00 hectares, which represents 16% of the District's total land area and is divided into 30 wards which comprise a total of 94 settlements. About 95% of its land falls under the jurisdiction of Traditional Authorities.

Map 1: Wards and Main Towns



Population Figures

According to the Stats SA Community Survey 2016 results, the municipality has an estimated population of 233925 people with a total of 61305 households and an average household size of 3.8. There are 30 wards in the municipality with an average size of 8000 people.

Table 1. Demographics

Municipality	Population				No. of Households				Average Household Size			
	1996	2001	2011	2016	1996	2001	2011	2016	1996	2001	2011	2016
Lepelle-Nkumpi	234926	227 970	230350	233925	44 397	51 245	59 682	61305	5.2	4.4	3.9	3.8

Data Source: Community Survey 2016

The population of Lepelle-Nkumpi has grown by 0.1, second fastest after Polokwane, during the last period between 2011 and 2016. The municipality is the second largest in the District, harbouring 18% of District population, whereas Polokwane Municipality is the biggest and constitutes about 50% of the District population as depicted by the table below.

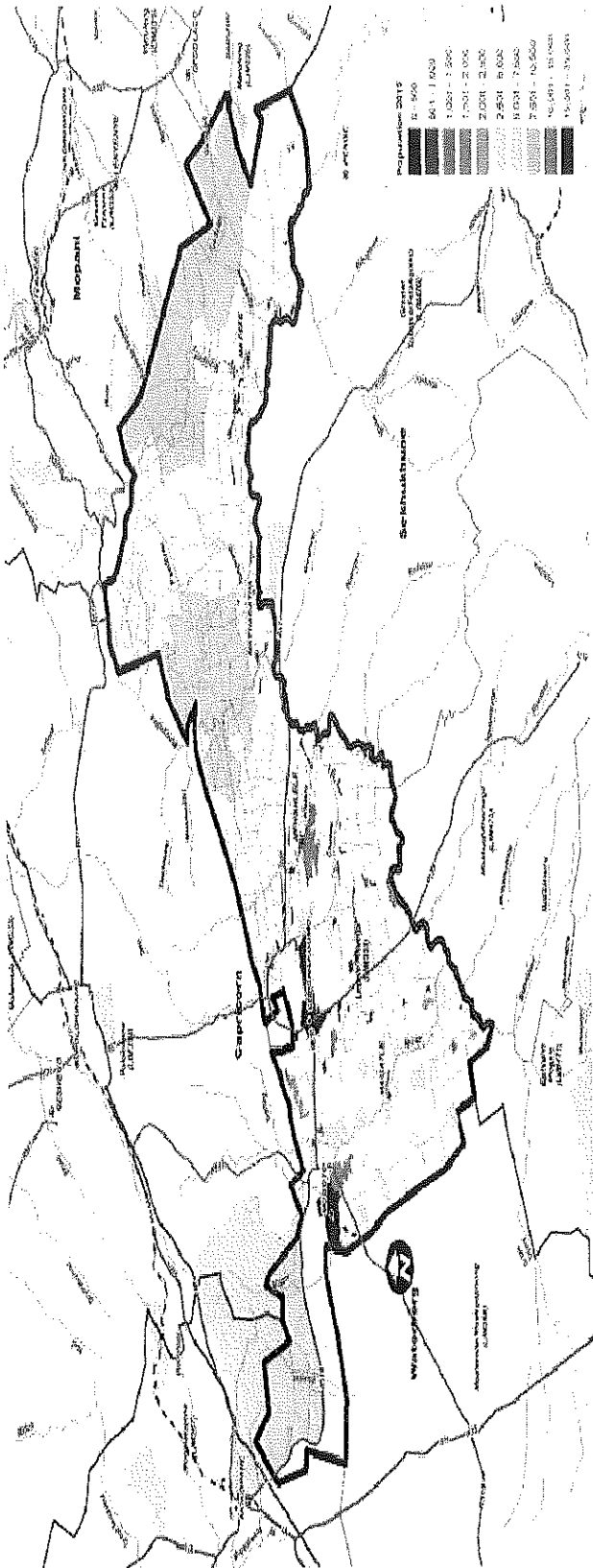
Population Growth Rate-1996, 2001, 2011 and 2016

Municipality	Population					
	1996	2001	% Change	2011	% Change	2016
Aganang	146 335	146 872	0.1	131 164	-1.1	125072
Blouberg	158 751	171 721	1.6	162 629	-0.5	160604
Lepelle Nkumpi	234926	227 970	-0.6	230 350	0.1	233925
Molemole	107 635	109 441	0.3	108 321	-0.1	108645

Municipality	Population						
	1996	2001	% Change	2011	% Change	2016	% Change
Polokwane	424 835	508 277	3.6	628 999	2.1	702190	0,025
Capricorn	1 072 484	1 164 281	1.6	1 261 463	0.8	1330436	0,012

Data Source: Community Survey 2016

Map 2: Settlement Population Size



Lepelle-Nkumpi Population by Language

Language	Number	Percentage
Afrikaans	205	0
English	331	0
Isindebele	6535	3
Isixhosa	152	0
Isizulu	93	0
Sepedi	210108	90
Sesotho	1996	1
Setswana	265	0
Sign language	12	0
Siswati	70	0
Tshivenda	526	0
Xitsonga	6165	3
Khoi; nama and san languages	26	0
Other	2043	1
Not applicable	5353	2

Language	Number	Percentage
Not specified	47	0
Total	233925	100

Data Source: Community Survey 2016

The table here above shows that the predominant language in the area is Sepedi that is spoken by 90% of the total population, followed by IsiNdebele and XITsonga that are spoken each by 3% of the total population respectively.

Age Distribution

The dependency ratio, which covers people aged below 15 and above 64, is very high at 44% of total population.

Dependency Ratio

Ages 0-14				Ages 65+			
1996	2001	2011	2016	1996	2001	2011	2016
101 498	93 712	82 917	85795	14780	15 313	17 946	16483
44%	41%	36%	37%	6%	7%	8%	7%
234926	227 970	230350	233925	234926	227 970	230350	233925

Data Source: Community Survey 2016

Population by Age and Gender, 1996, 2001, 2011 and 2016

	1996			2001			2011			2016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Ages 0-14	50312 (49.57%)	51186 (50.43%)	101498	46554 (49.67%)	47158 (50.33%)	93712	41766 (50.38%)	41151 (49.62%)	82917	43059 (50.18)	42736 (49.82)	85795
Ages 15-34	35115 (44.63%)	43551 (55.37%)	78666	33470 (45.37%)	40294 (54.63%)	73764	36412 (48.14%)	39223 (51.86%)	75635	38818 (45.52)	41175 (54.48)	79993
Ages 35-64	14824 (37.07%)	25158 (62.93%)	39982	17185 (38%)	27996 (62%)	45181	20908 (38.82%)	32944 (61.18%)	53852	20151 (39.01)	31504 (60.99)	51655
Ages 65+	4500 (30.44%)	10280 (69.56%)	14780	4867 (31.8%)	10446 (68.2%)	15 313	5758 (32%)	12188 (68%)	17 946	4340 (26.33)	12143 (73.67)	16483
Total	104751	130175	234926	102076	125894	227 970	104845	125505	230 350	106369	127557	233925
%	44.59%	55.41%	100%	44.78%	55.22%	100%	45.52%	54.48%	100%	45%	55%	100%

Data Source: Community Survey 2016

Young people of below 35 years old who constitute 71% of total population dominate the population of Lepelle-Nkumpi.

Level of Education

According to Census 2011, there is only 33% with matric and above qualifications, among people 20 years and older. Otherwise, 67% has no matric- having left school at primary or secondary levels. There is an alarmingly high percentage of females without schooling or with minimal education qualifications in the municipality and the District alike, even though there are still more women with matric and post matric qualifications.

Distribution of the population aged 20 years and older by highest level of education attained and sex- 1996, 2001, 2011 and 2016

Level of education	Municipality	2001			2011			2016		
		Males	Females	Total	Males	Females	Total	Males	Females	Total
No schooling	Lepelle-Nkumpi	11 031	24 524	35 554	6 246	15 602	21 848	5345	13763	19108
	Capricorn District	47 113	100 011	147 124	27 542	61 955	89 498	29443	61293	90736
Some primary	Lepelle-Nkumpi	5 390	6 795	10 670	5 804	7 558	13 361	4744	6302	11046
	Capricorn District	34 234	40 743	74 977	32 664	41 892	74 556	24166	32588	56754
Completed primary	Lepelle-Nkumpi	2 310	2 940	5 250	2 021	2 548	4 569	2093	2744	4838
	Capricorn District	14 311	18 127	32 437	12 279	15 947	28 226	10268	13003	23272
Some secondary	Lepelle-Nkumpi	11 538	14 608	26 145	17 815	20 995	38 810	19756	22741	42497
	Capricorn District	69 665	86 109	155 774	107 790	119 208	226 999	111615	122786	234401
Grade 12	Lepelle-Nkumpi	6 214	9 259	15 474	10 717	15 782	26 499	12685	19272	31957
	Capricorn District	42 144	54 352	96 496	76 471	95 172	171 643	97329	118459	215788
Higher	Lepelle-Nkumpi	3 200	4 714	7 914	5 088	7 740	12 829	4995	6132	11127
	Capricorn District	20 590	26 670	47 260	38 017	49 154	87 171	42153	50386	92539

Level of education	Municipality	2001			2011			2016		
		Males	Females	Total	Males	Females	Total	Males	Females	Total
Other	Lepelle-Nkumpi							227	461	688
	Capricorn District							3753	4477	8231
Do not know	Lepelle-Nkumpi							551	415	966
	Capricorn District							4506	4873	9379
Unspecified	Lepelle-Nkumpi							38	-	38
	Capricorn District							250	209	459
Total	Lepelle-Nkumpi	39 683	62 840	102 523	47 692	70 224	117 916	50435	71830	122265
	Capricorn District	228 057	326 012	554 069	294 764	383 328	678 093	323485	408075	731560

Data Source: Community Survey 2016

Local Skills Base

Literacy rates have increased over the years, providing labour resources that can take up employment opportunities above basic elementary occupations. The increased literacy levels may also, to some extent, have contributed to the increased employment rates in the area. The skills base for municipality is derived from local TVET College, Nursing College, on-the-job training in the mines and those who go out to acquire qualifications outside the municipality, especially within the District and in Gauteng Province.

Income Distribution

Limpopo Province is one of the poorest provinces in the country, with approximately 14% of households having no form of income, compared to the National level where this figure stands at 15%. Lepelle-Nkumpi Municipality has very high level of poverty, with more than 15% of households without any form of income as shown in the table below.

Table 7: Percentage annual household income distribution for Lepelle-Nkumpi, 2001, 2007 & 2011

Year	No income	R1-R4800	R4801-R9600	R9601-R19600	R19601-R38200	R38201-R76400	R76401-R153800	R153801 +
2001	32%	11%	25%	14%	8%	6%	3%	1%
2007	11%	8%	13%	27%	21%	11%	4%	3%
2011	15%	6%	12%	25%	21%	8%	6%	7%

Data Source: Census 2011

Percentage annual household income distribution, S.A, Limpopo, Capricorn and Lepelle-Nkumpi, 2011

	S.A	Limpopo	Capricorn	Lepelle-Nkumpi
No income	15%	14%	14%	15%
R 1 - R 4800	4%	6%	5%	6%
R 4801 - R 9600	7%	12%	10%	12%
R 9601 - R 19 600	17%	23%	23%	25%
R 19 601 - R 38 200	19%	21%	21%	21%
R 38 201 - R 76 400	13%	10%	10%	8%

	S.A	Limpopo	Capricorn	Lepelle-Nkumpi
R 76 401 - R 153 800	9%	6%	7%	6%
R153 801 and more	15%	8%	10%	7%

Data Source: Census 2011

An analysis on Digital Spatial Boundaries from Census 2011 shows that the high income earners of R153801 and above in the municipality are concentrated mostly in the Township of Lebowakgomo, which is the only pure urban area within the municipality.

Employment Profile

Employment status of National, Province, District and LNM

	South Africa			Limpopo			Capricorn			Lepelle-Nkumpi		
Year	2001	2011	2017	2001	2011	2017	2001	2011	2017	2001	2011	2017
Employed	58	70	72.25	51	61	63.04	50	63	66.62	39	52	54.31
Unemployed	42	30	27,75	49	39	36,96	50	37	33,38	61	48	45,69
TOTAL	100%	100%	100%	100 %	100	100%	100%	100%	100%	100 %	100	100%

Data Source: Census 2011 and Quantec 2018

Employment profile, 2011

	EAP 2011		Employed 2011	Unemployed 2011	Total
Total		53 054	52%	48%	100%

Source: Stats SA: Census 2011

Employment status by gender and population aged between 15 and 64 years by -1996, 2001 and 2011

Data Source:

Tables above
rate of
the municipal
though is a 13%
from 2001's
unemployment
than that of the
and the

Census 2011

indicate a high
unemployment in
area (48%) even
improvement
61%. This
rate is higher
District, Province
Republic.

Table.12:
Sectors

	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Ages 15-34	5586	9125	14711	9694	14721	24415	7061	8959	16020
Ages 35-64	3615	6443	10058	5538	8337	13875	3583	5938	9521
Total	9201	15568	24769	15232	23058	38290	10644	14897	25541
%	37.1	62.9	100	39.8	60.2	100	41.7	58.3	100

Employment

Sectors	Labour Force		
	2007	2011	
Agriculture; hunting; forestry and fishing	598	2.17%	3%
Mining and quarrying	1003	3.65%	8%
Manufacturing	3488	12.69%	7%
Electricity; gas and water supply	380	1.38%	1%
Construction	2441	8.88%	9%
Wholesale and retail trade	3609	13.13%	18%

Transport; storage and communication	826	3%	2%
Financial; insurance; real estate and business services	1598	5.81%	5%
Community; social and personal services	8066	29.35%	19%
Government And Community	-	-	28%
Other and not adequately defined	1812	6.59%	-
Unspecified	3657	13.3%	-
Total	27478	100%	100%

Data Source: Census 2011

The highest employment sectors in Lepelle-Nkumpi are government, community and retail sectors which together contribute 65% of employment.

People with Disability

The table below indicates the number of people with disabilities in the municipal area. The majority of disabilities relates to physical body.

Types of Disabilities

	Communication		Hearing		Remembering and concentration		Seeing		Self care		Walking or climbing stairs	
	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016
No difficulty	205200	197950	206436	196260	200492	195520	197963	189406	178830	194244	205296	191984
Some difficulty	3244	3777	4187	5293	6115	5859	11892	11194	4736	6160	4711	7770
A lot of difficulty	1046	731	778	1015	2056	1140	1679	1907	1750	1644	1368	2531

Cannot do at all	2029	236	555	139	2431	143	573	201	8560	596	1628	406
Do not know	491	57	223	45	758	91	143	44	1577	108	339	61
Cannot yet be determined	11193	-	11158	-	12233	-	11410	-	28018	-	10899	-
Unspecified	5254	86	5121	86	4372	86	4798	86	4987	86	4217	86
Not applicable	1892	31088	1892	31088	1892	31088	1892	31088	1892	31088	1892	31088
Grand Total	230350	233925	230350	233925	230350	233925	230350	233925	230350	233925	230350	233925

CHAPTER 2: GOVERNANCE

COMPONENT A: GOVERNANCE STRUCTURES (POLITICAL GOVERNANCE STRUCTURE)

Municipal Council comprises of the governing and decision making body of the municipality whilst municipal officials and staff focus on implementation. Council determines the direction for the municipality by setting the course and allocating the necessary resources. Council establishes the policies and municipal staff ensures that those policies are implemented.

Decisions made at Council or committee level are often the result of a lot of research, consultation and advice from staff, residents, business people and interested parties. Often there are competing interested and financial constraints that must be considered. Lepelle-Nkumpi Local Municipality is governed by a council led by Mayor. All major policy and administrative decisions are presented, resolved and implemented after approval of council. The political system in the municipality is functioning fairly well.

There is a municipal public accounts committee whose mandate is to interrogate municipal performance and thus assisting the municipality to act in the manner that assist service delivery. The annual report is publicized for scrutiny and comment of the public as well. For the year ended 30 June 2021, the municipality had a total of sixty councillors. Thirty (30) of those are ward councillors and all of them are from the African National Congress.

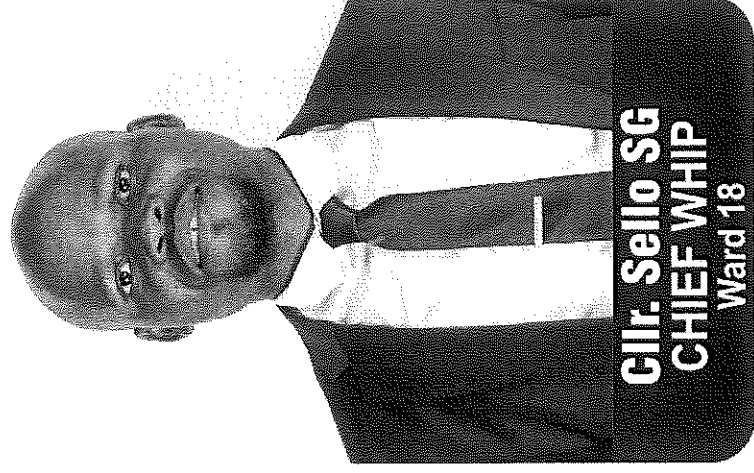
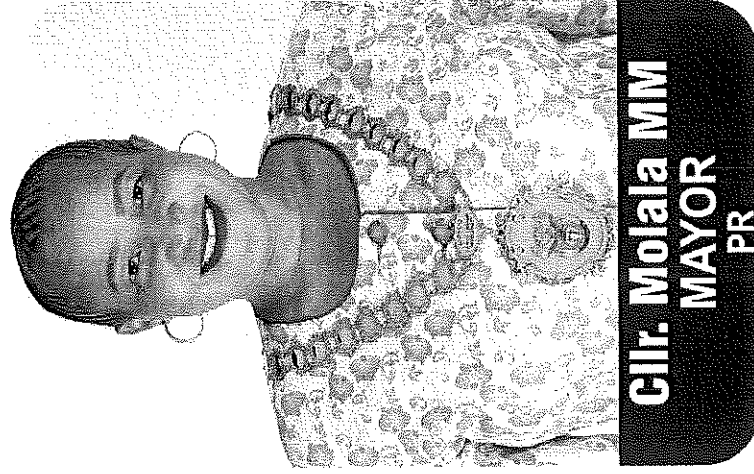
There are 30 wards in the municipality with an average size of 8000 people. For purposes of the Spatial Development Framework the municipal area is divided into the following four Administrative Clusters (based on the Municipal Wards);

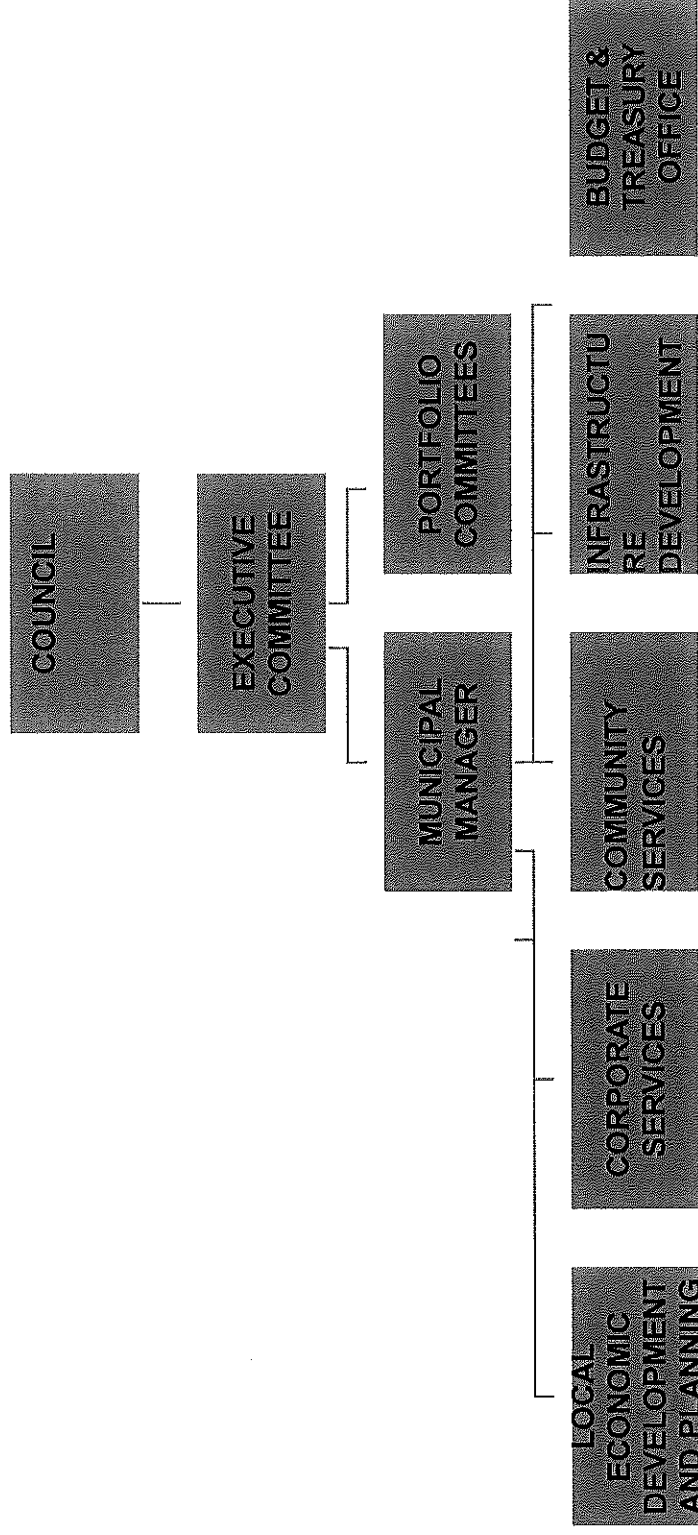
- Zebediela Cluster (Wards 1-14);
- Lebowakgomo Cluster (Wards 15-18);
- Mphahlele Cluster (Wards 19-26 and 30);
- Mafefe-Mathabatha Cluster (Wards 27 -29)

The Traditional Authorities of Lepelle-Nkumpi Municipality also takes part in Council of the municipality as Ex-Officio in terms of Section 81(2) (a) of the Municipal Structures Act, 1998 and Provincial Government Notice No. 55 of 2001:

- Batau ba Seloane (one ward)
- Kekana (thirteen wards)
- Ndlovu Ledwaba (one ward)
- Mphahlele (nine wards)
- Mathabatha (one ward)
- Mafefe (two wards)

- Chuene (Spanapudi village which is included in ward 13)

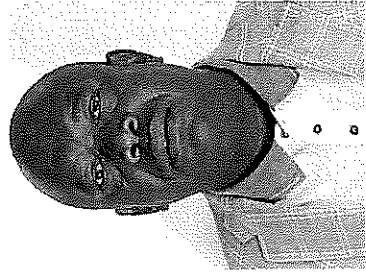




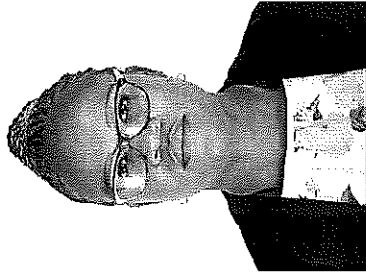
The Municipal Political Management Team comprises of the following councillors:

1. Cllr Molala M.M as the Mayor
2. Cllr Nkoabela N.J as the Speaker
3. Cllr Sello S.G as the Chief Whip

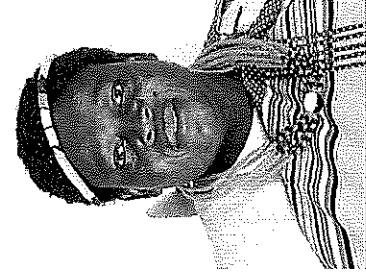
PORTFOLIO CHAIRPERSONS / EXCO



Cllr. Mphofela SM
Roads, Transport and Electricity
Cell: 079 293 5159
Ward 29



Cllr. Molomo RO
Land, Local Economic Development,
Planning and Housing
Cell: 076 335 5137
Ward 08



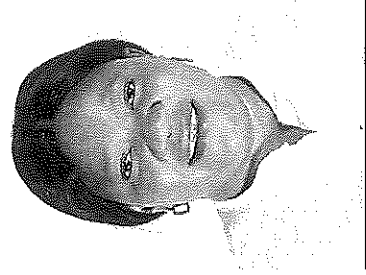
Cllr. Letwaba PE
Budget and Treasury
Cell: 072 064 1857
PR



Cllr. Matimela MD
Community Services
Cell: 079 136 2402
PR



Cllr. Mazwi DP
Corporate Services
Cell: 079 462 1345
Ward 30



Cllr. Nkoana RTF
Water and Sanitation
Cell: 072 855 7203
Ward 22



Cllr. Rababalela SM
Chairperson without portfolio
Cell: 082 721 3399
PR



Cllr. Lekgoathi S
Chairperson without portfolio
Cell: 086 201 6024
PR



Cllr. Mphahlele MTR
Chairperson without portfolio
Cell: 072 258 4348
PR

P'R AND WARD COUNCILLORS

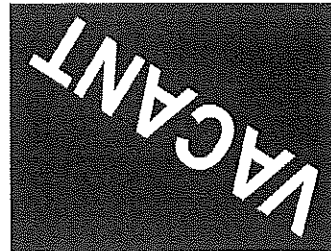
Surname & Initials	Male/Female	PR/Ward Councillor	Surname & Initials	Male/Female	PR/Ward Councillor
Cllr Makgahlele MB	Male	Ward Councillor	Cllr Shogole MW	Male	PR
Cllr Lebesse JM	Male	PR	Cllr Ntsoane NP	Female	PR
Cllr Makgati MA	Male	PR	Cllr Mokone SM	Male	PR
Cllr Ramoshaba RS	Female	PR	Cllr Mathabatha RE	Female	PR
Cllr Mathabatha MD	Female	PR	Cllr Matibidi MI	Male	PR
Cllr Phele RS	Male	PR	Cllr Modula MA	Female	PR
Cllr Marema TG	Female	PR	Cllr Thobejane CM	Male	PR
Cllr Maleka PI	Female	PR	Cllr Makhafola TH	Female	PR
Cllr Mphogo RJ	Female	PR	Cllr Mphahlele MJ	Male	PR
Cllr Hlongoane HM	Female	PR	Cllr Kekana KJ	Male	PR
Cllr Tsela FD	Male	PR	Cllr Mphahlele TJ	Male	PR

Cllr Tlajane JB	Male	PR	Cllr Mogodi MM	Male	Ward Councillor
Cllr Phaahla SS	Male	Ward councillor	Cllr Makhafole MS	Female	Ward councillor
Cllr Mmako NS	Male	Ward councillor	Cllr Takalo ME	Female	Ward councillor
Cllr Maphoto ME	Female	Ward councillor	Cllr Kgapola LG	Male	Ward councillor
Cllr Mahlobogwane MD	Female	Ward councillor	Cllr Mngomezulu LJ	Male	Ward councillor
Cllr Lekgoathi FP	Female	Ward councillor	Cllr Mphahlele KP	Male	Ward councillor
Cllr Mollo MI	Male	Ward councillor	Cllr Ntshane LJ	Male	Ward councillor
Cllr Muthwa LS	Male	Ward councillor	Cllr Phogole ML	Male	Ward councillor
Cllr Kekana MP	Male	Ward councillor	Cllr Ramothole	Male	Ward councillor
Cllr Ramaremo	Male	Ward councillor	Cllr Mahlatji	Male	Ward councillor
Cllr Kekana MS	Female	Ward councillor	Cllr Moeti TL	Female	Ward councillor
Cllr Maphoso MW	Male	Ward councillor	-	-	-
Cllr Kekana MA	Female	Ward councillor	-	-	-
Cllr Ledwaba MW	Male	Ward councillor	-	-	-

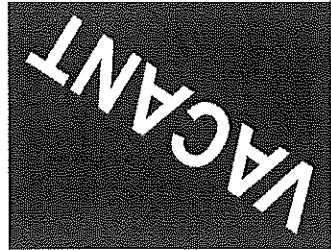
TOP MANAGEMENT



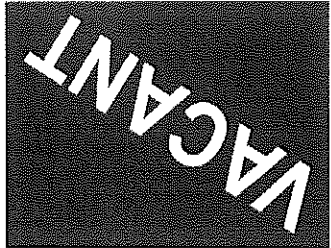
MA Monyepao
Municipal Manager
Office: 015 633 4508
monyepao@lepellet-nkumpi.gov.za



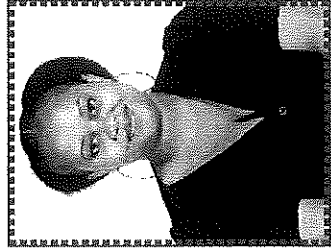
Executive Manager: Community Services
Office: 015 633 4576



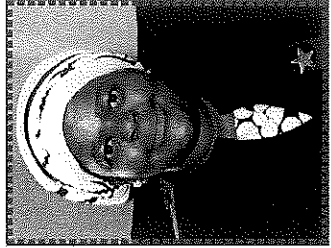
Executive Manager: Planning & Local Economic Development
Office: 015 633 4581



Executive Manager: Technical Services
Office: 015 633 4554



Khomofo Mankga
CFO: Chief Finance Officer
Office: 015 633 4616
E-mail: kgomofo.mankga@lepellet-nkumpi.gov.za



Fezive Nogilana - Raphela
Executive Manager: Corporate Services
Office: 015 633 4545
E-mail: fezive.rhapela@lepellet-nkumpi.gov.za

The municipal manager is the Accounting Officer. The Municipal Manager advises the Council and its committees on administrative matters such as policy issues, financial matters, organizational requirements and personnel matters. The municipal manager has to personally provide reasons to council for the way in which the financial affairs of the departments of council had been conducted and this will be conducted with the assistance of the finance department.

The day to day management of the municipality is done by staff under the direction of the Municipal manager and heads of departments. The municipal manager and heads of departments have broad and general management responsibilities such as making sure staff is kept abreast on council's direction and identifying gaps in service delivery. Together with council they must monitor progress on set goals and priorities.

Key Performance Areas and the Strategic Objectives

KPA: Basic Service Delivery

Strategic Objective: To upgrade 50km of roads from gravel to various surfacing and construction of related storm water control infrastructure, Electrification of 1585 new households extensions, Construction and maintenance of recreational and community facilities, Provision of sustainable Local Economic Development Infrastructure, To improve access to waste management services to 80%, To extend refuse removal to un-serviced areas, To protect biodiversity and cultural heritage, enforce environmental compliance and mitigate the impact of climate change.

KPA: Spatial Rationale

Strategic Objective: To improve access to public facilities, to reduce disaster incidents by 50%, Improve municipality's financial planning, expenditure, accounting and reporting capability, Plan and Manage spatial development within the municipality, Plan and Manage spatial development within the municipality.

KPA: Local Economic Development

Strategic objective: To improve access to free basic services, to create temporary work opportunities, Reduce unemployment rate.

KPA: Financial Viability & Financial Management

Strategic Objective: Improve municipality's financial planning, expenditure, accounting and reporting capability.

KPA: Municipal Transformational & Institutional Development

Strategic Objective: To effectively and efficiently recruit and retain competent human capital, to review human resource policies, to review employment equity plan, To develop Career & Succession planning policy, To develop policy on Reasonable Accommodation for PwD, To develop workplace skills plan (WSP), To conduct skills audit, To train Officials and Councilors, To monitor and enforce health and safety compliance, To promote sound Labour Relations, To promote employee wellness, To become an e-Municipality for enhancement of sustainable service delivery, To provide Effective and efficient administration, Ensure compliance with the performance management policy, Regulations, MFMA and MSA.

KPA: Good Governance & Public Participation

Strategic Objective: To provide assurance and consulting services to management and Council on internal controls, risk management and governance, To improve risk management systems and protect the municipality from risks, To strengthen capacity to prevent and combat fraud and corruption, To promote the needs and interests of special focus groups, To provide Strategic Support to the Municipality, To strengthen municipal Communication, To promote good governance, To Develop effective and sustainable stakeholders relations, To promote good governance, To promote good governance, transparency and accountability on the use of municipal resources. Manage and co-ordinate the 5 year IDP & Budget process plans of the municipality, Ensure responsive long term planning to grow the local economy through desired jobs.

LEGISLATIONS GOVERNING PERFORMANCE MANAGEMENT

The Constitution of the Republic of South Africa (1996)

Section 152 of the Constitution mandates local government, among others to: Provides democratic and accountable government for local communities. Encourage the involvement of communities and community organizations in the matters of local government.

The White Paper on Local Government of 1998

The White Paper on Local Government (1998) puts forward for the new developmental Local Government system and identifies tools for realising a developmental local government through: Integrated Development planning and budgeting. Performance management and working together with local citizens and partners.

Municipal System Act NO. 32 of 2000

The Municipal Systems Act no 32 of 2000, Chapter 6 enforces the idea of local government PMS.

Municipal Planning and Performance Management Regulations of 2001

The Municipal Planning and Performance Regulations (2001) set out in detail requirements for municipal PMS. It entails a framework that describes and represent how the municipal cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed including the determining of the roles and responsibilities of different role players.

The Municipal Finance Management Act of 32 2003

The Municipal Finance Management Act states requirements for a municipality to include its annual municipal performance report with its financial statement in constituting its annual report. In essence, the Act requires that a municipality must, among other things: Audit of performance

measurement; and Annual performance reports. Section 121 requires every municipality and every municipal entity to prepare and adopt annual report each financial year.

The Municipal Regulations of 2006

The Local Government Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers sets out how the performance of Section 57 staff will be uniformly directed, monitored and improved. The regulations address both the employment contract and performance agreement of municipal managers and managers directly accountable to municipal managers. It further provides a methodology for the performance management system as well as criteria for performance bonus payments.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

Our intergovernmental relations was about improving the delivery of outcomes through effective systems, processes and procedures that ensured cooperation of different role players around policy formulation, planning, monitoring and support and delivery. Our municipality is part of the IGR structures in terms of the intergovernmental relations Act 13 of 2005. The district Executive mayor is the decision making within the district and its family of municipalities. The executive mayor's forum participates in the IGR forum that is convened by the Premier of the province to implement resolutions taken at provincial level.

The municipal manager's IGR sits on regular bases to recommend issues to be discussed and implement resolutions of the political IGR. The following are political and non-political intergovernmental structures:

Structure	Participants	Responsibility
Premier's IGR forum	Premier Mayors Heads of departments Municipal Managers	Coordinated by provincial and Local government
Mayor's IGR forum	Executive mayor Mayors Traditional Leaders Municipal Managers	Coordinated by District and Local Government
District Speakers forum	Speakers of district and local municipalities	Coordinated by public participation processes in the municipalities

Municipal Manager's forum	All municipal manager's within the district	District Municipal Manager
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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public Participation

During the year, various methods and/or processes were used to increase public awareness on service availability and engage public in decision making and improve accountability to communities. Public documents were posted on the municipality's website and the public invited to make comments and provide inputs thereto. Ward Consultation meetings were held in a form of small ward based focus groups due to Covid restrictions and during the months of September 2020 and October 2020

WARD NUMBER	PLANNED DATE OF MEETING	ACTUAL DATE OF MEETING	PMT/EXCO EMPLOYEE
1.	13 OCTOBER 2020	13 OCTOBER 2020	Cllr. Makgati
2.	13 OCTOBER 2020	13 OCTOBER 2020	Cllr. Themane
3.	13 OCTOBER 2020	13 OCTOBER 2020	Cllr. Mogashoa
4.	14 OCTOBER 2020	14 OCTOBER 2020	Mayor M.M. Molala
5.	14 OCTOBER 2020	14 OCTOBER 2020	Cllr. Mphofela
6.	14 OCTOBER 2020	14 OCTOBER 2020	Chief Whip Thobejane
7.	18 OCTOBER 2020	18 OCTOBER 2020	Cllr. Mogashoa (first meeting) and Cllr. Mphofela (second meeting)
8.	18 OCTOBER 2020	18 OCTOBER 2020	Mayor M.M. Molala
9.	18 OCTOBER 2020	18 OCTOBER 2020	Cllr. Mphofela
10.	29 SEPTEMBER 2020	29 SEPTEMBER 2020	Speaker Ntsoane and Cllr. Makgati
11.	29 SEPTEMBER 2020	29 SEPTEMBER 2020	Chief Whip Thobejane
12.	29 SEPTEMBER 2020	29 SEPTEMBER 2020	Chief Whip Thobejane
			Cllr. Mogashoa
13.	30 SEPTEMBER 2020	30 SEPTEMBER 2020	Cllr. Mogashoa
14.	30 SEPTEMBER 2020	30 SEPTEMBER 2020	Cllr. Ramokolo
15.	04 OCTOBER 2020	04 OCTOBER 2020	Mayor M.M. Molala and Cllr. Ramokolo

WARD NUMBER	PLANNED DATE OF MEETING	ACTUAL DATE OF MEETING	PMT/ EXCO DEPLOYEE
16.	04 OCTOBER 2020	04 OCTOBER 2020	Mayor M.M. Molala and Cllr. Ramokolo
17.	04 OCTOBER 2020	04 OCTOBER 2020	Mayor M.M. Molala and Cllr. Ramokolo
18.	04 OCTOBER 2020	04 OCTOBER 2020	Mayor M.M. Molala and Cllr. Ramokolo
19.	29 SEPTEMBER 2020	25 OCTOBER 2020	Cllr. Themane (first meeting) Cllr. Mphahlele (second meeting)
20.	06 OCTOBER 2020	06 OCTOBER 2020	Cllr. Makgati
21.	06 OCTOBER 2020	06 OCTOBER 2020	Cllr. Themane
22.	06 OCTOBER 2020	06 OCTOBER 2020	Cllr. Mphofela
23.	07 OCTOBER 2020	07 OCTOBER 2020	Speaker Nisoane and Cllr. Rababalela
24.	07 OCTOBER 2020	12 OCTOBER 2020	Chief Whip Thobejane (first meeting) No deployee (second meeting)
25.	07 OCTOBER 2020	07 OCTOBER 2020	Cllr. Mogashoa
26.	11 OCTOBER 2020	11 OCTOBER 2020	Cllr. Makgati
27.	20 OCTOBER 2020	20 OCTOBER 2020	Chief Whip Thobejane
28.	20 OCTOBER 2020	20 OCTOBER 2020	Cllr. Mphofela
29.	20 OCTOBER 2020	20 OCTOBER 2020	Cllr. Mogashoa
30.	11 OCTOBER 2020	11 OCTOBER 2020	Cllr. Mphofela

Stakeholders Consultation

Media platforms were used to consult stakeholders and the public regarding Draft IDP/Budget and related policies due to Covid restrictions. Mostly, social media and radio interviews were used during the months of January and May 2021.

Rep Forum meeting was held on 24 May 2021.

Compilation of IDP Analysis

Desktop analysis of the IDP Status Quo was compiled. The analysis also took into consideration, information from Sector Plans under review or under compilation and was presented to Extended Management on 7-8 December 2020 and Exco Lekgotla which was held on 24-25 February.

Compilation of IDP Strategies

Management planning session took place on 7-8 December 2020, Exco Lekgotla was held on 24-25 February 2021 to look at IDP/PMS Strategies and Indicators. The Strategies and Indicators were further send to COGHSTA, CDM and OTP for inputs.

Projects Identification Phase

Exco Lekgotla was held on 27 March 2021 and 20 May 2021 to identify projects and three years' budget.

Other Process Plan Activities

The review process for the development of this IDP/Budget was conducted as follows:

- Steering committee meetings took place in July 2020, September 2020 (whose purpose were for process plan and budget adjustment respectively), March 2021 to consider 2021/22 Draft IDP/Budget and May 2021 to recommend for its approval
- Process plan was approved by council on the 27 August 2020
- Ward consultation meetings were conducted by mayor and Exco/ PMT from 29 September 2020 to 25 October 2020. focus groups meetings of about 25 people representing ward stakeholders were used to identify community development needs and priorities
- Council approved first adjustment budget to recognise, and allocate, covid-19 grant on the 30th September 2020
- Departmental planning sessions took place on 25-26 November 2020
- Management planning session took place on 7-8 December 2020
- Exco Lekgotla was held on 24-25 February 2021, 27 March 2021 and 20 May 2021
- Organizational Strategic Planning session was held on the 24th May 2021
- Stakeholders' Representative Forum meeting was held on 24 May 2021
- Draft 2021-2026 IDP/Budget was tabled to council on the 31st March 2021 and publicised for public inputs
- The 2021-2026 IDP/Budget was approved by council on the 31st May 2021

General Challenges Experienced during the Review Process

Challenge	Intervention
Ward Consultations: Some meetings failed on first attempt and had to be reconvened while other dates had to be postponed/ shifted due to other programmes.	Improve communication among role players
Officials and managers who usually participate and assist during IDP consultation meetings could not do this time, due to the meetings being held during the week when they had to perform their daily office duties. There are only two officials in the IDP Office- and the process (logistics, preparations and conducting of 3 to 5 meetings in one day) has proven to	The IDP consultation meetings programme should be planned in such a way that the meetings take place at different times to allow the IDP Office to be there in all meetings. The presence of learners in the department also assisted a lot.

be tedious and intensive. During ward consultation meetings, too much time is spent discussing issues that require mandatory ward community meetings. Very little time remains to look into IDP/ development needs and priorities. Conducting Strategic Planning sessions, including Exco Lekgotla, locally were not effective as per usual because of cost containment issues Delays in implementation of approved projects	Ward councillors should be encouraged to conduct regular/ quarterly meetings with their communities to discuss service delivery issues/ reports/concerns.
Community protests and service delivery disruptions	Forward planning is currently being implemented. However, due to the above problem of loss of funds, some designs are going to remain unimplemented. There is a need to improve enforcement of SLA and contract management Improve communication with communities and intra-governmentally and regular reporting to communities

COMPONENT D: CORPORATE GOVERNANCE

Communication Strategy

Our municipality has approved reviewed communication strategy. The objectives of the strategy are:

To create awareness and support the municipality's mission, vision and programmes

To promote the municipality's projects, achievements and future plans.

To project the municipality's positive image and build a good reputation and enhance its corporate image.

To build good working relations with stakeholders and keep them informed on developments within the municipality, change the negative perceptions people have about the municipality.

Promote access to information by communities.

Positively influence media agenda.

Continuously update customers/ ratepayers about our services.

To enhance public participation programmes.

Create a uniform identity for the municipality.

The Municipal information on compliance issues, plans and policies is placed on the municipal website and this is done in partnership with SITA. Our Legal Office was in a process of reviewing all the existing municipal By-laws and this will be done in partnership with department of CoGHSTA. The role of all the established committees is to monitor and play an oversight on all compliance issues and policies of the municipality. During the last financial year the following committees were established headed by appointed chairpersons and reporting to municipal Council on a quarterly basis:

Audit Committee.

Risk Committee.

Municipal Public Accounts Committee and Ethics Committee.

Executive Committee and the Portfolio committee.

Risk Management System

The total process of risk management within the municipality, which includes the related systems of internal control, is the responsibility of the Municipal Manager as the Accounting Officer. The internal audit function will provide independent assurance of the effectiveness of risk management and internal control process. Municipal Council has approved a reviewed risk management strategy in June 2017. A risk Officer is appointed to operationalise the risk management strategy. Council has established a risk committee with an independent and external person appointed as its chairperson.

Anti- Corruption and Fraud Prevention Plan

Council has also approved a reviewed fraud prevention plan. It covers issues around fraud risk management, proactive defence of assets and fraud response plan. Implementation of the following initiatives will contribute significantly to the reduction of corporate crime:

- Data integration
- Fraud awareness training

- Fraud tip-off reporting hot-line
- Forensic controls
- Crime database

District Fraud and corruption hotline was relaunched to provide tool to anybody who might have to report fraud and corruption activities taking place in the municipality. The hotline is managed by Capricorn district municipality with whom regular campaigns on the subject are conducted on an ongoing basis.

Revenue Management

The main source of own revenue are traffic and licensing, refuse removal. Municipality collects revenue on water and sewer used to collect revenue on water and sewerage services on behalf of CDM, which is the Water Services Authority, as per signed service level agreement.

Revenue Collection Rate

2021/22		
Amount Billed	Actual Collected	%
R53,869,148.20	R8,088,165.38	15%

The poor revenue base and none collection makes the municipality 80% dependent on grants. Plans are underway to expand revenue base through collection in identified rural village, starting with property rates, water and refuse removal. The challenge has also been boycott of payment of services by a certain sector of the residents of Lebowaqomo Township, which is the only area where rates are being collected.

Budget and Expenditure Patterns

Each year the municipality compiles three year budget that is aligned to IDP, Compliant with treasury budget framework and is approved by council and submitted to provincial and national treasury. By 1st July 2017, all municipalities were expected to have compiled an mSCOA compliant budget. The municipality appointed business connexion to assist with mSCOA compliant integrated financial and non- financial technological system, including compilation of mSCOA compliant budget.

Assets Management Policy

This policy is intended to define and provide a framework for the asset management within the guiding principles of sections 62 and 63 of the municipal finance management act, national treasury guidelines, generally recognised accounting practices (GRAP), Accounting standards and to promote good financial management practices. Its aim are:

To ensure the effective and efficient control, utilization, safeguarding and management of LNM's property, plant and equipment (PPE)

To set out the standards of physical management, recording and internal controls to ensure PPE are safeguarded against inappropriate loss or utilization

To ensure that fixed assets are not written off and disposed off without proper authorization. The municipality keeps an asset register that is largely compliant to GRAP standards. The asset management policy and procedures which encompass the asset disposal have been developed and are reviewed on an annual basis. Asset management and disposal committee have been appointed and a unit established to ensure that there is prompt disposal of redundant assets. The challenges on the assets register are that it needs to be updated with regards to some of the municipality's immovable assets. The policy was reviewed in May 2022.

Supply Chain Management

The Supply Chain Management of Lepelle Nkumpi Local Municipality has been implemented in terms of Chapter 11 of Municipal Finance Management Act No.56 of 2003; SCM Regulations of 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Supply Chain Management Policy was reviewed in May 2021. The purpose of reviewing SCM Policy was to address the inefficiencies noted within the procurement system, also the re-alignment with the legal framework and delegation of systems.

The under mentioned bid committees, were established and are effective:

1. Bid Specification Committee (to formulate the specification, evaluation criteria, budget, sourcing Strategy, Compliance and etc.)
2. Bid Evaluation Committee (to evaluate the received bids and prepare evaluation report as per pre-determined criteria set by Bid Specification committee and make recommendations to Bid Adjudication Committee)
3. Bid Adjudication Committee (to consider the recommendation from Bid Evaluation Committee and make award)

Cash Flow Management

Council reviewed a cash and investment policy in 2022 in terms of MFMA section 13(2). Long term investment is vested with the municipal council in terms of section 48 of the MFMA. Short term investment lies with municipal manager or chief financial officer or any other senior financial officer authorised by the municipal manager.

Financial viability challenges:

Low rate of revenue collection

Lack of powers and functions on water services

Ageing water supply and billing infrastructure that lead to contested bills

None responsive bids during procurement of goods and services

Lack of electronic supplier's database system

Shortage of funds for service delivery programmes

High level of poverty and unemployment among consumers

By-Laws

By-Laws	Yes/No
Advertising signs and hoarding	Yes
Building regulations	Yes
Land use application	Yes
Cemeteries and crematoria	Yes

Customer care, credit control and debt collection	Yes
Hiring of community halls	Yes
Informal and street trading	Yes
Noise abatement and prevention of Nuisance	Yes
Property rates	Yes
Public amenities	Yes
Solid waste	Yes
Standard child care facilities	Yes
Traffic	Yes
SPLUMA By-Law	Yes

Information Communication Technology and Municipal Website

An ICT Unit has been established to effectively support and coordinates the municipality's information management systems and technology needs. The municipality has implemented the following ICT systems for the purpose of enhancing its institutional capacity;

E-Mail	Website
Internet and intranet	Disaster Recovery Plan
Wireless Technology Network	Financial Management System
ICT Kiosk, in the Library for Community use	Disaster Recovery Switching Centre
Customer Care Call Centre	EnviroRac

Disaster Management

Municipality has developed a Disaster Management Plan in 2013. The District Municipality is the one with powers and functions on Disaster Management. However, according to National Disaster Management Framework, there are eight requirements that must be applied and documented by all spheres of government. These are;

Use disaster risk assessment findings to focus planning efforts

Establish an informed multidisciplinary team with capacity to address the disaster risk and identify a primary entity to facilitate the initiative

Actively involve communities or groups at risk

Address multiple vulnerabilities wherever possible

Plan for changing risk conditions and uncertainty, including the effects of climate viability

Apply the precautionary principle to avoid inadvertently increasing disaster risk

Avoid unintended consequences that undermine risk avoidance behaviour and ownership of disaster risk

Establish clear goals and targets for disaster reduction initiatives, and long monitoring and evaluation criteria to initial disaster risk assessment findings

Capricorn District Municipality has, in accordance with Chapter 5 of Disaster Management Act, established a Disaster Management Centres through the whole of its area, including one in Lepelle-Nkumpi. It provides for guidance in assessment, prevention and reduction of risk of disasters. Through this the district provides support and guidance to Lepelle-Nkumpi in the event of a disaster occurring or threatening to occur. The centre is equipped with the necessary equipment and personnel in order to deal promptly with disasters. The challenge is that the municipal area is vast with settlements of small populations scattered throughout. This makes it difficult to respond to disaster as quickly as desired by the National Disaster Management Framework.

Public Satisfaction

During the year, various methods and/or processes were used to provide with community feedback on municipal programmes and projects status and this was also done through community radio stations and municipal call centre to increase public awareness on service availability and engage public in decision making and improve accountability to communities.

Spatial Rational

The municipality received funding from CoGHSTA for servicing of sites in Lebowakgomo Unit R (408) sites and Unit H (304) sites. Contractors are on final phase of the projects. The office of the Mayor is on an ongoing engagements with the traditional Authorities over land dispute. The municipality also received funding from the department of rural development for development of Land Use Management Scheme and the service provider was appointed by the department.

The municipality was able to appoint service provide for development of five years General Valuation Roll for implementation starting from July 2022-June 2027 and this was done in terms of municipal property rates act, 2004 (act no. 6 of 2004). Registration of sites is done by the appointed conveyancers and is on an ongoing until all vacant sites are sold.

The municipality also requested funding from Development Bank of Southern Africa (DBSA) for installation of GIS system within the municipality and the another application was done to the department of Rural Development and Public Works for transfer of available portions of land within the municipality.

Local Economic Development

LED and Tourism strategies were developed to address poverty, unemployment and logical economic development through encouraging local growth and development by reflecting new economic realities and opportunities within the municipality.

The strategies are serving as frameworks and tools used to promote local economic growth in a proactive and dynamic manner, thereby improving socio-economic outcomes in the municipality. The main purpose of the strategies are to assemble all economic information and investigate the coordinated and integration options and opportunities available to broaden the economic base of the municipality and address the creation of employment opportunities, investment growth and an enabling business environment throughout the economy.

There are various programs undertaken by the municipality and its strategic stakeholders such as LEDET, CDM, CoGHSTA, the Department of Agriculture, the department of Mineral Resources and the mining houses which were aimed at realizing the pooling of resources focused on economic development, SMME support, Community Works Program to enhance tangible growth exhibit.

The unit also facilitated processes for the municipality to participate in the adoption of a District Programme led by the Development Bank of South Africa as part of the District Development Model (DDM).

Challenges faced by the unit include but not limited to the unpredictable global economic environment that very volatile as such affecting the local economy adversely in the long run.

Future plans are aimed at entrenching the economic potential of Lepelle-Nkumpi by mobilizing resources to upgrade strategic municipal economic infrastructure to enhance its economic competitiveness and attractiveness. The municipality also aims at supporting SMMEs and the informal sectors to enhance job creation.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Comparison of the current and Previous financial year Performance: 2021/2022 and 2020/2021

Key Performance Area	2021/2022				2020/21			
	No. of Key Performance Indicators	No. of KPI Achieved	No. of KPI not Achieved	% Achieved	% not Achieved	No. of Key Performance Indicators	No. of KPI Achieved	No. of KPI not Achieved
							% Achieved	% not Achieved

Basic Service Delivery	75	13	62	17%	83%	57	13	44	23%	77%
Spatial Rationale	05	2	3	40%	60%	10	04	06	40%	60%
Local Economic Development	02	2	0	100%	0%	03	02	01	67%	33%
Financial Viability	05	3	2	60%	40%	10	08	02	80%	20%
Municipal Transformation	20	15	5	75%	25%	18	15	03	83%	20%
Good Governance	15	10	5	67%	33%	15	09	06	60%	40%
Total	122	45	77	37%	63%	113	51	62	45%	55%

Challenges encountered on service delivery and measures taken to improve Performance on Service Delivery

Key Performance Area	Key Performance Indicators	Challenges	Measures Taken to Improve Performance
Basic Service Delivery:	Electrical: Households connections at	-Delay in the finalization of the	-Supply Chain Office to provide Legal services

Electrification of Households	Makgophong, Kliphuwel, Gedroogte, Mapatjakeng, Mamogashoa, Bolahlagomo, Makushwaneng, Mogoto Mshongoville, Manailen, Matjatji, Zone B, Thamagane, Lenteng, Matime, Madilaneng, Majiane, Mashite, Makgoba, Mphaaneng, Mahlatjane and Dublin	service level agreement between the municipality and the appointed services provider - Late appointment of contractor - None responsive bids - Delay in the finalization of specification and ConCourt ruling on procurement regulations of 2017	unit with all the require documents for drafting and finalization of the service level agreement - Project to be re-advertised and rolled over to the next financial year for appointment of Service provider. - ConCourt ruling uplifted, Specification finalized and Project to be rolled over to the next financial year.
Basic Service Delivery: High Mast Lights	Electrical: High Mast Lights at Ga-Seloane, kgwaripe/makgophong, Seruleng, Gedroogte, Motantanyane, Sekgweng, Sepanapudi, Matome, Morotse, Makurung/Dithabaneng, Dublin/Malakabaneng, Tjiane, Ga-ledwaba and Zone A	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022
Basic Service Delivery: Recreational Facilities	Construction of Public facilities at: Lekurung, Municipal Offices and VTS	Non-responsive bids	Organize SCM workshop.
Basic Service Delivery: Roads and stormwater	Construction of Roads and Stormwater for Zone F, Mogoto to Moshongo, Rakgwatha, Zone B, Zone S, Zone A, Majiane/Makaung/Makaepea, Mamaolo, Malakabaneng, Ga-Makgoba and Kliphuwel	-Late Appointment of services providers -Non-responsive bids - Community disruption -Limited budget to cover all the scope of works for design	-Expedite completion of project. -Conduct SCM workshop. -Expedite completion of the project.
Basic Service Delivery: Roads	Development of Designs for: Makweng via Madisha-ditoro to Magatle, Matome via Ledwaba to makotse, Maralaleng via Lekurung to Tooseng, Hweleshaneng via Seleteng to Maralaleng and Mafefe via Ngwaname	Delay in the finalization of memorandum of agreement with RAL on the implementation of D-Roads.	Expedite the signing and finalization of the agreement with RAL

		to Motsane			
Basic Service Delivery	Environmental Plan		Plan not developed due to delays in the appointment of service provider	Project to implemented in the next financial year	
Basic Service Delivery	Cleaning of Parks		No personnel to perform the cleaning of parks except through the use of EPWP.	More personnel to be appointment for cleaning and maintenance of parks	
Spatial Rational	Registration of new Properties in to municipal name		CoGHSTA did not give approval for municipality to upgrade and register properties in to municipality's name	Meeting to be held with the department of CoGHSTA for finalization of the matter before end of October 2022	

SDBIP 2021/2022 Financial Year, Actual Performance, Previous Performance on the Indicators, Reasons for

Variance and Mitigation Measures

Key Performance Area	Output	Output	Strategy	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
Basic service delivery	Responsive, accessible, sustainable, effective	Improve access to basic services	To provide access to roads and	Upgrade gravel roads to surfaced/paved	Number of kilometers of roads planned	n/a	0.52km of road planned for upgrading from gravel to surfaced	0.52km of road planned for upgrading from gravel to surfaced	01	R600000.00	R00	0km	0.52km of road planned for upgrading from gravel to surfaced	Not Achieved	R43011.17	The outstanding works is on the snag list	Contractor to finalize the snag list by end of July	Completion certificate	0.50 km	Tec 01	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Attribution No:	Continued / Discontinued
	Effective and efficient local government system	es	storm water infrastructure	ving block roads	ed for upgrading from gravel to surfaced road at Kliphuivel		from gravel to surfaced road by June 2022 at Kliphuivel						road by June 2022 at Kliphuivel	Actual Performance			items as per practical completion certificate	2022				
Basic service delivery	Responsible, accessible, sustainable, effective and efficient local government	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrading gravel roads to surfaced/paving block roads	Number of kilometers of accesses road planned for upgrading from gravel	n/a	2.5 km of accesses road planned for upgrading from gravel to tar and storm	n/a	09 and 11	R17 000 000.00	R00	Ok m	2.5km of access road planned for upgrading from gravel to tar and storm water control by June 2022 at Mogoto	Okm of accesses road upgraded	Not Achieved	R1 326 999.36	Contractor is on site but he was appointed in the middle of the financial year.	Project to be rolled over to next financial year for finalization of the scope of works	Completion certificate	0km	Tec 02	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	ent system				to tar and storm water control at Mogo to Moshongo		water control by June 2022 at Mogo to Moshongo	n/a	18	R4 125 000.00	R00	Ok m	3km of internal street planned for resealing by June 2022 at Zone A	Okm of accesses road upgraded	Not Achieved	R3 567.25	The outstanding works is on the snag list items as per practical completion certificate	Contractor to finalize the snag list by end of July 2022	N/A - New project	Tec 03	Continued
Basic service delivery	Responsive, accessible, reliable, effective and efficient local government system	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrading gravel roads to surfaced/paving block roads	Number of kilometers of internal Street planned for resealing at Zone A	n/a	3km of internal street planned for resealing by June 2022 at Zone A	n/a	18	R4 125 000.00	R00	Ok m	3km of internal street planned for resealing by June 2022 at Zone A	Okm of accesses road upgraded	Not Achieved	R3 567.25	The outstanding works is on the snag list items as per practical completion certificate	Contractor to finalize the snag list by end of July 2022	N/A - New project	Tec 03	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
													Annual Target	Actual Performance							
Basic service delivery	Responsive, accountable, reliable, effective and efficient local government system	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrade gravel roads to surfaced/paving block roads	Number of kilometers of access roads planned for upgrading from gravel to tar at Majjanakaun g/makaepea (Phase 2)	n/a	4.8km of access roads planned for upgrading from gravel to tar by June 2022 at Majjanakaun g/makaepea (Phase 2)	1km of access road planned for upgrading from gravel to tar by June 2022 at Majjanakaun g/makaepea (Phase 2)	0km of access roads upgraded	Not achieved	R682 156.99	Contractor is on site but could not commence with the construction of the road due to community disruption	Ward Council or Mayor to engage with the community and resolve all the issues raised by community	Completion certificate	0km					Tec 04	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
					Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	Annual Target	Actual Performance								
Basic service delivery	Responsive, accountable, reliable, effective and efficient local government system	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrading gravel roads to surfaced/paving block roads	n/a	Number of kilometers of access roads planned for upgrading from gravel to tar at	n/a	1km of access roads planned for upgrading from gravel to tar by June 2022 at Majane/makaung/makae (Phase 1)	19 and 24	R00	R2 700 000.00	Ok m	1km of access roads planned for upgrading from gravel to tar by June 2022 at Majane/makaung/makae (Phase 1)	1km of access roads upgraded	Achieved	R1 689 644.28	None	None	Completion certificate	0km	Tec 05	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Discontinuation No.	Continued / Discontinued
														Annual Target	Actual Performance							
	em					Majane/makaung/mapea (Phase 1)																
Basic service delivery	Responsible, accountable, effective and	Improve access to basic services	To provide access to roads and storm water	Upgrade gravel roads to surfaced/paving block	Number of kilometers of access roads planned	n/a	2.2 km of access roads planned for upgrading	n/a	25	R15 000 000.00	R13 980 000.00	Ok m	2.2 km of access roads planned for upgrading from gravel to tar and storm	2.2km of access roads upgraded	Achieved	R10 085 549.66	None	None	Completion certificate	0km	Tec 06	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance for maintenance	File / Verification No:	Continued / Discontinued
	efficient local government system		infrastructure	roads	ed for upgrading from gravel to tar and storm water control by June 2022 at Mashite																
Basic service delivery	Responsible, accountable, effective and efficient local government	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrade gravel roads to surfaced/paving block roads	Number of kilometers of access roads and storm water control	n/a	1km of access road and storm water planned for upgrading from gravel to tar by June 2022 at Lebowak gomo	1km of access roads upgraded	Achieved	R5 448.54	None	None	Completion certificate	N/A - New project	Tec 07	Continued					

Key Performance Area	Outcome	Output	Strategy	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	mm ent system				planned for upgrading from gravel to tar at Lebo wakgomot unit H		gravel to tar by June 2022						unit H								
Basic service delivery	Res pons ive, accessible, effective and efficient local governance	Improve access to basic services	To provide access to roads and storm water infrastructure	Re-graveling of roads and construction of storm water control	Number of kilometers of gravel roads and earth drainage systems (storm water)	n/a	3km of gravel roads and earth drainage systems (storm water)	n/a	27	R5 625 000.00	R00	0km	3km of gravel roads and earth drainage system (storm water) planned for re-graveling and construction by June	Not Achieved	R4 884 696.53	Contractor is on site but he was appointed in the middle of the financial year.	Project to be rolled over to next financial year for finalization of the scope of works	Completion certificate	N/A - New project	Tec 08	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
	ent system				m water control) planned for upgrading from gravel to tar at Ga-Makgoba		planned for re-graveling and construction by June 2022 at Ga-Makgoba						2022 at Ga-Makgoba			(Late appointment of contractor)					
Basic service delivery	Responsive, accountable, effective and efficient	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrade gravel roads to surfaced/paving block roads	n/a	Numb er of kilometers of access roads planned for upgrade	n/a	1km of access road planned for upgrading from gravel to tar by June 2022 at Rakgoat ha	14	R00	R00	Ok m	1km of access roads planned for upgrading from gravel to tar by June 2022 at Rakgoat ha	Achieved	R00	None	None	Completion certificate	0km	Tec 09	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued	
	local government system		e			ding from gravel to tar at Rakgoatha	Annual Target	Revised Target	15	R8 500 000.00	R00	Ok m	1.5km of internal street planned for upgrading from gravel to block paving by June 2022 at Zone B	1.5km of internal street planned for upgrading from gravel to block paving by June 2022 at Zone B	Not Achieved	R00	None responsive bids	Project to be re-advertised and also rolled over to next financial year	Completion certificate	Okm	Tec 10	Continued
Basic service delivery	Responsive, accountable, effective and efficient local	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrading gravel roads to surfaced/paving block roads	Number of kilometers of internal street planned for upgrading	n/a	1.5km of internal street planned for upgrading from gravel to	n/a	15	R8 500 000.00	R00	Ok m	1.5km of internal street planned for upgrading from gravel to block paving by June 2022 at Zone B	1.5km of internal street planned for upgrading from gravel to block paving by June 2022 at Zone B	Not Achieved	R00	None responsive bids	Project to be re-advertised and also rolled over to next financial year	Completion certificate	Okm	Tec 10	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Annual Target	Revised Target	Waiver Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	governance system		e		from gravel to block paving at zone B		block paving by June 2022 at Zone B															
Basic service delivery	Responsive, accountable, effective and efficient local government system	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrade gravel roads to surfaced/paving block roads	Number of kilometers of internal street planned for upgrading from gravel to block paving at	n/a	0.75 km of internal street planned for upgrading from gravel to block paving by June 2022 at	0.75 km of internal street planned for upgrading from gravel to block paving by June 2022 at Zone S	0km of internal street upgraded	Not Achieved	R6 000 000.00	R00	0km	Project to be re-advertised and also rolled over to next financial year	None responsive bids	R00	None responsive bids	Project to be re-advertised and also rolled over to next financial year	Completion certificate	0km	Tec 11	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
					Zone S	Zone S	Zone S						Annual Target	Actual Performance								
Basic service delivery	Responsive, accessible, sustainable, effective and efficient local government system	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrade gravel roads to surfaced/paving block roads	Number of kilometers of storm water control planned for construction by June 2022 at zone F	n/a	0.5 km of Storm water control planned for construction by June 2022 at Zone F	Construction of 0.5km of storm water control by June 2022 at Zone F	0km of storm water constructed	R40 000 000	R00	0km			Not Achieved	R00	Limited budget to implement the project	Project to be rolled over to next financial year and budget to be adjusted to cover the scope of work	Completion Certificate	N/A - New project	Tec 12	Continued
Basic service delivery	Responsive, accessible	Improve access to	To provide access	Upgrade gravel roads	Number of kilometers	n/a	1 km of accesses	Construction of 1km of storm	0km of storm water	R8 000 000	R00	0km			Not Achieved	R00	Delay in the finalization	Project to be advertised and	Completion Certificate	N/A - New	Tec 13	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waived Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
Y	untangle, effective and efficient local government system	basic services	streets, roads and storm water infrastructure	to surfaced/paving block roads	of accesses road and storm water control planned for upgrading from gravel to paving block roads at Malakaban	Revised Key Performance Indicator	road and storm water control planned for upgrading from gravel to paving block roads by June 2022	1km of storm water control by June 2022		00			water control by June 2022 at Malakaban	constructed			also rolled over to next financial year	financial	project		
Basic service deliver	Responsive,	Improve access	To provide	Upgrade gravel	Number of kilometers	Number of kilometers	1km of internal	Developed design	0km of design	R1000000	R00	0km	Development of one design	Not Achieved	R00	Limited budget for	Project to be rolled over to	Design report	0km	Tec 14	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
Y	accessible, effective and efficient local government system	basic services	access to roads and storm water infrastructure	roads to surfaced/paving block roads	eters of internal road planned for construction at Zone S	al street planned for development of the new design report for Zone S	al road planned for construction by June 2022 at Zone S	t of one design report for 1km of internal road by June 2022 at Zone S		00			report for 1km of internal road by June 2022 at Zone S	report developed			next financial year and budget to be adjusted to cover the scope of work				
Basic service delivery	Responsive, accessible, effective, efficient	Improve access to basic services	To provide access to roads and	Upgrade gravel roads to surfaced/paved	Number of kilometers of internal roads	Number of internal streets planned for	1km of internal road planned for	Development of one design report for 1km of internal	0km of design report developed	R000 000.00	R00	0km	Development of one design report for 1km of internal	Not Achieved	R00	Limited budget for development of design	Project to be rolled over to next financial year and	Design report	N/A - New project	Tec 15	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued	
	tive and efficient local government system	es	storm water infrastructure	ving block roads	road planned for construction at Zone P	development of the design report for Zone P	construction by June 2022 at Zone P	report for 1km of internal road by June 2022 at zone P					Annual Target	Actual Performance			budget to be adjusted to cover the scope of work					
Basic service delivery	Responsive, accessible, sustainable, effective and efficient	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrade gravel roads to surfaced/paving block roads	Number of kilometers of internal road planned for construction	Number of internal street planned for development of the	1km of internal road planned for construction by June	Development of one design report and approval for 1km of internal road at zone A	17 and 18	R1 000 000.00	R00	Ok m	Development of one design report and approval for 1km of internal road at zone A	Okm of design report developed	Not Achieved	R00	Limited budget for development of design report	Project to be rolled over to next financial year and budget adjusted to cover	Design report	N/A - New project	Tec 16	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued	
	local government system		e		uction at Zone A	design report for Zone A	2022 at Zone A	of internal road by June 2022 at zone A	26	R6 000 000.00	R00	Ok m	0.8km of internal street and storm water control planned for upgrading from gravel to tar by June 2022 at Mamaol o to	0km of internal street and storm water upgraded	Not Achieved	R00	None responsive bids	Project to be re-advertised and also rolled over to next financial year	Completion certificate	0km	Tec 17	Continued
Basic service delivery	Responsive, accessible, sustainable, effective and efficient local government	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrade gravel roads to surfaced/paving block roads	Number of kilometers of internal street and storm water control planned for	n/a	0.8km of internal street and storm water control planned for upgrading from	n/a	26	R6 000 000.00	R00	Ok m	0.8km of internal street and storm water upgraded	Not Achieved	R00	None responsive bids	Project to be re-advertised and also rolled over to next financial year	Completion certificate	0km	Tec 17	Continued	

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/2021 Performance	File / Version / Verification No:	Continued / Discontinued
	system				upgrading from gravel to tar at Mam aolo to Mam piki		gravel to tar by June 2022 at Mam aolo to Mam piki						Mampiki								
Basic service delivery	Responsible, accountable, effective and efficient local government	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrading gravel roads to surfaced/paving block roads	Number of kilometers of roads planned for upgrading from gravel to tar and storm water control by	Number of accesses roads planned for development of the design report for D-	2.3 km of roads planned for upgrading from gravel to tar and storm water control by	Development of one design report for 2.3km of internal road by June 2022 at Hwelesh aneng/S elefeng to Maralale ng by end of	0km of design report developed	Not Achieved	R00	Memorandum of understanding not finalized between Municipality and RAL	Mayor's office to conclude the Memorandum of understanding by July 2022	Design report	0km	Tec 18	Continued				

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/21 Performance	File / Verification No:	Continued / Discontinued
	system				water control at Hweshan eng/S eleten g to Maral aleng	Road connecting three villages: Hweshan eng/S eleten g to Maral aleng	June 2022 at Hweshan eng/S eleten g to Maral aleng	June 2022 at Hweshan eng/S eleten g to Maral aleng					June 2022									
Basic service deliver	Responsive, accessible	Improve access to	To provide access	Upgrade gravel roads	Number of kilometers	Number of accesses	2.3km of roads planned	Development of one design report	04 and 05	R4 800 000.	R00	Ok m	Development of one design report	Okm of design report	Not Achieved	R00	Memorandum of understanding	Mayor's office to conclude the Memor	Design report	N/A - New proj	Tec 19	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Reviewed Target	Ward Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
Y	untangle, effective and efficient local government system	basic services	roads and storm water infrastructure	to surfaced/paving block roads	of roads planned for upgrading from gravel to tar and storm water control at Makweng village via madisha ditoro to magatle phase 1	roads planned for development of the design report for D-Road connecting three villages: Makweng, Madisha ditoro, Magatle phase 1	ed for upgrading from gravel to tar and storm water control by June 2022 at Makweng via madisha ditoro to magatle phase 1	one design report and sub mission for approval of 2.3km road at Makweng via madisha ditoro to magatle phase 1			00			for 2.3km of internal road by June 2022 at Makweng madisha ditoro to magatle phase 1 by end of June 2022			ng not finalized between municipality and RAL	andum of understanding by July 2022		ect		

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
						1						se 1 by end of June 2022										
Basic service delivery	Responsive, accountable, effective and efficient local government system	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrade gravel roads to surfaced/paving block roads	Number of kilometers of access roads planned for upgrading from gravel to tar at Matome	Number of access roads planned for development of the design report for D-Road connecting	11 km of access roads planned for upgrading from gravel to tar by June 2022 at Matome	Development of one design report for 11km of internal road by June 2022 at Matome, Ledwaba and Makotse village by end of June 2022	0km of design report developed	Not Achieved	R00	Memorandum of understanding between municipality and RAL	Mayor's office to conclude the Memorandum of understanding by July 2022	Design report	N/A – New project	Tec 20	Continued					

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance for maintenance	File / Verification No.	Continued / Discontinued
					via Ledwaba from Makotse intersction	three villages: Mato me, Ledwaba and Makotse village	via Ledwaba from Makotse intersction	via Ledwaba from Makotse intersction													
Basic service delivery	Responsive, accessible, sustainable	Improve access to basic	To provide access to	Upgrade gravel roads to	Number of kilometers of	Number of access roads	2km of access road	Development of one design report for 2km	19 and 30	R4 800 000	R00	0km	Development of one design report for 2km	Not Achieved	R00	Memorandum of understanding	Mayor's office to conclude the Memorandum	Design report	N/A - New project	Tec 21	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
	ble, effective and efficient local government system	services	roads and storm water infrastructure	surfacing/paving block roads	access roads planned for upgrading from gravel to tar at Maralaleng via Lekurung to Tooseng phase 1	planned for development of the design report for D-Road connecting two villages: Lekurung and Tooseng phase 1	planned for upgrading from gravel to tar by June 2022 at Maralaleng via Lekurung to Tooseng phase 1	design report and submission for approval of 2km road at Maralaleng via Lekurung to Tooseng phase 1					of internal road by June 2022 at Maralaleng via Lekurung to Tooseng phase 1 by end of June 2022	of internal road by June 2022 at Maralaleng via Lekurung to Tooseng phase 1 by end of June 2022		not finalized between municipality and RAL	of understanding by July 2022				

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
									se 1 by end of June 2022						Annual Target	Actual Performance							
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to roads and storm water infrastructure	Upgrade gravel roads to surfaced/paving block roads	Number of kilometers of access roads planned for development of the design report and storm water control planned for upgrading from	Number of access roads planned for development of the design report and storm water control planned for upgrading from	25 km of access roads planned for upgrading from gravel to tar by June 2022 at Mafefel/	Development of one design report for 25km of internal road by June 2022 at Mafefe, Ngwana me to Motsane by end of June 2022	0km of design report developed	Not Achieved	R4 800 000.00	R00	Ok m		Development of one design report for 25km of internal road by June 2022 at Mafefe, Ngwana me to Motsane by end of June 2022	0km of design report developed	R00	Memorandum of understanding not finalized between municipality and RAL	Mayor's office to conclude the Memorandum of understanding by July 2022	Design report	N/A - New project	Tec 22	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
													Annual Target	Actual Performance								
Basic service delivery	Responsive, accountable, effective	Improve access to basic services	To provide access to energy and lighting	Provide Energy supply to all house	Number of additional household planned for	n/a	110 household planned for connection to	n/a	01	R1 980 000.00	R00	0	110 households planned for connection to electricity grid per	0 household electrified	Not Achieved	R00	Delay in the finalization of specification and ConCourt	ConCourt ruling uplifted, Specific action finalized and Project to be	Completion certificate	No household connected	Tec 23	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No:	Continued / Discontinued
	and efficient local government system		g infrastructure in a cost-effective way	holds	connection to electricity grid at Makgophong village		electricity grid per annum at Makgophong village						annum at Makgophong village				ruling on procurement regulations of 2017	rolled over to the next financial year.				
Basic service delivery	Responsible, accessible, reliable, effective and efficient local government	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective	Provide Energy supply to all households	Number of additional households planned for connection to electricity grid	n/a	25 households planned for connection to electricity grid per annum	25 households planned for connection to electricity grid per annum at Kliphuivel village	01	R475 000.00	R00	0	households electrified	Not Achieved	R00	Delay in the finalization of the service level agreement between the municipality and	Supply Chain Office to provide Legal services unit with all the require documents for drafting and finalizat	Completion certificate	N/A – new project	Tec 24	Continued	

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No:	Continued / Discontinued
	ent system		ve way		at Kliph uwele village											ion of the service level agreement				
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide Energy supply to all households planned for connection to electricity grid at Gedroogte village	Numb er of additional households planned for connection to electricity grid at Gedroogte village	n/a	80 households planned for connection to electricity grid per annum at Gedroogte village	0 households electrified	Not Achieved	R00	0	80 households planned for connection to electricity grid per annum at Gedroogte village	0 households electrified	R00	Delay in the finalization of specification and ConCourt ruling on procurement of next financial year.	ConCourt ruling uplifted, Specific ation finalized and Project to be rolled over to the next financial year.	Completion certificate	No Household connected	Tec 25	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waived Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance for maintenance	File / Verification No.	Continued / Discontinued
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide Energy supply to all households	Number of additional households planned for connection to electricity grid at Mapatjeng village	n/a	39 households planned for connection to electricity grid per annum at Mapatjeng village	n/a	04	R74 100.00	R00	0	39 households planned for connection to electricity grid per annum at Mapatjeng village	Not Achieved	R00	None responsive bids	Project to be re-advertised and also rolled over to the next financial year	Completion certificate	N/A – new project	Tec 26	Continued
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy	Provide Energy supply to	Number of additional households planned for connection to electricity grid at Mapatjeng village	n/a	280 households planned for connection to	n/a	06	R3 884 000.00 and R1	R00	0	280 households planned for connection to	Not Achieved	R3 818 720.04	Late appointment of Service provider	Project to be completed by end of July 2022	Completion certificate	N/A – new project	Tec 27	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waived Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
	effective and efficient local government system	es	y and lighting infrastructure in a cost-effective way	all households	planned for connection to electricity grid at Mamogashoa village	ction to electricity grid per annum at Mamogashoa village	100	n/a	06	R1 900 000.00	R00	0	100 households planned for connection to electricity grid per annum at Bolahlakgomo	0 households electrified	R269 678.33	Late appointment of Service provider but contractor is on site	Project to be completed by end of July 2022	Completion certificate	N/A – new project	Tec 28	Continued
Basic service delivery	Responsive, accessible, sustainable, effective and efficient local	Improve access to basic services	To provide access to energy and lighting infrastructure in a	Provide Energy supply to all households	Number of additional households planned for connection to electricity	n/a	100 households planned for connection to electricity grid per	n/a	06	R1 900 000.00	R00	0	100 households planned for connection to electricity grid per annum at Bolahlakgomo	0 households electrified	R269 678.33	Late appointment of Service provider but contractor is on site	Project to be completed by end of July 2022	Completion certificate	N/A – new project	Tec 28	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Discontinuation No:	Continued / Discontinued
	governance system		cost-effective way		city grid at Bolahlakgo village		annual target	annual target					village								
Basic service delivery	Responsive, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide Energy supply to all households	Number of additional households planned for connection to electricity grid at Maku shwa neng	n/a	80 households planned for connection to electricity grid per annum at Makushwaneng village	80 households planned for connection to electricity grid per annum at Makushwaneng village		R1 440 000.00	R00	0	households electrified	Not Achieved	R00	Delay in the finalization of the service level agreement between the municipality and the appointed services	Supply Chain Office to provide Legal services unit with all the documents for drafting and finalization of the service level agreement	Completion certificate	N/A – New project	Tec 29	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd number	Budget	Revised budget	Basis	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
					Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd number	Budget	Revised budget	Basis	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide Energy supply to all households connection to electricity grid at Mathi bela village	N/A	185 households planned for connection to electricity grid per annum at Mathi bela village	n/a	185 households planned for connection to electricity grid per annum at Mathi bela village	08	R3 632 500.00	R00	0	n/a	n/a	R00	n/a	n/a	Completion Certificate	N/A – New project	Tec 30	Discontinued Project to be implemented by Eskom
Basic service delivery	Responsible, accountable	Improve access to	To provide access	Provide Energy	Number of additional household connection to electricity grid at Mathi bela village	n/a	100 households planned	100 households planned	09	R1 900 000.	R00	0	100 households planned	Not Achieved	R00	None responsive bids.	Project to be re-advertis	Completion certificate	N/A – New	Tec 31	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
Energy	untangle, effective and efficient local government system	basic services	supply and lighting infrastructure in a cost-effective way	supply to all households	households planned for connection to electricity grid at Mogoto village	households planned for connection to electricity grid at Mogoto village	ed for connection to electricity grid per annum at Mogoto village	for connection to electricity grid per annum at Mogoto village	0	R4 200 000.00	R00	0	Annual Target	Actual Performance				ed and rolled over to the next financial year for appointment of Service provider.	icate	project		
							110 households planned for connection to electricity grid per annum at Mshong	0 households electrified														
Basic service delivery	Responsible, accountable, effective and efficient	Improve access to basic services	To provide access to energy and lighting infrastructure	Provide Energy supply to all households	Number of additional households planned for connection to electricity grid	n/a	110 households planned for connection to electricity grid	ed for connection to electricity grid per annum at Mogoto village	11	R4 200 000.00	R00	0	110 households planned for connection to electricity grid per annum at Mshong	0 households electrified	Not Achieved	R00	None responsive bids.	Project to be re-advertised and rolled over to the next financial year for appointment of Service provider.	Complete on certificate	No households connected	Tec 32	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target	2021/2022 Actual	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	local government system		in a cost-effective way		electricity grid at Mshongville		per annum at Mshongville	225 households planned for connection to electricity grid per annum at Manai leng village	149 households planned for connection to electricity grid per annum at Manai leng village	R3 680 000.00	R4 120 000.00	0	149 households planned for connection to electricity grid per annum at Manai leng village	0 households electrified	R412 710.00	The outstanding works is on the snag list items as per practical completion certificate	Contractor to finalize the snag list by end of July 2022	Completion certificate	No householdsnags connected.	Tec 33	Continued
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide Energy supply to all households planned for connection to electricity grid at Manai leng village	Number of additional households planned for connection to electricity grid at Manai leng village	n/a	225 households planned for connection to electricity grid per annum at Manai leng village	149 households planned for connection to electricity grid per annum at Manai leng village	11	R3 680 000.00	R4 120 000.00	0	149 households planned for connection to electricity grid per annum at Manai leng village	0 households electrified	R412 710.00	The outstanding works is on the snag list items as per practical completion certificate	Contractor to finalize the snag list by end of July 2022	Completion certificate	No householdsnags connected.	Tec 33	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
					e																	
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide Energy supply to all households	Number of additional households planned for connection to electricity grid at Matjatji village	n/a	150 households planned for connection to electricity grid per annum at Matjatji village	0 households electrified	Not Achieved	R2 700 000.00	R00	0	150 households planned for connection to electricity grid per annum at Matjatji village	0	Not Achieved	R00	Late appointment of Service provider	Contract for appointment of project to be rolled over to next financial year and Project to be completed by end of July 2022	Completion certificate	No households connected.	Tec 34	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waived Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide Energy supply to all households	Number of additional households planned for connection to electricity grid at Zone B	n/a	50 households planned for connection to electricity grid per annum at Zone B	n/a	15	R1 400 000.00	R00	0	50 households planned for connection to electricity grid per annum at Zone B	Not Achieved	R00	Delay in the finalization of the service level agreement between the municipality and the appointed service provider	Supply Chain Office to provide Legal services unit with all the requirements for drafting and finalization of the service level agreement	Completion certificate	No household electrified.	Tec 35	Continued
							40 households planned for connection to electricity grid per annum at Zone B	n/a	19	R76 000.00	R00	0	40 households planned for connection to electricity grid per annum at Zone B	Not Achieved	R00	Delay in the finalization of specification and	ConCo uring, Specific action finalized and	Completion certificate	N/A - new project	Tec 36	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	tive and efficient local government system	es	lighting infrastructure in a cost-effective way	house holds	ed for connection to electricity grid at Thamegan village		to electricity grid per annum at Thamegan village				y grid per annum at Thamegan village				Project to be rolled over to the next financial year.				
Basic service delivery	Responsible, accessible, sustainable, effective and efficient local government	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-	Provide Energy supply to all house holds	Number of additional house holds planned for connection to electricity	n/a	200 house holds planned for connection to electricity grid per annum	0	R00	0	200 households planned for connection to electricity grid per annum at Lenting village	Not Achieved	R00	Delay in the finalization of specification and ConCourt ruling on procurement	ConCourt ruling uplifted, Specific action finalized and Project rolled over to the next financial	Completion certificate	N/A - new project	Tec 37	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance for maintenance	File / Verification No:	Continued / Discontinued
	Implement system		effective way		grid at Lenting village		at Lenting village						Annual Target	Actual Performance			regulations of 2017	1 year.				
Basic service delivery	Responsive, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide Energy supply to all households planned for connection to electricity grid per annum at Matime village	Number of additional households planned for connection to electricity grid per annum at Matime village	n/a	35 households planned for connection to electricity grid per annum at Matime village	0	households electrified	Not Achieved	R00	None responsive bids.	Project to be re-advertised and rolled over to the next financial year for appointment of Service provider.	Completion certificate	N/A – new project	Tec 38	Continued					

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
							Annual Target	Actual Performance													
Basic service delivery	Responsiveness, accountability, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide Energy supply to all households	Number of additional households planned for connection to electricity grid per annum at Madleng village	n/a	20 households planned for connection to electricity grid per annum at Madleng village	0 households electrified	0	R38 000.00	R00	0	20 households planned for connection to electricity grid per annum at Madleng village	Not Achieved	R00	Delay in the finalization of specification and ConCourt ruling on procurement regulations of 2017	ConCourt ruling uplifted, Specific action finalized and Project rolled over to the next financial year.	Completion certificate	No households electrified.	Tec 39	Continued
Basic service delivery	Responsiveness, accountability,	Improve access to basic services	To provide access to energy	Provide Energy supply to	Number of additional households	n/a	105 households planned for connection	0 households electrified	0	R2 000.00	R00	0	105 households planned for connection	Not Achieved	R00	Delay in the finalization of the service	Supply Chain Office to provide Legal service	Completion certificate	No households electrified.	Tec 40	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Weighted Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
	Effective and efficient local government system	es	Lighting infrastructure in a cost-effective way	all households	planned for connection to electricity grid at Majane village		connection to electricity grid per annum at Majane village	50	n/a	25	R95 000		50 households planned for connection to electricity grid per annum at Mashite village	0 households electrified	R00	Delay in the finalization of specification and ConCourt ruling on procurement	Consult ruling uplifted, Specific action finalized and Project to be rolled over to the next financial	Completion certificate	No households electrified	Tec 41	Continued
Basic service delivery	Responsive, accessible, sustainable, effective and efficient local government	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-	Provide Energy supply to all households	Number of additional households planned for connection to electricity	n/a	50 households planned for connection to electricity grid per annum	50	n/a	25	R95 000		50 households planned for connection to electricity grid per annum at Mashite village	0 households electrified	R00	Delay in the finalization of specification and ConCourt ruling on procurement	Consult ruling uplifted, Specific action finalized and Project to be rolled over to the next financial	Completion certificate	No households electrified	Tec 41	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
Basic service delivery	Responsive, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide Energy supply to all households	Number of additional households planned for connection to electricity grid at Mphaaneng village	n/a	75 households planned for connection to electricity grid per annum at Mphaaneng village	75 households planned for connection to electricity grid	R1 425 000.00	0	75 households planned for connection to electricity grid	0 households electrified	R00	Delay in the finalization of specification and finalization of project to be rolled over to the next financial year.	ConCourt ruling upheld, Specific finalization and Project to be rolled over to the next financial year.	Completion certificate	N/A - New project	Tec 43	Continued
Basic service delivery	Responsive, accountable, effective	Improve access to basic services	To provide access to energy	Provide Energy supply to	Number of additional households	n/a	109 households planned for connection to	0 households electrified	R55 000.00	0	109 households planned for connection to	0 households electrified	R00	None responsive bids.	Project to be re-advertised and rolled over to	Completion certificate	No household electrified.	Tec 44	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	effective and efficient local government system	es	y and lighting infrastructure in a cost-effective way	all households	planned for connection to electricity grid at Mahlatjane village	ction to electricity grid per annum at Mahlatjane village	60 households planned for connection to electricity grid per annum	60 households planned for connection to electricity grid per annum at Dublin village	0 households electrified	Not Achieved	R00	0	electricity grid per annum at Mahlatjane village	Actual Performance				the next financial year for appointment of Service provider.				
Basic service delivery	Responsive, accessible, affordable, effective and efficient local government	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-	Provide Energy supply to all households	Number of additional households planned for connection to electricity	n/a	60 households planned for connection to electricity grid per annum	60 households planned for connection to electricity grid per annum	29	R1 060 000.00	R00	0	households planned for connection to electricity grid per annum at Dublin village	0 households electrified	Not Achieved	R00	Waiting for approval of network capacity	Consultant to follow up with Eskom to increase network capacity and project to be rolled over to	Completion certificate	No household old electrified.	Tec 45	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd num ber	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
	Implement system		effective way		grid at Dublin village		at Dublin village										next financial year				
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide Energy supply to all households	Number of additional households planned for connection to electricity grid at Tjane village	n/a	85 households planned for connection to electricity grid per annum at Tjane village	85 households planned for connection to electricity grid per annum at Tjane village	30	R1 615 000.00	R00	0	85 households planned for connection to electricity grid per annum at Tjane village	Not Achieved	R00	Delay in the finalization of specification and ConCourt ruling on procurement regulations of 2017	ConCourt ruling uplifted, Specific finalization and Project to be rolled over to the next financial year.	Completion certificate	No household electrified.	Tec 46	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance for maintenance	File / Verification No.	Continued / Discontinued
Basic service delivery	Responsiveness, accessible, sustainable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide public lighting through construction of high mast lights	Number of public lights (high mast light) planned for erection at Ga-Seloa ne village	n/a	01 Public lights (high mast light) planned for erection per annum: Ga-Seloa ne village	01 Public lights (high mast light) planned for erection per annum: Ga-Seloa ne village	01	R37 500 0.00	R00	0	01 Public lights (high mast light) planned for erection per annum: Ga-Seloa ne village	0 Public lights erected	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.	Tec 47	Continued	
Basic service delivery	Responsiveness, accessible, sustainable, effective	Improve access to basic services	To provide access to energy and lighting	Provide public lighting through construction	Number of public lights (high mast light) planned	n/a	01 Public lights (high mast light) planned for erection per annum: Ga-Seloa ne village	01 Public lights (high mast light) planned for erection per annum: Ga-Seloa ne village	01	R37 500 0.00	R00	0	01 Public lights (high mast light) planned for erection per annum: Ga-Seloa ne village	0 Public lights erected	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start	Completion certificate	No Public lights (high mast light) erected.	Tec 48	Continued	

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised budget	Basis of Estimate	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	and efficient local government system		g infrastructure in a cost-effective way	uction of high mast lights	ed for erection at kgwaripe/Makgopong village		erected per annum: Kgwaripe/Makgopong village						annum: Kgwaripe/Makgopong village	Actual Performance				in July 2022		) erected.		
Basic service delivery	Responsible, accessible, sustainable, effective and efficient local government	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide public lighting through construction of high mast lights	Number of public lights (high mast light) planned for erection at seruleng	n/a	01 Public lights (high mast light) planned for erection per annum: serule	0	02	R37 500.00	R00	0	01 Public lights (high mast light) planned for erection per annum: seruleng village	0 Public lights erected	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.	Tec 49	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
	ent system		ve way		village		ng village													
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide public lighting through construction of high mast lights	Number of public lights (high mast light) planned for erection on at Gedroogte village	n/a	01 Public lights (high mast light) planned for erection per annum: Gedroogte village	01 Public lights erected	R37 500 0.00	0	01 Public lights (high mast light) planned for erection per annum: Gedroogte village	0 Public lights erected	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.	Tec 50	Continued
Basic service delivery	Responsible, accountable, efficient local government system	Improve access to basic services	To provide access to	Provide public lighting	Number of public lights (high mast light)	n/a	01 Public lights (high mast light)	01 Public lights erected	R37 500 0.00	0	01 Public lights (high mast light)	0 Public lights erected	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	N/A - new project	Tec 51	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Weight	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
	ble, effective and efficient local government system	services	energy and lighting infrastructure in a cost-effective way	through construction of high mast lights	mast light) planned for erection on at magatje/mapatja keng village	light) planned for erection on per annum: Magatje/mapatja keng village	01 Public lights (high mast light) planned for erection per annum: Motanta nyane village	01 Public lights (high mast light) planned for erection per annum: Motanta nyane village	0	R37 500.00	R00	0	01 Public lights (high mast light) planned for erection per annum: Motanta nyane village	0 Public lights erected	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.	Tec 52	Continued
Basic service delivery	Responsible, accountable, effective and efficient local	Improve access to basic services	To provide access to energy and lighting infrastructure in a	Provide public lighting through construction of high mast	Number of public lights (high mast light) planned for erection at Mota	n/a	01 Public lights (high mast light) planned for erection per annum	n/a	07	R37 500.00	R00	0	01 Public lights (high mast light) planned for erection per annum: Motanta nyane village	0 Public lights erected	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.	Tec 52	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance for maintenance	File / Verification No:	Continued / Discontinued
	governmentsystem		cost-effective way	lights	ntanyane village		m: Motanyane village			01 Public lights (high mast light) planned for erection per annum: sekwen g village	0 Public lights erected	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.	Tec 53	Continued
Basic service delivery	Responsive, accessible, reliable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide public lighting through construction of high mast lights	Number of public lights (high mast light) planned for erection at sekwen g village	n/a	01 Public lights (high mast light) planned for erection per annum: sekwen g village	01 Public lights (high mast light) planned for erection per annum: sekwen g village	0 Public lights erected	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.	Tec 53	Continued	

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
							Annual Target	Actual Performance													
Basic service delivery	Responsible, accountable, effective	Improve access to basic services	To provide access to energy and lighting infrastructure and efficient local government system	Provide public lighting through construction of high mast lights	Number of public lights (high mast light) planned for erection at Sepanapudi village	n/a	01 Public lights (high mast light) planned for erection per annum: Sepanapudi village	01 Public lights erected	13	R37 500.00	R00	0	01 Public lights (high mast light) planned for erection per annum: Sepanapudi village	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected	Tec 54	Continued
Basic service delivery	Responsible, accountable, effective	Improve access to basic services	To provide access to energy and lighting	Provide public lighting through construction	Number of public lights (high mast light) planned	n/a	01 Public lights (high mast light) planned for erection	01 Public lights erected	14	R37 500.00	R00	0	01 Public lights (high mast light) planned for erection per	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start	Completion certificate	No Public lights (high mast light)	Tec 55	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Weight	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance for maintenance	File / Verification No.	Continued / Discontinued
	and efficient local government system		g infrastructure in a cost-effective way	uction of high mast lights	ed for erection at Matome village		erection per annum: Matome village						annum: Matome village				in July 2022		) erected.		
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide public lighting through construction of high mast lights	Number of public lights (high mast light) planned for erection at Zone A village	n/a	01 Public lights (high mast light) planned for erection per annum: Zone A	01 Public lights (high mast light) planned for erection per annum: Zone A	18	R375 000.00	R00	0	01 Public lights erect ed 0 Public lights erect ed	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	N/A – new project	Tec 56	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for Variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	em																				
Basic service delivery	Responsible, accessible, sustainable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide public lighting through construction of high mast lights	Number of public lights (high mast light) planned for erection at Morotse village	n/a	01 Public lights (high mast light) planned for erection per annum: Morotse village	n/a	20	R37 500.00	R00	0	01 Public lights (high mast light) planned for erection per annum: Morotse village	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.	Tec 57	Continued
Basic service delivery	Responsible, accessible, sustainable, effective and efficient local government system	Improve access to basic services	To provide access to energy	Provide public lighting through	Number of public lights (high mast light)	n/a	01 Public lights (high mast light)	n/a	21	R37 500.00	R00	0	01 Public lights (high mast light)	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year	Completion certificate	No Public lights (high mast light) erected.	Tec 58	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
	effective and efficient local government system	es	y and lighting infrastructure in a cost-effective way	gh construction of high mast lights	light) planned for erection at Makurung/Dithabane village		planned for erection per annum: Makurung/Dithabane village						01 Public lights (high mast light) planned for erection per annum: Dublin/malakabane/mo	0 Public lights erected		R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.		
Basic service delivery	Responsive, accessible, reliable, effective and efficient local	Improve access to basic services	To provide access to energy and lighting infrastructure in a	Provide public lighting through construction of high mast	Number of public lights (high mast light) planned for erection at Dublin	n/a	01 Public lights (high mast light) planned for erection per annum	n/a	29	R37 500.00	R00	0	01 Public lights (high mast light) planned for erection per annum: Dublin/malakabane/mo	0 Public lights erected	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.	Tec 59	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
	governmentsystem		cost-effective way	lights	n/mal akaba neng/motsa ne village	m: Dublin/mal akaba neng/motsa ne village	01 Public lights (high mast light) planned for erection per annum: Tjiane village	01 Public lights (high mast light) planned for erection per annum: Tjiane village	30	R37 500.00	R00	0	01 Public lights erect ed	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.	Tec 60	Continued
Basic service delivery	Responsible, accountable, effective and efficient local government system	Improve access to basic services	To provide access to energy and lighting infrastructure in a cost-effective way	Provide public lighting through construction of high mast lights	Number of public lights (high mast light) planned for erection at Tjiane village	n/a	01 Public lights (high mast light) planned for erection per annum: Tjiane village	n/a	30	R37 500.00	R00	0	01 Public lights erect ed	Not Achieved	R00	Late appointment of contractor	Project to be rolled over to next financial year and Project to start in July 2022	Completion certificate	No Public lights (high mast light) erected.	Tec 60	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance for maintenance	File / Verification No.	Continued / Discontinued
	em																				
Basic service delivery	Responsive, accountable, effective and efficient local government system	Improve access to basic services	To provide access to public facilities.	Development of public facilities (community halls, sport/recreation facilities, parks, child care facilities, vehicles	Number of public facilities constructed at Ga-Ledwaba	n/a	01 public facility constructed by June 2022: Ga-Ledwaba	n/a	17	00	R00	0	01 public facility constructed by June 2022: Ga-Ledwaba	Achieved	R00	None	None	Completion certificate	0 public facility constructed	Tec 61	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waived Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
				testing station, market stalls)																	
Basic service delivery	Responsive, accessible, sustainable, effective and efficient local government system	Improve access to basic services	To provide access to public facilities.	Development of public facilities (community halls, sport/recreation facilities, parks, child care	Number of recreational facilities constructed at Lekurung	n/a	01 development of recreational facility by June 2022 at Lekurung	n/a	30	R8 500 000.00	R9 020 000.00	0	01 development of recreational facility by June 2022 at Lekurung 0 recreation facility developed	Not Achieved	R7 182 390.37	Late appointment of services provider	Project to be rolled over to the next financial year and project to be completed by July 2022	Completion certificate	N/A - new project	Tec 62	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
				facilities, vehicle testing station, market stalls)																	
Basic service delivery	Responsive, accountable, effective and efficient local government	Improve access to basic services	To provide access to public facilities.	Development of public facilities (community halls, sport/recreation facilities)	Number of recreational facilities/stadium constructed at Lebowakgomo Zone	n/a	1 public facility constructed by June 2022: Lebowakgomo Zone P (stadium)	n/a	17	R5 137 000.00	R00	01	1 public facility constructed by June 2022: Lebowakgomo Zone P (stadium)	Not Achieved	R3 546 302.61	The outstanding works is on the snag list items as per practical completion certificate	Contractor to finalize the snag list by end of July 2022	Completion certificate	N/A – new project	Tec 63	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	system			es, parks, child care facilities, vehicles, testing station, market stalls)	P (stadium)		um)											
Basic service delivery	Responsive, accountable, unbiased, effective and efficient	Improve access to basic services	To provide access to public facilities.	Development of public facilities (community halls, sport/	Number of public facilities constructed at Lebowakomo	n/a	01 public facility constructed by June 2022 at Lebowakomo Civic Center (Municipal Offices	R9 600 000.00	0	01 public facility constructed by June 2022 at Lebowakomo Civic Center (Municipal Offices	Not Achieved	R00	None responsive bids	Project to be re-advertised and rolled over to the next financial year	Completion certificate	0	Tec 64	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Weighted Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	local government system			recreation facilities, parks, child care facilities, vehicle testing station, market stalls)	Civic Centre		walking Civic Centre (Municipal Office extension)							extension)							
Basic service delivery	Responsive, accountable, effective	Improve access to basic service	To provide access to public facilities	Development of public facilities (community)	Number of public facilities constructed	n/a	01 public facility constructed by	n/a	18	R12 000 000.00	R00	0	01 public facility constructed by June 2022: grade A VTS in	Not Achieved	R00	None responsive bids	Project to be re-advertised and rolled over to the	Completion certificate	0	Tec 65	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress			Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance for maintenance	File / Verification ratio No:	Continued / Discontinued
	tive and efficient local government system	es	es.	munity halls, sport/recreation facilities, parks, child care facilities, vehicle testing station, market stalls)	at Lebowakomo zone A		June 2022: grade A VTS in Lebowakomo zone A	n/a	19	R00	R00	0	01 community hall	01 public facility	Achieved	R00	None	None	next financial year		0	Tec 66	Continued
Basic service deliver	Responsible,	Improve access	To provide	Development of	Number of public	n/a	01 community	n/a	19	R00	R00	0	01 community hall	01 public facility	Achieved	R00	None	None	next financial year		0	Tec 66	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Ratio / No:	Continued / Discontinued
City	accountable, effective and efficient local government system	services to basic services	access to public facilities.	public facilities (community halls, sport/recreation facilities, parks, child care facilities, vehicles, testing station, market	facilities constructed at Maralaleng		hall constructed by June 2022: Maralaleng							constructed by June 2022: Maralaleng					locate		

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
				stalls)																
Basic Service Delivery and Infrastructure Development	Responsive, accountable, effective and efficient local government system	Improve access to basic services	To improve access to waste management services	Provision of waste collection and disposal services in urban and rural areas	Number of areas provided with weekly waste collection services	n/a	Compile 04 reports on weekly waste collection services by June 2022 in both urban and rural areas	04 report on waste collection in both urban and rural areas completed.	who le municipality	R00	08	04 reports on weekly waste collection services by June 2022 in both urban and rural areas	Achieved	R00	Waste collection in Town done according to scheduled. Bulk waste bin are place d and in all wards and are collected as and when they	Increase the number of waste skip bins in the rural areas for communal waste collection services	Quarterly Reports	04	Com 01	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No:	Continued / Discontinued
															are full					
Basic Service Delivery and Infrastructure Development	Responsive, accountable, reliable, effective and efficient local government system	Improve access to basic services	To improve access to waste management services	Provision of waste collection and disposal services in urban and rural areas	Number of reports completed on management of waste disposal sites	n/a	04 reports on management of waste disposal sites per annum (Landfill and Waste Transfer Stations)	04 reports on management of waste disposal sites per annum (Landfill and Waste Transfer Stations)	who le municipality	R00	04	04 reports on management of waste disposal sites per annum (Landfill and Waste Transfer Stations)	Achieved	R00	None	None	Quarterly Reports	04	Com 02	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
							Annual Target	Actual Performance												
Basic Service Delivery and Infrastructure Development	Responsive, accountable, effective and efficient local government system	Improve access to basic services	To improve access to waste management services	Provision of waste collection and disposal services in urban and rural areas	Number of reports completed on management of illegal dumping within the municipality per annum	n/a	04 reports completed on management of illegal dumping within the municipality per annum	04 report on cleaning of illegal dumping completed.	who le municipality	R00	04	04 reports completed on management of illegal dumping within the municipality per annum	Achieved	R00	None	None	Quarterly Reports	04	Com 03	Continued
Basic Service Delivery and Infrastructure	Responsive, accountable, effective	Improve access to basic services	To ensure public safety on the	Enforcement of road traffic laws and	Number of law enforcement cements operated	n/a	05 reports on law enforcement operations on By-Laws	0 report on law enforcement operations	who le municipality	R00	0	05 reports on law enforcement operations on By-Laws	Not achieved	R00	Traffic management system not in	Awaiting the appointment of Traffic Management system	Quarterly reports	04	Com 04	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waived Number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
Development	Effective and efficient local government system	es	road.	promotion of public road safety	tions on By-Laws and National Road Traffic Act conducted		operations on By-Laws and National Road Traffic Act conducted per annum					and National Road Traffic Act conducted per annum				place. Lack of manpower for enforcement of By-Laws operation.	and EPWP for By-Laws operations.			
Basic Service Delivery and Infrastructure Development	Responsive, accountable, effective and efficient	Improve access to basic services	To ensure public safety on the road.	Provision of license service for drivers and vehicle	Number of licensing service reports completed	n/a	04 licensing services reports compiled per annum	04 report on licensing services completed	who le municipality	R00	04	04 licensing services reports compiled per annum	Achieved	R00	None	None	Quarterly reports	04	Com 05	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Weighting	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No:	Continued / Discontinued
	ent local government system			es	led		annual													
Basic Service Delivery and Infrastructure Development	Responsive, accountable, effective and efficient local government system	Improve access to basic services	To ensure access to free basic services	Provision of Free Basic Services to indigent households	Number of Indigents registered	n/a	01 indigent registered and approved by council annually	n/a		R00	01	01 indigent registered and approved by council per annum	Not achieved	R00	Submission was made to council for approval awaiting council resolution	Follow ups to be done with council support on the item to serve in council	Copy of approved indigents register and Council resolution	01	Com 06	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
Basic Service Delivery and Infrastructure Development	Responsive, accessible, sustainable, effective and efficient local government system	Improve access to basic services	To promote social cohesion and nation building	Coordination of sport, arts and culture activities	Number of sport, arts and culture activities coordinated	n/a	04 sport, arts and culture activities coordinated per annum	n/a	who le mun icip ality	R00	0	04 sport, arts and culture activities coordinated per annum	Achieved	R00	None	None	Progress Reports	0	Com 07	Continued
Basic Service Delivery and Infrastructure Development	Responsive, accessible, sustainable, effective and	Improve access to basic services	To ensure environmental compliance and	Promotion and enforcement of environmental	Number of environmental compliance inspections	n/a	04 environmental compliance inspections reports conducted per annum	n/a	who le mun icip ality	R00	04	04 environmental compliance inspections reports conducted per annum	Achieved	R00	None	None	Quarterly reports	04	Com 08	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Waived Number	Budgeted	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification Ratio No:	Continued / Discontinued
mpment	efficient local government system		protection	legislations compliance	conducted		s conducted per annum													
Basic Service Delivery and Infrastructure Development	Responsive, accountable, effective and efficient local government system	Improve access to basic services	To ensure environmental compliance and protection	Promotion and enforcement of environmental provisions legislative actions compliance	Number of Environmental Management game nt Plans reviewed and approved by Council	n/a	1 Environmental Management game nt Plan reviewed and approved by Council by June	who le municipality	R00	R00	0	n/a	n/a	R00	n/a	n/a	Environmental Management Plan and Council Resolution	0	Com 09	Disc onti nue d during bud get adju stm ent due to bud get con strai n

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
													Annual Target	Actual Performance								
Basic Service Delivery and Infrastructure Development	Responsive, accessible, reliable, effective and efficient local government system	Improve access to basic services	To ensure environmental compliance and protection	Promotion and enforcement of environmental legislative compliance	Number of parks and open spaces maintained	n/a	Compile 04 reports on parks and open spaces (main tenants per annum)	n/a	whole municipality	R00	R00	04	Compile 04 reports on maintenance of parks and open spaces per quarter	0 reports on maintenance of parks	Not achieved	R00	Lack of personnel.	Awaiting corporate to appoint horticulturist.	Quarterly reports	0	Com 10	Continued
Basic Service Delivery and Infrastructure	Responsive, accessible, reliable, effective and efficient local government system	Improve access to basic services	To provide access to community	Provision of maintenance and	Number of reports on maintenance	n/a	04 reports on maintenance and	n/a	whole municipality	R00	R00	04	04 reports on maintenance and	04 reports on maintenance and	Achieved	R00	None	None	Quarterly reports	04	Com 11	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
Infrastructure Development	Effective and efficient local government system	es	unity, sports, recreational and child care facilities	management services to social facilities	and management of social facilities		management of social facilities per annum	management of social facilities per annum					management of social facilities per annum	Achieved							
Local Economic Development	Responsible, accountable, effective and efficient Local government	Implementation, community work, programme and cooperative savings support	Promote shared economic growth and job creation	Coordinate creation of jobs through Community Work Programme	Number of reports compiled on CWP jobs creation	n/a	04 reports compiled on CWP job creation per annum	04 reports compiled on CWP job creation per annum	who le municipality	R00	R00	04	04 reports compiled on CWP job creation per annum	Achieved	R00	None	None	Reports	04	Filed 01	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
	ent system			e																
Local Economic Development	Responsive, accountable, effective and efficient Local Government system	Implementation community work programme and cooperative support	Promote shared economic growth and job creation	Coordinate business support, tourism development and job creation programmes	Number of reports on business support, tourism development and job creation completed	n/a	04 reports on business support, tourism development and job creation completed per annum	04 report s on business support, tourism development and job creation completed per annum	who le mun icip ality	R00	04	04 busin ess support, tourism development and job creation completed	Achieved	R00	None	None	Reports	04	Filed 02	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification	Continued / Discontinued
Local Economic Development	Responsible, accountable, effective and efficient Local Government system		Promote shared economic growth	Coordinate business support, tourism development and land use planning and job creation programmes	Number of reports on business support, tourism and land development completed (Transection Advisor)	n/a	04 reports on business support, tourism and land development completed per annum (Transection Advisor)	R00	R00	n/a	n/a	R00	n/a	n/a	Reports	0	Period 03	Discarded during budget adjustment due to budget constraint

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
Local Economic Development	Responsible, accountable, effective and efficient Local Government system	Implement community work programme and cooperative support	Promote shared economic growth and job creation	Coordinate business support, tourism development and job creation and job creation programmes	Number of km of market area paved within Lebowakgomo CBD	n/a	Paving of 1km of market area within Lebowakgomo CBD by end of financial year	n/a	17	R3 000 000.00	n/a	0	n/a	n/a	R00	n/a		n/a	0	Pled 04	Discontinued during budget adjustment due to lack of corporation by hawkers association
Spatial Rationale	Responsible, accountable, effective	Action supportive to human	To guide, monitor and control	Promote and enforce proper	Number of reports completed	n/a	4 reports on prevention of	n/a	who le municipality	R00	R00	04	4 reports on prevention of illegal land invasion	Achieved	R00	None	None	Rep-orts	03	Pled 05	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Ratio / No:	Continued / Discontinued	
	Effective and efficient Local Government system	Urban settlement outcomes	Local spatial planning, land use management and development within the municipality	Land uses within the municipal area	prevention of illegal land invasion within Lebo汪omo		illegal land invasion completed per annum						Completed per annum	31km of streets surveyed	Achieved	R00	Over achievement was a result of the request	None	Reports	0km	Filed 06	Continued
Spatial Rationale	Responsive, accommodative, sustainable, effective	Actions, supportive to human settlement	To guide, monitor and control spatial	Amenities and formalization of existing	Number of Kilometers of streets surveyed	n/a	2km of streets surveyed by June	n/a	who le municipality	R00	R00	Ok m	2km of streets surveyed by June 2022	31km of streets surveyed	Achieved	R00	Over achievement was a result of the request	None	Reports	0km	Filed 06	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waived Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Discontinuation No.	Continued / Discontinued
	and efficient Local Government system	ment outcomes	Planning, land use management and development within the municipality	settlements	yield		2022						Annual Target	Actual Performance			st to survey the D-roads for municipality to enter in to agreement with department of roads and transport					
Spatial Rationale	Responsible, accountable, effective and	Actions, supportive to human settlement	To guide, monitor and control spatial	Monitoring, regulation and control buildings	Number of buildings inspections conducted	n/a	96 buildings inspections conducted per annum	n/a	who le municipality	R00	R00	52	96 building inspections conducted per annum	91 inspections done	Not Achieved	R00	Target was not meet due to short age of perso	Building inspection or post to be filled before end of September	Reports	51	Pled 07	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	efficient Local Government system	outcomes	planning, land use management and development within the municipality	construction	Key Performance Indicator	Revised Key Performance Indicator	m						Annual Target	Actual Performance			nnel within the building unit	2022				
Spatial Rationale	Responsive, accountable, effective and efficient	Actions supportive to human settlement outcome	To guide, monitor and control spatial planning,	Monitoring, regulation and control buildings constructed	Number of Buildings Controlled Policies developed and	n/a	01 Building Control Policy developed and approved by Council by June 2022	0 Building Control Policy developed and approved	who le municipality	R00	R00	0	01 Building Control Policy developed and approved by June 2022	0 Building Control Policy developed and approved	Not Achieved	R00	The policy was drafted but waiting for other stakeholders to give inputs	Follow ups to be done with the stakeholders	Copy of approved policy and Council resolution	0	Ple d 08	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
	Local government system	mes	land use management and development within the municipality	uction	approved by Council		by Council by June 2022								on the policy					
Spatial Rationale	Responsible, accountable, effective and efficient Local	Actions supportive to human settlement outcomes	To guide, monitor and control spatial planning, land use	Provision of real estate property management for the Municipality	Number of General valuation roll completed	n/a	01 General valuation roll completed 2022/2027	01 General valuation roll completed 2022/2027	who le municipality	R9 000 000.00	R6 000 000.00	01 General valuation roll completed 2022/2027	Achieved	R5 966 550.00	None	None	Copy of certified valuation roll	N/A - new project	Ple d 09	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Revised Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No:	Continued / Discontinued
	governance system		management and development within the municipality																	
Spatial Rationale	Responsible, accountable, effective and efficient Local government	Actions supportive to human settlement outcomes	To guide, monitor and control spatial planning, land use management	Provide real estate property management for the Municipality	Number of newly acquired properties registered in municipality's name	n/a	200 newly acquired properties registered in municipality's name by June	n/a	R1 043 059.37	n/a	115	200 newly acquired properties registered in municipality's name by June 2022	Not Achieved	R00	CoG HSTA did not give approval for municipality to upgrade and register properties in to	Meeting to be held with the department of CoGHS TA for finalization of the matter before end of October 2022	Deeds search report	101 properties registered	Ple d 10	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance for maintenance	File / Verification No:	Continued / Discontinued
	ent system		nt and development within the municipality				2022									municipality's name					
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local government system	Improve municipal financial and administrative capability	To provide strategic management support to the Municipality	Provision of strategic and integrated development planning services to council	Number of IDPs reviewed and approved by Council	n/a	01 Completed IDP approved by Council by 31 May 2022	n/a	who lie municipality	R00	R00	01	01 Compiled IDP approved by Council by 31 May 2022	Achieved	R00	None	None	Copy of reviewed IDP and Council resolution	01	Pled 11	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Re vis ed bud get	B a s eli n e	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification ratio No.	Continued / Discontinued
	em																				
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local government system	Improve municipal financial and administrative capability	To provide strategic management support to the Municipality	Provide performance management services to municipality	Number of SDBIP developed and approved by the Mayor within 28 days after approval of IDP and Budget	n/a	01 SDBIP approved and signed by the Mayor within 28 days after approval of IDP and Budget	01 SDBIP approved and signed by the Mayor within 28 days after approval of IDP and Budget (2022/2023 financial year)	01 SDBIP approved and signed	Achieved	R00	None	R00	Achieved	R00	None	None	Signed SDBIP	01	Pled 12	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance for maintenance	File / Verification / Discontinuation No.	Continued
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local government system	Improve municipal financial and administrative capacity	To provide strategic management support to the Municipality	Provide performance management services to municipality	Number of SDBIP reviewed and approved by Council.	n/a	01 SDBIP reviewed and approved by Council by end of February 2022.	01 SDBIP reviewed and approved by Mayor by end of February 2022	who le municipality	R00	R00	01	01 SDBIP reviewed and approved by Mayor by end of February 2022	n/a	R00	n/a	n/a	Signed revised SDBIP	01	Pled 13	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
								2														
Municipal institutional development and transformation	Responsible, accountable, effective and efficient local government system	Improve municipal financial and administrative capability	To provide strategic management support to the Municipality	Provide performance management services to municipality	Number of Annual Performance Report compiled and submitted to Auditor General	n/a	01 Annual Performance Report compiled and submitted to AG by 31 August 2022	n/a	whole municipality	R00	R00	01	01 Annual Performance Report compiled and submitted	n/a	R00	n/a		n/a	Copy of Annual Performance Report	01	Pled 14	Continued
Municipal institutional development and	Responsible, accountable, effective	Improve municipal financial and	To provide strategic management	Provide performance management	Number of Annual Reports prepared and approved	n/a	01 Annual Report prepared and approved by council	n/a	whole municipality	R00	R00	01	01 Annual Report prepared and approved by council	n/a	R00	n/a		n/a	Copy of Approved Annual Report	01	Pled 15	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waived number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
transformation	effective and efficient local government system	administrative capability	support the Municipality	nt services to municipality	by Council		and approved by council by 31 January 2022.	4	Quarterly Performance Reports compiled and submitted to Council	R00			by 31 January 2022.					and Council Resolution			
Municipal institutional development and transformation	Responsible, accountable, effective and efficient local government system	Improve municipal financial and administrative capability	To provide strategic management support to the Municipality	Provide performance management service to municipality	Number of Quarterly Performance Reports compiled and submitted to Council	n/a	4 Quarterly Performance Reports compiled and submitted to Council	04	who le municipality	R00		04	4 Quarterly Performance Reports compiled and submitted to Council	Achieved	R00	None	None	Copy of Draft Quarterly Performance Reports submitted to Council	04	Filed 16	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Re vis ed bud get	B a s eli n e	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local government system	Improve municipal financial and administrative capabilities	To provide effective and efficient ICT services within the municipality	Implement municipal Integrated Electronic Management System (IEMS) in compliance to mSCOA.	Percentage of implementation of integrated electronic management system completed per annum	n/a	80% implementation of integrated electronic management systems completed by June 2022	n/a	whole municipality	R00	R00	60%	80% implementation of integrated electronic management systems completed by June 2022	Achieved	R00	None	None	Quarterly reports	80%	Copy 01	Continued
Municipal institutional development	Responsive, accountable, effective and efficient local government system	Improve municipal financial	To provide legal support to	To advice on legal matters,	Percentage of Contract acts developed	n/a	100% of all Contract acts developed and signed	n/a	whole municipality	R00	R00	72%	100% of all Contract acts developed and signed	Achieved	R00	None	None	Copies of acceptance letters	100%	Copy 02	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No	Continued / Discontinued
and transformation	effective and efficient local government system	and administrative capability	the municipality	draft and interpret contracts and legislation and ensure legal compliance	opened and signed within 14 days of receiving acceptance letters	Revised Key Performance Indicator	Annual Target	and signed within 14 days of receiving acceptance letters			100% of cases handled within 14 days of receipt of instructions	Achieved	R00	None	None	and signed contracts	100%	Corporation	Continued
Municipal institutional development and transformation	Responsive, accountable, effective and efficient	Improve municipal financial and administrative capability	To provide legal support to the municipality	To advise on legal matters, draft and interpret contracts	Percentage of cases handled within 14 days of receipt	n/a	100% of cases handled within 14 days of receipt of	n/a	R00	100%	100% of cases handled within 14 days of receipt of instructions	Achieved	R00	None	None	Litigation register	100%	Corporation	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance for maintenance	File / Verification No.	Continued / Discontinued
	local government system	ility		acts and legislations and ensure legal compliance	t of instructions		instructions															
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local government	Improve municipal financial and administrative capability	To provide legal support to the municipality	To advice on legal matters, draft and interpret contracts and legisla	Number of by-laws reviewed and approved by council	n/a	Review of 05 By-Laws and approved by council by June 2022	0 By-Laws reviewed	Not Achieved	R00	R00	0	Review of 05 By-Laws and approved by council by June 2022	0 By-Laws reviewed	Not Achieved	R00	None submission of by-laws by departmental heads for review	Departmental heads to submit the by-laws for review in the next financial year	Council resolutions and copies of reviewed by-laws	0	Cor p 04	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
	ent system			ations and ensure legal compliance									2021/2022 Annual Target and Progress	Achieved/Not Achieved							
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local government system	Improve municipal financial and administrative capacity	To effectively and efficiently recruit and retain competent human capital and sound labour relations	Ensure compliance with the Employment Act	Number of Employee Equity plans reviewed and approved by council.	n/a	01 Employee Equity plan reviewed and approved by council by October 2021.	01 Employment equity plan reviewed and approved	who le municipality	R00	R00	01	01 Employment Equity plan reviewed and approved by council by October 2021.	Achieved	R00	n/a	n/a	Copy of approved Employee Equity Plan	01	Cor p 05	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local government system	Improve municipal financial and administrative capacity	To effectively and efficiently recruit and retain competent human capital and sound labour relations	Ensure compliance with the Employment Act	Percentage of positions filled by employees from Employee Equity target groups	n/a	97% of positions filled by employees from Employee Equity target groups by June 2022	n/a	who le municipality	R00	R00	8%	97% of positions filled by employees from Employee Equity target groups by June 2022	Achieved	R00	None	None	Employment equity report	100% (03 posts filled)	Comp 06	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Who	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local government system	Improve municipal financial and administrative capacity	To effectively and efficiently recruit and retain competent human capital and sound labour relations	Ensure alignment of the administrative structures to the municipal operational requirements.	Number of Organizational structures reviewed and approved by council.	n/a	01 Organizational structure reviewed and approved by council by June 2022	n/a	who le municipality	R00	R00	01	01 Organizational structure reviewed and approved by council by June 2022	Achieved	R00	None	None	Approved organizational structure and Council resolution	01	Corporation	Continued
Municipal institutional development	Responsive, accountable, improve municipal financial	Improve municipal financial	To effectively and efficiently	Capacitate the municipality's	Number of Work place Skills Development	n/a	01 Work place Skills Development	n/a	who le municipality	R00	R00	01	01 Workplace Skills Development Plan develop	Achieved	R00	None	None	Work place skills plan and proof	01	Corporation	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Re vis ed bud get	B a s eli n e	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
and transformation	effective and efficient local government system	and administrative capability	recruit and retain competent human capital and sound labour relations	human capital	implement Plans (WSD P) developed and submitted to LGSETA	Revised Key Performance Indicator	Annual Target	Revised Target					Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local	Improve municipal financial and administrative capability	To effectively and efficiently recruit and retain competent human	Capacitate the municipality's human capital	Percentage of budget spent on training of employees and	n/a	100% of the budget spent on training of employees and councilors by June 2022	100% of the budget spent on training of employees and councilors by June 2022	who le municipality	R00	R00	98 %	100% of budget spent on training of employees and councilors by June 2022	Achieved	R240 42.00	None	None	Budget report	100 %	Cor p 09	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	governments	ility	ncapital and sound labour relations		councilors		lors by June 2022														
Municipal institutional development and transformation	Responsible, accountable, effective and efficient local government system	Improve municipal financial and administrative capabilities	To effectively and efficiently recruit and retain competent human capital and sound labour	Effective coordination of health and safety activities	Number of OHS awareness campaigns conducted	n/a	04 OHS awareness campaigns conducted by June 2022	n/a	who le municipality	R32 008 2.62	R00	04	04 OHS awareness campaigns conducted by June 2022	Achieved	R00	None	None	Attendance register	04	Corp 10	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Re vis ed bud get	B a s eli n e	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
			relations																		
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local government system	Improve municipal financial and administrative capacity	To effectively and efficiently recruit and retain competent human capital and sound labour relations	Implementation and coordination of Employee wellness interventions	Percentage implementation of the employee wellness interventions	n/a	100% implementation of the employee wellness interventions by June 2022	n/a	who le municipality	R00	R00	100%	100% implementation of the employee wellness interventions by June 2022	Achieved	R00	None	None	Reports	100%	Cor p 11	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Weighted	Budget	Revised budget	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No:	Continued / Discontinued
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local government system	Improve municipal financial and administrative capacity	To effectively and efficiently recruit and retain competent human capital and sound labour relations	Implementation and coordination of Employee wellness Interventions	Number of employee wellness activities conducted	n/a	04 employee wellness activities conducted by June 2022	01 employee wellness activities conducted	Achieved	R42 193.26	None	None	None	Attending register	N/A – New indicator	None	None	Attending register	N/A – New indicator	Corp 12	Continued
Municipal institutional development	Responsive, accountable, effective and efficient local government system	Improve municipal financial	To effectively and efficiently	Effective management of employee wellness Interventions	Percentage of referred cases	n/a	100% of all referred cases attended to within	0% of cases attended	Not Achieved	R00	R00	100% of all referred cases attended to within	0% of cases attended	Not Achieved	R00	No case reported during fourth	None	Reports	N/A – New indicator	Corp 13	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification / Attachment No:	Continued / Discontinued
and transformation	effective and efficient local government system	and administrative capability	recruit and retain competent human capital and sound labour relations	year relations in the workplace	attended to within the required timeframe.		ded to within 90 days by June 2022						90 days by June 2022			quarter					
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local	Improve municipal financial and administrative capability	To prevent theft, losses and physical harm.	Provide sound security service to all municipal premises	Percentage of cases investigated and reported to SAPS	n/a	100% of cases investigated and reported to SAPS within 48 hours	n/a	Whole municipality	R00	R00	100%	100% of cases investigated and reported to SAPS within 48 hours	Achieved	R00	No case reported during fourth quarter	None	Cases on reported cases and investigations reported	100%	Corp 14	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
	governance system	lity		and employees																
Municipal institutional development and transformation	Responsible, accountable, effective and efficient local government system	Improve municipal financial and administrative capability	To prevent theft, losses and physical harm.	Provide sound security service to all municipal premises and employees	Number of security reports compiled	n/a	12 security reports compiled by June 2022.	n/a	who le municipality	R00	12	12 security reports compiled by June 2022.	Achieved	R00	None	None	Reports	12 reports	Cor p 15	Continued
Municipal institutions	Responsible, effective, efficient local government system	Improve municipal	To prevent	Provide sound	Number of satellites	n/a	01 Satellite fitted	01 Satellite office	who le municipality	R00	01	01 Satellite office fitted	Not Achieved	R00	Halte d by Treasury	Budget ed for 2022/23	Payment certificate	0	Cor p 16	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waived Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance for maintenance	File / Verification No:	Continued / Discontinued
Operational development and transformation	Accountable, effective and efficient local government system	Financial and administrative capability	theft, losses and physical harm.	security service to all municipal premises and employees	the office fitted with surveillance cameras	the office fitted with surveillance cameras	with surveillance cameras by June 2022	office fitted with surveillance cameras by June 2022	ality				100% of required fleet maintenance attended to (service and repairs) by June 2022	Achieved	R00	circular	financial year				Continued
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local	Improve municipal financial and administrative capability	To provide auxiliary support services to all department	Provision of transport and fleet employees and designated	Percentage of required fleet maintenance attended	n/a	100% of required fleet maintenance attended to (service and repairs) by June 2022	100% of required fleet maintenance attended to (service and repairs) by June 2022	who le municipality	R4 000.000.00	R00	54%	100% of required fleet maintenance attended to (service and repairs) by June 2022	Achieved	R00	None	None	Report	100%	Corp 17	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Attachment No.	Continued / Discontinued
	governance system	ility	s	councilors	to		ce and repairs) by June 2022							Annual Target	Actual Performance							
Municipal institutional development and transformation	Responsible, accountable, effective and efficient local government system	Improve municipal financial and administrative capability	Provide sustainable records management services	Provision and implementation of sound records management services	Percentage of filed correspondences received in the registry with reference numbers	n/a	100% of filed correspondences received in the registry with reference numbers within 7 days	n/a	who le municipality	R00	R00	15 %	100% of filed correspondences received in the registry with reference numbers within 7 days	0% filed correspondences	Not achieved	R00	Lack of training implementation of file plan	Training on implementation of File Plan	Report on correspondence filed	0%	Cor p 18	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification / Discontinuation No.	Continued
													Annual Target	Actual Performance								
Municipal institutional development and transformation	Responsive, accountable, effective and efficient local government system	Improve municipal financial and administrative capacity	Provide sustainable records management services	Provision and implementation of sound records management services	Number of PAIA reports compiled and submitted to Human Rights Commission	n/a	01 PAIA report compiled and submitted to HRC per annum	n/a	who le municipality	R00	R00	0	01 PAIA report compiled and submitted to HRC per annum	0 PAIA report compiled and submitted	Not achieved	R00	PAIA Manual not approved by Provincial Archives	Follow-up on Provincial Archives to approve the manual	Report submitted to HRC	0	Cor p 19	Continued
Good governance and public	Responsive, accountable, untainted	Single window of coordination	To encourage good governance	Coordination of council and	Number of council meetings	n/a	07 council meetings	n/a	who le municipality	R00	R00	04	07 council meetings held per	07 council meeting	Not achieved	R00	Postponement due to (1)	To ensure that meetings are	Attendance registers	07	Cor p 20	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
participation	ble, effective and efficient local government system	nation	nance and public participation	committees meetings per institutional calendar	ngs held		held per annum						annum	held			held as scheduled to avoid shifting blames and disappointment	and minutes			
Good governance and public participation	Responsible, accountable, effective and efficient local government	Single window of coordination	To encourage good governance and public participation	Coordination of council and committees meetings per institutional calendar	Number of Exco meetings held per annum	n/a	12 Exco meetings held per annum	n/a	who le municipality	R00	R00	08	12 Exco meetings held per annum	12 Exco meeting held	Achieved	R00	None	Attending registers and minutes	12	Corporation	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd number	Budget	Revised budget	Basis for elimination	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
	ent system			dar																	
Good governance and public participation	Responsible, accountable, effective and efficient local government system	Single window coordination	To encourage good governance and public participation	Coordination of council and committees meetings per institutional calendar	Number of Portfolio Committee meetings held per annum	n/a	36 portfolio committee meetings held per annum	n/a	who le municipality	R00	R00	36	36 portfolio committee meetings held per annum	Achieved	R00	None	None	Attendance register and Minutes	36	Cor p 22	Continued
Good governance and public	Responsible, accountable	Single window coordination	To encourage good governance	Coordination of ward committee	Number of reports compiled	n/a	12 reports compiled on co-ordination	n/a	who le municipality	R00	R00	0	0 reports compiled on co-ordination	Not Achieved	R00	Late appointment of ward committee	Office of the Speaker to finalize the	Monthly Progress Reports	0	Cor p 23	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Attachment No.	Continued / Discontinued
	ent system			dar																
Good governance and public participation	Responsive, accountable, effective and efficient local government system	Single window coordination	To encourage good governance and public participation	Coordination of council and committees meetings per institutional calendar	Number of Portfolio Committee meetings held per annum	n/a	36 portfolio committee meetings held per annum	n/a	who le municipality	R00	36	36 portfolio committee meetings held per annum	Achieved	R00	None	None	Attendance register and Minutes	36	Cor p 22	Continued
Good governance and public participation	Responsive, accountable	Single window coordination	To encourage good governance	Coordination of ward committee	Number of reports completed	n/a	12 reports compiled on co-ordination	n/a	who le municipality	R00	0	12 reports compiled on co-ordination	Not Achieved	R00	Late appointment of ward committee	Office of the Speaker to finalize the	Monthly Progress Reports	0	Cor p 23	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Discontinuation No:	Continued
participation	ble, effective and efficient local government system	nation	nance and public participation	ittee meetings held as per annual calendar	led on co-ordination of ward committee meetings per annum		co-ordination of ward committee meetings per annum					n of ward committee meetings per annum				appointments of ward committees				
Good governance and public participation	Responsible, accountable, united, effective and efficient local government	Single window coordination	To encourage good governance and public participation	Coordination of ward committee meetings held as per annual	Number of ward committee conferences coordinated	n/a	01 ward committee conferences coordinated	01 ward committee conferences coordinated	who le municipality	R00	0	0 ward committee conferences coordinated	Not achieved	R00	Late appointment of ward committee members	Office of the Speaker to finalize the appointments of ward committees	Report and attend dance register	0	Cor p 24	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for Variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance for maintenance	File / Verification No:	Continued / Discontinued
	Implement system			calendar																	
Good governance and public participation	Responsible, accountable, effective and efficient local government system	Single window coordination	To encourage good governance and public participation	Coordination of ward committee meetings held as per annual calendar	Number of ward forums coordinated	n/a	03 ward forums coordinated June 2022	n/a	who le municipality	R00	R00	0	03 ward forums coordinated June 2022	Not achieved	R00	Late appointment of ward committee members	The forum to be held in the next financial year	Report and attendance register	0	Cor p 25	Continued
Municipal financial viability	Responsible, accountable	Administrative and financial	To improve municipality	Preparation and monitoring	Number of mSCOA compliant	n/a	01 mSCOA compliant	n/a	who le municipality	R00	R00	01	01 mSCOA compliant annual budget	Achieved	R00	None	None	Approved mSCOA annual	01	B+T 01	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
													Annual Target	Actual Performance								
Financial management	able, effective and efficient local government system	financial capability	's financial planning, revenue collection, expenditure and reporting capability	implementation of the annual budget	annual budget prepared and approved by council	annual budget prepared and approved by council by 31 May 2022	prepared and approved by council by 31 May 2022	budget prepared and submitted											al budget and council resolution			
Municipal financial viability and management	Responsible, accountable, viable, effective and efficient local government	Administrative and financial capability	To improve municipality's financial planning, revenue collection	Preparation and monitoring implementation of the annual budget	Number of mSCOA compliant adjustment budget et prepared and	n/a	01 mSCOA compliant adjustment budget prepared and approved by council by 28 February	01 mSCOA compliant adjustment budget et prepared and approved	who le municipality	R00	R00	01	01 mSCOA compliant adjustment budget prepared and approved	01 mSCOA compliant adjustment budget et prepared and approved	n/a	n/a	n/a	n/a	Approved mSCOA adjustment budget et and Council resolution	01	B+T 02	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
	Implement system		tion, expenditure and reporting capability		approved by council		vised by council by 28 February 2022					2022								
Municipal financial viability and management	Responsible, accountable, effective and efficient local government system	Administrative and financial capability	To improve municipality's financial planning, revenue collection, expenditure and reporting capability	Preparation and monitoring implementation of the annual budget	Number of Sections 72 reports compiled and submitted to Council and Treasury as per MFMA	n/a	01 Section 72 report compiled and submitted to Council and Treasury as per MFMA per annum	01 Section 72 report compiled and submitted	who le municipality	R00	01	01 Section 72 report compiled and submitted to Council and Treasury as per MFMA per annum	n/a	n/a	n/a	n/a	Copy of Section 72 Report and proof of submission to Treasury	01	B+T 03	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Waiver Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File Verification Ratio No.	Continued / Discontinued
Municipal financial viability and management	Responsive, accountable, effective and efficient local government	Administrative and financial capability	To improve municipality's financial planning, revenue collection, expenditure and reporting capability	Preparation and monitoring implementation of the annual budget	Number of GRAP compliant Annual Financial Statements (AFS) completed and submitted to stakeholders per annum	n/a	01 GRAP compliant AFS completed and submitted to stakeholders per annum	01 GRAP compliant AFS completed and submitted to stakeholders per annum	who le mun icip ality	R63 071 9.00 & 927 781.00	R00	01	01 GRAP compliant AFS completed and submitted to stakeholders per annum	n/a	R1 19 0777.00	n/a	n/a	Annual Financial Statements and proof of submission to Treasury and COG HSTA	01	B+T 04	Continued
Municipal financial	Responsive, accountable	Administrative and	To improve municipality's financial planning, revenue collection, expenditure and reporting capability	Ensure proper	Number of GRAP	n/a	01 GRAP compliant AFS completed and submitted to stakeholders per annum	01 GRAP compliant AFS completed and submitted to stakeholders per annum	who le mun icip ality	R1 300 000.00	R00	01	01 GRAP compliant AFS completed and submitted to stakeholders per annum	n/a	R1 29 4003.70	n/a	n/a	GRAP compliance plan	01	B+T 05	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
												Annual Target	Actual Performance								
viability and management	untimely, effective and efficient local government system	financial capability	improvement of financial planning, revenue collection, expenditure and reporting capability	valuation, safeguarding, optimization and disposal of municipal assets in compliance with relevant legislation	compliance with fixed assets registers compiled	compliance with fixed assets registers compiled	fixed assets registers compiled per annum	fixed assets registers compiled per annum	ality			assets registers compiled per annum	compliance with fixed assets registers compiled					Assets registers			
Municipal financial viability and management	Responsive, accountable, untimely, effective	Administrative and financial capability	To improve municipal financial viability	Ensure adherence to SCM Policies	Number of Annual Procurement Plan	n/a	01 Annual Procurement Plan completed	01 Annual Procurement Plan completed	n/a	R00	01	01 Annual Procurement Plan compiled per annum	01 Annual Procurement Plan completed	Achieved	R00	None	None	Copy of approved Procurement plan	01	B+T 06	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Discontinued	Continued
	and efficient local government system		planning, revenue collection, expenditure and reporting capability		completed		led per annum													
Municipal financial viability and management	Responsible, accountable, effective and efficient local government system	Administrative and financial capability	To improve municipality's financial planning, revenue collection, expenditure	Ensure adherence to SCM Policies	Percentage of tenders awarded within 90 days of advertisement	n/a	100% of tenders awarded within 90 days of advertisement per annum	n/a	who le municipality	R00	45%	100% of tenders awarded within 90 days of advertisement per annum	Not Achieved	R00	None responsive Bids	Projects to be re-advertised and rolled over to the next financial year	Appointment letters	65%	B+T 07	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Re vis ed bud get	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Ratio No:	Continued / Discontinued
	em		and reporting capability																		
Municipal financial viability and management	Responsive, accountable, effective and efficient local government system	Administrative and financial capability	To improve municipality's financial planning, revenue collection, expenditure and reporting capability	Adherence to service standards and MFMA	Percentage of creditors paid within 30 days of submission of invoice.	n/a	100% of creditors paid within 30 days of submission of invoice.	n/a	whole municipality	R00	R00	86%	100% of creditors paid within 30 days of submission of invoice.	Achieved	R00	None	None	Reports	100%	B+T 08	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification No.	Continued / Discontinued
Municipal financial viability and management	Responsive, accountable, effective and efficient local government	Administrative and financial capability	To improve municipality's financial planning, revenue collection, expenditure and reporting capability	Expand revenue base and improve rate of collection	Percentage of revenue collected from services billed	n/a	30% of revenue collected from services billed per annum	n/a	whole municipality	R00	25%	30% of revenue collected from services billed per annum 31.5% revenue collected	Achieved	R00	None	None	Reports	31.5%	B+T09	Continued
Good governance and public participation	Responsive, accountable, effective	Single window of coordination	To keep stakeholders hold responsible informed	Improve communication with stakeholders	Number of Institutional Calendar developed	n/a	01 Institutional calendar developed	n/a	whole municipality	R00	01	01 Institutional calendar developed by June 01 Institutional calendar developed	Achieved	R00	None	None	Approved Institutional calendar and coun	0	MM01	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification / Discontinued	Continued	
	tive and efficient local government system		about the affairs of the municipality	holders through various platforms	opened		by June 2022						2022					cil resolution				
Good governance and public participation	Responsible, accountable, effective and efficient local government system	Single window coordination	To keep stakeholders informed about the affairs of the municipality	Improve communication with stakeholders through various platforms	Number of communication strategies reviewed and approved by Council	n/a	01 communication strategy reviewed and approved by Council by June 2022	n/a	who le municipality	R00	R00	0	01 communication strategy reviewed and approved by Council by June 2022	01 communication strategy reviewed and approved	Achieved	R00	None	None	Copy of the strategy document and Council resolution	01	MM 02	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress			Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification ratio No.	Continued / Discontinued
	em						2022							Annual Target	Actual Performance								
Good governance and public participation	Responsive, accountable, effective and efficient local government system	Single window of coordination	To provide assurance and consulting services to management and Council on internal controls, risk management	Monitor effectiveness of internal controls through internal audit practices	Number of Internal Audit Plan developed and approved by audit committee	n/a	01 Internal Audit Plan developed and approved by audit committee by June 2022	n/a	whole municipality	R00	R00	01	01 Internal Audit Plan developed and approved by June 2022	01 Internal Audit Plan developed and approved	Achieved	R00	None	None	Approved internal audit plan	01	MM03	Continued	

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Who	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification Ratio No.	Continued / Discontinued
			nt and governance																		
Good governance and public participation	Responsive, accountable, effective and efficient local government system	Single window coordination	To promote the needs and interests of special focus groups	Mainstream and monitor or compliance to special focus programmes (Aged, Youth, People with Disability,	Number of Special Focus Mainstreaming progress reports compiled and submitted	n/a	12 Special Focus Mainstreaming progress reports compiled and submitted by June 2022	n/a	whole municipality	R00	R00	12	12 Special Focus Mainstreaming progress reports compiled and submitted by June 2022	12 progress reports compiled and submitted	Achieved	R00	None	Monthly Reports	0	MM04	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Discontinuation No:	Continued
Good governance and public participation	Responsible, accountable, effective and efficient local government system	Single window coordination	To promote the needs and interests of special focus groups	Mainstream and monitor or compliance to special focus programmes (Aged, Youth, People	Number of cluster ward-based AIDS Council meetings coordinated	n/a	16 cluster ward-based AIDS Council meetings coordinated by June 2022	n/a	whole municipality	R00	R00	04	16 cluster ward-based AIDS Council meetings coordinated by June 2022	Not achieved	R00	The period for meetings lapse as per government calendar	The meetings to be scheduled for new financial year	Attendance registers	0	MM05	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification Ratio No:	Continued / Discontinued	
				e with Disability, Gender, Children and HIV/AIDS)									Annual Target	Actual Performance									
Good governance and public participation	Responsible, accountable, effective and efficient local government system	Single window of coordination	To provide strategic management support to the Municipality	Monitor and manage implementation of strategic resolutions.	Number of Executive management meeting minutes coordinated	n/a	12 Executive management meetings coordinated by June 2022	n/a	whole municipality	R00	R00	12	12 Executive management meetings coordinated by June 2022	12 executive management meetings coordinated	Achieved	R00	None	None	None	Agency, attendance registers and minutes	12	MM06	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward Number	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification / Discontinued	Continued
	em																				
Good governance and public participation	Responsive, accountable, effective and efficient local government system	Single window coordination	To provide strategic management support to the Municipality	Monitor implementation of 'Back to Basics' reports	Number of Back to Basics reports compiled and submitted	n/a	12 Back to Basics reports compiled and submitted by June 2022.	04 Back to Basics reports compiled and submitted by June 2022.	who le municipality	R00	R00	04	04 Back to Basics reports compiled and submitted by June 2022. 04 back to basics reports compiled and submitted	Achieved	R00	None	None	Reports	04	MM 07	Continued
Good governance and public	Responsive, accountable	Single window coordination	To provide strategic	Render customer care	Percentage of customer	n/a	100% of customer care	95% of customer care	who le municipality	R00	R00	95%	100% of customer care issues resolved by June	Achieved	R00	None	None	Reports	100%	MM 08	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Who	Budget	Revised Budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
													Annual Target	Actual Performance							
Good governance and public participation	Responsive, accountable, effective and efficient local government system	Single window coordination	To provide strategic management support to the Municipality	Monitor implementation of 'Back to Basics' reports	Number of Back to Basics reports compiled and submitted.	n/a	12 Back to Basics reports compiled and submitted by June 2022.	04 Back to Basics reports compiled and submitted by June 2022.	who le municipality	R00	R00	04	04 Back to Basics reports compiled and submitted by June 2022.	Achieved	R00	None	None	Reports	04	MM 07	Continued
Good governance and public participation	Responsive, accountable, effective and efficient local government system	Single window coordination	To provide strategic management support to the Municipality	Monitor implementation of 'Back to Basics' reports	Percentage of customer care	n/a	100% of customer care	95% of customer care	who le municipality	R00	R00	95%	100% of customer care issues resolved by June	Achieved	R00	None	None	Reports	100%	MM 08	Continued

Key Performance Area	Outcome	Output	Strategic Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Wa rd nu mber	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress	Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/21 Performance	File / Verification No.	Continued / Discontinued
participation	ble, effective and efficient local government system	nation	management support to the Municipality	services	care issues resolved.		Annual Target	Revised Target					2022.								
Good governance and public participation	Responsible, accountable, effective and efficient local government	Single window of coordination	To implement Enterprise wide Risk Management.	Improve risk management systems and protect the municipality from risk	Number of Municipal Risk Profiles developed and approved by Council.	n/a	01 Municipal Risk Profile developed and approved by Council by June 2022.	n/a	who le municipality	R00	R00	01	01 Municipal Risk Profile developed and approved by Council by June 2022.	Achieved	R00	None	None	Approved municipal risk profile and council resolution.	01	MM09	Continued

Key Performance Area	Outcome	Output	Strategy Objective	Strategies	Key Performance Indicator	Revised Key Performance Indicator	Annual Target	Revised Target	Ward number	Budget	Revised budget	Baseline	2021/2022 Annual Target and Progress		Achieved/Not Achieved	Annual Expenditure	Reasons for variance	Mitigation Measure	Portfolio of Evidence	2020/2021 Performance	File / Verification / Discontinuation No:	Continued
	system			Factors			2022.						Annual Target	Actual Performance								
Good governance and public participation	Responsive, accountable, effective and efficient local government system	Single window coordination	To implement Enterprise wide Risk Management.	Improve risk management systems and protect the municipality from risk factors	Number of Business Continuity Plans completed and approved by council.	n/a	01 Business Continuity Plans completed and approved by council by June 2022.	n/a	whole municipality	R00	R00	0	01 Businesses Continuity Plans compiled and approved by council by June 2022.	0 Business Continuity Plans completed	Not Achieved	R00	No competent official appointed for completion of business continuity plan	The indicator to be outsourced in the next financial year	Copy of Business Continuity Plan and approval council resolution	0	MM10	Continued

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Functions of each directorate within the municipality

Municipal Manager's Office	Infrastructure Services	Community services	Budget and treasury	Planning and LED	Corporate Services
Manage Risk Services.	Manage building, roads and storm water services.	Manage provision of waste and environmental management services.	Manage budget and financial reporting.	Manage development and town planning services.	Provide human resources management and development.
Manage Internal Audit Services	Provide project management services.	Manage rendering of Road Traffic Control, Law Enforcement and safety promotion.	Manage Expenditure Management Services	Manage local economic development services.	Manage provision of legal Support Services
Manage Communication Services.	Manage municipal electrical infrastructure services.	Manage provision of registrations and licensing services.	Manage Revenue Management Services	Manage Integrated Development Planning	Manage Provision of Information and Communication Technology Services
Provide administrative support to political offices.	-	Manage provision of community and social development services.	Manage Supply Chain Services	Provide Municipal Performance Management	Provide Council support.
Provide administrative support to Office of the Municipal Manager	-	-	Manage Asset Services	-	Provide auxiliary, fleet and security services.
Manage Local Economic Development and Planning.	-	-	-	-	-
Manage Infrastructure Development.	-	-	-	-	-
Manage Community Services.	-	-	-	-	-
Manage Budget and Treasury.	-	-	-	-	-

Our employees are key resources and our municipality recognizes that the sustainability of the organization also depends on providing fair remuneration, benefits, working conditions and development opportunities that will attract and retain the right people with the right skills on order to execute the developmental mandate of the organization

The period under review marks a time where several human resources initiatives were implemented or improved to support and underpin the organization's strategic goals. With the focus being on establishing the municipality as a Centre of excellence, and on the attraction and retention of staff.

Talent Acquisition

As at the end of the financial year, our municipality had a staff complement of employees. The Executive Managers appointees undergo psychometric assessments to ensure proper skills fit. The breakdown of the staff complement of is reflected below:

Directorate	Total posts	Filled	Vacant	% Filled	% Vacant
Technical Services	42	32	10	76%	24%
Corporate Services	57	46	11	81%	19.2%
Planning and LED	19	17	2	89%	10.5%
Community Services	78	69	9	88.4%	11.5 %
Budget and Treasury	34	25	9	73.5%	36%
Municipal Manager's Office	21	12	9	57%	26.4%
Grand Total	251	201	50	94%	5.6%

Individual Performance Management

The behavior's charter, which enhances individual performance management was implemented for executive management and will be rolled out to all staff in the next financial year, several awareness workshops were held throughout the organization to ensure that the municipality fosters a workforce with professional, value-driven behavior amongst employees. A proper link between the behavior's charter and municipality's values were drawn.

Employment Equity

In an effort to comply with the Labour relations Act, our municipality has an exciting employment equity committee which meets on a quarterly basis. The purpose of the committee is to discuss matters such as equity in the workforce, discrimination, disability, promotion, fair remuneration, disability and others as required by legislation. The municipality is also part of the Employment Equity skills development consultative forum (EESDCF) lead by SALGA.

The purpose of adding skills development was to ensure compliance with legislation in terms of the skills development Act and the Employment Equity Act. It was also important that the municipality as a learning organization invests in its staff as part of employee upliftment.

Occupational Level	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	-	-	-	-	-	-	-	-	-	-	0
Senior managers	0	-	-	-	2	-	-	-	-	-	2
Managers	9	-	-	-	6	-	-	-	-	-	15
Professionally qualified and experienced specialists and mid-management	33	-	-	-	20	-	-	-	-	-	53
Skilled Technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	-	-	-	1	-	-	-	-	-	4
Semi- skilled and discretionary decision making	74	-	-	-	53	-	-	-	-	-	127
Total Permanent	119	-	-	-	84	-	-	-	-	-	201
Temporary employees		-	-	-		-	-	-	-	-	
Disability	1	-	-	-	1	-	-	-	-	-	2
Grand Total	132	-	-	-	94	-	-	-	-	-	228

Employee Relations

The employee relations function is designed to ensure that there is a sound relationship between employer and employees. Our municipality's processes are designed to ensure fairness when it comes to issues of discipline and grievances, in addition it is a mechanism that makes provision for collective bargaining. Ordinarily it is expected that each employer should provide for an effective employment relations process. To this effect our municipality has policies in place which makes provision for the code of conduct, grievances procedure, disciplinary procedure, appeals procedure and dispute procedure.

A Fraud Hotline was established and managed by our District Municipality and the other investigations are dealt with by the employee relations unit.

Below, is a representation of cases that our municipality honoured during the current reporting period.

Disputes	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Progressive Disciplinary cases (Counselling, Verbal warning & Written warning)	05	-	-	-	01	-	-	-	-	-	06
Formal Disciplinary cases (final written warning, Demotion & Dismissals)	04	-	-	-	01	-	-	-	-	-	05
Investigations	02	-	-	-	-	-	-	-	-	-	02
Grievances	01	-	-	-	-	-	-	-	-	-	01

Appeals	03	-	-	-	-	-	-	-	-	03
Disputes(CCMA)	0	-	-	-	-	-	-	-	-	0
Labour Court	01	-	-	-	-	-	-	-	-	01
Grand Total	12	-	-	-	2	-	-	-	-	17

Skills Development

Lepelle-Nkumpi is a learning organization that believes in investing in the development of its workforce. Employees are continuously exposed to learning interventions aimed at equipping them with skills, knowledge and abilities required to meet the needs of the market.

As per the relevant legislative requirements of the skills development Act, Our municipality is required to annually submit a workplace skills plan(forecast of training interventions to be implemented) as well as Annual training report to the LGSETA. This report reflects how the skills budget was utilized for the organization to be eligible for discretionary grants from the LGSETA to further develop its staff. For the current reporting period a total of employees and councillors were 116 trained on different short courses/ skills programmes and the study assistance was not budgeted for the employees who wanted to study or further their academic qualifications and this can be one of the encouragements to the employees to improve their existing qualifications.

Below, is a representation of trainings that our municipality provided to both employees and councillors:

Training Programmes	Male			Female			Foreign nationals		Total
	A	C	I	W	A	C	I	W	
Municipal Financial Management Programme	2	-	-	-	-	-	-	-	2
Job evaluation training	-	-	-	-	1	-	-	-	1
Councillor induction	4	-	-	-	1	-	-	-	5
Grand Total	6	-	-	-	2	-	-	-	8

Occupational Health and Safety

A formal occupational health and safety Committee was established and apart from the fact that this is a legislative requirement, the municipality is committed to the provision of a safe and healthy work environment to its employees. The OHS committee carries out regular inspections on OHS requirements. Reports on the committee's findings are presented to the Executive Manager: Corporate Services and the Office of the Municipal Manager. All OHS representatives attend regular training interventions such as hazard identification and risk assessment and rare emergency drill training to ensure that they are prepared to act in an emergency situation.

Through its commitment to human resource processes, the municipality has managed to establish a strong employee value proposition. When concerted efforts between the organization, its staff and stakeholders come to fruition, it aids in positioning the organization as an employer of choice, a high performance organization which continuously challenges the status quo. In order to continue rendering an impeccable service to the community, our municipality ensures that best practice principles are incorporated in to all employment practice within the organization.

Job Evaluation

The organogram has been submitted to Job Evaluation for coding. Signing of job descriptions is awaiting finalization of placement of employees and filling of positions that are earmarked for placement once that process is completed then job descriptions will be submitted to the job evaluation committee for grading.

CHAPTER 5: FINANCIAL PERFORMANCE

Lepelle-Nkumpi Local Municipality

(Registration number LM335)

Annual Financial statements for the year ended 30 June 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	16	58 142 40	64 333 33
Rental of facilities and equipment	17	67 5700	27 0633
Water and sanitation: Commission Earned	18	35 504 199	31 254 727
Agency fees: Licences and permits	19	56 248 69	58 691 34
Other revenue	20	247 186 26	192 140 4
Finance income-Exchange	21	16 381 801	12 452 340
Total revenue from exchange transactions		887 194 36	682 016 71
Revenue from non-exchange transactions			
Taxation revenue	22	306 746 38	31 750 278
Property rates	23	142 095 75	127 917 33
Finance income-Non-exchange			
Transfer revenue	24	330 406 846	357 526 612
Government grants & subsidies		201 0550	578 1228
Traffic fines			
Total revenue from non-exchange transactions		377 301 609	407 849 861
Total revenue		466 021 044	466 061 422
Expenditure			
Employee related costs	26	(96 083 516)	(94 726 721)
Remuneration of councillors	27	(22 406 929)	(22 365 273)
Depreciation, amortisation and impairment	28	(35 454 604)	(33 488 447)

29	Finance costs	(214 718)	(84 063)
30	Provision for impairment adjustment	(148 432 781)	(54 264 734)
31	Contracted services	(499 359 73)	(49 190 632)
	Expenditure on third party projects		(80 225)
32	Loss on disposal of assets	(206 905)	(197 125)
	other material	(183 630 1)	(24 323 71)
33	General Expenses	(493 334 51)	(41 850 350)
	Total expenditure	(403 905 178)	(298 679 941)
	Surplus for the year from continuing operations	62 115 866	16 737 148 1
25	Fair value gain or (losses)	57 645 556	(23 264 538 0)
	Surplus (deficit) for the year	67 880 422	(6 527 389 9)

APPENDIX A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

P·R AND WARD COUNCILLORS

Surname & Initials	Male/Female	PR/Ward Councillor	Surname & Initials	Male/Female	PR/Ward Councillor
Cllr Makgahlele MB	Male	Ward Councillor	Cllr Shogole MW	Male	PR
Cllr Lebesse JM	Male	PR	Cllr Ntsoane NP	Female	PR
Cllr Makgati MA	Male	PR	Cllr Mokone SM	Male	PR
Cllr Ramoshaba RS	Female	PR	Cllr Mathabatha RE	Female	PR
Cllr Mathabatha MD	Female	PR	Cllr Matibidi MI	Male	PR
Cllr Phele RS	Male	PR	Cllr Modula MA	Female	PR
Cllr Marema TG	Female	PR	Cllr Thobejane CM	Male	PR
Cllr Maleka PI	Female	PR	Cllr Makhafola TH	Female	PR
Cllr Mphogo RJ	Female	PR	Cllr Mphahlele MJ	Male	PR
Cllr Hlongoane HM	Female	PR	Cllr Kekana KJ	Male	PR

Cllr Tsela FD	Male	PR	Cllr Mphahlele TJ	Male	PR
Cllr Tlajane JB	Male	PR	Cllr Mogodi MM	Male	Ward Councillor
Cllr Phaahla SS	Male	Ward councillor	Cllr Makhaola MS	Female	Ward councillor
Cllr Mmako NS	Male	Ward councillor	Cllr Takalo ME	Female	Ward councillor
Cllr Maphoto ME	Female	Ward councillor	Cllr Kgapola LG	Male	Ward councillor
Cllr Mahlobogwane MD	Female	Ward councillor	Cllr Mngomezulu LJ	Male	Ward councillor
Cllr Lekgoathi FP	Female	Ward councillor	Cllr Mphahlele KP	Male	Ward councillor
Cllr Mollo MI	Male	Ward councillor	Cllr Ntthane LJ	Male	Ward councillor
Cllr Muthwa LS	Male	Ward councillor	Cllr Phogole ML	Male	Ward councillor
Cllr Kekana MP	Male	Ward councillor	Cllr Ramothole	Male	Ward councillor
Cllr Ramaremo	Male	Ward councillor	Cllr Mahlatji	Male	Ward councillor
Cllr Kekana MS	Female	Ward councillor	Cllr Moeti TL	Female	Ward councillor
Cllr Maphoso MW	Male	Ward councillor	-	-	-
Cllr Kekana MA	Female	Ward councillor	-	-	-

Cllr Ledwaba MW	Male	Ward councillor	-	-
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APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE

(a) Executive Committee

Chapter 4 of the Municipal Structures Act, section 42 states that if the council of a municipality establishes an Executive committee, it must elect a number of councillors necessary for effective and efficient government, provided that no more than 20 per cent of the councillors or 10 councillors, whichever is the least are elected. An executive committee may not have less than three members. An executive committee must be composed in such a way that parties and interests represented in the municipal council are represented in the executive committee in substantially the same proportion they are represented in the council. A municipal council may determine any alternative mechanism for the election of an executive committee, provided it complies with section 160 (8) of the constitution.

(b) Portfolio Committee

The portfolio committees are clustered as follows:

- Community services chaired
- Local Economic Development, Planning and Housing
- Budget and Treasury
- Roads, Transport and Electricity
- Corporate Services
- Water and Sanitation

(c) Municipal Public Accounts Committee

The committee submit to council their annual work program on an annual basis. Council in every ordinary council meetings refers reports to the committee for interrogation and to submit an oversight report on all quarterly reports referred to the committee. They meet quarterly as required by their approved work program and conduct projects visit to ensure quality assurance.

(d) Ethics Committee

The committee report to council on a quarterly basis. They investigate cases of alleged misconduct by councillor and report to council on penalties imposed. The review on a quarterly basis councillor's attendance records and report to the speaker of any councillors who have not comply with rules of council and their policy on code of conduct.

(e) Audit Committee

Audit Committee managed to fulfil its roles and responsibilities as outlined in section 166 of the Municipal Finance Management Act 56 of 2003 (MFMA) and the approved Audit Committee Charter. The Audit Committee adopted appropriate formal terms of reference as contained in the Audit Committee Charter approved by the Municipal Council, regulated its affairs in compliance with the charter and has discharged its responsibilities as contained therein.

The Audit Committee is supported by the Internal Audit Unit of the Municipality in order to discharge and fulfil its responsibilities.

Section 166 of the Municipal Finance Management Act No. (MFMA), provides that the Audit Committee shall:

"a. advise the Municipal Council, the political office bearers, the accounting officer and the management of the municipality, on matters relating to:

- i. internal financial control and internal audit*
- ii. risk management*
- iii. accounting policies*
- iv. the adequacy, reliability and accuracy of the financial reporting and information*
- v. performance management*

- vi. effective governance
 - vii. Compliance with the MFMA and any other applicable legislation.
 - viii. performance evaluation
 - ix. Any other issues referred to it by the municipality or municipal entity.
- b) *Review the annual financial statements to provide the municipal council and the management with an authoritative and credible view of the financial position of the municipality, its overall level of compliance with MFMA or any other applicable legislation.*
 - c) *Respond to council on any issues raised by the Auditor General in the audit report.*
 - d) *Carry out such investigations into the financial affairs of the municipality as requested by the municipal council.*
 - e) *Perform such other functions as may be prescribed"*

Audit Committee Members and Attendance of meetings

Audit and Performance Committee started in July 2020 and their contract is for 3 years which is ending in June 2023. Members of Audit and Performance committee signed employment contracts. Performance assessment of Audit and Performance is performed on a yearly basis. Audit and Performance Committee charter is reviewed and approved by Council. Audit and Performance Committee meet quarterly as required by section 166 of MFMA and as in when need arise. From July 2021 to June 2022 Audit and Performance Committee had nine meetings (4 x Ordinary and 5 x Special). Internal Audit plan developed annually and implemented as per the outlined timeframes.

Internal Audit staff are members of Institute of Internal Auditors. Internal Audit Charter and Internal Audit Methodology in place and reviewed annually.

Summary of Implementation of Audit Committee Resolutions and Internal Audit Recommendations:

Description	2020/21	2021/22
Audit Committee resolutions	64%	90% (total 147, 133 implemented and 14 outstanding)
Internal Audit Recommendations	40%	25 % (total 182, 154 implemented and 28 outstanding)

Challenges

Delays in implementation of Audit Committee resolutions and Internal Audit recommendations. Shortage of staff in Internal Audit Unit.

Proposed Interventions

Technical support from Stakeholders. Implementation of Internal Audit Implementation Plan.

Committee Attendance

All committees are functional and reporting to council on a quarterly basis.

Council Meetings	Executive committee meetings	Municipal Public accounts committee	Ethics Committee
• 02 / 07 / 2021 • 30 / 07 / 2021 • 31 / 08 / 2021 • 30 / 09 / 2021 • 22 / 10 / 2021 • 15 / 12 / 2021 • 05 / 01 / 2022 • 21 / 01 / 2022 • 31 / 01 / 2022 • 14 / 02 / 2022 • 28 / 02 / 2022 • 29 / 03 / 2022 • 30 / 05 / 2022 • 30 / 06 / 2022	• 26 / 07 / 2021 • 28 / 08 / 2021 • 29 / 09 / 2021 • 21 / 10 / 2021 • 27 / 01 / 2022 • 18 / 01 / 2022 • 25 / 02 / 2022 • 11 / 02 / 2022 • 25 / 05 / 2022 • 23 / 06 / 2022	• 08 – 10 / 03 / 2022 • 24 – 25 / 03 / 2022 • 28 – 31 / 07 / 2022 • 28 / 06 / 2022 • 11 / 06 / 2022	• 07/04/2022

APPENDIX D: What constitute Municipal Functions?

As directed by the constitution, the Local Government: Municipal structure act, 1998 (Act 117 of 1998) contains criteria for determining when an area must have a category- A municipality (metropolitan municipalities) and when municipalities fall in to categories B (local municipalities) or C (district municipalities)

The provision and maintenance of child care facilities;	Administer cemeteries, funeral parlours and crematoria;
Development of local tourism;	Cleansing;
Municipal planning;	Control of public nuisances;
Municipal public transport;	Control of undertaking that sell liquor to the public;
Municipal public works;	Ensure the provision of facilities for the accommodation, care and burial of animals;
Storm water management systems;	Fencing and fences;
Administer trading regulations;	Licensing of dogs;
Provision and maintenance of water and sanitation;	Licensing and control of undertakings that sell food to the public;
Administer billboards and display of advertisement in public areas	Administer and maintenance of local amenities;
Development and maintenance of local sport facilities;	Development and maintenance of municipal parks and recreation;
Develop and administer markets;	Regulate noise pollution;
Administer Pounds;	Administer street trading;
Development and maintenance of public places;	Provision of municipal health services.
Refuse removal, refuse dumps and solid waste disposal;	

APPENDIX E AND F: Functions of Ward Committees and Ward Reporting

Chapter 4 of Local Government: Municipal Structures Act, No. 117 of 1998, part 4 on ward committees, section 72, 73 and 74 states that Only Metropolitan and Local Municipalities of the types mentioned in section 8 (c), (d), (g) and (h) and 9 (b), (d) and (f) may have ward committees.

In terms of the powers and functions a ward committee may make recommendations on any matter affecting its ward to the ward councillor or through the ward councillor, to the metro or local council, the executive committee, the executive mayor or the relevant metropolitan sub-council and has such duties and powers as the metro or local council may delegate to it in terms of section 59 of the Local Government: municipal system act, 2000 (Act No.32 OF 2000).

APPENDIX F: Ward Information

Ward No	Surname & Names	Contact Numbers	Villages	Ward Committee members
1.	Phaahla Serutle Samuel	082 845 9164	Klipphuiwel, Byldrift, Mokgopong, Kgwaripe, Malatane	Makaleng Mokgaetsi Vinolia Jeffrey Semakaleng Maphoso Madimetja Walter Matlala Tlokoane Madimetja Johannes Naka Ramasele Johanna Ramaesele Martha Bogopa Marota Potsiso Ramolokoane Tsheoga Ranthoese Marcus Mogono Lehloko Maxinah Mogashoa Kgalema Vincent
2.	Mmako Nkina Shirley	082 219 6393	Khureng, Seruileng, Mehlaeng	Madisha Thabang Michael Kekana Mooipa Jan Aphana Mosotho Anna Kgoetego Kgabo Maureen

				Mampuru Mamanyake Marcia Aphane Sadi Martha Aphane Martha Pheladi Nhana Mogashoa Makakatlele Collins Aphane Mathibela Obed Sebothoma Bubsy Mashidila Mathoa Daniel Thomedie Mollo Donald Mothoa Makautu Lucy Mahlakula Mokibelo Maria Maphothoma Mapholo Deborah Mmotla Ladikie Julia Masemola Lethekwane Bency Mollo Mokgalo Solomon Selomane Matshepho Sadi Mvundlela Mapule Johanna Aphane Lesiba Sam Selwane Mmasebotsana Ennylin Tlaishi Kekana Patricia Tebogo Aphane Francina Mapula Ramphisa Maakate Ellah Seete Maphefo Baverly Mapaisa Sarah Mothepa Madisha Nakedi Frans Kekana Nkofu David Tshehlo Katlego Annah Ntsoane Victoria Makobe Ngobeni Martin Mhlongo Ghatja Thomas
3.	Mollo Matsobane Isaiah	082 414 9504	Ga-Molapo, Gedroogte	
4.	Lekgoathi Fanisa Portia	072 869 0017	Magatle, Mapatjakeng	
5.	Muthwa Lesiba Simon	076 386 4558	Madisha Ditoro, Madisha Leolo, Motserereng	

			Lebese Rabhaahle Letta Masopoga Dimakatso Maggy Madisha Magogo Marcy Leso Sekgalabe David Madisha Ramogolo Frans Lekala Khutso Dimakatso Madisha Thabang Alfred Matiave Makgabo Lydia Gololo Jefrey Maesela Ledwaba Ngwakgwatse Hellen Seolwana Raesetja Julia Mmachaka Keratilwe Granny Seolwane Friddah Kgadi Aphane Tshepho Fortunate Mohlanga Mamma Julia Nkhuna Makhotswa Jan Phahle Madimetja Clemence
6.	Kekana Mohlakana Paulos	082 266 0494	Mamogoasha (Ga-Ntanaties) Bolahlakgomo, Volop, Sekgophokgophong
7.	Maphoto Maeshibe Esmy	076 072 7274	Makweng, Motantanyane Makushaneng
8.	Molomo Ramokone Octovia	076 335 8137	Mathibela, Ga-Mogotlane

				Kekana Motanyane Elizabeth Tladi Makotoko Regina Mogotlane Mahlatse Brenda Maleswana Masehle Clive Seolwane Shibe Jane Nyalong Mpho Given Mogotlane Mosehla Philadelcia Baloyi Esther Lilly Sedibeng Mahlogonolo Daniel Ribisi Doctor Kekana Lilian Kekana Thandi Linah Maphoso Paseka Matlhaku Tswai Motemedi George Kekana Regina Ngoanamojela Sithole Cristina Seloana Kgaugelo Ashford
9.	Mahlobogwane Mapula Dolly	076 114 1981	Mogoto	
10.	Ramaremo Madimetja Bernard	082 041 6546	Hlakano, Sekgweng, Mahlarolla Zebediela Estate	Taje Tebogo Pretty Mashaba Tshepo Valenda Nkwana Mpho Mahlatse Ndlovu Ntsepa Gloria Khutama Mologadi Ennie Ledwaba Boitumelo Faith Mogotlane Thandi Pheladi Aphane Makhulukhulu Alfred Phalane Lesiba Ilani Phiri Rasheed Sabier Mpenyana Tsakane Johanna Minyaku Resemate Johannes Hlongoane
11.	Kekana Mmasekgokgothi	072 577 9483	Sehlabeng, Moshongo Manaileng/Ga-Rafiri	

	Sandra			Hlongoane Khazamola Stephene Tshuku Rephositse Seshego Selolo Roudah Malesele Phala Kelello Intelligent Mogotlane Jan Tjale Neo Magdeline Sebiloane Mahlodi Sophy Luvhimi Mosibudi Meriet Kekana Leburwana David Kekana Malome Trevor Maphoso Edward Nyathe Kekana Ngobe Andries Sethole Pontsho Rangwato Kekana Monyarane Athalia Mahlakola Hunadi Conny Mogoru Ngwato Mavis Maluleka Tebogo Lawrence
12.	Maphoso Mathibela William	079 923 9879	Moletlane (Sekimim, Mawaneng, Mogaba, Matjatji), New Stand	Malebati Mmmatjie Lucy Ledwaba Makgadi Paulina Ntsoane Levy Klaas Mashiane Ennie Mamaropeng Ledwaba Kedibone Lesiba Freddy Radebe Tebatso Thaini Mampa Mamoraka Priscilla Mashaba Nkekolo Rosina Maapola Mokoanyetji Adel Ramadimetja Jacobina Ledwaba Kekana Johanna Mamma Sebopa Ramadimetja Rhinette Maseko Tshidi Bertha
13.	Ledwaba Matlakala Wegan	072 222 2900 068 278 8014	Hwelereng, Turfpan, Ga- Ledwaba, Makotse, Sepanapudi	
14.	Kekana Mokgaetsi Angelina	071 515 5204	Rakgwatha, Mathibela, Matome	

				Mashimbe Ramadimetja Salminah Thole Dimakatje Elizabeth Mashalane Raesetja Flora Lebese Reuben Lebese Maria Ouma Nkuna Tsakane Nelly Mabunda Jan Douglas Maja Sephakabatho Kagiso Ndlozi Thabo Ntsakisi Mantjane Mogole Dominic Lekgau Raesibe Jennifer Phasha Ramogohlo Evelin Tchako Tshwarelo Dephney Mahlatji Nkwana Jack Ramosho Dikgatsu Agnes Kgomo Ramatsimela Elsie Selepe Mpho Sidwell Mathabatha Maphaswane Glacier Modise Meriam Mabiletja Khomotso Hunadi Phasha Mmagodira Letty Mpheroane Tebogo Gift Chabalala Raesetja Thabitha Manebaneba Itumeleng Sebataolo Mohlatlole William Mokete Nkosana Mahlatse Patricia Ngwenya Fundi Thapelo Johannes Nkuna Walter Moela Jeniffer Matshakgo
15.	Mogodi Morewane Mpho	072 437 9096 066 270 3982	Zone F, Zone B	
16.	Makhafola Sampolo Joyce	079 078 7605	Zone S (Phase 1, Phase 2 Phase 3), Bester, Harare	
17.	Kgaphola Ludwick	079 862 7813	Zone A, Rockville, Zone P, Zone R,	

	Kgapjane		Zone Q	Rachidi Ramatsimela Matilda Kgaphola Mante Ireen Moela Phomelelo Lesiba Lekgau Tetelo Hunadi Chiloane Ponagatjo Nergry Lekau Johannes Dikgale Sebapu Maakibane Maria Montjane Mapanyane Stephene Mosoyho Beauty Nishangase Zwellithinin Cedric Molema Collen Mahlatsi Tlabjane James Timmy Mashabela Matshidisho Gladys Mphahlele Tshaamano Bella Peta Seitshiro Reuben Ramalla Maphuthi Rosalia Masilela Kenneth Mogale Sibanada Boitumelo Maditaba Mphahlele Ramalatje Christina Medingoane Monyatji Levy Mphahlele Refilwe Ramathetja Phaladi Nkele Tema Rakgoale Irene Montjane Ramakgahlele Lethabo Lekgau Ramadimetje Cynthia Mphahlele Raesebe Vivian Mankoe Ramadimetje Mavis Phaladi Nthabiseng Mathula Leshilo Leeto Lakgau Tauntsho Davis
18.	Sello Seriting Given	079 090 1933	Zone A(Tleane, Sefako, Caravan Park, Bester 1, Roma, Complex)	
19.	Takalo Maite Eveline	079 067 6859	Malekapanne, Thamagane, Dithabaneng, Maralaleng, Sefalaolo, Makaepea, Sedimonthole	
20.	Mngomezulu Liver	076 498 5290	Marulaneng, Lenting, Morotse, Mamatonya,	

	John		Mallupang, Makgopong	Leshilo Rategi Matildah Manaleng Lekgala Sophy Ratau Moses Maredi Ntsoane Ramadimetja Ivy Nchabeleng Raesibe Regina Ngwatwane Elma Betty Nengovhela Maemu Richard Thaba Martha Monase
21.	Mphahlele Kholofela Piet	079 816 0606	Makurung, Dithabaneng (Mmotwaneng, Mallela, Ditlolwaneng, Ga-Lesetja, Thagaetala)	Marumo Kamogelo Jankie George Leshilo Ramadimetja Abegan Mametja Mphaphantshe Mahlatse Ramaredi Mabatho Molaba Ramaesele Serogole Margret Mphahlele Mokwene Gilbert Mphahlele Calvin Mashieletja Ntlhane Phakisho Mankwe Ntswaki Maja Ramatsemela Fentse Ashley Cliford Madimatja Mphahlele Matabane Raesetja Ireno Ramatsobane Paulina Shaku Makgati Ramatsimela Tryna Petja Raesetje Sanah Shaku Mmampuru Bestina Mapholo Ramaesele Smiling Christiana Maimane Paulina Mogwela Lekoloane Francina Khomotso Latakomo Ramogohlo Tebatjo Ntlhane Lucky Shepstone
22.	Nkoana Raisibe Thwintshana Francinah	078 154 9171 072 710 5478	Mamaolo, Moepeng, Tapane, Mampiki, Manaleng, Makgwathane	
23.	Makgahlele	082 293 5754	Patoga, Seleteng,	

	Mamashele Bethuel		Phalakwane, Bolopa, Hweleshaneng, Bolatjane	Mogoba Mahlasela Regina Lekoana Nthabiseng Matebane Ramatsobane Albertina Mosana Angelina Takalo Ramathetje Agnes Kgopa Kamogelo Sophy Mphahlele Makghole Messiah Maleka Makgohloe Gloria Mankoe Raesibe Cathrine Mphahlele Tebogo Ramaesele Emily Mapheto Lesiba Samuel Mapheto Poncho Ramatsobane Madigoe Morwasehlabane Kenneth Phogole Phakiso Madigoe Nthabiseng Morakong Ntsoane Tswarelo Joyce Mazwi Dorothy Raesibe Montjane Alpheus Morwasegosele Ntsoane Daniel Mamoshite
24.	Nthlane Lepete Jeffrey	076 424 5545	Matime, Majiane, Makaung, Madilaneng	Lekgau Ramoloetji Rebecca Kgasago Masese Simon Kgomoeswana Masedile Johannes Malahlela Madimetja Lipson Tladi Raesetse Kgotlelelo Mabala Madimetja Robert Mphahlele Suzan Kencilwe Rammala Christinah Tiny
25.	Phogole Mogome Lipson	082 098 6556	Lesetsi, Mashite, Nkotokwane, Matinkane	

				Makgati Mafise Jackson Makgoale Leselane Vivian Kgom Rasmaesela Stephina Mashampa Fridah Mosima Mnisi Mpuputla Sarah Lekoloane Kgaogelo Marry Maponya Thabang Ishmael Rapulane Neo Bridget Makoti Molebogeng Christina Sekokotla Lesetja Jerry Maatlho Lesibana Solomon Mello Jeanette Mamokgadi Aphane Julian Masemola Motebejane Margaret Ramatsimela Mohlatlole Mashia Christina Kgasago Sinah Mogwale Stephene Motile Kgasago Phistos Mahlahla Mosehlane Makudukana Albert Makgaretsa Motlatso Veron Malatjie Jackie Kalushi Ngake Matlale Christinah Mohlatlole Saboshili Lizzah Malatji Mante Evie Montjane Malekotwane Johnson Makoti Lekwane Mishack Sefala Matsobane Zacharia Monnya Noria Mamokgopha Maria Given
26.	Ramothole Tebogo Raon	082 706 2408	Staaniaas, Mooiplaas, Malemang, Mogodi, Serobaneng, Sekurung	
27.	Mahlatji Mareme Aiphicus	082 387 7496	Ga-Mathabatha, Mashadi, Madiketeng 1, Koeng, Madiketeng 2, Masioneng, Ga-Makgoba, Bodutlulo, Phelindaba, Mahlaokeng, Maseleseleng, Mabowe Park	
28.	Moeti Taugadi Lawrence	079 753 0172	Ga-Mampa, Mashushu Mahlatjane, Matatane, Mphaaneng, Success, Ramonwane	

				Matsobane Raesetja Violet
				Thobejane Julia Thage
				Matsimela Senky Mantjororo
29.	Mphofela Sabulone Mabatane	079 293 5159	Malakabaneng, Dublin, Kappa Ngwaname, Mankele, Motsane, Sekgwarapeng	Thobejane Ramathabathe Merriam
				Malesa Kgolane Esther
				Rakgoale Ditshipi Bethuel
				Matemane Kamogelo Napogadi
				Moela Kenneth Ngwato
				Malese Maatlale Peggy
				Mabiletja Tlou Refilwe
				Makwala Katlego Mphahlele
				Motebejane Makgati Mexina
				Mampa Shirley Ramatsimela
30.	Mazwi Dimakatso Patricia	079 462 1345	Tooseng, Tjiane, Malemati, Bothunyeng	Madigwe Hendrick Makobe
				Tema Onismus Leshitshie
				Matabane Jane Ramatsobane
				Ledwaba Rappaahle Melita
				Mphahlele Raesibe Reginah
				Matlala Rangwato Connie
				Leshilo Ramatsimele Emly
				Mphahlele Tshenolo Norah
				Mphahlele Ramatsimele Irene
				Lekgau Ramathetje Rebecca

Appendix G: Recommendations of the Audit Committee

Municipal Audit Committee Recommendations

Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) if not adopted (provide explanation)
22 October 2021	The Committee noted the presented Internal Audit Finding with concern and Advices Acting Municipal Manager to execute consequence management. Management is urged to implement all the outstanding resolutions and progress made in this regard to be submitted to the next Special Audit and Performance Committee meeting. Internal Audit to provide the Committee with the planned projects and hours required to execute the projects. The risk management report should provide the details with regard to the investigations being conducted in the Municipality. Management should still ensure that COVID-19 risk regulations are complied with. Management should remind all employees to register and vaccinate for COVID-19. Equally, Council should encourage councillors to register and vaccinate for COVID-19. Land Matters The Committee advises that the Land Matters report should incorporate progress on implementation of SPLUMA, registration of sites and zoning for commercial, residential sites. Risk Management Committee The risk management report should provide the details with regard to the investigations being conducted in the Municipality. Litigation Report Management should take note and implement corrections as suggested by the Committee. Contract Register The extension of contracts on a month-to-month basis should be conducted in line with the approved SCM policy. ICT Report Management should ensure that the ICT report is presented at the Risk Management Committee before it goes to the Audit Committee. Management should check if conflict of interest exists or not.	Yes. Yes. Yes, on COVID-19. Yes. Yes. Yes.
		Yes. Not yet. Yes. Yes. Yes.

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) I f not adopted (provide explanation)
	Management should comply with its policies and the prescripts of MIFMA at all times.	Yes.
	The municipality should align the procurement plan to the example of the procurement plan published by the National Treasury.	Yes.
	Detailed action plan which covers root causes of the irregular expenditure and mitigation measures put in place be submitted to the committee.	Yes.
	Committee is pleased to report that Executive Managers confirmed that the POEs are ready to be submitted to the PMS office. So, this matter was resolved.	Yes.
	The Committee is also pleased that the assessment of the performance of Service Providers report was presented and that further correction should be implemented.	Yes.
	All governance structures should adhere to their meeting schedules, to their reporting timelines and to their mandates.	Yes.
	Management is made aware that the effective date of the implementation of PAIA is 01/01/2022.	Yes.
	Management should ascertain that the month-to-month extension of contracts is complying with the supply chain management policy.	Yes.
	The risk management report should provide the details with regard to the investigations being conducted in the Municipality.	Not yet.
19 January 2022	Management should look into the capacity of the landfill site in line with population growth.	Yes.
	Management should ascertain that employees of the contractor undergo medical examination to comply with legislation.	Not yet.
	Management should ensure that responses on findings raised by internal audit are provided.	Yes.

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) I f not adopted (provide explanation)
	Management should ensure that projects are expedited.	Not yet.
	Management should ensure that all communication with the service providers are put in writing.	Yes.
	The Municipality should consider incentives and awareness programmes on vaccination of employees as well as engaging the Unions. To reconcile the resolution register with the progress provided in the risk management report.	Yes.
	Management should still ensure that COVID-19 risk regulations are complied with.	
	Management should remind all employees to register and vaccinate for COVID-19. Equally, Council should encourage councillors to register and vaccinate for COVID-9.	Yes.
	Management should put measures in place to deal with the stigma relating to COVID 19 infections.	
	Land Matters	Yes.
	The Committee advises that the Land Matters should be handled in a sensitive manner and in the interest of the municipality.	
	Risk Management Committee	Yes.
	The risk management report should provide the details with regard to the investigations being conducted in the Municipality.	
	Litigation Report	
	Management should ensure that there is consistency of reporting on the contract register, litigation register, service provider performance assessment report and infrastructure report.	Yes.
	Management should ensure that the service level agreements of the legal firms requires them to submit monthly or quarterly reporting.	Yes.
	Contract Register	Not yet
	The contract management office should develop a mechanism to advice end users on	Not yet

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) I f not adopted (provide explanation)
	expiry of contracts on time. Management should ensure that the approved SCM policy be used as guiding tool on extension of contracts. Management should compile a report on the matter of irregularly appointed consultants. Management should ensure that the correct rates of the service providers are specified in the contract register. Appointment of contractors should be aligned to the SCM policy. ICT Report Management should refer the IT Master DR environment matter to the Risk Management Committee. Environment Report Management should look into the capacity of the landfill site in line with population growth	Yes Yes. Yes. Not yet Not fully Yes. Not yet Yes.
	Management should comply with its policies and the prescripts of MFMA at all times.	Yes.
	Management should ensure that there is consistency in terms of information being reported. Management should include the legal mandate that allows the Municipality to invest with commercial banks. Management should submit a report to Audit Committee to refer the irregular expenditure to council to be condoned. Detailed action plan which covers root causes of the irregular expenditure and mitigation measures put in place to be submitted to the committee. Management should take adequate measures to deal with unauthorized, irregular and fruitless expenditure.	Yes. Yes. Yes. Not fully

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
		Not fully
	The performance reports should be tabled in management meetings and submitted to internal audit timeously for review prior submission to the Audit Committee	Yes.
	Amount paid to contractors up to the reporting date should be reflected in the service provider assessments report.	Not fully
	All governance structures should adhere to their meeting schedules, to their reporting timelines and to their mandates.	Yes.
	Management should expedite the appointment of staff in the Municipality.	Yes.
	Management should ascertain that the month-to-month extension of contracts is complying with the supply chain management policy.	Yes.
	Management should establish an ad-hoc team that will deal with the compilation and presentation of the Annual Report.	Not fully
	The Service Provider should be engaged with a view to reconcile the bid amount and the budgeted amount.	Not fully
	The risk management report should provide the details with regard to the investigations being conducted in the Municipality.	Not yet
20 April 2022	Management should ensure that outstanding resolutions are addressed before the end of the 2021/2022 financial year.	Not fully
	Management should capture revised completion dates on outstanding resolutions for proper monitoring and implementation.	Yes.
	Management should ensure that all AGSA findings are resolved by end of this Financial Year.	Not fully
	Management should continue to review policies and other internal controls that inhibit the resolution of Internal Audit findings.	Not fully

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) f not adopted (provide explanation)
	Council should also provide resources to enable management to implement Internal Audit recommendations. Management should strengthen internal control system, enforce compliance to policies and internal control systems, and also implement all control deficiencies and non-compliance identified by Internal Audit.	Not fully
	OHS Management should develop an action plan to deal with all matters raised within the stipulated timeframe.	Not fully
	Land Matters The Committee advises that Land Matters should always be handled in a sensitive manner and in the interest of the municipality and the community it serves.	Yes.
	Risk Management Committee The Risk Management Committee report should be presented at the next Special Performance and Audit Committee meeting.	Yes.
	Litigation Report Management should refer the litigation report to the Risk Management Committee to assist in identifying Legal risks that the municipality could be exposed to.	Not fully
	Contract Management End-user departments, legal unit and finance should communicate information regarding contract register to the relevant user requesting information adequately, speedily and accurately.	Not fully
	Management should reflect the date of site hand-over on contract registers. Management should incorporate challenges encountered in the contract register.	Not fully
	Management should update the contract register on a monthly basis.	Not fully
	ICT Report Management should refer the ICT report to the Risk Management Committee meeting to	Not fully Yes. Not yet

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	enable them to identify the ICT risks the Municipality could be exposed to. Environment Report Management should engage stakeholders who are responsible for enforcing Environmental compliance on areas that are not the mandate of the Local Municipality to get progress on addressing the non –compliance identified. Management should review outdated Environmental by-laws. Management should enforce by-laws that deal with illegal dumping and Council should provide resources in this regard.	Yes. Not yet Not fully
	Management should comply with its policies and the prescripts of MFMA at all times.	Yes.
	Management should continue to maintain strict financial controls.	Yes.
	Management should review the 2021/2022 third quarter SDBIP report for correctness before submitting it to Council.	Not fully
	Management should review those targets that are incorrectly reported as “achieved” and correct them as “not achieved.”	Not fully
	Management should align the summary performance report to the detailed report and correct the number of achieved targets.	Not fully
	Management should insert the correct missing amounts on the “revenue” and “expenditure” columns of “Actuals” in the 2021/2022 SDBIP report before submitting it to Council.	Not fully
	In the Municipal overview, the Municipal Manager should cover all critical institutional challenges encountered as well as those that are likely to affect quarterly reporting processes which will need the indulgence of the Performance and Audit Committee.	Yes.
	Management should work hard to meet the end of May deadline.	Yes.

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	Management should align the status of progress to agree with the actual meeting(s) held.	Yes.
	Management should consider non - compliance findings raised by the AGSA and Internal Audit findings when compiling compliance registers.	Not fully
	Management should review the action date concerning the POPI Act workshop. This date should be within three months after the appointment of the officer responsible for POPI Act implementation at the end of June 2022. The POPI Act awareness completion date should ensure that most of the action plan is given priority and attended to before the end of the financial year.	Not fully
	Service Provider Assessment Report	
	Management should strengthen controls on monthly monitoring and quarterly assessment of the service providers as outlined in the MFMA.	Not fully
22 July 2022	Management should not shy away from imposing penalties on service providers who do not comply with their contractual obligations	Not fully
	The Risk Management Committee should engage these matters with a view to determine their potential threat to the Municipality.	Not fully
	Management should speedily repair the weighbridge at the Landfill site to prevent loss of revenue.	Not yet
	Management should ensure that a generator is procured at the landfill site to ensure that it kicks in during load shedding to avoid loss of revenue.	Not yet
	Management should review the SCM Policy to incorporate the processes for disqualifying of service providers who did not perform as per the service level agreement in their previous projects within the Municipality and timeframes of reporting poor performing service providers to National Treasury.	Not yet
	Management should keep the database of poor performing service providers and communicate such to Bid Committees.	Yes.

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) I f not adopted (provide explanation)
	Management should remove resolution 905 on the list of outstanding Audit and Performance Committee resolutions. Management is advised to apply a reasonable person's test in dealing with cases where the legislation is silent on or for which there is no internal control in re-appointing a service provider who failed to perform as per the SLA in the past project(s) in the Municipality. Management should address Internal Audit findings within the stipulated time frames. Management should make Internal Audit their partners in designing effective control measures. Management should address all Internal Audit findings on inconsistencies and on non-compliances outlined on PMS report prior to the submission of AOR to AGSA. During planning, Management should communicate roll-over projects to be incorporated in the IDP, SDBIP and Budget of the next financial year. Management should not remove KPI's in the SDBIP. This constitutes non-compliance to PMS prescripts. Management should discuss loss emanating from incidents at the Risk Management Committee meeting as they have financial implications in the form of increased Insurance premiums. Management should consider budgeting for the maintenance of Municipal facilities. Management should partner with Councillors and Ward Committees to launch an awareness campaign for communities to address challenges of theft and vandalism of Municipal facilities. Management should accelerate the implementation of projects within the required timeframes to manage the risks of vandalism. Internal Audit findings on discrepancies between the Bill of quantity and designs for project of refurbishment of Lebowakgomo Stadium should be given immediate attention as the project is at practical completion stage to avoid risk of payment of work not done as some of the scope of work is still outstanding.	Not yet Not fully Not fully Not fully Not fully Not fully Not fully Not yet Not yet Not fully

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) I f not adopted (provide explanation)
	Management should ensure that the bill of quantities is aligned to the specifications and designs. Furthermore, the specification should be realistic. Management should consider maintenance of facilities to be a high risk in the 2022/2023 Operational Risk Register. Management should conduct security risk assessment at the stadium and cemetery which will assist in determining the extent of security needed at those facilities. Management should market Lebowakgomo Stadium to ensure that the stadium becomes a hub of activities. This will minimize the risk of vandalism while increasing the prospects of revenue generation.	Not fully Not yet Not yet Not yet Not yet
	Risk Management Committee Emerging risks reported should be reflected in the Risk Management report to enable the Committee to advise accordingly. Management should prioritise the appointment of Chief Risk Officer when implementing the approved organizational structure. OHS Management should prioritise OHS training as it is legislated. Management should set timelines to address challenges on shortage of water and electricity at Lebowakgomo Library. COVID-19 Report Management should still implement COVID-19 protocol. Land Matters Management should develop a comprehensive Action plan on all challenges raised which outlines action plan, action date and timeframe and responsible official. Management should do data cleansing of Land information. Management should vet all developers that are appointed to determine their legal standing.	Not yet Not yet Not yet Not fully Yes. Not fully

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) I f not adopted (provide explanation)
	Litigation Report Management should continue to follow through all cases on the register with minimum possible cost to the Municipality. Contract Management Management should submit the duration of the contract for Upgrading of Gravel road to Tar: Kliphuiwel in the next meeting and should ensure that contract register covers all the active projects. ICT Report The ICT report should provide a list of members that attended the ICT steering committee and number of meetings held. SITA should provide a copy of the business agreement between LNM and SITA. Challenges outlined in the 2021/2022 fourth quarter ICT Steering Committee report should be incorporated in the ICT risk register as Emerging risks. Processes of addressing challenges on DRP and BCP should be accelerated. Processes for business continuity during disaster should be outlined as an assurance to management that business will continue. Continuous system failure which affect timeous reporting should be considered as a high risk as it exposes a Municipality to risk of non-compliance. Management should request the Chairperson of ICT Steering Committee to perform assessment of Municipal Financial System which will assist in determining the root cause of continuous system failure and any other system-related risk. Management should also request the ICT Steering Committee Chairperson to assist in monitoring the implementation of MSCOA modules at a high level and also form part of MSCOA steering committee meetings. Management should review the Business Agreement between SITA and Municipality, Legal Advisor should assist in reviewing such agreement to ensure compliance to applicable legislations.	Not yet Not fully Not fully Not fully Not fully Yes. Not yet Not yet Not yet Not yet Not yet Not yet

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) I f not adopted (provide explanation)
	Environment Report Management should list the outdated by-laws in the quarterly Environmental report. Management should draft, seek Council approval and enforce the Environmental by-laws. Management should identify revenue sources which can be implemented to generate revenue at the parks. Management should develop controls to manage open sites that are not occupied and are exposing the municipality to illegal dumping. Management should incorporate the following areas in the Community Services report: • Environmental matter • Public safety • Driving License Services • Emergency Services • Disaster management	Not yet Yes Not yet Yes. Not yet Not yet Not fully Yes.
	Management should comply its policies and the prescripts of MFMA at all times. Management should conduct risk assessment to establish risks that can affect the implementation of the Revenue Enhancement Strategy. Management should ensure that challenges outlined in the progress report on implementation of revenue enhancement strategy have action plan, action date and responsible Official. Management should explore ways of developing Municipal By-law on the utilization of boreholes should be developed. The by-law should outline the processes to be followed when constructing a borehole as businesses and community members may avoid payment of services by constructing boreholes which will affect revenue collection.	Yes. Not yet Not yet Not yet
	Management should continue to maintain strict financial controls. Management should adhere to approved procurement plan in order to mitigate the risk of	Yes.

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	delays in the appointment of service providers which affect service delivery and also the employment of GRANTS. Management should develop Action plan on implementation of the UIFW expenditure reduction strategy and should submit it to the Audit Committee on a quarterly basis. Management should ensure that the AFS Preparation Plan is developed and adhere to. Management should identify delays in the appointment of Service Providers as a high risk and ensure that mitigation measures addressing the risk are identified and mitigated so that the risk will be minimised. Management should review LED KPI's to ensure that relevant indicators improving Local Economic Development in the Municipality are identified and Implemented which will make an impact in the community of LNM. Management should identify poor performing Service providers and report them as emerging risk and controls be strengthened to address the matter. Management should implement consequence management on non-compliance to the approved 2022/2023 Procurement plan.	Not fully Not yet Not fully Not yet Not yet Not fully Not yet
	Organisational Structure Management should attach Organisational structure on the progress reports so that it can be compared to the employee costs on the financials. This serves as internal control to mitigate the risk of having "ghost employees". Compliance register Management should align the status of progress to agree with the actual meeting(s) held. Management should consider non-compliance findings raised by the AGSA and Internal Audit findings as well as other applicable legislation when compiling compliance registers. Progress Report on Implementation of the POPI Act	Not fully Not yet Not fully

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	Management should review the action date concerning the POPI Act workshop. This date should be within three months after the appointment of the officer responsible for POPI Act implementation.	Not yet
	Service Provider Assessment Report Management should ensure that all reports are submitted within the stipulated deadlines. Failure to adhere to this requirement should bear consequences.	Not fully
	Annual Performance Preparation Plan Management should implement the plan.	Not fully
	Infrastructure Report Management should give the challenges in the department immediate attention as these challenges will lead to withdrawal of Grants and Community protests. Management should move the project under Disaster Relief GRANT from Construction stage to practical completion stage.	Not fully
	The Risk Management Committee should engage these matters with a view to determine their potential threat to the Municipality.	Not yet



Mafoka Mothamaha
Chairperson
LNM Audit and Performance Committee

Date: 19/01/2023

Appendix I: 2021/2022 Service Provider Annual Performance Assessment

Performance Category and Description

Rating	Performance category	Description
1	Unacceptable performance	Performance does not meet the standard expected for the job
2	Performance not fully effective	Performance meets some of the standard expected for the job
3	Performance fully effective	Performance fully meet all areas of the job
4	Performance significantly above expectations	Performance is significantly higher than standard expected in the job
5	Outstanding performance	Performance far exceeds the standard expected of a jobholder at this level

Performance Summary

Department	Number of Service Providers Assessed	Service providers not assessed	Rating Levels				
			1	2	3	4	5
Technical Services	25	04	02	03	13	03	0
Community Services	04	01	0	0	03	0	0
Planning and LED	07	01	0	0	05	01	0
Corporate Services	19	01	01	05	10	01	01
Budget and Treasury	08	0	0	0	08	0	0
Municipal Manager's Office	0	0	0	0	0	0	0

Reasons for Variance and Mitigation Measures

Reasons for variance	Mitigation Measures
Delay in supply for fuel machinery. Service provider delays in responding to orders.	The job orders have been limited to a month to avoid having services provider sitting on too many orders. A letter was issued, outlining the frustration of non-compliance to attending to orders.
There has been a lot of community disruption on the project, causing delays on completion of the project	Intervention meetings were held to resolve issues attributing site stoppages.
Expired contract for panel of consultants for electrification of households	Expedite the appointment of consultants
None responsive bids	SCM to conduct awareness on bidding processes
The contractor could not be handed site for commencement of construction works due to community being uncomfortable with the type of fence that will be installed	PMT and EXCO to engage with the community on the matter for implementation of the project

Reasons for not Assessing and Mitigation Measures

Reasons for not assessing	Mitigation Measures
Municipality appointed contractor but they could not implement the project because it was taken over by Eskom	Appointment letter to be cancelled (Mathibela electrification)
Project on hold due to budget constrain	Project to be budget in the next financial year for implementation (Mogollane storm water)
The contractor could not be handed site for commencement of construction works could due to community being uncomfortable with the type of fence that will be installed	PMT and EXCO to engage with the community on the matter for implementation of the project (Fencing of Motlapodi wetland)
No service was rendered for the quarter	Service provider render service only if instruction letter was issued to them (surveying services)

Item No.	Service Provider	Project Description	Duration of Contract	Responsible Department	Project Status	Project Start Date	Project End Date	Contract Amount	Quarterly Expenditure	Performance Description	Performance Rating	Reasons for poor Performance	Measures taken to improve performance
1.	Tholangkhuso Trading & Projects JV Makgata Construction (Contractor)	Upgrading of access road from gravel to tar: Kliphuiwel	5 months	Technical Services	Project is on practical completion	17/01/2022	17/06/2022	R5,038,473.27	R4,959,962.83	Performance fully meet all areas of the job	3	n/a	n/a
2.	Dolmen Engineers cc	Upgrading of access road from gravel to tar: Kliphuiwel						R473 596.52	R0.00	Performance is significantly higher than standard expected in the job	4	n/a	n/a
3.	Nkoane Phaahle General Maintenance	Development of Recreational Facilities Lekurung (ward 30)	5 months	Technical Services	Contract Lapsed	01/01/2022	10/06/2022	R9,010,204.00	R 5 422 863 .17	Performance fully meet all areas of the job	3	n/a	n/a

4.	Maswika consulting Engineers	Development of Recreational Facilities Lekurung (ward 30)						R1 036 761.60	R 533 103 .14	Performance fully meet all areas of the job	3	n/a	n/a
5.	Nemorango Consulting (Turnkey)	Appointment of civil engineering consultant and contractor for the upgrading of Mashite Road from gravel to tar and storm water control: 2 years	08 Months	Technical services	Project is Completed	07/05/2021	01/12/2021	R16 112 339.80	R 11 598 382.10	Performance is significantly higher than standard expected in the job	4	n/a	n/a
6.	Selema Plant Hire	Professional service provider for hiring of plant	36 months	Technical Services	In operation	15/04/2019	15/04/2022.	As per the bid tariffs	R1 129 731.25	Performance meets some of the standard expected for the job	2	Delay in supply for fuel machine by Service provider delays in responding to orders	The job orders have been limited to a month to avoid having services provider

																		sitting on too many orders. A letter was issued, outlining the frustration of non-compliance to attending to orders.
7.	Morwamogale Trading enterprise	Resealing of Unit A internal street	4 months	Technical services	Project is on practical completion	09/02/2022	07 June 2022	R5 303 420.45	R 5 274 542.28	Performance fully meet all areas of the job	3	n/a	n/a					n/a
8.	Marumo Consulting Engineers	For the professional services for the provision of storm-water drainage: Mogotlane	36 months	Technical Services	In operation	13/12/2018	30/12/2022	R2 226 589.54	R1 267 188.86	n/a	n/a	Project on hold due to budget constraint	Project to be budget in the next financial year for implementation					n/a
9.	Jovi Holdings	Ga-Makgoba	3 months	Technical	Project is On	01/02/2022	01/05/2022	R5 507 991.93	R 5 617 401.01	Performance	3	n/a	n/a					n/a

	Re-gravelling & Stormwater	8 months	Technical Services	Practical Completion	022				fully meet all areas of the job				
10	Silverwell Business Enterprise (Turnkey)	Upgrading of Mogoto to Moshongo access road from gravel to tar and stormwater control	Technical Services	In operation	01/04/2022	01/12/2022	R16 466 959.83	R15 260 488.87	Performance fully meet all areas of the job	4	n/a	n/a	n/a
11	Mangethe Group (Pty) Ltd	Construction of gravel road to tar Majane, Makaung and Makapea road: phase 01	Technical Services	Project is complete	10/11/2020	10/03/2021	R7 807 666.00	R7 793 206.43	Performance meets some of the standard expected for the job	2	There has been a lot of community disruption on the project, causing delays on completion of the project	Intervention meetings were held to resolve issues attributing site stoppages.	
12	Zakumi Consulting Engineers						R1 200 000.00	R1 161 691.97	Performance fully meet all areas of the job	3	n/a	n/a	n/a
13	Zebacraft	Majane/Mak	05	Technic	In	16/03/2022	16/08/2022	R7 001	n/a	n/a	Commu	Interven	

	and Thantsha Mamorare Construction JV	aung/Makae pea road: phase 02	months	al Services	operation	022	022	594.65								nity disruption is affecting implementation of the project	nition meeting was held to resolve issues attributing to denial of access to site by the community.
14	Zakumi Consulting Engineers							R1 279 306.91	R 737 848.47	Performance fully meet all areas of the job	n/a	3	n/a		n/a		n/a
15	Risima projects	Mathibela electrification	N/A	Technical Services	Appointment letter to be cancelled	30 December 2021 (appointment letter)	No signed contract	n/a	n/a	n/a	n/a	n/a	The project was taken over by Eskom	Appointment letter to be cancelled			
16	Kingki Electrical & Construction.	Manaileng Electrification	04 months	Technical Services	Project is on practical Completion	11/02/2021	Contract expired on the 11/06/2021 and extended by 125 days from the	R3 632 962.00	R 3 894 578.51	Performance fully meet all areas of the job	3	n/a	n/a	n/a			n/a
17	Mulunga Consultant							R159 377.60	R0.00	Performance	3	n/a	n/a		n/a		n/a

31	Rusplaas Christian model school.	Rusplaas is leasing municipal property for purpose of operating a private school in a monthly rental.	30 years	LED & Planning	Still in operation	01/01/2019	31/12/2049	R2265 per months	R00	Perform and fully meet all areas of the job	03	None	tion letter was issued to them
32	IEC	IEC is leasing two offices at cultural centre in the monthly rental of R1400	Indefinite unless parties decide to terminate	LED & Planning	Still in operation	24/06/2008	until the contract is terminated by notice	R1400 Per Month	R00	Perform and fully meet all areas of the job	03	None	None
33	Vodacom. 254 Unit A – BS:22528	Vodacom is leasing the municipal property for the purpose of installing aerial network	9 years 11 months	LED & Planning	Still in operation	01/11/2012	30/09/2022	R1200 Per Month	R00	Perform and fully meet all areas of the job	03	None	None
34	Red Ants security relocation	Professional services for land reaction	36 months	LED & Planning	In operation	02/11/2020	02/11/2023	As per the pricing	R553 17 9,90	Perform and fully	03	None	None

42	Makhubela Attorneys	Appointment of panel of attorneys	03 years	Corporate Services	Contract Lapsed	23/02/2018	Extended until finalization of their current matter	As per the bid tariffs	R446 121.00	Performance meets some of the standard expected for the job	2	Failure to provide regular updates	Requests regular updates
43	Mahowa Inc Incorporated	Appointment of panel of attorneys	03 years	Corporate Services	Contract Lapsed	23/02/2018	Extended until finalization of their current matter	As per the bid tariffs	R00	Performance meets some of the standard expected for the job	2	Failure to provide regular updates	Requests regular updates
44	Verveen Attorneys	Appointment of panel of attorneys	03 years	Corporate Services	In operation	07/11/2021	07/11/2024	As per the bid tariffs	R997 314.88	Performance fully meet all areas of the job	3	None	None
45	Lebea and Associates Attorneys	Provision of legal services	12 Months	Corporate services	In operation for 3 rd quarter but Lapsed on the 14/01/2022	24/01/2020	Extended for six months or until finalization of Labour matter	As per quotation	R1 028 556.00	Performance is significantly higher than standard expected in the job	4	None	None
46	Mapotene Mangena	Provision of legal	03 years	Corporate	In operation	07/01/2021	07/01/2024	As per quotation	R1 154 183.40	Performance	3	None	None

	Incorporated	services		Corporate services						n		fully meet all areas of the job				
47	Net star	Fleet Management Service (Vigil Monitoring System)	24 months	Corporate Services	Contract Lapsed but Running on month basis	02/10/2014	02/10/2016	R209 585.76	R50 647.17	Perform once fully meet all areas of the job	3	None	None			
48	West bank	Fleet Management Services (Vigil Monitoring System)	60 months	Corporate Services	In operation	02/06/2020	02/06/2026	As per service rendered	R30 986.79	Perform once fully meet all areas of the job	3	None	None			
49	Fidelity ADT	Monitoring and Security Services	24 months	Corporate Services	Contract Lapsed but Running on month basis	07/07/2018	07/06/2020	R24 672.96	R3 710.37	Perform once fully meet all areas of the job	3	None	None			
50	Nashua	Leasing of photocopiers	36 months	Corporate Services	Contract Lapsed but Running on month basis	01/12/2015	30/11/2018	R 2 002 536.72	R12154 1.40	Perform once fully meet all areas of the job	3	None	None			
51	Telkom	Installation and maintenance of telephone	5 years	Corporate Services	Still in operation	21/08/2013	Extended until the 21/08/2023	R2 543.23 per month	R117 483.73	Perform once fully meet all areas of the job	3	None	None			

52	MMP security services	Provision of Physical security	36 months	Corporate services	In operation	01 Nov 2021	01 Nov 2024	R25 981 995.96	R2 165 166.33	Performance not acceptable	1	Breach of contract	Contract terminated
53	BravoSpan	Provision of physical security (facilities)	Month to month	Corporate Services	In operation	01 Nov 2021	On month to month	R747 477.00	R2 242 431	Performance fully meet all areas of the job	3	None	None
54	Vodacom	Bulk messaging (for communication)	Month to month	Corporate Services	In operation	21 August 2015	On month to month	As per usage	R1051.19	Performance fully meet all areas of the job	3	None	None
55	Kgolo Institute	Training of employees and councilors	24 months	Corporate Services	Service provider appointed on the 01 June 2022. In operation but	01 June 2022	01 June 2024	Determined by a total of the quotations	R00	n/a	n/a	n/a	Service provider appointed on the 01 June 2022
56	Nora Elle Pty	Supply and delivery of toilet papers	36 months	Budget & Treasury	In operation.	01/03/2020	28/02/2023	As per the bid rates of R291 per bundle	R00	Performance fully meet all areas of the job	3	None	None
57	Maitronic Direct Marketing Printing	Printing and folding of monthly municipal statement	36 Months	Budget & Treasury	In operation	01/04/2019	31/04/2022	R29042 49.6 (Excluding newly register	R326 458.14	Performance fully meet all areas of the job	3	None	None

62	Payday software system (pty) Ltd	License to utilise the payday software	36 months	Budget and Treasury	In operation	01/07/2019	30/06/2022	Estimated R70 360.45 Annually	R76 845.00	Performance fully meet all areas of the job	3	None	None
63	BCX	Implementation of MSCOA (SOLAR)	36 months	Budget and Treasury	In operation	25/07/2020	25/07/2023	R6 000 000.	R611 184.46	Performance fully meet all areas of the job	3	None	None
64	Bowman Giffilan	Provision for forensic services	As when required	Municipal Manager's Office	In operation	As per quotation	As per quotation	As per quotation	R505 288.26	Performance is significantly higher than standard expected in the job	4	None	None

Appendix K: Revenue by Source, Operating Expenditure and Capital Expenditure

Monthly Projections of Revenue to be collected by Source: Year: 2021 AND 2022

Revenue by Source	July		August		September		October		November		December		January		February		March		April		May		June	
	Pro ject ion	Act ual	Proje ction	Act ual	Project ion	Act ual	Proje ction	Act ual	Proje ction	Actual	Proje ction	Actual	Proje ction	Actual	Proje ction	Actual	Proje ction	Actual	Proje ction	Actual	Proje ction	Actual	Proje ction	
Consumer Debtors	2,009,557.21	12,160,566	2,344,483.41		279,409.62	19,494,453	217,770.20	9,746,164.01	2,511,946.52	9,136,372.36	3,014,335.82	26,750,928.12	4,328,579.7	4,372,892.55	519,366,956	8,874,074.48	519,366,956	9,617,751.40	4,328,057.97	5,193,669.56	-15,633,603	5,193,669.56	5,193,669.56	
Grants	17,436,115.55	115,542,006	20,342,134.82		23,248,154.08	7,954,850	18,889,125.19	911,513	21,795,144.45	446,363	26,154,173.34	77,455,818	15,562,389.0	24,999.99	18,074,566.68	18,055.55	18,074,566.68	69,427.64	15,562,389.0	18,074,566.68	18,074,566.68	18,074,566.68	12,667,710	

Interest & Investment Income	885,662.88	205,691	1,033,273.37	377,023	1,180,883.85	351,541	959,468.12	231,798.2	331,819	1,328,494.33	440,627	3486,19.86	448,675.6	418,343.8	428,261.34	4183,43.83	527,130.96	348,619.86	418,343.83	486,136.5	418,343.83	1,858,898
Rent of facilities & equipment	65,536.41	-	76,459.14	31,938	87,381.88	22,578	70,997.78	15,969	21,534	98,304.61	13,304	1061,13.53	40,279.09	127,336.24	75,887.53	1273,36.24	19,974.34	106,113.53	127,336.24	18,322.62	127,336.24	18,322.62
Interest Earned on Outstanding Debtors	281,227.86	4,421,220	328,099.17	4,481,722	374,970.48	4,429,746	304,663.51	4,612,594	4,462,169	421,841.79	10,407,543	1,004,097.7	1,642,342.90	1,205,411.72	4,721,667.37	1,205,411.72	4,871,387.98	1,004,509.77	1,205,411.72	7,875,984	1,205,411.72	2,610,427
Fines	86,681.80	12,420	101,128.78	8,500	115,575.73	4,050	939,05.28	71,550	68,115	130,022.69	22,445	77,208.50	7,400.00	92,650.19	780,00	92,650.19	2,750.00	77,208.50	92,650.19	1,400	92,650.19	2,550
Other	13,952.95	2,237,291	16,278.46	1,929,102	18,603,936.77	2,087,597	15,115,698.63	571,320.0	1,498,157.63	20,929,428.7	918,631.08	16,177,088.5	729,744.80	19,413,250.63	2,368,530.84	19,413,250.63	1,780,769.46	16,770,885.76	19,413,250.63	3,080,279	19,413,250.63	1,912,184.2
Total Revenue by Source	34,717,734.30	134,579,194.00	40,504,023.37	9,637,876.00	43,890,312.41	34,344,815.00	102,738,617.0	18,247,092.71	15,964,530.21	14,225,345.33	41,692,354.35	32,220,479.7	7,266,334.99	38,664,057.57	16,492,257.1	38,664,057.57	86,247,407.9	32,220,479.7	38,664,057.57	3,618,679	38,664,057.57	25,087,877

Operating Expenditure by Vote	Jul		Aug		Sep		Oct		Nov		Dec		January		February		March		April		May		June	
	Proj ecti on	Act ual	Proj ecti on	Proj ectio n	Act ual	Proj ecti on	Act ual	Proj ecti on	Act ual	Proj ecti on	Act ual	Proj ecti on	Proj ect ion	Act ual	Pro jec tio n	Act ual	Pr oje cti on	Act ual	Pr oje cti on	Act ual	Pr oje cti on	Ac tua l	Actu al	
Budget & Treasury	5.81 1.53 5.58	1.3 75. 623 .06	6.78 0.12 4.85	4.64 5.78 3.81	7.7 48. 714 .11	2.10 9.21 0.06	6.29 5.83 0.22	2.2 70. 693 .25	7.26 4.41 9.48	4.5 07. 241 .76	8.71 7.30 3.38	2.0 73. 993 .76	29 970 90.3 7	396 45.7 6	353 347 1.3 9	125 962 .31	489 578 8.8 6	181 79. 82	8 37 5 50 0.2 0	1.53 0.79 5	10 95 25 77. 19	1.87 6.63 7	12 241 115.6 8	2,113.4 61
Community & Social Services	3.18 8.17 4.67	2.9 55. 926 .99	3.71 9.53 7.12	3.29 2.90 7.91	4.2 50. 899 .56	5.12 0.13 8.22	3.45 3.85 5.89	4.3 09. 291 .07	3.98 5 218. 34	3.7 56. 535 .84	4.78 2.26 2.01	3.9 79. 234 .77	34 21 038. 03	116 520 3.53	279 645 4.2 0	992 826 .03	328 140 1.4 2	868 904 .28	3 30 2 51 5.6 7	3.62 5.43 0	4 31 8 67 4.3 3	3.47 9.71 3	4 82675 3.67	3,753.4 91
Planning & LED	1.24 2.37 1.08	1.1 32. 946 .99	1.44 9.43 2.92	816, 045. 46	1.6 56. 494 .77	2.38 2.80 4.00	1.34 5.90 2.00	1.1 15. 030 .71	1.55 2.96 3.85	2.5 68. 533 .37	1.86 3.55 6.61	2.8 07. 138 .70	150 894 8.76	403 273 9.05	229 652 0.9 9	198 375 8.6 7	140 673 1.6 9	269 810 1.6 4	91 6 77 8.0 8	1.25 8.19 4	1 19 88 63. 65	1.37 2.21 5	1 339 906.4 3	3,740.9 64
Infrastructure Services	3.71 0.32 5.49	1.6 51. 054 .05	4.32 8.71 3.08	1.64 8.47 5.95	4.9 47. 100 .66	4.28 8.68 5.16	4.01 9.51 9.29	3.2 66. 210 .44	4.63 7.90 6.87	2.9 10. 076 .01	5.56 5.48 8.24	3.3 70. 219 .69	916 278. 44	265 961 9.49	153 889 0.5 8	244 949 9.0 5	125 676 3.8 2	257 785 2.6 6	4 53 90 17. 65	5.59 4.22 4	5 93 56 38. 47	1.28 8.15 7	6 633 948.8 7	3,148.7 16

Operating Expenditure by Vote	Jul		Aug		Sep		Oct		Nov		Dec		January		February		March		April		May		June	
	Proj ecti on	Act ual	Proj ecti on	Proj ecti on	Act ual	Proj ecti on	Proj ecti on	Act ual	Proj ecti on	Act ual	Proj ecti on	Act ual	Proj ecti on	Pro jec tion	Act ual	Pro je cti on	Act ual	Pro je cti on	Pr oje cti on	Ac tua l	Pr oje cti on	Actu al		
TOTAL	22,0 82,4 63,3 1	17, 812 ,68 7,0 2	24,6 41,5 78,4 4	17,3 00,0 80,1 8	29, 443 ,28 4,4 1	23,9 80,5 51,9 0	23,9 22,6 68,5 8	21, 412 ,08 9,7 5	27,6 03,0 79,1 3	22, 295 ,63 1,5 8	33,1 23,6 94,9 6	23, 017 ,17 9,8 6	105 702 10,4 6	211 302 59, 58	15 139 267 ,86	164 001 41, 36	775 686 71, 84	26 13 4,6 22, 27	19,7 57,3 29	34 17 60 44, 50	18,0 32,1 87	38 196 755,6 2	20,235, 340	

Monthly Projections of Capital Expenditure for each vote: Year 2021 and 2022

Expendit ure by Vote	Jul		Aug		Sep		October		November		December		January		February		March		April		May		June	
	Proje ction	Actu al	Proje ction	Actu al	Proje ction	Actu al	Proje ction	Actu al	Proje ction	Actu al	Proje ction	Actu al	Proje ction	Actu al	Proje ction	Proje ction	Actu al	Proje ction	Actu al	Proje ction	Proje ction	Actu al	Proje ction	Actu al
Corporate Services	657 ,60 0.0 0	-	767.20 0.00	-	876, 800. 00	2.5 74. 78	712 400 .00	-	822 ,00 0.0 0	-	986 ,40 0.0 0	2.8 28. 015 .28	316 ,66 6.6 7	-	316 ,66 6.6 7	-	316 ,66 6.6 7	-	1,0 93. 860 .00	64, 899 .00	1,31 2,63 2.00	6.2 72. 07	1 312 632 .00	1,24 7,61 7.56

Community & Social Services	3,992,187.17	-	4,657,551.69	-	5,322,916.22	-	4324,869.43	-	4,990,233.96	-	5,988,280.75	-	1244861.92	1235518.6	1244861.92	2143293.46	8,049,183	8,049,129.97	630,000.00	5,919,697.20	-	4,919,697.20	-
Planning and Development	2,000.00	711,963.90		952,395.95		97,032.10	8455,940.82	1,001,262.81	9756,854.79	-	11,708,225.7	2,828,015.28	8,049,129.97	3232854.00	8,049,129.97	1839054.18	8,049,129.97	630,000.00	2,013,369.00	630,000.00	-	630,000.00	1,915,446.81
Infrastructure Services	7,805,483.83	-	9,006,397.81	1,932,729.77	10,407,311.78	5,802,234.69	13,688,210.25	480,187.07	15,794,088.75	3,673,581.11	18,952,906.50	664,376.83	961,0658.5	4468372.68	961,0658.5	3982347.64	961,0658.5	6562501.97	6,854,494.14	8,945,392.94	-	8,945,392.94	253,778.50
TOTAL	14,455,271.00	711,963.90	14,431,149.50	2,885,125.72	16,607,028.00	5,901,841.57	712,400.00	1,481,449.88	822,000.00	3,673,581.11	986,400.00	3,492,392.11	316,066.67	-	316,066.67	-	316,066.67	6562501.97	7,490,274.34	16,807,722.14	3,276,864.35	15,807,864.35	8,892,785.72

Appendix T: Powers and Functions of the Municipality

Specific Powers and Functions were assigned to Lepelle-Nkumpi Local Municipality in terms of Notice of Establishment (Notice No. 307) which was published in Limpopo Provincial Government Notice No. 307 of 2000.

The Powers and Functions of the Municipality are as follow:

Municipal Powers and Functions	Responsible Department
The provision and maintenance of child care facilities;	Community Services
Development of local tourism;	Planning and LED
Municipal planning;	Planning and LED
Municipal public transport;	Community Services/Planning and LED
Municipal public works;	Community Services
Storm water management systems;	Infrastructure Development
Administer trading regulations;	Planning and LED
Provision and maintenance of water and sanitation;	Infrastructure Development
Administer billboards and display of advertisement in public areas	Planning and LED
Administer cemeteries, funeral parlours and crematoria;	Community Services
Cleansing;	Community Services
Control of public nuisances;	Community Services
Control of undertaking that sell liquor to the public;	Planning and LED
Ensure the provision of facilities for the accommodation, care and burial of animals;	Community Services
Fencing and fences;	Infrastructure Development
Licensing of dogs;	Community Services
Licensing and control of undertakings that sell food to the public;	Planning and LED
Administer and maintenance of local amenities;	Community Services
Development and maintenance of local sport facilities;	Community Services

Develop and administer markets;	Planning and LED
Development and maintenance of municipal parks and recreation;	Community Services
Regulate noise pollution;	Community Services
Administer Pounds;	Community Services
Development and maintenance of public places;	Community Services
Refuse removal, refuse dumps and solid waste disposal;	Community Services
Administer street trading;	Planning and LED
Provision of municipal health services.	Community Services

The division of powers and functions between the district municipalities and local municipalities were adjusted by Limpopo MEC for Co-Operative Governance in terms of Sections 16 and 85 of the Municipal Structures Act, 1998 and published in Provincial Gazette No. 878, dated 07 March 2003.

The Following District Municipal Powers and Functions were transferred to Lepelle-Nkumpi Municipality:

Municipal Powers and Functions	Responsible Department
Solid waste disposal sites;	Community Services
Municipal roads;	Infrastructure Development
Cemeteries and crematoria;	Community Services
Promotion of local tourism; and	Planning and LED
Municipal public works relating to any of the above functions or any other functions assigned to the local municipality.	Community Services

Appendix U: 2021 and 2022 Audit Action Plan

Amount	Root Cause	Recommendation	No. of Years Repeated	Reason Repeated	Responsible Person	Due Date	Action Plan	Management Approval Comments	CFO Approval Comments	IA Approval Comments
132 443	There was no adequate reconciliation of general ledger accounts for cash and cash equivalents at year-end.	The accounting officer should ensure that controls over year-end reconciliations are effective and that figures in the financial statements are supported by amounts in the general ledger and other valid documentation.	3	Internal Control Deficiency and Inadequate review	Daphne Moroa, Daniel Matheka	14-Apr-2023	Revenue and budget unit to conduct investigation for the origins of the overlapping transactions due to system conversion. Once investigation is concluded appropriate journals to be processed.	Action is adequate.	Action is sufficient.	Adequate reconciliation of general ledger accounts should be performed.

N/A	There was no adequate review of the annual financial statements prepared for audit.	The accounting officer should ensure that the AFS is updated to correct the disclosure error identified.	1	Internal Control Deficiency and Inadequate review	Daphne y Moroas wi	30-Jun-2023	Management will ensure that all the misallocated journals in the cash votes are corrected to have the correct opening balance...	Review of the AFS to ensure that all bank account names are correctly recorded in the disclosure note.	Action is sufficient.	Action Plan addresses the root cause
325 757 663	Inadequate review of the AFS to ensure that the disclosure note is correct and complete	The accounting officer should ensure that the AFS disclosures are updated to correct the disclosure errors identified.	2	Internal Control Deficiency and Inadequate review	Daphne y Moroas wi	30-Jun-2023	Management will ensure that cash flow are accurately reviewed and all formulas and information from other components of the AFS are finalised to ensure correct and	Management will review of the AFS to ensure that the disclosure note is correct and complete.	Action is sufficient.	Action Plan addresses the root cause

1 567 559	Lack of review processes to ensure correct classification of transaction, and reconciliation of amounts recognized in the financial statements to supporting documents.	Management should ensure that sufficient review mechanisms are in place during the preparation of annual financial statements.	N/A	N/A	Nancy Masemola	30-Jun-2023	during the review process to agree the amount in the AFS to the expert report for accuracy	agree	Action is sufficient.	Action Plan addresses the root cause
951 890	Lack of review processes to ensure transactions recorded in the AFS agree to supporting schedules.	Management should ensure that sufficient review mechanisms are in place during the preparation of annual financial statements.	N/A	N/A	Nancy Masemola	30-Mar-2023	agree the payroll report to the amount recorded in the GL and AFS	agree	agree the payroll report to the amount recorded in the GL and AFS	Action Plan addresses the root cause
N/A	non-compliance	The accounting officer should	3	Internal Control	Rudzani Ramuhu	31-Mar-	Management will ensure	agree	Accounting policy,	Action Plan addresses

	with standard of GRAP and disclosure errors	review the financial statement and ensure that they compliant with the standard of GRAP. The intangible assets Note should be updated to reflect the different categories of intangible assets to reflect the different subsequent measurement effects.		Deficiency and Inadequate review	lu	2023	effective review of financial statement and ensure that they compliant with the standard of GRAP.		note and asset register to be reviewed for consistency.	the root cause
N/A	Lack of effective review of the financial statement	The accounting officer should remove the contingent asset under Note 38 as disclosed in the financial statements	N/A	N/A	Daphne y Moroas wi	30- Jun- 2023	Management will ensure that the disclosure note agrees with the AFS and the register during the compilation of the AFS.	Action is sufficient.	Action is sufficient.	Review of AFS and supporting documents for accuracy and completeness.

858 265	Lack of effective review of financial statements	Management should perform reviews between the 1. AFS and EMP 201/ Payroll Schedules 2. AFS and Bank Statement and ensure that there is a consistency in the MFMA disclosures	N/A	N/A	Daphne y Moroas wi, Nancy Masem ola	30-Jun-2023	Management will perform reviews between the 1. AFS and EMP 201/ Payroll Schedules 2. AFS and Bank Statement and ensure that there is a consistency in the MFMA disclosures and the amount in the AFS.	Action is sufficient.	Action is sufficient.	Action Plan addresses the root cause
N/A	Lack of an effective review of the annual financial statements to ensure that the	Management should ensure that the above inconsistencies are corrected. Furthermore, management should ensure that	N/A	N/A	Daphne y Moroas wi	30-Jun-2023	Management will ensure that the statement of budget comparison agrees with the	Action is sufficient.	Action is sufficient.	Action Plan addresses the root cause

18 332 259	Lack of sufficient effective review of the preparation of annual financial statements.	Management should ensure that financial statements are adequately reviewed to ensure the accuracy of Risk Management disclosure note.	N/A	N/A	Daphne y Moroas wi	30- Jun- 2023	Management to review the AFS to ensure the accuracy of Risk Management disclosure note in line with the other disclosure note and line items.	action is sufficient	Action is sufficient.	Action Plan addresses the root cause
18 332 259	Lack of sufficient effective review of the preparation of annual financial statements.	Management should ensure that financial statements are adequately reviewed to ensure the accuracy of Risk Management disclosure note.	N/A	N/A	Daphne y Moroas wi	30- Jun- 2023	Management will ensure effective review of the AFS and supporting schedules corresponds during the preparation of annual financial	Action is sufficient.	Action is sufficient.	Action Plan addresses the root cause

N/A	Management did not sufficiently review the disclosures to ensure complete disclosure GRAP standards and interpretations issued but not yet effective and required detail for these standards	Management should ensure that the required disclosures are made for the financial statement disclosures to be complete.	N/A	N/A	Daphne y Moroas wi	30-Jun-2023	Management should sufficiently review the disclosures to ensure complete disclosure GRAP standards and interpretations issued but not yet effective and required detail for these standards	Action is sufficient.	Action is sufficient	Replace "should" with "will" on the action plan.
15 769 122	Lack of sufficient effective review of the annual financial	Management should ensure that financial statements are adequately reviewed to ensure	N/A	N/A	Daphne y Moroas wi	30-Jun-2023	Management will ensure that the Financial Instrument disclosure	Action is sufficient.	Action is sufficient.	Review of the AFS for accuracy and completeness

	statements.	the accuracy of financial instrument disclosure note. The amounts in the note should reconcile to other financial statements notes after excluding non-financial instruments (if any) in each of those notes.						note correspond with the Bank Statements, Trial Balance and General Ledger is consistent with the requirements of GRAP 1 read with GRAP 104. The finding was resolved upon approval of the adjustments and submission of the final corrected AFS.	agree	Action is	Action Plan addresses
N/A	Lack of effective	The accounting officer should	3	Internal Control	Rudzani Ramuhu	31-Mar-					

	review of financial statement to ensure that the financial statements include a disclosure of all significant accounting policies	develop and disclose the accounting policy for commitments to ensure that all significant financial statements amounts have policies that indicate their measurement basis that are relevant to the understanding of these amounts.		Deficiency and Inadequate review	lu	2023	effective review of financial statement to ensure financial statements include a disclosure of all significant accounting policies		sufficient.	the root cause
5 168 547	Management's failure to implement proper controls to identify and record all instances of irregular expenditure based on the above definition of	The accounting officer should implement effective controls to ensure that irregular expenditure in all its various forms is identified during the day-to-day process of the municipality and is promptly logged	1	Internal Control Deficiency and Inadequate review	Rudzani Ramuhu lu	30-Jun-2023	irregular expenditure register will be updated and reviewed on the monthly basis	Register to be updated with all payments made for contracts identified as irregular.	Agree	Action Plan addresses the root cause

	of documents to validate disclosure notes	for audit.					Eskom for all electrification project that will be handed over to Eskom for operations and maintenance	and Eskom indicated that SLA is only signed for INEP projects. Matter to be escalated.	
107 794	Lack of effective review of land inventory disposal to ensure that land is derecognized from the land inventory register after conclusion of the registration process.	Management should review all land disposal to ensure that all sales are valid. Note: The misstatement has been identified from testing a sample, management should extend the investigation to the entire population for land disposal	3	Internal Control Deficiency and Inadequate review	Rudzani Ramuhlu	31-Mar-2023	Management will ensure that it only derecognise land from land inventory register when the transfer process has been finalised in the Deeds Office.	agree	Review of land inventory register for accuracy and completeness

1 005 315	Lack of effective review of financial statements to ensure consistency between the financial statements and accounting records	Management must ensure that disclosures in the AFS are accurate and correct.	1	Internal Control Deficiency and Inadequate review	Rudzani Ramuhu	30-Jun-2023	Management will ensure effective review of financial statement to ensure that the financial statements are compliant with the standard of GRAP	Agree and review listing to agree to the inventory note and face of AFS.	Action is sufficient.	Action Plan addresses the root cause
468 928	Lack of sufficient effective review of the preparation of annual financial statements as amount in General ledger is understated.	The accounting officer must revisit the entire population of General Expenditure and Contracted Services recorded in the General Ledger to ensure amounts were correctly captured in the General	N/A	N/A	Daphne Moroaaswi	31-Mar-2023	Management to verify that all fuel transactions posted in the GL agree to the wesbank statement and the VAT is correctly accounted for.	Action is sufficient.	Action is sufficient.	Action Plan addresses the root cause

362 519	Lack of effective review of land inventory sales journals to ensure that correct accounts are selected	Ledger.	1	Internal Control Deficiency and Inadequate review	Rudzani Ramuhlu	31-Mar-2023	Management will ensure that journals are processed to appropriate accounts	agree	Action is sufficient. correct classification of transactions	Review of the journals for accuracy and correctness by senior official
1 253 231	Lack of review processes to ensure that all debtors with credit balances are disclosed in the financial statements.	Accounting Officer should adequately review supporting schedules for amounts disclosed to ensure that amounts are accurate.	N/A	N/A	Daniel Matheka	30-Jun-2023	Review and agree the listing for credit balances to the note.	agree	Action is sufficient.	Action Plan addresses the root cause
4 147 121	Non compliance	The accounting officer should ensure that controls are implemented to ensure that	N/A	N/A	Rudzani Ramuhlu	31-Mar-2023	DTI will be notified of all the successful bidders and the value of	Action is sufficient.	Action is sufficient.	Action Plan addresses the root cause

6 570 095	Understatement of MFMA Deviations attributable to the presentation and disclosure assertion	3	Internal Control Deficiency and Inadequate review	Rudzani Ramuhu lu	31-Mar-2023	Management will ensure that deviation register is updated and reviewed on monthly basis and also disclosed in the Annual Financial Statements	agree	Review and reconcile that deviation recorded in the register agree to the disclosure in the AFS.	Action Plan addresses the root cause
N/A	Lack of effective review and monitoring of active contracts	N/A	N/A	Morongwe Monyepao	31-Mar-2023	Management to ensure that consequence management is done in line with the signed service level agreements when late	agree	Action is sufficient.	Action Plan addresses the root cause

	them					delivery happens.				
796 438	Lack of effective review of the financial statements.	The accounting officer should adequately review the financial statements to ensure that the presentation and disclosures are in accordance with the standard of GRAP.	N/A	N/A	Rudzani Ramuhlu	30-Jun-2023	Will ensure adequately review of the financial statements to ensure that the presentation and disclosures are in accordance with the standard of GRAP.	agree	agree AFS to supporting document (report)	Action Plan addresses the root cause
N/A	Lack of sufficient effective review of the preparation of annual financial statements.	Management should ensure that the missing disclosure details are provided.	N/A	N/A	Daphne Moroaosi	30-Jun-2023	Review of AFS before submission against the GRAP checklist to ensure adequate	action is sufficient	action is sufficient	Action Plan addresses the root cause

N/A	Lack of effective review of financial statement to ensure that the financial statements include a disclosure of all significant accounting policies	The accounting officer should develop and disclose the accounting policy for related parties to ensure that all significant financial statements amounts have policies that indicate their measurement basis that are relevant to the understanding of these amounts.	N/A	N/A		Nancy Masemola, Daphne Moroaswi	30-Jun-2023	Related party policy will be rolled over for the 2022/23 financial period. Management to ensure that all significant line items have accounting policies and remuneration of councilors on the AFS related party note agree with payroll report.	agree	Action is sufficient.	Action Plan addresses the root cause
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224 852	Lack of effective review of the financial statement together with the supporting documents.	Management should ensure that sufficient review mechanisms are in place during the preparation of annual financial statements.	N/A	N/A	Daphne Moroas wi	30-Jun-2023	Review of the AFS and agree the related party disclosure note to the employee cost note and supporting schedules	Action is sufficient.	Action is sufficient.	Action Plan addresses the root cause
N/A	Inadequate review to ensure that grant revenue is classified in the financial statements.	Grant revenue should be appropriately classified for all expenditure incurred and in line with grant conditions.	N/A	N/A	Daphne Moroas wi	31-Mar-2023	Management will accurately disclose the capital and operating grants during adjustment budget process. INEP grant will be appropriately classified from operating to	Action is sufficient.	Action is sufficient.	Review of the disclosed Capital and Operating GRANT to ensure compliance to GRAP 9 and 23 by CFO.

125 443	The accounting officer did not effectively review the financial statement to ensure that lease revenue was accurately disclosed in the financial statements.	Accounting Officer should ensure that lease revenue is recognized and disclosed in-line with GRAP 13 requirements.	N/A	N/A	Daniel Matheka	31-Mar-2023	Operating rental lease schedule has been developed and will be reviewed on a quarterly basis.	agree	Action is sufficient.	Action Plan addresses the root cause
							capital grant. Disclosure of grants to be done in line with GRAP 9 and 23 (Revenue from exchange and non-exchange)			

41 850 345	Lack of reviews of prior period error adjustments to ensure that financial statements are only restated for valid prior period errors.	Accounting Officer should adequately review financial statements and ensure that only valid prior period errors are disclosed.	N/A	N/A	Daniel Matheka	30-Jun-2023	Review of transactions to ensure correct classification of sale of sites.	agree	Action is sufficient.	Action Plan addresses the root cause
N/A	Lack of review of financial statements	Accounting Officer should ensure that the accounting policy note is tailored to the circumstances of the municipality's financial statements.	N/A	N/A	Daphne Moroa	30-Jun-2023	Management to review the accounting policies and to roll over the developed leases policy in the 2022/23 financial statements.	Action is sufficient.	Action is sufficient.	Action Plan addresses the root cause
N/A	Lack of sufficient	Accounting Officer should ensure that	N/A	N/A	Daphne	30-Jun-	Management will ensure	Note: the additional	Note: the additional	Action Plan addresses

	effective review of the preparation of annual financial statements.	changes in the terms of the arrangement with principal are disclosed in the AFS.			Moroas wi	2023	accurate disclosure of licenses & permit during the compilation of the AFS in terms of GRAP 109 paragraph 62 – “An entity that is a party to a principal-agent arrangement . The municipality will adhere to the latest SLA/MoU between themselves and the department of transport.	percentage share was a once off transaction.	percentage share was a once off transaction.	the root cause
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996 441	Lack of effective review of the financial statements submitted for audit.	The accounting officer should ensure that controls over are effective and that figures in the financial statements are supported by amounts in the general ledger	N/A	N/A	Daphne y Moroas wi	30- Jun- 2023	Management will ensure that the amounts in the AFS which affects accumulated surplus/cash flow components calculations corresponds with the trial balance and general ledger corresponds during the compilation of the AFS.	Action is sufficient.	Action is sufficient.	Review of AFS and the supporting documents for completeness, correctness and accuracy.
N/A	Lack of effective review of financial statements to ensure that financial	The VAT accounting policy note should be updated to go beyond the cash basis to cover VAT accrual accounts.	N/A	N/A	Daphne y Moroas wi	30- Jun- 2023	Management will ensure that the VAT receivable balance is disclosed in terms of	Action is sufficient.	Use of GRAP checklist to ensure all requirements of	Action Plan addresses the root cause

	statements disclosures for Statutory receivables are complete	Furthermore, all applicable GRAP 108.32-41 disclosures for statutory receivables should be provided in relation to the VAT receivable balance. Management should also consider having one single line item for statutory receivables on the statement of financial position, further breakdowns of the balance can be done in the notes to the financial statements.					GRAP 108.32-41 disclosures for statutory receivables during the compilation of the AFS.	statutory receivables is disclosed.	
4 923 993	Lack of effective review of the cash votes	The accounting officer should ensure that the cash votes per the	3	Internal Control Deficiency and	Daphne y Moraos	31-Mar-2023	Management will effectively review the calculation of the VAT	Action is sufficient.	Action Plan addresses the root

	balances at the year as compared to the SARS statement of account.	General Ledger agree with the SARS statement of Account.	Inadequate review	wi	receivables, agreeing with the VAT receivables balances and the SARS Statement of account. The opening balances and all the cash votes will balance to SARS vat statement. Vat reconciliation will be done on a monthly basis.			cause
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APPROVAL



Municipal Manager

Ms Monyepao M.A

31/01/2023

Date

APPENDIX VOLUME ONE: AUDITOR- GENERAL'S REPORT

Report of the auditor-general to Limpopo Provincial Legislature and the council on Lepelle-Nkumpi Local Municipality

Report on the audit of the financial statements

Qualified opinion

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

Basis for qualified opinion

Other revenue – leave provision charge

3. I was unable to obtain sufficient appropriate audit evidence for the amount of R4 462 938 that was processed to leave provision charge under other revenue. I was unable to confirm the leave provision charge by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to leave provision charge stated at R7 889 990 in note 20 to the financial statements. There is a consequential impact on the surplus for the period and accumulated surplus.

Cash flows from operating activities

4. The municipality did not correctly prepare and disclose the cash flows from operating activities as required by *Standards of GRAP 2, Cash flow statements*. The Municipality's receipts and payments were incorrectly calculated. Due to errors in the the cash flows from operating activities the following mistatements were identified ;
 - Grants were overstated by R6 114 906.00
 - Cash received from agency fee, fines and other income was understated by R15 757 327.00
 - Employee costs was understated by R20 958 507.00
 - Payments to suppliers for goods and services was overstated by R5 695 496.00

5. In addition to the individually material uncorrected misstatements, the cash flows from operating activities was materially misstated due to the cumulative effect of individually immaterial uncorrected misstatements as follows:

- Sale of goods and services understatement by R2 664 890.00
- Interest Income misstatement by R2 955 701.00

Statement of comparison of budget and actual amounts

6. The municipality did not correctly present the statement of comparison of budget and actual amount as required by the Standards of GRAP 24, *Budget Information*. municipality did not have adequate controls in place for reconciling the statement of comparison of budget and actual amounts to the underlying records. I have identified misstatements as follows:

- Current assets were overstated by R132 953 932 on the reported original budget
- Current assets were understated by R714 143 301 on the reported budget adjustment
- Current assets were understated by R35 243 801 on the reported final budget amount
- Cash and cash equivalents at the end of the year was understated by R430 970 949 on the original budget amount
- Cash and cash equivalents at the end of the year was understated by R598 752 106 on the final budget amount
- Cash and cash equivalents at the end of the year was understated by R137 947 824 on the final budget adjustment amount
- Net cash from operating activities was understated by R771 859 820 on approved budget adjustments and reported budget adjustments

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 financial statements section of my report.
8. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
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 36 to the financial statements, the corresponding figures for 30 June 2021 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Material impairments

12. As disclosed in note 30 to the financial statements, material impairments to the amount of R148 432 783 were incurred as a result of long outstanding receivables.

Significant uncertainties

13. With reference to note 37 to the financial statements, the municipality is the defendant in various claims. The municipality is opposing the claims. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements

Underspending of the conditional grant

14. As disclosed in note 24 to the financial statements, the municipality materially underspent the Municipal Infrastructure Grant by R16 827 214.

Other matters

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

Unaudited disclosure notes

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

Unaudited supplementary schedules

17. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

18. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of GRAP and the requirements of the MFMA and the Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
19. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating

to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

20. 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.
21. 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

22. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
23. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
24. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the municipality's annual performance report for the year ended 30 June 2022:

Key performance area	Pages in the annual performance report
Key performance area – basic service delivery	x – x

25. 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.
26. The material finding on the usefulness of the performance information of the selected key performance area is as follows:

Basic service delivery and infrastructure development

Indicator Com 01: Number of areas provided with weekly waste collection services

27. The planned target of 'Compile 04 reports on weekly waste collection services by June 2022 in both urban and rural areas' for this indicator was not specific in clearly identifying the nature and required level of performance.

Other matter

28. I draw attention to the matter below.

Achievement of planned targets

29. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings expressed on the usefulness of the reported performance information in paragraph x of this report.

Report on the audit of compliance with legislation

Introduction and scope

30. 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.
31. The material findings on compliance with specific matters in key legislation are as follows:

Financial statements and annual reports

32. 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, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Conditional grants

33. The Integrated National Electrification Programme (INEP - Schedule 5B) was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Division of Revenue Act (Act 9 of 2021).

Asset Management

34. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Consequences Management

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

Expenditure Management

38. Reasonable steps were not taken to prevent irregular expenditure amounting to R33 921 069 as disclosed in note 44 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with applicable supply chain management (SCM) legislation.
39. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R22 719 244, as disclosed in note 43 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The unauthorised expenditure was as a result of the under budgeting of the non-cash expenditure items.

Revenue Management

40. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

Procurement and Contract Management

41. Some of the invitation to tender for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Preferential Procurement Regulation 8(2).
42. Some of the commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content as required by the 2017 Preferential Procurement Regulation 8(5). This non-compliance was identified in the

procurement processes for the following key projects: Construction of Lekurung Recreational Facility and Upgrading of Access Road from Gravel to Tar: Kliphuiwel.

Other information

43. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
44. 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.
45. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
46. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

47. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
48. The financial statements contained misstatements, some of them were corrected. This was mainly due to the financial statements not being effectively reviewed to ensure compliance with the requirements of the financial reporting framework.
49. Material findings identified on the annual performance report could have been prevented had the performance planning documents been effectively reviewed.
50. Non-compliance with legislation as detailed under the Findings on compliance with legislation section of this report could have been prevented had compliance been properly reviewed and monitored.
51. The municipality developed and monitored plans to address prior year external audit findings, but the plans did not adequately address the significant findings on compliance with legislation

included in this report. This is evident in the repeat findings as detailed under the *Findings on compliance with legislation* section of this report.

Material Irregularities

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

Status of previously reported material irregularities

Prohibited investment with a mutual bank not registered in terms of the Banks act: Venda Building Society (VBS)

53. The municipality made investments with Venda Building Society (VBS) Mutual Bank on 29 November 2017 in contravention of regulation 6 of the Municipal Investment Regulations. At the time of placing VBS Mutual Bank under curatorship, the municipality had investments amounting to R150 000 000 and accrued interest of R5 343 824,62.
54. In terms of regulation 6 of the Municipal Investment Regulations, a municipality may only invest deposits with a bank registered in terms of the Bank Act, 1990 (Act No. 90 of 1990) (Bank Act). The municipality did not comply with Municipal Investment Regulations, as VBS Mutual Bank is not registered in terms of Banks Act.
55. The non-compliance is likely to result in a material financial loss if the amount invested is not recovered in full of the estate of VBS Mutual Bank.
56. The accounting officer was notified of the material irregularity on 30 November 2021 and invited to make a written submission on actions taken and that will be taken to address the matter. The accounting officer responded on 24 December 2022 and the following actions have been taken to resolve the material irregularity:
- a. Council suspended both accounting officer (MM) and the Chief Financial Officer (CFO) with immediate effect on 09 November 2018.
 - b. Disciplinary steps were taken against both MM and CFO, who subsequently resigned on 13 December 2018 and 21 June 2019 respectively and this was before the finalisation of the disciplinary process.
 - c. The municipality has lodged a claim with the curator as creditor on 07 August 2019 in the Polokwane High Court before the Master of High Court.
 - d. On the 04 February 2022 the municipality received R10 500 000 as a dividend from the VBS estate.
57. I will follow up on the material irregularity during my next audit.

58. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
59. An independent forensic consultant investigated allegations of employee misconduct, fraud and other irregular activities, which covered the period 2018-19 to 2020-21. The investigations were concluded on 3 May, 24 May and 26 September 2022 and recommended in disciplinary actions against employees.

Polokwane

30 November 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Lepelle-Nkumpi Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

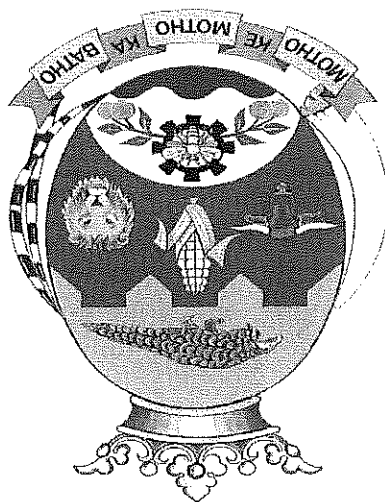
Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

APPENDIX VOLUME TWO: ANNUAL FINANCIAL STATEMENTS

Lepelle-Nkumpi Local Municipality
(Registration number LIM 335)
Annual Financial Statements
for the year ended 30 June 2022



Lepelle-Nkumpi Local Municipality

(Registration number LIM 335)
Annual Financial Statements for the year ended 30 June 2022

General Information

Nature of business and principal activities Local Government and the provision of basic services to the local community

Mayoral committee

Mayor
Speaker
Molala Matshipisana Merriam
Matsimela MD (upto 22 November 2021)
Nkabela NJ (From 22 November 2021 - Current)
Sello SG (From 22 November 2021 - Current)
Thobejane TA (upto 22 November 2021)
Mphofela Sabulone Matabane
Member of Executive Committee (1 July 2021 - 22 November 2021)

Member of Executive Committee (22 November - Current)

Mogashwa Aaron
Molala Matshipisana Merriam
Ramokolo Mokgaetsi Maria
Tsele FD
Rababalela Sherly
Ratau Itumeleng Gift
Morotoba NL
Makgahlele MB
Babile PT
Matsimela Mankoko Daniel
Molomo Ramokone Octavia
Mphofela Sabulone Matabane
Mazwi Dimakatso Patricia
Nkoana Raisibe Thwintshana Franscina

Molala Matshipisana Merriam
Ledwaba Frankie Eva
Mphahlele Maphaahle Thabang Rhuphus
Rababalela Shirley Malebo
Lekgoathi Sarah
Doukda NN
Ramalebana LM
Mollo MI
Leshilo GK
Thobejane TC
Lekoana MR
Seribishane KG
Chidi MV
Kgokolo RD
Makola J
Kgweedi MM
Ledwaba CS
Mailula LM
Masebe BN
Masebola SG
Mathabatha TP
Mohlala LN
Molala MJ
Mphahlele TJ

Members (1 July 2021 - 22 November 2021)

General Information

Ntshabeleng PS
Ntswane MR
Phele RS
Takalo ME
Thobejane L
Choung CM
Kutumela FM
Ledwaba JL
Ledwaba PE
Mabula RO
Mphahlele Ramatsimela Lina
Makgati Mabote Arnold
Ntsoane Phukuwe Barnard
Themane Moraka David
Marema TG
Mmotla MN
Mogamedi VM
Mohala PM
Molaba RG
Molajana ML
Mvundlela MW
Nkuna FM
Peñe LT
Ramoshaba RS
Shogole MW
Takalo PS
Tiabjane JB
Phoshoko SD
Phaahla SS
Mmako NS
Mollo MI
Lekgoathi FP
Muthwa LS
Kekana MP
Maphotso ME
Molomo RO
Mahlobogwane MD
Ramaremo MB
Kekana MS
Maphoso MW
Ledwaba MW
Kekana MA
Mogodi MM
Makhafola SJ
Kgaphola LK
Sello SG
Takalo ME
Mngomezulu LJ
Mphahlele KP

Members (22 November 2021 - Current)

General Information

Nkoana RTF					
Makgahlele MB					
Nthlane LJ					
Phogole ML					
Ramothole TR					
Mahlatji MA					
Moeti TL					
Mphofela SM					
Mazwi DP					
Lebese JM					
Makgati MA					
Molala MM					
Ramoshaba RS					
Mathabatha MD					
Ledwaba PE					
Nkoabelo Ngomanhkoane Joyce					
Phele RS					
Warema TG					
Matsimela MD					
Mphahlele MT					
Maleka PI					
Tsela FD					
Shogole MW					
Mphogo RJ					
Hlongwane HM					
Rababalela SM					
Mokone SM					
Ntsoane NP					
Matibidi MI					
Mathabatha RE					
Thobejane CM					
Modula MA					
Masebe BN					
Makhatoa TH					
Mphahlele MJ					
Lekgoathi S					
Kekana KJ					
Tlabjane JB					
Mphahlele TJ					
Mankga KG (Appointed 7 May 2021 - Current)					
Mankga KG					
Masebola MN (7 May 2021 - Current)					
3					
Lebowakgomo					
170 BA					
Civic Centre					

General Information

Postal address	Lebowakgomo 0737 Private Bag X07 Chuenespoort 0745
Bankers	First National Bank (FNB)
Auditors	Auditor General of South Africa
Tel:	015-633 4500
Website	www.lepelle-nkumpi.gov.za
Attorneys	SC Mdhuli attorneys INC Popela Maake Attorneys Modise Mabule INC Makhubela Attorneys Mahowa Inc Verveen Attorneys Bafana ka-Ncube

Index

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

Page	
6	Accounting Officer's Responsibilities and Approval
7	Statement of Financial Position
8	Statement of Financial Performance
9	Statement of Changes in Net Assets
10	Cash Flow Statement
11 - 13	Statement of Comparison of Budget and Actual Amounts
14 - 40	Accounting Policies
41 - 95	Notes to the Annual Financial Statements
	The following supplementary information does not form part of the annual financial statements and is unaudited:
96	Supplementary Information

Abbreviations used:

GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 81, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councilors, loans made to Councilors, if any, and payments made to Councilors for loss of office, if any, as disclosed in note 25 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Cooperative Governance and Traditional Affairs determination in accordance with this Act.

Accounting Officer
Acting Municipal Manager: KG Mankga

Lepelle-Nkumpi Local Municipality

(Registration number LIM 335)

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand		Note(s)	2022	2021	Restated*
Assets					
Current Assets					
Inventories	3		107 660 055	111 453 932	
Receivables from exchange transactions	4		28 604 309	39 308 426	
Receivables from non-exchange transactions (Statutory receivables)	5		24 789 516	88 013 886	
Cash and cash equivalents	6		404 429 164	294 989 918	
			565 483 044	533 766 162	
Non-Current Assets					
Property Plant and Equipment	8		739 716 235	713 343 579	
Investment Property	7		108 452 669	102 125 000	
Intangible assets	9		154 754	154 754	
Heritage assets	10		183 684	183 684	
			848 507 342	815 807 017	
Total Assets			1 413 990 386	1 349 573 179	
Liabilities					
Current Liabilities					
Consumer deposits	12		2 094 161	2 018 061	
Payables from exchange transactions	11		86 607 581	91 436 010	
Employee benefit obligation	15		439 123	511 013	
Unspent conditional grants and receipts	13		21 814 951	20 618 796	
			110 955 816	114 583 880	
Non-Current Liabilities					
Provisions	14		2 066 478	2 433 480	
Employee benefit obligation	15		4 969 366	4 243 080	
			7 035 844	6 676 560	
Total Liabilities			117 991 660	121 260 440	
Net Assets			1 295 998 726	1 228 312 739	
Accumulated surplus			1 295 998 726	1 228 312 739	
Total Net Assets			1 295 998 726	1 228 312 739	

* See Note 36

Lepelle-Nkumpi Local Municipality

(Registration number LIM 335)
Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
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Revenue			
Revenue from exchange transactions			
Service charges	16	5 814 240	6 433 333
Rental of facilities and equipment	17	675 700	270 633
Water and sanitation : Commission Earned	18	35 504 199	31 254 727
Agency fees : Licences and permits	19	5 624 869	5 869 134
Other revenue	20	24 718 626	1 921 404
Finance income - Exchange	21	16 381 801	12 452 340
Total revenue from exchange transactions		88 719 435	58 201 571
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	22	30 674 638	31 750 278
Finance income - Non exchange	23	14 209 575	12 791 733
Transfer revenue			
Government grants & subsidies	24	330 406 846	357 526 612
Traffic fines		2 010 550	5 781 228
Total revenue from non-exchange transactions		377 301 609	407 849 851
Total revenue		466 021 044	466 051 422
Expenditure			
Employee related costs	26	(96 083 516)	(94 726 721)
Remuneration of councillors	27	(22 406 929)	(22 365 273)
Depreciation, amortisation and impairment	28	(35 454 604)	(33 488 447)
Finance costs	29	(214 718)	(84 063)
Provision for impairments adjustment	30	(148 432 781)	(54 264 734)
Contracted services	31	(49 935 973)	(49 190 632)
Expenditure on third party projects		-	(80 225)
Loss on disposal of assets		(206 905)	(197 125)
Other material	32	(1 836 301)	(2 432 371)
General Expenses	33	(49 333 451)	(41 850 350)
Total expenditure		(403 905 178)	(298 679 941)
Surplus for the year from continuing operations	25	62 115 866	167 371 481
Fair value gain or (losses)		5 764 556	(232 645 380)
Surplus (deficit) for the year		67 880 422	(65 273 899)

* See Note 36

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at 01 July 2020	1 293 597 310	1 293 597 310
Changes in net assets	(65 273 916)	(65 273 916)
Surplus for the year	(65 273 916)	(65 273 916)
Total changes	(65 273 916)	(65 273 916)
Opening balance as previously reported	1 228 323 417	1 228 323 417
Adjustments	10 996	10 996
Prior year adjustments 36		
Restated* Balance at 01 July 2021 as restated*	1 228 312 739	1 228 312 739
Changes in net assets	67 880 422	67 880 422
Surplus for the year	67 880 422	67 880 422
Total changes	67 880 422	67 880 422
Balance at 30 June 2022	1 295 998 726	1 295 998 726

Note(s)

Cash Flow Statement

Figures in Rand		Note(s)	2022	2021	Restated*
Cash flows from operating activities					
Receipts					
Sale of goods and services	14 845 524		13 303 875		
Grants	337 717 907		361 253 000		
Interest income	9 856 981		8 578 789		
Cash received from agency fees, fines and other income	12 789 009		11 335 799		
	375 209 421		394 471 463		
Payments					
Employee costs	(101 326 574)		(118 200 075)		
Suppliers	(102 017 518)		(101 289 196)		
Finance costs	-		-		
	(203 344 092)		(219 489 271)		
	375 209 421		394 471 463		
Total receipts	(203 344 092)		(219 489 271)		
Total payments	(203 344 092)		(219 489 271)		
Net cash flows from operating activities	171 865 329	34	174 982 192		
Cash flows from investing activities					
Purchase of property plant and equipment	(62 426 084)	8	(48 496 322)		
Net increase/(decrease) in cash and cash equivalents	109 439 245		126 485 870		
Cash and cash equivalents at the beginning of the year	294 989 919		168 504 049		
Cash and cash equivalents at the end of the year	404 429 164	6	294 989 919		

* See Note 36

Lepelle-Nkumpi Local Municipality

(Registration number LIM 335)

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Statement of Financial Performance

Revenue

Property rates	32 799 503	-	32 799 503	30 674 638	(2 124 865)	note 48
Service charges	6 794 475	-	6 794 475	5 814 240	(980 235)	note 48
Rental of facilities and equipment	303 708	15 000	318 708	675 700	356 992	note 48
Interest earned - Outstanding	12 502 243	2 212 956	14 715 199	16 381 801	1 666 602	note 48
debtors						
Interest earned - External	7 798 205	4 768 321	12 566 526	14 209 575	1 643 049	note 48
Investments						
Fines, penalties and forfeits	5 508 879	6 000 270	11 509 149	2 010 550	(9 498 599)	note 48
Licences and permits	6 076	-	6 076	-	(6 076)	note 48
Agency services	29 755 246	9 000 000	38 755 246	41 129 068	2 373 822	note 48
Transfers and subsidies - Operational	287 594 898	-	287 594 898	279 614 761	(7 980 137)	note 48
Transfers and subsidies - Capital	57 085 000	10 425 000	67 510 000	50 792 085	(16 717 915)	note 48
Other revenue	122 919 270	(164 503)	122 754 767	16 828 636	(105 926 131)	note 48
Total revenue	563 067 503	32 257 044	595 324 547	458 131 054	(137 193 493)	

Expenditure

Employee related cost	(123 088 180)	9 487 735	(113 600 445)	(96 083 516)	17 516 929	note 48
Remuneration of councillors	(24 561 409)	2 149 239	(22 412 170)	(22 406 929)	5 241	note 48
Provision for impairments	(51 757 718)	(9 000 000)	(60 757 718)	(148 432 781)	(87 675 063)	note 48
adjustment						
Depreciation, amortisation and impairment	(33 519 432)	(1 500 000)	(35 019 432)	(35 454 604)	(435 172)	note 48
Finance costs	(146 577)	-	(146 577)	(214 718)	(68 141)	note 48
Other materials	(4 220 810)	-	(4 220 810)	(1 836 301)	2 384 509	note 48
Contracted Services	(135 182 501)	(6 104 233)	(141 286 734)	(49 935 973)	91 350 761	note 48
General Expenses	(44 925 126)	(7 896 833)	(52 821 959)	(49 333 451)	3 488 508	note 48
Losses	-	(9 321 890)	(9 321 890)	(206 905)	9 114 985	note 48
Total expenditure	(417 401 753)	(22 185 982)	(439 587 735)	(403 905 178)	35 682 557	

Operating surplus

145 665 750	10 071 062	155 736 812	54 225 876	(101 510 936)	5 764 556	note 48
145 665 750	10 071 062	155 736 812	54 225 876	(101 510 936)	5 764 556	note 48

Surplus

145 665 750	10 071 062	155 736 812	59 990 432	(95 746 380)		
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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Approved	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Statement of Financial Position

Assets					
Current Assets					
Inventories	36 369 000	75 084 931	111 453 931	107 660 055	(3 793 876)
Other debtors	9 061 523	3 163 612	12 225 135	600 420	(11 624 715)
Consumer debtors	101 534 827	45 507 465	147 042 292	52 793 405	(94 248 887)
Call investment deposits	(655 385 012)	235 757 663	235 757 663	235 757 663	-
Cash and cash equivalents	295 463 714	109 439 246	295 463 714	168 671 500	(126 792 214)
(212 955 948)					
Non-Current Assets					
Investment Property	372 262 000	(262 577 000)	109 685 000	108 452 669	(1 232 331)
Property Plant and Equipment	813 530 306	(89 350 730)	724 179 576	739 716 235	15 536 659
Intangible assets	4 854 754	(5 000 000)	(145 246)	154 754	300 000
Heritage assets	183 684	-	183 684	183 684	-
1 190 830 744					
(356 927 730)					
833 903 014					
848 507 342					
14 604 328					
(236 459 692)					
(212 955 948)					
Current Assets					
Non-Current Assets	(212 955 948)	468 952 917	801 942 735	565 483 043	(236 459 692)
Current Assets	1 190 830 744	(356 927 730)	833 903 014	848 507 342	14 604 328
Total Assets					
977 874 796					
112 025 187					
1 635 845 749					
1 413 990 385					
(221 855 364)					
Total Assets					
Liabilities					
Current Liabilities					
Payables from exchange transactions	133 337 048	(20 308 061)	113 028 987	116 312 522	3 283 535
Consumer deposits	2 090 252	(72 191)	2 018 061	2 094 161	76 100
Provisions	6 977 389	(6 466 376)	511 013	439 123	(71 890)
Borrowing	238 138	-	238 138	-	(238 138)
142 642 827					
(26 846 628)					
115 796 199					
118 845 806					
3 049 607					
Non-Current Liabilities					
Provisions	528 077	6 148 483	6 676 560	7 035 844	359 284
143 170 904					
(20 698 145)					
122 472 759					
125 881 650					
3 408 891					
Total Liabilities					
Assets					
Liabilities	977 874 796	112 025 187	1 635 845 749	1 413 990 385	(221 855 364)
Net Assets	(143 170 904)	20 698 145	(122 472 759)	(125 881 650)	(3 408 891)
834 703 892					
132 723 332					
1 954 682 214					
1 288 303 171					
(666 379 043)					
Total Net Assets					

Net Assets Attributable to Owners of Controlling Entity

Reserves	12 781 451	-	12 781 451	-	(12 781 451)
Revaluation reserve	12 781 451	-	12 781 451	-	(12 781 451)
Accumulated surplus	1 877 776 670	64 124 093	1 941 900 763	1 288 303 171	(653 597 592)
Total Net Assets	1 890 558 121	64 124 093	1 954 682 214	1 288 303 171	(666 379 043)

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis					
Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand					
Cash Flow Statement					
Cash flows from operating activities					
Receipts					
Property rates	12 281 000	1 601 428	13 882 428	10 592 364	(3 290 064) note 48
Service charges	8 966 000	13 175 250	22 141 250	6 425 541	(15 715 709) note 48
Transfers and Subsidies-Operational	291 264 000	(600 000)	290 664 000	283 498 761	(7 165 239) note 48
Transfers and Subsidies-Capital	57 385 000	(20 250 000)	37 135 000	50 792 085	13 657 085 note 48
Interest income	7 798 000	-	7 798 000	12 812 682	5 014 682 note 48
Other revenue	832 876 000	(565 721 051)	267 154 949	11 087 988	(256 066 961) note 48
Payments					
Suppliers and employees	(521 070 000)	(158 885 537)	(679 955 537)	(203 344 092)	476 611 445 note 48
Total receipts	1 210 570 000	(571 794 373)	638 775 627	375 209 421	(263 566 206)
Total payments	(521 070 000)	(158 885 537)	(679 955 537)	(203 344 092)	476 611 445
Net cash flows from operating activities	689 500 000	(730 679 910)	(41 179 910)	171 865 329	213 045 239
Cash flows from investing activities					
Capital assets	(145 663 000)	125 593 000	(20 070 000)	(62 426 084)	(42 356 084) note 48
Cash flows from financing activities					
Increase/(Decrease) in Consumer deposits	203 000 000	(205 018 061)	(2 018 061)	76 100	2 094 161 note 48
Net increase/(decrease) in cash and cash equivalents	294 989 918	404 429 164	109 304 123	109 363 145	-
Cash and cash equivalents at the beginning of the year	(404 429 164)	109 439 246	295 463 714	294 989 919	(473 795)
Cash and cash equivalents at the end of the year	(109 439 246)	294 989 918	404 767 837	404 353 064	(473 795)

Accounting Policies

Figures in Rand

Note(s)	2022	2021
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1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005. These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

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

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 impairment of assets 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 municipality 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 municipality 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. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply and demand, together with economic factors such as exchange rates, inflation and interest rates.

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates or provisions are included in note 14 - Provisions.

Useful lives

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and intangible assets. This estimate is based on industry norms. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives. In the event that assets are fair valued, the useful lives of these assets is the estimated remaining useful life on taken date.

Effective interest rate

The municipality 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.

Other long term employee benefits

The present value of the other long term employee benefits 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 other long term employee benefits.

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

Classification Difficulties

The municipality was faced with difficulties in classifying land and properties in various locations within the municipal jurisdiction wherein there was no council resolutions granting the disposal, no service level agreements with the land developers nor the properties are owner-occupied. These properties were tested to determine whether these properties are held for undetermined use and meeting investment properties classification. Management judgement was applied and these properties were deemed as inventories. These properties were treated as such due to their proximity and similarities to the majority of the stands and land properties already treated as inventory and/or as supported by previous sales in same localities. These land properties are located in LebowaKgomo Unit F and Unit S residential areas.

1.2 Presentation currency

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

1.3 Going concern assumption

In terms of the accounting standard GRAP 1 paragraphs 27 to 30 the annual financial statements are prepared on a going concern basis. The assumption is based on the fact that the municipality may invoke its power to levy additional rates or taxes to enable the municipality to be considered as a going concern even though the municipality will be operational for extended periods with negative net assets.

1.4 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

Accounting Policies

1.4 Investment Property (continued)

- administrative purposes, or
- sale in the ordinary course of operations.

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

Initial Recognition:

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is the cost at date of completion.

Subsequent Measurement:

Investment property is measured at fair value. After initial recognition all investment property is measured at fair value at each statement of financial position date. No depreciation is calculated on these properties.

Item Property - land
Useful life indefinite

Investment Property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

1.5 Property Plant and Equipment

Property Plant and Equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property Plant and Equipment is initially measured at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. 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. 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.

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.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition. Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

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.

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.

Accounting Policies

1.5 Property Plant and Equipment (continued)

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

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

Property Plant and Equipment is carried at cost less accumulated depreciation and any impairment losses except for land and buildings which is carried at re-valued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Subsequent Measurement:

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

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

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

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight-line	10 - 30 years
Infrastructure:		
- Roads	Straight-line	10 - 100 years
- Electricity	Straight-line	5 - 80 years
Other assets:		
- Machinery and equipment	Straight-line	2 - 15 years
- Furniture and equipment	Straight-line	5 - 15 years
- Computer equipment	Straight-line	5 - 10 years
- Vehicles	Straight-line	7 - 15 years
Community assets	Straight-line	10 - 30 years

In the event that assets are fair valued, the useful lives of those assets is the estimated remaining useful life on taken date.

The asset management policy contains the details of the components and their specific useful life estimates.

The residual value, the useful life and the depreciation method are reviewed at least at every reporting date.

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 de-recognition of an item of intangible assets is included in surplus or deficit when the items derecognised. The gain or loss arising from the de-recognition 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 and is recognised in the Statement of Financial Performance.

Accounting Policies

1.6 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance and recognised when:

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

An asset is identified as an intangible asset when it:

- 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, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

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.

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.

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.

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	Straight-line	Indefinite

Intangible assets are derecognised:

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

1.7 Inventories

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

The cost at reporting date comprises of all costs or purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is assigned using the first in, first out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Accounting Policies

1.7 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Unsold properties are at the lower of cost and net realisable value. Direct cost are accumulated for each separately identifiable development. Cost also includes a portion of the overhead costs.

1.8 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 concessional 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.

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

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

There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

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

Accounting Policies

1.8 Financial instruments (continued)

- 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.
- A financial asset is past due when a counterparty has failed to make a payment when contractually due.
- 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;
 - 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.

Accounting Policies

1.8 Financial instruments (continued)

Classification

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

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Trade and other receivables from non-exchange transactions	Financial asset measured at amortised cost
Trade and other receivables from exchange transactions	Financial asset measured at amortised cost

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

Class	Category
Long term liabilities	Financial liability measured at amortised cost
Trade and other payables	Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. 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.

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

Accounting Policies

1.8 Financial instruments (continued)

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 entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data. 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.

Reclassification

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

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

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

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

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit. For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectability 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.

Accounting Policies

1.8 Financial instruments (continued)

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.

De-recognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- 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.

Additional text

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 de-recognition 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 entity recognise the new financial asset, financial liability or servicing liability at fair value.

On de-recognition 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 de-recognition 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 de-recognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue 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.

Accounting Policies

1.8 Financial instruments (continued)

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.

1.9 Revenue from exchange transactions

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

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Measurement

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

Sale of goods

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

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When 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 surveys of work performed.

Accounting Policies

1.9 Revenue from exchange transactions (continued)

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.

1.10 Revenue from non-exchange transactions

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

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.

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

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

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.

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.

Accounting Policies

1.10 Revenue from non-exchange transactions (continued)

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.

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.

1.11 Conditional Grants and receipts

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 that the criteria, conditions or obligations have not been met a liability is recognised.

1.12 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

Accounting Policies

1.12 Provisions and contingencies (continued)

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.

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37 to the financial statements.

1.13 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.

1.14 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

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

1.15 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.

1.16 Comparative figures

Current year comparatives

Budgeted amounts have been included in the statement of comparison of budget and actual amounts for the current financial year only.

Prior year comparatives

Accounting Policies

1.16 Comparative figures (continued)

When presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.17 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.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.
Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.
Income for leases is disclosed under revenue in statement of financial performance.

1.18 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-oriented entity, it generates a commercial return.
Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).
Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.
A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.
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 of its fair value less costs to sell and its value in use.
Useful life is either:
• the period of time over which an asset is expected to be used by the municipality; or
• the number of production or similar units expected to be obtained from the asset by the municipality.
Identification
When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.
The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Accounting Policies

1.18 Impairment of cash-generating assets (continued)

Value in use

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

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

Basis for estimates of future cash flows

In measuring value in use the municipality:

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

Composition of estimates of future cash flows

Estimates of future cash flows include:

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

Estimates of future cash flows exclude:

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

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

Accounting Policies

1.18 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the assets 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.

Accounting Policies

1.18 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

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

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

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

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

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

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

Redesignation

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

1.19 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.

Accounting Policies

1.19 Employee benefits (continued)

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.

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.

Other long-term employee benefits

Other long-term employee benefits include:

- long service award

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

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

For other long-service awards, the Municipality recognises the net total of the following amounts as expense

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.20 Investment income

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

Accounting Policies

1.21 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.22 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

1.23 Grants in aid

The Lepelle-Nkumpi Municipality transfers money to individuals, institutions and organisations. When making these transfers, The Municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.24 Impairment of non-cash-generating assets

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.

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 municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

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

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

Accounting Policies

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

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential. The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

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 municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

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

Accounting Policies

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

Reversal of an impairment loss

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

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

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

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

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

Redesignation

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

1.25 Presentation of Budget information in the financial statements

The Municipality shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAF. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

The Municipality considers a significant variance to be anything exceeding 10%

A comparable basis means that the budget and annual financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

Accounting Policies

1.26 Heritage assets

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably. Heritage assets are recognised when it has a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Certain heritage assets are described as inalienable items thus assets which are retained indefinitely and cannot be disposed of without consent as required by law or otherwise.

A heritage asset is further recognised as an asset only if:

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

Subsequent measurement

Heritage asset is measured at its cost value and should it be acquired through a non-exchange transaction will it be measured at its fair value as at the date of acquisition and is carried at its cost less any accumulated impairment losses. If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus and is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit and is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset. Although a heritage asset is not depreciated it is the heritage asset assessed at each reporting date to disclose whether there is an indication that it may be impaired.

In terms of the standard, compensation from third parties for heritage assets that have been impaired, lost or given up, should be included in surplus or deficit when the compensation becomes receivable. The municipality will treat any difference at that date between the carrying amount of the heritage asset and its fair value in the same way as a revaluation in accordance with this Standard. Should any item of property, plant and equipment or an intangible asset carried at a re-valued amount, or investment property carried at fair value is reclassified as a heritage asset carried at a re-valued amount, the entity applies the applicable Standard to that asset up to the date of change. The entity treats any difference at that date between the carrying amount of the asset and its fair value in accordance with the applicable Standard relating to that asset. Transfer of investment property carried at fair value, or inventories to heritage assets at a re-valued amount, any difference between the fair value of the asset at that date and its previous carrying amount should be recognised in surplus or deficit.

Item use

Full life

Property and building

Indefinite

Other Assets

5 to 50 years

De-recognition of Asset

The carrying amount of a heritage is de-recognised:

- 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 de-recognition, of a heritage asset should be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.27 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.

Accounting Policies

1.27 Statutory receivables (continued)

Statutory receivables arise from the following legislation:

Municipal Property Rates Act (Act no 6 of 2004)

Criminal Procedure Act (Act no 51 of 1977)

Value Added Tax Act 89 (Act 89 of 1991)

National Road Traffic Act 93 of 1996

Local Government: Municipal Property Rates Act 6 of 2004

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 municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

Accounting Policies

1.27 Statutory receivables (continued)

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, a municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:

- derecognise the receivable; and
- recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.28 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:

Accounting Policies

1.28 Commitments (continued)

- 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.

1.29 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.

Based on the definition above, the municipalities functions are structured per department based on service delivery objectives. Each department performs its responsibilities per determined objective and individual indicators are set to measure performance of service delivery objectives. The reporting of performance is not done per geographic location of the communities serviced, consolidated budget vs actual is reported in the financial statement to evaluate performance of the municipality. Performance reporting is done per designed service delivery objectives.

The Departments are centralised to provide service delivery function to all the geographical areas namely Ward 1 to Ward 30 on implementation of infrastructure requirements of the municipality. Based on how the budget of the Municipality is determined, annually the communities from all the Wards are consulted on their needs through the integrated development plan processes. This information is then used to allocate resources available to implement these needs. Resources are not allocated based on how the unit has performed or the activity within the unit has performed, but based on the needs priorities and the available funds at the time that the Municipality holds.

Municipal revenue, expenditure and assets are not reviewed as per geographical area, these are presented as a consolidated figure. The service provided to communities are the same for all Wards, therefore the level of information of each ward within the municipal jurisdiction may not be relevant for decision making purposes, as such reporting of segments is deemed not applicable.

The cost to develop the information in line with the requirements of GRAP18 will be excessive and not provide any additional information as other reports i.e., predetermined objectives and comparison of budget and actual, are already presented.

1.30 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 municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

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

Accounting Policies

1.30 Related parties (continued)

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate. Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

Notes to the Annual Financial Statements

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Nature	Expected impact:
Guideline: Guideline on Accounting for Landfill Sites	No effective date yet	The guideline deals with the following accounting aspects will have any material impact as the principles in the guidance are already applied by the municipality - Accounting for land and the landfill site asset. - Costs to be capitalised as part of the landfill site asset and how these should be depreciated and tested for impairment. - Costs to be included in the rehabilitation provision, including the treatment of monitoring and inspection expenses to be undertaken after the closure of the landfill site. - Accounting for changes in costs, discount rates, other estimates in relation to the rehabilitation provision, and changes in future events such as legislation, and how these changes impact the initial measurement of the landfill site asset	The municipality does not expect that this guideline will have any material impact as the principles in the guidance are already applied by the municipality
GRAP 25 (as revised): Employee Benefits	No effective date yet	The main impact relates to amendments regarding the presentation of defined benefit plans and the fact that minimum funding requirements in the post-employment benefit plan may give rise to a liability.	The municipality does not expect that this guideline will have any material impact as the principles in the guidance are already applied by the municipality

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)	• IGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	The main impact relates to amendments regarding the components to be presented in the statement of financial performance that minimum funding requirements in the post-employment benefit plan cost, net interest and remeasurements. These are already currently disclosed in the notes and will not result in any material impact on the financial statements. The main changes made were to amend the scope of financial instruments, reclassification and accounts included in cash and cash equivalents and to its impairment model due to these changes. As the municipality is not issuing financial guarantee contracts or loan commitments, it is not expected that the changes in the scope will impact the entity. Unlikely there will be a material impact The standard is aimed at ensuring that the most relevant information is provided to the users of the financial statements. The Board undertakes periodic revisions of the Standards of GRAP. The changes made to the Standards of GRAP comprise certain changes resulting from amendments to the International Public Sector Accounting Standards (IPSAS) and the International Financial Reporting Standards (IFRS® Standards), as well as general improvements identified through consultation with stakeholders. There has been minor amendments to GRAP 5, 13, 16, 17, 20, 24, 31, 32, 37, 106 and directive 7 to provide clarity, references and examples	• GRAP 104 (as revised): Financial Instruments 01 April 2025	• IGRAP 21: The Effect of Past Decisions on Materiality 01 April 2023	• GRAP 2020: Improvements to the standards of GRAP 2020 01 April 2023
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Notes to the Annual Financial Statements

2. **New standards and interpretations (continued)**
- GRAP 1 (amended):
Presentation of Financial Statements
01 April 2023
- The minor amendments were made to GRAP 1 to provide clarity, references and examples to the stakeholders. Unlikely there will be a material impact

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3. Inventories

Consumable stores
Land inventory

1 824 422	105 835 633
1 845 081	109 608 851
107 660 055	111 453 932

Carrying value of inventories carried at lower of cost or net realisable value

Land inventory

Opening balance
Impairment loss for the year(writedown)
Disposal

109 608 851	111 940 855
(410 699)	(2 332 004)
(3 362 519)	-
105 835 633	109 608 851

The amount of inventories recognised as an expense during the period were as follows:

Consumable stores
Land inventory

1 111 269	1 797 041
3 362 519	2 332 004
4 473 788	4 129 045

During the year the municipality sold residential and commercial land at net realisable value in Lebowa kgomo, furthermore the municipality identified properties that were invaded, these properties had their values written down.

4. Receivables from exchange transactions

Gross balances

CDM advance commission
Less: Provision for impairment - CDM advance commission
Grants debtor
Consumer debtors - Refuse
Less: Provision for impairment - Consumer debtors - Refuse
Sundry debtors

186 435 735	156 210 149
(161 691 778)	(134 575 301)
40 000	
71 591 726	65 540 274
(68 371 795)	(48 807 757)
600 421	901 061
28 604 309	39 308 426

Ageing

CDM advance commission - Ageing
Current (0 - 30 days)
31 - 60 days
61 - 90 days
91 - 120 days
> 120 days

6 537 037	7 481 165
3 011 236	3 158 862
3 134 338	2 871 822
3 064 699	2 886 451
170 688 425	139 811 849
186 435 735	156 210 149

Net balance

186 435 735	156 210 149
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4. Receivables from exchange transactions (continued)

Summary of debtors by customer classification - CDM Debtor

Business		Current (0 - 30 days)	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days
6 920 913		727 072	1 318 894	157 491	106 122	209 099
6 664 727						4 972 996
Domestic		Current (0 - 30 days)	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days
172 051 794		5 547 174	2 814 658	2 808 527	2 593 008	2 774 010
142 593 934						128 839 474
Government		Current (0 - 30 days)	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days
3 185 410		368 094	60 483	81 341	106 706	2 568 786
5 970 103						5 086 612
Church		Current (0 - 30 days)	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days
1 157 805		34 941	18 263	18 564	22 082	1 063 955
803 973						735 354
Total		Current (0 - 30 days)	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days
186 435 735		6 537 037	7 481 165	3 011 236	3 134 338	3 064 699
156 210 149						1 706 888 425
(161 691 778) (134 575 301)						139 811 849
Less allowance for impairment						
24 743 957						
21 634 848						
Reconciliation of allowance for impairment		Balance at the beginning of the year	Contribution to allowance for impairment			
(134 575 302) (109 225 082)						
(27 116 476) (25 350 220)						
(161 691 778) (134 575 302)						

Notes to the Annual Financial Statements

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4. Receivables from exchange transactions (continued)

Refuse
Current (0 - 30 days) 891 054
31 - 60 days 867 727
61 - 90 days 864 203
91 - 120 days 838 282
121 - 365 days 6 591 125
> 365 days 60 267 287

2022	2021
2 136 741	1 959 582
891 054	867 727
867 236	864 203
838 282	802 986
6 591 125	6 217 083
60 267 287	54 828 693
71 591 725	65 540 274

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4. Receivables from exchange transactions (continued)

Summary of debtors by customer classification - Refuse

	2022		2021	
Business				
Current (0 - 30 days)	452 812	540 976	12 318 093	11 067 717
31 - 60 days	207 195	246 967	169 721	183 597
61 - 90 days	177 816	245 678	1 274 505	1 304 215
91 - 120 days	177 816	245 678	4 946 880	4 583 331
121 - 365 days	46 487 312	40 584 306	626 225	577 988
> 365 days	1 433 337	1 203 240	640 885	576 297
Domestic				
Current (0 - 30 days)	1 433 337	1 203 240	634 660	571 592
31 - 60 days	634 660	571 592	15 847	33 893
61 - 90 days	16 134	40 666	15 742	33 027
91 - 120 days	119 108	262 886	979 291	2 168 891
121 - 365 days	979 291	2 168 891	122 089	198 925
> 365 days	122 089	198 925	21 936	16 442
Church				
Current (0 - 30 days)	21 936	16 442	10 606	8 501
31 - 60 days	10 606	8 501	10 493	8 334
61 - 90 days	10 454	8 374	8 2104	66 651
91 - 120 days	82 104	66 651	788 300	542 007
121 - 365 days	788 300	542 007	923 893	650 309
> 365 days	923 893	650 309		
Indigents				
Current (0 - 30 days)	4 564			
31 - 60 days	2 126			
61 - 90 days	2 054			
91 - 120 days	1 999			
121 - 365 days	19 419			
> 365 days	19			
Total				
Current (0 - 30 days)	2 034 740	1 959 582	6 442 017	6 217 083
31 - 60 days	870 724	867 727	847 097	864 203
61 - 90 days	824 143	802 986	6 442 017	6 217 083
91 - 120 days	824 143	802 986		
121 - 365 days				
> 365 days				

Notes to the Annual Financial Statements

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4. Receivables from exchange transactions (continued)		60 573 004		54 828 693	
		71 591 725		65 540 274	
		(68 371 799)		(48 807 757)	
		3 219 926		16 732 517	
Less: Allowance for impairment					
Reconciliation of allowance for impairment					
Balance at beginning of the year		(48 807 757)		(44 152 602)	
Contributions to allowance for impairment		(19 564 038)		(4 655 155)	
		(68 371 795)		(48 807 757)	
5. Receivables from non-exchange transactions (Statutory receivables)					
Fines		17 029 348		15 227 108	
Less: Provision for impairment - Fines		(11 295 370)		(8 159 951)	
Consumer Debtors - Rates		239 689 700		208 983 994	
Less: Provision for impairment - Rates		(228 342 590)		(129 725 742)	
Value added tax		7 708 428		1 688 477	
Rates - Ageing					
Current (0 -30 days)		7 299 888		7 365 662	
31 - 60 days		3 458 138		3 261 337	
61 - 90 days		3 407 932		3 131 482	
91 - 120 days		3 358 168		3 112 711	
121 - 365 days		26 450 545		23 726 738	
> 365 days		195 715 029		168 386 064	

Notes to the Annual Financial Statements

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5. Receivables from non-exchange transactions (Statutory receivables) (continued)

Summary of debtors by customer classification - Rates

Business		Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	> 365 days
22 840 940	25 216 261	727 071	434 114	328 336	209 098	1 563 750	19 835 419
Domestic		Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	> 365 days
4 184 286	4 330 541	2 054 399	1 860 596	2 037 955	2 021 070	14 062 341	124 077 977
Government		Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	> 365 days
2 064 342	1 933 086	990 163	919 740	993 877	907 307	6 969 254	25 102 309
Indigents		Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	> 365 days
8 875	4 164	3 990	3 862	44 252	-	-	-
Agriculture		Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	> 365 days
106 638	98 357	50 174	46 887	46 608	46 384	357 197	27 816 333
Total		Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	> 365 days
28 457 816	4 228 796	26 450 545	3 261 337	3 131 482	3 112 711	23 726 738	7 299 888

Notes to the Annual Financial Statements

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2022	2021
5. Receivables from non-exchange transactions (Statutory receivables) (continued)	
> 365 days	
195 715 028	168 386 064
239 689 700	208 983 994
(289 342 590)	(129 725 742)
(49 652 890)	79 258 252
(129 725 742)	(109 414 500)
(98 616 848)	(20 311 242)
(228 342 590)	(129 725 742)
Traffic Fines	
Traffic fines	17 029 348
Less: Provision for impairment	15 227 108
	(11 295 370)
5 733 978	7 067 157
Reconciliation of provision for impairment - Rates	
Opening balance	(129 725 742)
Contribution to allowance	(98 616 848)
	(228 342 590)
Reconciliation of provision for impairment - Traffic fines	
Opening balance	(8 159 951)
Contribution to allowance	(3 135 419)
	(11 295 370)
(8 159 951)	(8 159 951)

No consumer debtors were pledged as security for any liabilities.

Credit quality of receivables from non-exchange transactions (statutory receivables)

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Fair value of receivables from non-exchange transactions (statutory receivables)

The fair value of consumer debtors approximates the carrying amount thereof.

Receivables from non-exchange transactions (Statutory receivables) impaired

The amount of the provision for impairment was:

Traffic fines	11 295 370
Consumer debtors - Rates	228 342 590
	129 725 742

Interest raised for this period

During the 2021/2022 financial year, interest on outstanding receivables were calculated at a rate of 10% (2021: 10%) as per tariff structure.

Statutory receivables: GRAP 108

The Municipality applied the repo rate to discount the statutory receivables

The Municipality assess impairment based on payment report to assess indicators of impairment

Refer to Note 49 for the approach on impairment for statutory receivables

Value added tax

The municipality accounts for Value Added Tax on accrual basis for financial reporting purposes and on the cash basis for submissions of VAT 201 reports to SARS.

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6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	19 000	19 000
FNB Paymaster account	1 375 690	1 375 690
FNB Money Market account	235 707 133	235 707 133
FNB Revenue account	398 322	1 937 273
FNB Salaries account	304 146	2 705 062
Nedbank call account	50 531	48 682
Short-term deposits	54 804 163	52 309 937
ABSA Investments account	54 467 242	51 987 677
Nedbank Investments	55 340 098	52 786 381
VBS Mutual Bank (6 months notice)	39 500 000	50 000 000
VBS Mutual Bank - 12 months notice	100 000 000	100 000 000
Provision for impairment	(139 500 000)	(150 000 000)
	404 429 164	294 989 918

The municipality has made provision for the impairment of VBS Mutual bank because of the uncertainty regarding the recovery of the investment of R139,500,000 (2021: R 150 000 000).

The Municipality Fnb Revenue bank account is attached for an amount of R109,862,89 in respect of legal costs.

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2020
Primary bank accounts					
Paymaster General Account - FNB - 6206-334-5790	2 878 903	916 065	1 627 309	3 338 529	1 375 690
Revenue Account - FNB - 6206-334-2720	530 764	2 086 443	1 842 494	398 322	1 937 273
Salaries Account - FNB - 6206-334-5980	304 145	2 705 062	976 537	304 146	2 705 062
Total	3 713 812	5 707 570	4 446 340	4 040 997	6 018 025
					4 324 217

Figures in Rand

7. Investment Property

	2022	2021
Cost / Valuation	Accumulated depreciation	Carrying value
	and accumulated impairment	
108 452 569	-	108 452 669
		102 125 000
		-
		102 125 000

Investment property

Reconciliation of investment property - Reclassification

Opening balance	102 125 000
Gains (losses) on fair value adjustment	6 327 669
Total	108 452 669

Investment property

Reconciliation of investment property - 2021

Opening balance	333 261 000
Additions non cash	8 253 000
Gains (losses) on fair value adjustment	2 866 000
Disposals	(242 255 000)
Total	102 125 000

Investment property

Pledged as security

No investment properties was pledged as security for liabilities.

Details of property

The fair values are determined by independent property valuer using comparable sales valuation method and adjusted inflation rate (CPI).

Notes to the Annual Financial Statements

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7. Investment Property (continued)

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.

Classification difficulties

The municipality was faced with difficulties in classifying land properties in various locations within the municipal jurisdiction wherein there was no council resolutions granting the disposal, no service level agreements with the land developers nor the properties are owner-occupied. These properties were tested to determine whether these properties are held for undetermined use and meeting investment properties classification. Management judgement was applied and these properties were deemed as inventories. These properties were treated as such due to their proximity and similarities to the majority of the stands and land properties already treated as inventory and/or as supported by previous sales in same localities.

Notes to the Annual Financial Statements

Lepelle-Nkumpi Local Municipality
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8. Property Plant and Equipment

	2022	2021
Land	Cost / Valuation	Accumulated depreciation and impairment
Buildings	40 180 291	(4 657 497)
Landfill Site Asset	89 037 801	(41 779 996)
Furniture and fixtures	20 517 743	(5 374 408)
Computer equipment	8 782 479	(8 059 977)
Infrastructure - Electricity	4 575 617	(3 111 338)
Infrastructure - Roads	20 457 190	(10 643 898)
Community assets	469 919 028	(100 396 884)
Capital work in progress	263 888 860	(110 326 970)
Other movable assets (Motor Vehicles)	91 093 041	(2 357 425)
Plant and Machinery	47 534 165	(29 602 096)
Total	2 741 440	(2 216 778)
	1 058 827 655	(319 111 420)
	739 716 235	997 417 959
	2 356 551	(2 357 425)
	47 534 165	(2 357 425)
	97 456 146	(97 456 146)
	411 604 132	(85 792 409)
	20 457 190	(9 688 681)
	3 802 847	(2 852 219)
	8 781 175	(7 911 632)
	21 109 829	(4 786 207)
	89 050 091	(39 305 499)
	40 180 291	35 522 794
	34 937 641	49 744 592
	47 257 805	16 313 622
	15 143 335	950 628
	722 502	869 543
	1 464 279	8 782 479
	9 813 292	4 575 617
	369 522 144	8 782 479
	153 561 890	20 457 190
	88 735 616	263 888 860
	17 932 069	91 093 041
	525 662	47 534 165
	997 417 959	2 741 440
	2 356 551	1 058 827 655
	(2 357 425)	(319 111 420)
	(97 456 146)	(2 216 778)
	(85 792 409)	(2 357 425)
	325 811 723	(2 357 425)
	10 758 509	(2 357 425)
	950 628	(2 357 425)
	869 543	(2 357 425)
	(7 911 632)	(2 357 425)
	(4 786 207)	(2 357 425)
	(39 305 499)	(2 357 425)
	49 744 592	(2 357 425)
	16 313 622	(2 357 425)
	35 522 794	(2 357 425)
	34 937 641	(2 357 425)
	47 257 805	(2 357 425)
	15 143 335	(2 357 425)
	722 502	(2 357 425)
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Lepelle-Nkumpi Local Municipality
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Notes to the Annual Financial Statements

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8. Property Plant and Equipment (continued)

Reconciliation of property plant and equipment - 2022

	Opening Balance	Disposals	Additions	Transfers	Other Movements	Depreciation	Impairment loss	Total
Land	36 522 792	(373)	-	-	-	(2 486 414)	-	34 937 641
Buildings	49 744 592	(545)	-	-	(581 720)	(588 022)	-	47 257 805
Landfill Site asset	16 313 621	-	-	-	-	(34 013)	(6 374)	15 143 335
Plant and machinery	181 160	-	384 890	-	-	(133 101)	(15 245)	525 662
Furniture and fixtures	869 543	-	1 303	-	-	(291 080)	(5 330)	722 501
Computer equipment	950 628	(9 516)	819 576	-	-	(945 217)	-	1 464 279
Infrastructure - Electricity	10 758 509	-	-	-	-	(14 081 002)	-	9 813 292
Infrastructure - Roads	325 811 755	(6 671)	65 663	58 595 321	-	(8 441 378)	(4 449 563)	369 522 144
Community assets	157 469 842	(2)	-	9 083 036	-	-	-	153 661 890
Capital work in progress	95 259 244	-	61 154 652	(67 678 357)	-	(2 524 196)	(5 627)	88 735 616
Other movable assets (Motor Vehicles)	20 461 892	-	-	-	-	-	-	17 932 069
	713 343 578	(17 107)	62 426 084	-	(581 720)	(29 524 423)	(5 930 181)	739 716 234

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8. Property Plant and Equipment (continued)

Reconciliation of property plant and equipment - 2021

	Opening balance	Disposals	Additions	Transfers	Other Movements	Depreciation	Impairment loss	Total
Land	35 522 794	-	-	-	-	-	-	35 522 794
Buildings	53 419 817	(142 516)	273 763	-	-	(3 400 620)	(405 852)	49 744 592
Landfill Site Asset	15 109 666	-	-	-	1 215 064	(11 109)	-	16 313 621
Plant and machinery	286 266	(7 366)	-	-	-	(82 012)	(15 733)	181 160
Furniture and fixtures	1 496 888	-	-	-	-	(620 057)	(7 289)	869 543
Computer equipment	890 248	-	450 218	-	-	(376 588)	(13 251)	950 628
Infrastructure - Electricity	7 457 556	-	-	4 623 503	-	(1 313 868)	(8 682)	10 758 509
Infrastructure - Roads	257 871 165	(41 208)	-	81 687 922	-	(13 235 720)	(370 448)	326 811 722
Community Assets	154 778 792	(2 788)	-	12 780 345	-	(7 992 947)	(2 093 558)	157 469 755
Capital work in progress	147 046 170	-	47 215 840	(99 002 766)	-	-	-	95 259 322
Other movable assets (Motor Vehicles)	23 566 070	(120 027)	556 500	-	-	(3 540 667)	-	20 461 892
697 445 433	(313 905)	48 496 321	(10 996)	1 215 064	(30 573 588)	(2 914 813)	713 343 578	

Assets whose title is restricted and pledged as security

No property, plant and equipment were pledged as security for any financial liability.

Details of properties

During the financial year, the municipality has received amounts for reimbursement due to loss of assets from the insurer. The amounts received are detailed below, an amount of R11,181,53 has been received from Guard Risk Holdings Limited for laptops stolen. An amount of R10 387,98 was deducted from the terminal payout benefits for a departing employee for laptops lost/stolen.

Notes to the Annual Financial Statements

Figures in Rand

8. Property Plant and Equipment (continued)

Reconciliation of Work-in-Progress - 2022

Included within	Included within	Included within	Included within		
Buildings	Community	Infrastructure	Total	Opening balance	Additions/capital expenditure
24 392 677	15 064 452	55 802 114	95 259 243	24 392 677	24 392 677
-	10 728 693	50 425 959	61 154 652	-	-
-	(9 083 036)	(58 595 321)	(67 678 357)	-	-
	16 710 109	47 632 752	88 735 538		
Transferred to completed items					

Reconciliation of Work-in-Progress 2021

Included within	Included within	Included within	Included within		
Buildings	Community	Infrastructure	Total	Opening balance	Additions/capital expenditure
24 392 677	21 934 744	100 718 749	147 046 170	24 392 677	24 392 677
-	5 910 053	41 305 787	47 215 840	-	-
-	(12 780 345)	(86 222 422)	(99 002 767)	-	-
	15 064 452	55 802 114	95 259 243		
Transferred to completed items					

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

Buildings	32 978	144 484
Infrastructure	981 075	1 670 963
Other assets	7 360 968	5 324 675
	8 375 021	7 140 122

Notes to the Annual Financial Statements

Figures in Rand

8. Property Plant and Equipment (continued)

Slow moving projects

The following projects are identified as slow moving:

Project description	Reason for slow moving	Amount
Revitalisation municipal building (Civic)	In progress (Budget constraints)	1 416 859
Upgrading of VTS from Grade B to A	In progress (budget constraints)	609 114
Upgrading of Malakabaneeng road to tar	In progress (budget constraints)	775 232
road to tar	In progress (Delay in finalisation of SCM reappointment	20 870 251
In progress (budget constraints) 775,232 Extension of Municipal offices	In progress (Delay in finalisation of SCM reappointment	
Construction of Magalie Thusong centre	In progress (budget constraints)	1 496 455
Construction of Madisha Ditoro Community hall	In progress (Delay in finalisation of SCM reappointment	3 822 565
Construction of Mathibela Stormwater	In progress (budget constraints)	1 336 726
Construction of Rakgoatha Stormwater	In progress (budget constraints)	932 530
Highmast lights Maruleng	In progress (Awaiting ernegisation by Eskom)	207 442
Highmast lights - Makgothane	In progress (Awaiting ernegisation by Eskom)	207 442
Highmast lights - Mashite	In progress (budget constraints)	36 221
Electrification - Mawaneeng	In progress (budget constraints)	34 223
Electrification - Matime	In progress (budget constraints)	17 208
Upgrading of Parks in LebowaKgomo F.B,H,S,R	In progress (budget constraints)	290 600
Recreational Facility Majiane	In progress (budget constraints)	1 387 091
Design: street and stormwater (Hlakano) KM	In progress (budget constraints)	1 129 559
Stormwater Drainage: Mogotlane	In progress (budget constraints)	1 101 903
Electrification of Tjane Village (Elect of Ngwaname & Mafefe (120)HH)	In progress (budget constraints)	124 950
Electrification of Byidrift Village	In progress (budget constraints)	200 070
Electrification of Mogoto village	In progress (budget constraints)	88 047
Electrification of Makhushwaneeng village	In progress (budget constraints)	663 721
Electrification of Makgophong 110	In progress (delays due to procurement process)	1 122 658
Electrification of Kliphuwel 25 HH	In progress (delays due to procurement process)	122 547
Construction of 0.8km Roads & Stormwater at Zone B	In progress (delays due to procurement process)	780 731
		39 189 029

9. Intangible assets

Notes to the Annual Financial Statements

Lepelle-Nkumpi Local Municipality
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Figures in Rand

		2022		2021	
Computer software	Reconciliation of intangible assets - Reclassification	Computer software	Reconciliation of intangible assets - 2021	Computer software	Reconciliation of intangible assets - 2021
Cost /	Accumulated	Carrying value	Valuation	Cost /	Accumulated
Valuation	amortisation			amortisation	
	and			and	
	accumulated			accumulated	
	impairment			impairment	
938 145	(783 391)	154 754	938 145	(783 391)	154 754

		2022		2021	
Computer software	Reconciliation of intangible assets - 2021	Computer software	Reconciliation of intangible assets - 2021	Computer software	Reconciliation of intangible assets - 2021
Opening	balance	Opening	balance	Opening	balance
154 754	154 754	154 754	154 754	154 754	154 754

Intangible assets with indefinite lives:
Other information
Intangible assets comprise of computer software with indefinite useful life. These assets are not amortised. The intangible assets with indefinite life are assessed annually for impairment. Whenever there is an indication of impairment, the intangible assets are impaired.

Lepelle-Nkumpi Local Municipality

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Notes to the Annual Financial Statements

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10. Heritage assets

2022					2021	
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value	
183 684	-	183 684	183 684	-	183 684	
Art Collections, antiques and exhibits					Reconciliation of heritage assets Reconciliation	
Art Collections, antiques and exhibits					Reconciliation of heritage assets 2021	
Art Collections, antiques and exhibits					Opening balance	
					183 684	183 684
					Total	183 684
Art Collections, antiques and exhibits					Opening balance	
					183 684	183 684
					Total	183 684

Notes to the Annual Financial Statements

Figures in Rand

2022
2021

11. Payables from exchange transactions

Trade payables	216 556	213 421
Retentions	23 192 275	24 938 654
Leave provision	8 348 081	12 258 888
Bonus provision	2 652 543	2 536 372
Traffic department creditor	48 714	48 714
Debtors with credit balances	1 847 525	1 714 189
CDM Advance Account: R&M	68 169	68 169
Accruals	15 890 819	13 024 568
Bank suspense	5 088	4 767
CDM Creditor	26 723 153	28 795 328
Deposits Various	103 516	134 016
Unallocated deposits	6 361 125	6 277 655
Traffic department - 80:20 split	1 036 423	1 236 777
SABS	161	161
Prodiaba	58 065	56 406
Road transport management	55 368	63 576
	86 607 581	91 371 661

The fair value of trade and other payables approximates their carrying amounts.

12. Consumer deposits

Consumer deposits	2 094 161	2 018 061
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No interest is paid on consumer deposits.

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts	16 827 215	19 918 898
MIG	6 135	6 135
CDM : Halls	300 000	300 000
CDM : Stadiums	16 455	16 455
CDM : Eradication of Alien Plants	377 308	377 308
CDM : Integrated Transport Plan	4 000 000	-
Integrated National Electrification Programme	1	-
EPWP	280 239	-
FMG	7 599	-
Municipal Disaster Relief	21 814 952	20 618 796

The amounts will be recognised as revenue when conditions have been met.

The extent of government grants recognised in the Statement of financial performance relates to the portion of the grant where the conditions have been met.

Unfulfilled conditions and other contingencies attaching to government assistance has been recognised as a liability in the Statement of financial position.

See note 24 for reconciliation of grants from National/Provincial Government.

Notes to the Annual Financial Statements

Figures in Rand

14. Provisions

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

Environmental rehabilitation

2 066 478	2 433 480
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Reconciliation of provisions - Reclassification

Environmental rehabilitation

Opening Balance	2 433 480
Additions	214 718
Change in CPI	(581 720)
Total	2 066 478

Reconciliation of provisions - 2021

Environmental rehabilitation

Opening Balance	1 134 353
Additions	84 063
Change in CPI	1 215 064
Total	2 433 480

Environmental rehabilitation provision

The provision is made in terms of the licensing stipulations. The Provision has been determined on the basis of the recent independent study by taking into account a number of factors to the design, manner of operations and rehabilitation measures proposed which was assessed, investigated and tested. There is no anticipated environmental harm, groundwater pollution, leachate leakage that could be found. The municipality did not alter any structure and infrastructure to the existing landfill. The CPI is used for determining the future value of current costs in the year when the cost is projected to be incurred. The CPI figure used in the GLCCM is based on the three-month average CPI for the quarter that includes the financial year-end date. The average of the CPI for the last three months amounted to 6.6085%.

The amount of the discounted landfill closure provision of R2,066,478 represents a net decrease of R367,002 over the provision of R1,134,352 in the previous financial statements. The net decrease comprise an increase of R214,718 due to the passage of time, and a decrease of R581,720 due a change in CPI and discount factor.

The current expected remaining life of the landfill is estimated at 53 years, after which the resulting outflows of economic benefits or service potential is expected.

Rehabilitation and closure report was compiled by Environmental and Sustainability Solutions CC appointed by the Council.

Changes in the present value of provision for landfill rehabilitation are as follows:

Opening balance
Additions

2 433 479	1 134 352
2 066 477	(367 002)
2 433 479	1 299 127

Notes to the Annual Financial Statements

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15. Employee benefit obligations

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

		2022		2021	
Long service awards	Reconciliation of provisions - 2022	Opening balance	Additions	Reductions	Closing balance
	Long service awards	4 754 093	1 340 585	(686 189)	5 408 489
Long service awards	Reconciliation of provisions - 2021	Opening balance	Additions	Reductions	Closing balance
	Long service awards	3 313 486	2 107 037	(666 430)	4 754 093

Long Service Award

Employees qualify for the long service awards in terms of the SALGA collective agreement. The employees will qualify for long service award for every five years of service completed, from ten years of service to 45 years of services in the following manner:

Completed service (Years)

Long service bonus awards (Number of days)	Determination of cash bonus
- 10 year	10/250x Annual Salary
- 15 years	20/250x Annual Salary
- 20-45 years	30/250x Annual Salary

In the month that each "Completed Service" milestone is reached, the employee is granted a long service award. Working days awarded are value at 1/250 of annual salary per day.
An actuarial valuation of the obligation has been performed by One Pangea Expertise and Solutions on all 197 employees that are entitled to long service awards as at 30 June 2022.

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

		2022		2021	
Carrying value	Long service awards - Non current portion	4 969 366	4 243 080	5 408 489	4 754 093
	Long service awards - Current portion	439 123	511 013	(439 123)	(511 013)
Non-current liabilities		(4 969 366)	(4 243 080)	(5 408 489)	(4 754 093)
Current liabilities		(439 123)	(511 013)	(439 123)	(511 013)

Changes in the present value of the defined benefit obligation are as follows:

		2022		2021	
Long service awards	Opening balance	4 754 093	3 313 486	5 408 489	4 754 093
	Net expense recognised in the statement of financial performance	654 396	1 440 607	(654 396)	(1 440 607)

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15. Employee benefit obligations (continued)

Net expense recognised in the statement of financial performance

Current service cost	416 685	307 942
Benefit vesting	(686 189)	(666 430)
Interest cost	360 787	289 715
Actuarial (gains) losses	563 113	1 509 380
	654 396	1 440 607

Key assumptions used

Assumptions used at the reporting date:

Average retirement age	63 years	63 years
Discount rates used	10,60 %	8,02 %
Expected increase in salaries	7,74 %	5,43 %

16. Service charges

Refuse removal (Lebowakgomo)	5 790 135	6 422 321
Landfill proceeds	24 105	11 012
	5 814 240	6 433 333

17. Rental of facilities and equipment

The municipality has entered into various leasing arrangements which range from a minimum of 3 years and maximum period of 35 years

Operating lease revenue

Not later than one year
Later than one year and not later than 5 years
Later than 5 years

Rental of communication network
Rental of facilities

312 921	5 981 280	-
1 134 904	4 533 455	-
44 956	226 024	270 633
630 744	44 609	675 700
		270 633

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18. Water and sanitation : Commission Earned	
Commissions received	
35 504 199	2022
31 254 727	2021

Lepelle-Nkumpi Municipality entered into a principal agent relationship with the Capricorn District Municipality (CDM) whereby the Municipality performs collection of revenue relating to water and sanitation on behalf of the District Municipality.

Lepelle-Nkumpi Municipality is the agent as defined in GRAP 109 as it has been directed by Capricorn District Municipality (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

The current signed SLA allows Lepelle-Nkumpi to receive 30% of the revenue collected during the current year (2022: 30%). There were no changes to significant terms and conditions during the reporting period.

There are no significant risks attached to the arrangement.

Refer to Note 11 for details of the liability resulting from the arrangement.

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19. Agency fees: Licences and permits	2022	2021
Licences and permits: Department of transport	5 624 869	5 869 134

Lepelle-Nkumpi Municipality entered into a principal agent relationship with the Department of Transport (DOT) whereby the Municipality performs vehicle registration and licencing functions on behalf of the Department of transport.

Lepelle-Nkumpi Municipality is the agent as defined in GRAP 109 as it has been directed by Department of Transport (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

Lepelle-Nkumpi Municipality receives a fixed fee of 20% of all monthly revenue collected in respect of licencing and registration of motor vehicles and shall deposit 80% of the said revenue collected on a monthly basis to Department of Transport Account on or before the 15th day of each month. Department of Transport and Community Safety signed service level agreement addendum on the 29th of April 2022 which state that municipality as the agent will receive a fixed fee of 30% of all monthly revenues collected in respect of licencing and registration of motor vehicles for the month of April and May 2022.

There are no significant risks attached to the arrangement.

Refer to Note 11 for details of the liability resulting from the arrangement.

20. Other revenue

Tender Revenue	1 078	7 325
Application fees: pto - residential	75 609	74 291
Transfer of property	2 261	1 257
Advertising boards	124 188	127 159
Burial fees	214 828	12 420
Building plans : Building and residential	57 650	24 939
Building plans : Rural	18 431	29 841
Connection fees: water	180 585	62 075
Skills development program	3 391	6 389
Application fees: pto - business	4 369	4 721
Consolidation fees	719	586
Drain blockage	843	2 381
Rezoning application	223	1 379 869
Gain on inventory write down reversal	686	654
Instructor certificate	37 654	33 679
Clearance certificate	94 379	87 408
Proof of residence	32 261	18 411
Special consent	469	340
Stop Clock	22 132	2 855
Mortgage Bonds	1 268 462	430 301
Sundry Income	3 913	2 685
Relocations of Beacons	1 210	1 284
Reconnection fees	10 400	50 000
Reservation of graves	41	22
Trading	4 172 854	-
Sale of Sites	10 500 000	-
VBS recoveries	7 889 990	-
Leave provision charge	24 718 626	2 365 045

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21. Finance income - Exchange

Interest revenue	3 569 119	16 381 801
Interest receivable - Exchange receivables	3 873 551	12 812 682
Interest receivable - External investments	8 560 542	-
Interest receivable - Current accounts	18 247	12 452 340
		16 381 801

22. Property rates

Rates		
Residential	15 134 892	14 479 890
Commercial	4 344 241	6 006 271
State	8 008 577	8 060 004
Agriculture	3 186 928	3 204 113
	30 674 638	31 750 278

Valuations		
Residential	3 024 435 690	2 970 183 690
Commercial	825 864 000	832 778 000
State	2 006 652 101	2 200 762 400
Small holdings and farms	2 957 753 000	2 981 074 000
	8 814 704 791	8 984 798 090

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2017. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

23. Finance income - Non exchange

Interest receivable - Non-Exchange receivables	14 209 575	12 791 733
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24. Government grants & subsidies

	2022	2021
Revenue from exchange	275 926 000	318 512 846
Equitable Share	1 719 761	2 000 000
Finance Management Grant	1 969 000	1 906 000
EPWP	-	-
Revenue from non exchange	45 174 684	35 107 766
Municipal Infrastructure Grant	5 617 401	-
Municipal Disaster Relief	-	-
Revenue from exchange	50 792 085	35 107 766
330 406 846	357 526 612	

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Equitable Share

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

Finance Management Grant (FMG)

Balance unspent at beginning of year	-	165 846
Current-year receipts	2 000 000	-
Conditions met - transferred to revenue	(1 719 760)	(2 000 000)
Other	-	(165 846)
	280 240	-

Conditions still to be met - remain liabilities (see note 13).

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003.

Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	19 918 897	16 026 663
Current-year receipts	57 085 000	39 000 000
Conditions met - transferred to revenue	(45 174 683)	(35 107 766)
Withheld	(15 002 000)	-
	16 827 214	19 918 897

Conditions still to be met - remain liabilities (see note 13).

This grant were used to construct municipal infrastructure to provide basic services for the benefit of poor households.

Integrated National Electrification Programme (INEP)

Current-year receipts

-	4 000 000
---	-----------

Conditions still to be met - remain liabilities (see note 13).

This grant were used to construct municipal infrastructure to provide basic services for the benefit of poor households.

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2022
2021

24. Government grants & subsidies (continued)

There are no conditions still to be met in the current year (see note 13).

EPWP

Current-year receipts	1 969 000	1 906 000
Conditions met - transferred to revenue	(1 969 000)	(1 906 000)
	-	-

Conditions still to be met - remain liabilities (see note 13).

CDM:Refurbishment of Mamaolo Hall

Balance unspent at beginning of year	6 135	6 135
--------------------------------------	-------	-------

Conditions still to be met - remain liabilities (see note 13).

CDM:Selepeng Diamond Softball

Balance unspent at beginning of year	300 000	300 000
--------------------------------------	---------	---------

Conditions still to be met - remain liabilities (see note 13).

CDM:Eradication of Alien Plants

Balance unspent at beginning of year	16 455	16 455
--------------------------------------	--------	--------

Conditions still to be met - remain liabilities (see note 13).

CDM Integrated Transport plan

Balance unspent at beginning of year	377 308	377 308
--------------------------------------	---------	---------

Conditions still to be met - remain liabilities (see note 13).

CDM Waste management Cleaning

Balance unspent at beginning of year	(40 000)	(40 000)
--------------------------------------	----------	----------

Conditions were met and the grant was overspent by R40 000 during the 2019 financial year. This amount is disclosed under debtors (see note 4).

Disaster management grant

Current-year receipts	5 625 000	-
Conditions met - transferred to revenue	(5 617 401)	-
	7 599	-

Conditions still to be met - remain liabilities (see note 13).

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2021	2022
6 327 669	6 764 556
(231 136 000)	(232 645 380)
(563 113)	
(1 509 380)	

25. Fair value gains or (losses)

Fair value on land
Actuarial loss on remeasurement of Long service award

In 20/21 and 2021/22 financial years, a revaluation was performed on Investment properties which consists of vacant land (encroached land, residential stands, business stands and shopping malls).

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26. Employee related costs

	2022	2021
Basic	59 979 972	58 186 677
Bonus	4 797 555	3 637 680
Medical aid - company contributions	3 668 810	3 637 680
UIF	426 083	378 903
SALGBC	23 967	23 942
Leave pay provision charge	196 465	-
Pension Funds - Company contribution	11 523 890	11 661 465
Travel, motor car, accommodation, subsistence and other allowances	9 843 309	11 737 128
Overtime payments	1 551 479	959 569
Long-service awards	911 744	597 657
Acting allowances	1 935 723	1 552 477
Housing benefits and allowances	252 700	285 495
FMG Intern allowance	331 881	498 468
Non Pensionable	647 000	-
	96 083 516	94 726 721

Remuneration of Acting municipal manager - Gatane LA

Other allowances

	2022	2021
Remuneration of Acting Municipal Manager - Mankga K.G (May 2021 to Current)	20 709	3 123
Acting allowance		

Remuneration of Chief Financial Officer - Mankga K.G (From Jan 2021 - Current)

Annual Remuneration	715 558	266 521
Car Allowance	306 667	153 334
Contributions to UIF, Medical and Pension Funds	183 140	91 286
Cellphone Allowance	24 000	12 000
	1 229 365	523 141

Remuneration of Executive directors

Director: Technical Services - Ruiter R.S

Annual Remuneration	-	182 289
Car Allowance	-	85 010
Contributions to UIF, Medical and Pension Funds	-	16 067
Leave pay out	-	69 821
Other	-	6 000
Severance package	289 365	-
	289 365	359 187

Director: Community Services - Morosawi T.S (1 July 2021 - August 2021)

Annual Remuneration	69 548	462 857
Car Allowance	44 722	268 334
Contributions to UIF, Medical and Pension Funds	27 318	163 285
Cellphone Allowance	4 000	24 000
Leave payout	110 195	-
	255 783	918 476

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2022
2021

26. Employee related costs (continued)

Acting Director: Community Services - Mametja MZ

Acting allowance

3 382 7 765

Director: Corporate Services - Nogilana Raphela P.F

Annual Remuneration

810 426 631 779

Car Allowance

266 364 266 364

Bonuses

56 673 -

Contributions to UIF, Medical and Pension Funds

272 630 178 676

Cellphone Allowance

24 000 24 000

Director: Strategic Planning (LED) - Chosi S (April 2022 to date)

Annual Remuneration

178 889 -

Car Allowance

76 666 -

Contributions to UIF, Medical and Pension Funds

45 785 -

Cellphone Allowance

6 000 -

Acting Director: Technical Services - Bembe MAVM (Sept 2021 to Nov 2021) (Feb 2022 to April 2022)

Acting Allowance

16 614 -

Acting Director: Technical Services - Phasha MT (Jul 2021 to Aug 2021)

Acting allowance

4 888 26 889

27. Remuneration of councillors

Executive Major

887 428 905 259

Chief Whip

661 640 690 046

Speaker

702 236 733 088

Mayoral Committee Members

4 245 813 4 464 106

Councillors

15 006 911 14 501 682

MPAC and Ethics oversight members

902 901 1 071 092

Additional information

The Mayor, Speaker and Chief Whip are employed on a full-time. Each is provided with an office and secretarial support. The Mayor and Speaker has use of a Council owned vehicle.

Councillors' arrear consumer accounts

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

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27. Remuneration of councillors (continued)

	30-Jun-22		30-Jun-21	
	Outstanding less than 90 days	Outstanding more than 90 days	Outstanding less than 90 days	Outstanding more than 90 days
Mollo Ml	208	744	-	199
Kgweedi MM (Previous councillor upto 30 November 2021)	87	609	609	1 168
Ramalebana L.M (Previous councillor upto 30 November 2021)	332	8 189	6 940	7 163
Total	627	9 542	7 549	8 530

28. Depreciation and amortisation

Property Plant and Equipment	30 573 635	35 454 604
Impairment of assets - Property, plant and equipment	2 914 812	33 488 447

29. Finance costs

Interest on provision for landfill rehabilitation	214 718	84 063
---	---------	--------

30. Provision for impairments adjustment

CDM Advance Commission	25 350 220	27 116 477
Provision for impairment - Refuse	4 655 155	19 564 038
Provision for impairment - Traffic fines	3 948 117	20 311 242
Provision for impairment - Rates	20 311 242	54 264 734

Provision per Statement of Financial Position

CDM advance commission	161 691 778	134 575 301	27 116 477
Refuse	68 371 795	48 807 757	19 564 038
Traffic fines	11 295 370	8 159 951	3 135 419
Rates	228 342 591	129 725 742	98 616 849
469 701 534	321 268 751	148 432 783	469 701 534

Statement of Financial Performance charged to Movement

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31. Contracted services

Security Services	16 641 308	17 919 721
Landfill site	4 257 391	4 284 712
Forensic services	390 690	3 289 631
Legal fees	10 790 037	11 029 701
Consulting and professional fees	14 473 170	9 124 108
Other	3 383 377	3 542 759
	49 935 973	49 190 632

32. Other material

Inventories and stores	1 020 366	1 301 484
Materials and supplies	293 257	419 168
Environmental waste management	71 322	34 034
Printing materials	-	42 354
Cattle pound	23 625	17 400
R&M materials	397 737	474 642
OHS Expenses	29 994	143 289
	1 836 301	2 432 371

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33. General expenses

Accommodation and meals	414 990	903 495
Advertising	851 381	270 605
Auditors fees	5 610 700	4 809 407
Bank charges	64 673	28 562
Commission on SAPO/easy pay deposits	416 566	439 882
Bursaries - staff	7 026	103 052
Refreshments: Mayor's office	32 575	997
Bad debts written off	2 443 463	160 667
Insurance	2 093 714	2 894 925
Council: Function	788 044	104 442
Inventory write down reversal	410 699	923 564
Assessment rates & municipal charges	303 315	-
Council: skills development levy	3 469	113 006
Council: travel & subsistence	506 157	317 790
IT support services	142 831	199 097
Municipal vehicles - fuel	8 931 586	6 428 412
Municipal fleet - licensing	400 174	445 054
Postage	1 015 614	867 740
Printing and stationery	58 966	20 793
Internal audit services	18 875	15 796
Sale of sites	-	443 641
Protective clothing	1 133 423	869 815
Membership fees	1 735 220	1 729 170
Workmen's compensation	441 224	424 930
Subscriptions and system licensing	3 342 439	2 363 512
Telephone and fax	621 245	613 861
Substance and travelling allowance	1 462 254	708 833
Skills development levy	854 788	736 811
Risk management	619 526	40 000
Traffic uniform & tags	21 000	6 000
Ward committees	4 115 512	5 289 000
Refreshments - whippers office	-	487
Recruitment expenses	139 973	145 159
Municipal services	8 842 908	8 527 042
Hire charges	634 633	562 068
Deeds	781 680	496 376
Registration fees	72 808	290 000
49 333 451		42 293 991

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34. Cash generated from operations

Surplus (deficit)	59 990 432	(65 293 332)
Adjustments for:		
Depreciation and amortisation	35 454 604	33 507 880
Loss on disposal of assets	(6 141 339)	197 125
Fair value gains and losses	(5 764 556)	232 645 380
Debt impairment	148 432 781	54 264 734
Employee benefit obligation adjustment	(134 272)	1 440 629
Leave and bonus provision adjustment	(2 973 165)	(1 108 081)
Other non cash item	2 807 869	(1 295 981)
Loss on sale of sites	(410 699)	443 641
Gain on inventory write down reversal	(3 362 519)	(456 304)
Changes in working capital:		
Inventories	(3 793 877)	3 685 952
Receivables from exchange transactions	10 704 117	(36 711 878)
Receivables from non-exchange transactions	(63 224 370)	(38 114 545)
Payables from exchange transactions	(991 932)	(11 093 110)
VAT Payable/Receivable	-	(913 131)
Unspent conditional grants and receipts	1 196 155	3 726 388
Consumer deposits	76 100	56 825
	171 865 329	174 982 192

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35. Commitments

Authorised capital expenditure

Already contracted for but not provided for
• Property, plant and equipment

Total capital commitments
Already contracted for but not provided for

Authorised operational expenditure

Already contracted for but not provided for
• Mod Hope Properties
• MASCON
• Bonakude Consulting

Total operational commitments
Already contracted for but not provided for

Total commitments

Total commitments
Authorised capital expenditure
Authorised operational expenditure

29 806 688	12 141 463	29 806 688	12 141 463
8 057 291	8 033 082	8 057 291	8 033 082
37 863 979	20 174 545		

The following are contracts on which the value of the commitment could not be measured at year end:

Name of Contractors	Project name / Description	Approved contract amount, Excluding VAT
Selema Plant hire	Professional Service Provider for hiring of plant	Rate based
Thalema Trading Enterprise	Supply and delivery of Protective clothing for Rate based	Rate based
Mayambo intelligence transport solutions (pty) ltd	Traffic fines	Rate based
Babirwa travel agency	Travel management services	Rate based
Backpocket Trading and projects JV geomatics	Professional land surveying firm	Rate based
Ngwanakadaka Trading and projects	Supply and delivery of cleaning materials	Rate based
Agang Batau Trading and Projects	Supply and delivery of cleaning materials	Rate based
Batana Ncube Incorporated	Appointment of panel of attorneys	Rate based
SC Mudluli attorneys INC	Appointment of panel of attorneys	Rate based
Popela Maake attorneys	Appointment of panel of attorneys	Rate based
Modise Mabule INC	Appointment of panel of attorneys	Rate based
Makhubela attorneys	Appointment of panel of attorneys	Rate based
Mahowa inc incorporated	Appointment of panel of attorneys	Rate based
Verveen attorneys	Appointment of panel of attorneys	Rate based
White hall Trading and projects	Supply and delivery of traffic uniform	Rate based
White hall Trading and projects	Supply and delivery of printing service for 24 months	Rate based
Bakgaditse general trading enterprise	Supply and delivery of road maintenance materials	Rate based
Hackfort investments Pty ltd	Supply and delivery of Catridges	Rate based
Phelane Suppliers and services	Supply and delivery of Catridges	Rate based

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35. Commitments (continued)	
Cascade Pivotal	Supply and delivery of disaster relief material
LRP General Suppliers	Supply and delivery of photocopy papers
Morgan General trading	Supply and delivery of electrical materials
Rekgothe and sons Trading and projects	Supply and delivery of photocopy papers
litirele Serogole Enterprise	Supply and delivery of photocopy papers
Molaba Investment	Supply and delivery of photocopy papers
Bohlabatsatsi Trading and projects	Supply and delivery of photocopy papers
BCX	Implementation of MSCOA (SOLAR)
Lateral Union	Provision of Insurance
Manthabo 2 airconditioner	Cleaning of illegal dumping
Nora elle	Supply and delivery of toilet papers and wipes
Governor Risk Solution	Insurance Provision
Reakgona Travel	Panel of professional services for travel
Lebea attorneys	Legal representation
Mailtronic Direct Marketing Printing	Printing and folding of monthly Municipal statements for a period of 36 months
Fidelity Cash Solutions	Cash Collection Services for a period of 24 months
Manthabo 2 airconditioner	Supply, installation and maintenance of air conditioners for 24 months
Makgata construction	Supply and delivery of tools and materials
Kgole Institute	for air conditioners for 24 months
	Professional service for provision of training for employees and councillors for a period of 24 months
Bowman Gillian Incorporated	Provision of forensic investigation

36. Prior-year adjustments and Reclassification

The following prior period errors were identified and the corrections have now been made to amounts previously reported in the annual financial statements of the Municipality.

Trade and other payables

Payables from exchange transactions were overstated by R973,864.54 due to VAT included in the retentions. The error occurred in the 2021 financial year.

Property, plant and equipment

(a) Electricity infrastructure assets (Property, Plant & Equipment): are restated by R10,997 which relates to the a electricity project (Public Lighting @ Ward 6-9-11-15-16-17-) that was completed in the prior financial year but was identified and capitalised during the current financial year.

Receivables (exchange and non exchange)

Traffic fines amounting to R4,906,850 were incorrectly classified as sundry debtors resulting in an overstatement of receivables from exchange and understatement of receivables from non exchange transactions.

Irregular expenditure

Irregular expenditure was understated by R299,999 due to non inclusion of irregular expenditure identified during the audit.

Commitments

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36. Prior-year adjustments and Reclassification (continued)

Note	Balance as previously reported	Reclassification on	Error Identified	Restated Balance
	391 805 754	299 999	392 105 753	
	46 105 944	(33 964 481)	12 141 463	
	9 889 106	(1 856 024)	8 033 082	
	447 800 804	(35 520 506)	412 280 298	

Irregular expenditure
Commitments-Capital
Commitments-Operational

Reclassification

The municipality reclassified some classes of assets due to the need to provide better presentation. The assets maintained the same useful lives and as such, the reclassification did not result in a change in the depreciation expense.

Note

Balance as previously reported

Reclassification

Restated Balance

Infrastructure	334 094 947	(334 094 947)	325 811 721	325 811 721
Infrastructure - Roads	-	-	6 135 006	6 135 006
Infrastructure - Electricity	-	-	16 313 622	16 313 622
Landfill site Asset	22 463 223	(22 463 223)	181 160	-
Other Movable Assets	-	-	181 160	181 160
Plant and Machinery	-	-	869 543	869 543
Furniture and fixtures	-	-	950 628	950 628
Computer Equipment	-	-	20 461 892	20 461 892
Other Movable (Motor Vehicle)	67 283 146	(17 538 554)	49 744 592	49 744 592
Buildings	154 096 642	3 373 152	157 469 794	157 469 794
Community assets	577 937 958	1	577 937 958	577 937 958

Change in accounting policy

The Municipality applied a change in accounting policy from GRAP 104: Financial instruments to GRAP 108: Statutory receivables from 1 July 2021.

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37. Contingencies

1	David Makgadi - The municipality is sued for an amount of R72 435.17 for vehicle collision.	72 435	Total
2	Peter Makwela - The municipality is sued for an amount of R812 818.10 for non-allocation a developed land for business despite been requested to do so.	812 818	
3	Zacharias Jacobus Prinsloo DuToit - the municipality is sued an amount of R405 000.00 for negligence conduct	405 000	
4	Modiba Gololo - The municipality is sued an amount of R13 229.87 for negligence conduct.	13 230	
5	Ditsio Hudson Molaba - The municipality is sued for an amount of R220000.00 for unlawful arrest, assault and detention without a warrant of arrest	220 000	
6	Phillip Madimejya - The municipality is sued for an amount of R60 000 000.00 for loss of income.	60 000 000	
7	Mahlole Charles Rathanga - The municipality is sued for an amount R335 000.00 for breach of contract.	335 000	
8	Lerato Faith Kekana/Eva Frankie Ledwaba, the applicant instituted a claim against the respondent for damages as a result of her alleged unlawful arrest	155 000	
9	CV Chabane & Associates (Pty) Ltd - The municipality is been sued an amount R2 882 190.28 for services rendered (Construction of Civic center)	2 882 190	
10	Mphahlele Rasejya Dikeledi - The municipality is sued for an amount of R45 000 for negligence conduct.	45 000	
11	Legodi Franscinah - The municipality is sued for an amount of R27 947.10 for damages relating to dispossession.	27 947	
12	Sello Silas Sethosa - The municipality is sued for an amount of R80610.52 for vehicle collision.	80 611	
16	Unlawfull Occupiers Of Portion 22 - Illegal occupants filed the opposing papers to the interdictory intervention application. The municipality is being sued for R1 500 000	1 500 000	
20	Mashabane Jacob Ndhlozi, it is alleged that the Municipality has unlawfully and wrongly demolished the plaintiff's building structure and as a result the plaintiff suffered financial loss	17 500 000	
21	Mokoni Elmon Mabou, suing the Municipality for unlawful arrest and detention	350 000	
22	Wanthia Architects lodged a copyright claim against the Municipality	4 474 963	
23	Ledwaba Ndlovu Traditional and 71 others, it is alleged the Municipality wrongfully turned the arable field of Galedwaba into a cemetery yard since 1976	500 000	
24	Inzalo Enterprise Management (formerly Sebata Municipal Solutions), Municipality cancelled their contract due to non performance	4 945 572	
25	Stone Found Engineering Services, the service provider instituted claim against the Municipality claiming outstanding payment for retention for building a small access bridge at Magalie-Mapatsakeng	369 396	
		94 689 162	94 689 162

Should the action be successful the municipality does have insurance cover to cover litigation costs and claims.
There is no reimbursement from any third parties for potential obligations of the municipality.