HANTAM MUNICIPALITY

ANNUAL REPORT

2020/21

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As my valediction as Mayor of Hantam Municipality, I present our Annual Report for the 2020/2021 financial year in reflection of the municipality's performance for this time period. The report has been formulated in compliance with applicable legislation and canvasses the financial-, administrative- and governance performance of our institution.

Our region continues to buckle under the effects of an enduring drought, but regardless of considerable social- and economic challenges, Hantam Municipality continued driving forward towards a prospering future for our communities under the auspices of good governance.

Investors and stakeholders will continue to play an important role in the upliftment of our communities and job creation whilst local economic development is dependent on the involvement of these role players. Focus should remain on investing locally, employing and equipping our own people to rise up as entrepreneurs and business builders.

Hantam continuously strives towards the effective execution of our mandate for service delivery and we can report that despite an unpreparedness to face the water supply challenges a few years ago, water supply to our communities is now stable and of good quality.

We are taking bold steps in ensuring sustainable energy sources for our towns whilst benefitting our communities to the maximum with job creation.

We trust that we will attain more unqualified audit outcomes in future which serves as proof to our commitment towards transparent management of the resources under our custodianship.

Lastly, I thank Hantam's committed Council and Administration under our competent municipal manager for their concerted efforts and unflinching commitment in the past which ensured our current stability and progress. I leave my office with contentment on the progress of Hantam Municipality and pray that God will bless our region beyond expectation in the future.

Cllr. RN Swartz

MAYOR

CHAPTER 1: EXECUTIVE SUMMARY

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

Despite all our challenges, it is with great honour that I present the 2020 / 21 Annual Report, as the last step in the accountability continuum of the IDP cycle for the year 2020 /21 under review. This document reports on activities of the Municipality for the year under review, especially on the performance of service delivery and on the implementation of the SDBIP of the outgoing Council.

This Annual Report provides a record of the activities of the Municipality for the year under review and reports on the performance in service delivery and implementation of the budget. Schedule 4B and 5B of the constitution of the Republic of South Africa that sets out the functions and powers of municipalities.

Hantam Municipality has delivered on all its strategic objectives, despite the challenges which includes:

- Provide municipal basic services to meet demands of population and development challenges
- Maintain sufficient revenue sources to enable the municipality to meet its constitutional obligations
- Maintain sufficient organizational resources,
- Enhance the involvement of the public in the development and decision-making processes and provide ethical and professional services to support the needs of the communities
- Coordinate SMME development
- Ensure quality water security to all residents in Hantam
- The COVID-19 pandemic, etc.

Although, we have experience challenges with Covid -19, on our financial Sustainability, we paid COVID-19 allowances until Level 2 to our colleagues, to recognize their efforts, fighting against this COVID-19 pandemic and for the continuation of service delivery.

Our policies cater for all groups of residents which includes the writing-off of bad debts, discount on property rates, etc.

Hantam Municipality, will in its relentless pursuit of delivering on its constitutional mandate, remain resolute in implementing its strategic objectives which will result in a better life for all the citizens of the Hantam municipal area.

Our condolence to all our colleagues families who passed away due to COVID-19, during the past year.

My heartfelt and sincerest gratitude goes towards the outgoing Council, senior management, staff and community for their continued support. I thank you.

JI Swartz

MUNICIPAL MANAGER

CHAPTER 1: EXECUTIVE SUMMARY

1.2 Municipal Functions, Population and Environmental Overview

This report addresses the performance of the Hantam Municipality (HM) in the Northern Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2020/21 annual report reflects on the performance of the HM for the period 1 July 2019 to 30 June 2020. The annual report is prepared in accordance with Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an annual report for each financial year.

1.2.1 Vision and mission

a) Vision

"An enabling environment with sustainable service delivery and equal opportunities to ensure a better life for all"

b) Mission

"To create an enabling environment through good governance, sustainable service delivery, financial management, investments and intergovernmental co-operation, where all can reach their full potential"

c) Strategic objectives

- ***Infrastructure Development and Basic Service Delivery***
- ***Instatutional Development and Transformation***
- ***Economic Development***
- ***Financial Sustainable and viability***
- ***Good governance and public participation***

1.2.2 Demographic information

a) Municipal geographical information

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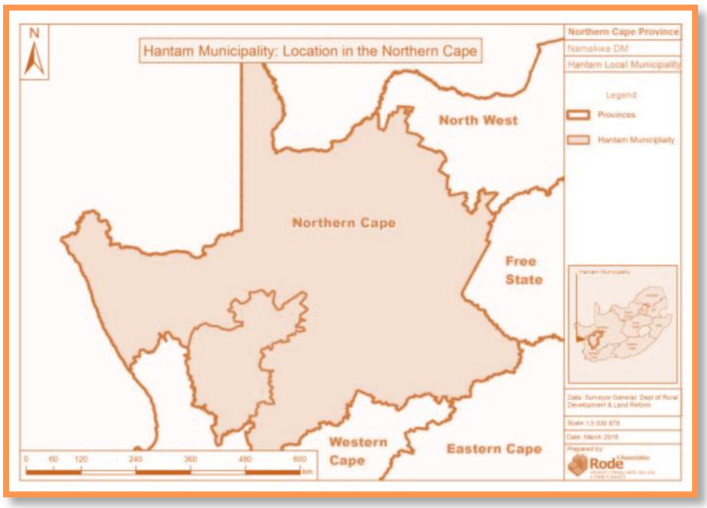
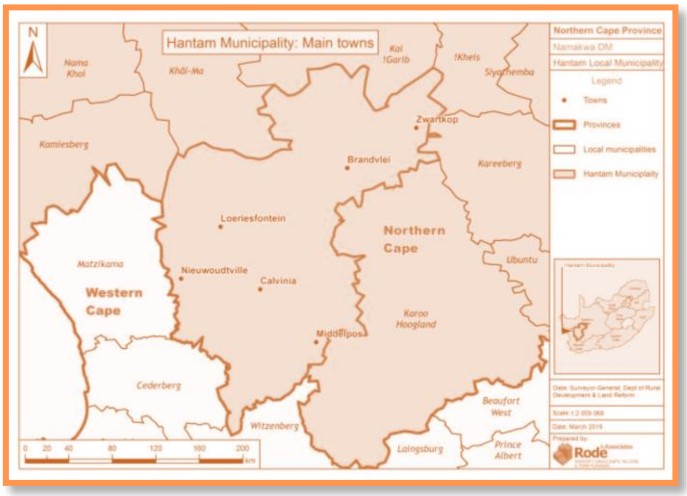


The jurisdiction of the Hantam Municipality covers an area of 36 128 km², which constitutes 28% of the total area (viz. 126 836 km²) of the Namakwa District municipality within which it lies. The Hantam Municipality is located in the south-western segment of the district and wedged mainly between both Northern Cape and Western Cape municipalities. The Northern Cape municipalities are the Karoo Hoogland, Kareeberg and Kheis municipalities (to the east), Kamiesberg and Khai-Ma municipalities (to the west), and Kai !Garib (to the north). The Western Cape municipalities are Matzikama and Cederberg Municipalities (to the west) and Witzenberg Municipality (to the south). The following maps show the location of the municipality in the province (see Map 1) and the regional location with the main towns (see Map 2).



Map 2: The HM includes Calvinia (the centre), Brandvlei, Loeriesfontein, Middelpos, Nieuwoudtville and Swartkop. The HM is one of six local municipalities that form part of the Namakwa District Municipality. Calvinia is approximately 400 km from Cape Town, Springbok, Upington and Beaufort West and links to the surrounding towns via the following roads:

- R27 to Nieuwoudtville in the west and to Brandvlei in the north-east
- R63 to Williston in the east
- R354 to Middelpos which lies to the south-east
- R355 to Loeriesfontein which is situated to the north-west of Calvinia

Low accessibility is a restriction to economic development in the area. A 1 250 meter tarred landing strip, which is situated close to Calvinia, is currently being used by many tourists who wish to visit this beautiful part of the Northern Cape and by the Red Cross for emergency.

Figure 1: Maps of Hantam Municipal Area

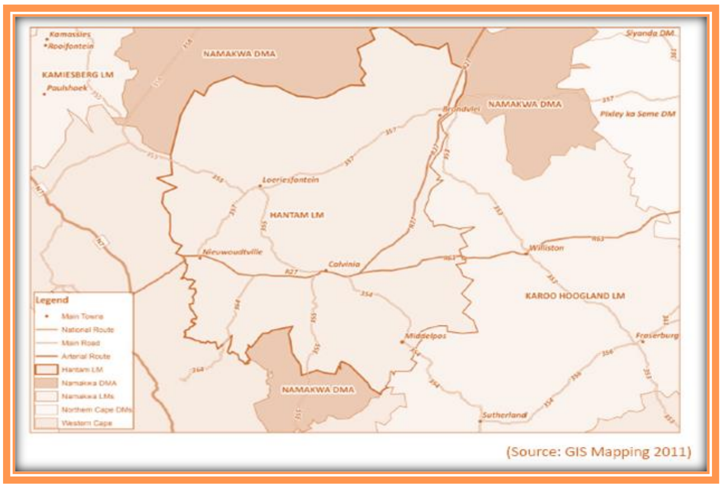
Seventy per cent of the population of approximately 21 505 people live and work in the towns. Farming is the main contributor to the economy, namely sheep, wool, lucerne and rooibos tea. Numerous government departments are situated in Calvinia. Hantam is well known for its wide-open spaces, stunning mountain ranges and nature reserves filled with an incredible array of plants and bulbs which are indigenous to the area.

Below are some characteristics of the settlements/towns within the municipal area, viz. Calvinia, Loeriesfontein, Nieuwoudtville, Brandvlei, Middelpos and Swartkop:

- It is a small-town sub-region with a mix of sparsely populated towns and low levels of development despite the strategic location of some towns in terms of road and rail transport corridors. Unfortunately, the railway line that served for many years as the primary conduit for the transportation of agricultural products from Calvinia, has fallen into disuse.

- Calvinia serves as the main agricultural service centre with the associated transport infrastructure shaping the (original) spatial structure of the town. In the second half of the previous century, the form-giving ideology of apartheid spatial planning (re)shaped the urban configuration into racially segregated residential neighbourhoods and a single central business area.
- The highest population densities are in (lower-income) neighbourhoods with sub-standard quality of services and urban environment.
- Limited construction of residential and non-residential buildings (in number and size).
- Home availability and affordability problems owing to a supply-side that has not been keeping up with demand, and worryingly, may lead to overcrowding. In this regard, backyard-living must be acknowledged as a legitimate form of housing, provided it does not compromise safety and health standards. Also, not to be ignored, is the extra income that homeowners earn in this manner.
- Degradation of environmental, heritage and agricultural assets.

Lack of addressing the climate vulnerability of urban areas through adopting and implementing specific adaptation measures.



(Source: GIS Mapping 2011)

Figure 2: Map of Hantam road infrastructure

The Municipality is currently structured into the following wards:

Ward	Areas
1	Calvinia
2	Calvinia
3	Brandvlei and Zwartkop
4	Nieuwoudtville and Middelpos
5	Loeriesfontein

Table 1: *Municipal wards*

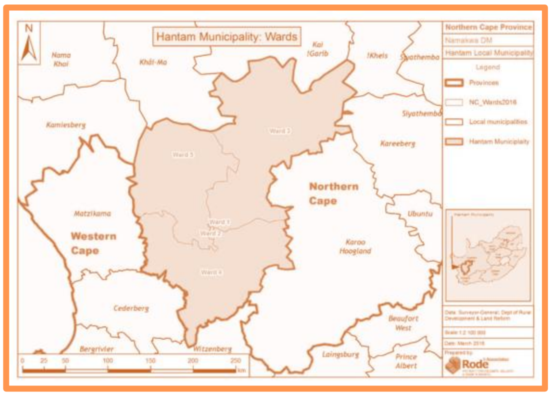


Figure 3: Map: Hantam Municipal Wards

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Calvinia

Calvinia is named after the French religious reformer Jean Calvin. The town is just south of the Hantam mountains on the banks of the Oorlogskloof (meaning "War Ravine") River. Calvinia enjoys 80% starlight and is renowned for its kaleidoscope of spring wildflowers coinciding with the Namaqualand wildflower spectacle.

The name Hantam is derived from the Khoisan word Han-ami, which refers to a plant with edible roots (Pelargoniumbifolium, in Afrikaans "uintjies"). Han-ami means "where the red bulbs grow". The first reverend, N.J. Hofmeyr, proposed that the church be named after John Calvin. On 30 October 1851, the town was officially named Calvinia. It became a municipality in 1904.

The Calvinia Museum is housed in the former art deco-styled jewish synagogue built in 1920. The museum portrays the lives of the early European settlers. It displays a cedar woodhorse mill and mounted cape fat-tailed, merino and dorper sheep. Unusual specimens, such as a 4-legged ostrich, can also be viewed here. The Akkerendam Nature Reserve is located three kilometres north of Calvinia. The reserve offers unique flowers and two hiking trails across the Hantam mountain range. The indigenous and rare sterboom (literally translated "star tree") (Cliffortiaarboreais) can be seen here.The Hantam Meat Festival, an agricultural show and great barbecue (Afrikaans "braai"), takes place every year in late August.

Brandvlei

Brandvlei is a small town in the Karoo region of the Northern Cape. This is where a 19th-century trekboer called 'Ou Brand' settled. Brand camped at this spot at the Sakrivier, a dry riverbed, which only occasionally had water after good rains and which typically resulted in flash floods. The settlement was divided into two by such a flood in 1962.Brandvlei is located in the Bushmanland, also known as the Thirst Land ("Dorsland" in Afrikaans). This area was once sub-tropical during the Miocene period and many fossils have been found which date to this period. After it was recovered, a municipality was formed in today, however, this region contains very scarse vegetation, primarily consisting of low shrubs and yellow grass among a rocky desert kind of landscape.

Tourist Attractions:

- Birdlife – The salt pans are revived into bird sanctuaries after the summer rains,
- Dutch Reformed Church –a visit to the old Neo-Gothic style Dutch Reformed Church,
- Lekkerlêen Kans – Two farms exhibiting splendid displays of San rock engravings,
- Paragliding – In 1993 the record set for greatest gain in height was set in Brandvlei (4 526m). The Karoo area is very thermic and has set multiple paragliding world records over the years.

Loeriesfontein

The town of Loeriesfontein lies within a basin surrounded by mountains and is accessed via the N7 highway (north out of Cape Town). Loeriesfontein became a municipality in 1958, but it has since lost that status in a re-organisation of municipal responsibilities that were incorporated into the now called Hantam Municipality.

The town was formed around a general store established in 1894 by a British travelling bible salesman named Fredrick Turner, the son of the sister of Charles Spurgeon. The store around which Loeriesfontein formed still exists today and is currently owned by Victor Haupt, the grandson of Fredrick Turner. The shop is called Turner&Haupt SPAR, and has been in the family for 113 years. South-Western Loeriesfontein forms part of the wider region known as Namaqualand, an area well known for its spring flowers (August and September) and its large variety of diverse vegetation - some 4 000 variaties are said to be evident in this region. During 'flower season, the flowers attract many visitors to the region, while at other times activities centre on agriculture (sheep) and mining (salt).

Tourist Attractions:

- Windmill museum – wind pumps on display at the Fred Turner Museum,
- Fred Turner folk and culture museum – Cultural and historical way of life of the "Trek Farmers" of Namaqualand,
- Salt Pans – situated 100km outside of Loeriesfontein, on the spacious plains of Bushmanland, are salt pans (dwaggas) still in production,
- Quiver trees – Large quiver trees referred to as "Aloes" on the road from Nieuwoudtville to Loeriesfontein.

Nieuwoudtville

Nieuwoudtville lies on the Bokkeveld Escarpment and was established in 1897. It is a unique International Biodiversity Hotspot and lies on the Bokkeveld Plateau, where the Cape fynbos meets the Hantam Karoo, Bushmanland and the Knersvlakte. It is a place where the silence, space and stars contribute to a tranquil way of life.

Tourist Attractions:

- Neo-Gothic Sandstone Church (National Monument),
- Local Historical Sandstone Ruins,
- Quiver Tree Forest (Aloe Dichotoma),
- Glacial Pavement,
- Abundant Rock Art,
- Local Bulb Nursery,
- Nieuwoudtville Wild Flower Reserve,
- Hantam National Botanical Garden,
- Oorlogskloof Nature Reserve and the Nieuwoudtville Waterfall Reserve,
- Outdoor activities can be enjoyed – including: caravanning; bird watching; hiking; cycling; hang and paragliding; 4 x 4 routes and stargazing

Middelpos

The small village of Middelpos lies in the southern parts of the Roggeveld. This privately-owned village is a place where the experience of silence, space and stars contribute to a tranquil way of life. Middelpos is halfway between Sutherland and Calvinia on the R354 and there is a direct access road from Ceres. Apart from the school and police station, the town has a hotel, shop, garage and post office and also more than 50 residences with a population of ±300 people.

b) Population

According to Community Survey 2016, the Municipality has a total population of 21 343. The population is remaining stable with little or no growth. There is a high percentage of backyard housing dwellings and illegal land occupants within the municipal area due to the non-availability of formal housing or serviced sights.

The table below illustrates the population in the municipal area since 2001:

Population	2001	2009	2011	2016	2018
Number of people residing in the municipal area	19 942	20 351	21 578	21 343	24 800*
(*) Source: IHS Markit Regional eXplorer – Hantam Statistical overview					

Table 2: *Population*

The population of 21 343 (as per Community Survey 2016) in terms of race classification is 86.79% coloured, 11.82% white, 0.94% black african and 0.45% indian/asian.

Year	Black african	Coloured	Indian/asian	White	Other	Grand total
2011	841	17 698	121	2 467	451	21 578
2016	200	18 523	97	2 523	0	21 343

Table 3: *Population by race*

The Census 2011 population figures per ward are indicated in the table below (Hantam is per definition the non-urban area and includes inter alia Middelpos, Swartkop, Klipwerf, Diepdrif and Elandsvlei, unless otherwise stated):

Area	Black african	Coloured	Indian/asian	White
Brandvlei	18	2 088	3	199
Calvinia	144	6 937	24	1 355
Hantam	48	4 147	0	1 010
Loeriesfontein	15	2 057	3	331
Nieuwoudtville	39	1 172	6	220

Table 4: *Population by race per area*

The table below includes data regarding the composition of the population per age and gender category. The population pyramid indicates that a significant portion of the population is younger than 20 years, which is not uncommon for a rural community. It is concerning that so few people (the 'employable') between the ages of 20 and 40, resides in the area.

Age Group	% Males	% Females
0-4	4.8	4.2
5-9	4.7	4.3
10-14	4.8	4.5
15-19	4.6	4.2
20-24	3.9	3.7
25-29	3.7	3.5
30-34	2.9	2.8

Age Group	% Males	% Females
35-39	3.2	3.3
40-44	3.4	3.5
45-49	3.3	3.3
50-54	2.9	3.1
55-59	2.4	2.5
60-64	1.9	2.0
65-69	1.4	1.6
70-74	1.0	1.2
75-79	0.6	0.8
80-84	0.3	0.6
85+	0.2	0.5
Grand Total %	**50.1**	**49.9**
Grand Total	**10 810**	**10 769**

Table 5: *Population by age and gender*

The table below includes data regarding the composition of the population by age. A higher total dependency ratio in 2017 than in 2011, means the working age population, and the overall economy, now faces a greater burden in supporting the two other age segments, i.e. younger than 14 and older than 65.

Indicator	2011	2017
Total dependency ratio	59.5	62.0
Child dependency ratio	45.7	46.6
Aged dependency ratio	13.8	15.4
Child population (0-14)	6 047	6 192
Working age population (15-64)	13 246	13 274
Aged population (65+)	1 833	2 038
Source: Quantec		

Table 6: *Population age ratio's*

c) Households

More than 35% of the households in the municipal area are indigent, which have an impact on own revenue generated by the Municipality. The highest number of indigents stays in Calvinia.

Area	Households 2019/20	Indigents
Calvinia	2 184	1 119
Brandvlei	783	614
Loeriesfontein	1 017	733
Nieuwoudtville	603	379
Middelpos	48	45
Swartkop	44	44
Total	**4 679**	**2 934**

Table 7: *Total number of households*

Households	2012/13	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of indigent households	1 938	2 211	2 482	1 915	2 413	2 699* 2 672 (IDP 2020/21)	2 934*	2 921
(*) Hantam Financial system as at 30 June 2020								

Table 8: *Total number of indigent households*

Unemployment and poverty affect a large number of people within the municipal area. The unemployment rate for the youth is 15.3% as per 2011 Census. Of the 7 085 economically active people in the municipal area, 11.8% are unemployed. In the Hantam municipal area, 5 165 (or 38.2%) of the working age population was formally employed in 2017, compared to 5224 (or 39.3%) in 2016 and 5 614 (or 37.4%) in 2001, i.e. a relative improvement in overall formal employment since 2001 but worsening in recent years. The number of unemployed persons (802) in the municipal area, in 2017, was more or less the same as in 2016 (746) and in 2001 (779).

d) Key economic sectors and employment by industry

Agriculture forms the backbone of the economy in the municipal area and this sector has the most employment opportunities. Despite the harsh climate and poor carrying capacity of the veld, it still offers opportunities for growth and employment creation. The municipal area is dependent upon the following main economic activities:

Industry	Northern Cape	Namakwa DM	Hantam
Agriculture, forestry and fishing	6.2%	4.5%	11.0%
Mining and quarrying	23.4%	34.9%	1.2%
Manufacturing	3.6%	2.2%	4.5%
Electricity, gas and water	2.1%	1.1%	3.4%
Construction	1.7%	2.4%	3.0%
Wholesale and retail trade, catering and accommodation	11.7%	9.5%	9.9%
Transport, storage and communication	10.2%	10.7%	10.8%
Finance, insurance, real estate and business services	15.3%	11.0%	23.1%
Community, social and personal services	10.7%	11.9%	11.4%
General government	15.1 %	11.8%	18.4%
TOTAL	**100%**	**100%**	**100%**

Table 9: *Gross domestic product contribution of Hantam*

The sectors that contributed the most to the municipal area are:

- Finance, insurance, real estate and business services
- General government
- Community, social and personal services
- Agriculture, forestry and fishing
- Transport, storage and communication

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In terms of the Gross Domestic Product (GDP), the Municipality has a comparative advantage within the Namakwa District in the following sectors:

- Electricity, gas and water
- Agriculture, forestry and fishing
- Finance, insurance, real estate and business services

At present, economic development opportunities in the municipal area is based on the four main growth factors which follows.

e) Agriculture produce, practices and infrastructure

The Hantam area consists largely of non-arable, low potential grazing land and is ideally suited for sheep farming. Other than the flowers in spring and the pristine Karoo desert environment, there has been minor growth in most of the towns. Calvinia forms the heart of one of South Africa's largest wool-producing districts but the other towns have not developed further with the existing resources. Other recent economic activities include flower, bulbs and rooibos tea industries. Agriculture activities that can take place in Hantam, includes:

- Sheep farming for meat and wool
- Beneficiation plants of sheep farming (sheep skin and offal)
- Goat farming
- Game farming
- Farming of flower bulbs
- Rooibos tea production
- Seed potato production
- Lucerne and wheat production in Calvinia along riverbank

f) Mining

There are some mining activities in the area, which include salt and gypsum mining, but are not a labour-intensive opportunity. Some potential mining activities can include:

- Salt (around Brandvlei and Loeriesfontein)
- Gypsum (Around Brandvlei and Loeriesfontein)
- Ceramic clay (Calvinia)
- Quartzite, sandstone, silt and shale (Nieuwoudtville)

However, there is a number of limiting (structural) issues that could impact on the extent of growth in the area, i.e.

- The different towns in the area are small and lack the potential for strong local development momentum
- The tourism attractions do not draw large numbers of visitors
- There are no significant (new) development projects in the area attracting (new) investors or supply-chain additions
- Water supply limitations
- Climate change that will affect South Western Africa quite significantly, implying lower rainfall and some dampening of the current pattern of agricultural production
- Most of the Hantam's population are living in small, dispersed settlements and have limited transport capacity to travel the often-significant distances between urban centres

i) Tourism related opportunities

A significant economic factor is "flower" tourism that is based on Namaqualand's fantastic annual wildflower displays that cover regions in a kaleidoscope of colour each spring. Although it is distinctly seasonal, there are indications that in recent years the regional eco-tourism industry is diversifying with greater number of tourists arriving throughout the year. The potential lies in:

- Eco-tourism
- Adventure tourism
- Historical and cultural tourism (rich heritage of the Khoi San/Nama people)
- Agri-tourism (Rooibos tea route)

Tourism should be viewed as the main growth point for the region as it is the main driver behind boosting the money supply of marginalised towns.

1.2.3 Socio economic information

a) Socio economic profile

Total population	21 578 Census 11
Young (0-14)	27.5%
Working age (15-64)	64.3%
Elderly (65+)	8.3%
Dependency ratio	55.6
Sex ratio	100.4
Growth rate	0.59% (2001-2011)
Population density	1 persons/km^2
Unemployment rate	11.8%
Youth unemployment rate	15.3%
No schooling aged 20+	14.4%
Higher education aged 20+	8.1%
Matric aged 20+	18.8%
Number of households	6 340
Number of agricultural households	1 256
Average household size	3.2
Female-headed households	33.6%
Formal dwellings	96.9%
Housing owned/paying off	54%
Flush toilet connected to sewerage	53.7%
Weekly refuse removal	72.5%
Piped water inside dwelling	59.8%
Electricity for lighting	76.9%

Table 10: *Socio economic profile*

1.2.4 Municipal challenges

The following general challenges are experienced by the Municipality:

Challenges	Actions to address
Absence of master plans and crucial strategies	Source funding and budget for drafting of master plans for water, electricity, roads, etc. as well as crucial strategies
Municipality mainly dependent on grant funding to implement capital projects	Alternative ways of generating revenue to implement capital projects from own CRR funding
High unemployment rate and poverty levels throughout municipal area (pension/welfare are the only reliable source of income)	• Promoting a conducive environment for economic growth and economic opportunities that can create sustainable job opportunities • Promote and support local SMME's to become sustainable
IDP projects identified by communities which are the responsibility of sector departments (e.g. Primary Health, Housing, Youth Development, Social Challenges, Safety & Security, etc.)	Ongoing stakeholder engagements to facilitate identified IDP projects with the relevant departments
Poor conditions of access roads to Middelpos and Zwartkop	Grading/tarring of road by the Department of Public Works
Township establishment and poor living conditions - Middelpos and Zwartkop	Department of Rural Development to prioritise township establishment for Middelpos and Zwartkop
Payments of service accounts of sector departments	Ongoing engagements with relevant departments and implementation of Debt Collection Policy
Support and assistance to local SMME's	• Secure building/office space to establish business hub in Calvinia to support SMME's in Hantam to grow the economy • Inclusion of clause in tenders to give preference to local SMME's
Outdated infrastructure	Replacement of outdated infrastructure over multi years
Outdated IT Infrastructure	• Budget for upgrade of IT Infrastructure of the entire Municipality • Tender was awarded for the renewal of IT Infrastructure at Hantam for the next 36 months – starting 1 September 2020 and is currently an on-going process
Old water and electricity meters	Upgrade water and electricity meters (SMART meters) Brandvlei has started the pilot project for the installation of SMART meters
Waste management challenge (weighbridges, wheelie bins, recycling projects, etc.)	• Source funding from the Department of Economic Development and Environment and Nature Conservation for the implementation of recycling project and provision of weighbridges however no further communication was received from sector departments
Wi-fi and cellular phone reception	Liaise with investors and businesses in Hantam to help address challenge
Availability of land for housing	Identify land for different land use in all towns in Hantam
Increasing housing backlog	Provision of houses and serviced sites by COGHSTA to applicants on National Housing Register Calvinia was identified for the servicing of sites on-going process
Lack of environmental management	District official to perform function

Table 11: *Municipal challenges*

1.3 Service Delivery Overview

1.3.1 Introduction

The Municipality delivers the following basic services to its community:-

- Water
- Sanitation
- Electricity
- Refuse removal

Basic services	Actual performance
Water	4 728
Sanitation	4 728
Electricity	2 656
Refuse removal	4 728
Roads	116,45km

Table 12: *Basic service delivery performance*

Water:

The Municipality has been experiencing an extreme water crisis.

Hantam Municipality appointed ASLA Construction to construct a 30 km water pipeline from Rheeboksfontein to Loeriesfontein town. This pipeline supplied water to Loeriesfontein town in April 2018 and the project was completed in July 2018. The total cost for the Loeriesfontein project amounted R115 000 000. Loeriesfontein currently has water 24hrs a day.

Calvinia, Brandvlei and Nieuwoudtville have been experiencing drought since the 2017/18 financial year due to low rainfall. The Municipality implemented water restrictions to better manage available water resources and raise awareness amongst residents to use water more sparingly. Hantam was declared as disaster area and drought relief funding was received from the Department of Co-Operative Governance, Human Settlements and Traditional Affairs (CoGHSTA) to drill additional boreholes for Calvinia and Brandvlei. Drought relief funding was received from the Departmet of COGHSTA amounting to R8,5 million. 25 Boreholes were drilled in Calvinia and 13 boreholes in Brandvlei of which 3 boreholes were connected with the Water Treatment Works and 1 borehole was connected with the Brandvlei Romanskolk pipeline.

JVZ was appointed by Hantam Municipality for the construction of 50 km water pipeline from Romanskolk and an electricity network from Brandvlei to Romanskolk. The contractor was appointed for R101 million and construction started in April 2019. The construction period is until December 2020.

Scope of work for the project were as follows:

- Development and equipping of 9 (nine) boreholes at Romanskolk
- Construction of small dia. uPVC (63mm to 160mm) collector pipelines from boreholes to Romanskolk Reservoir (6km)
- Construction of 200mm dia OPVC gravity main from Romanskolk to Brandvlei (52km)

- Construction of 22kV MV electrical power line from Brandvlei to Romanskolk (60km)
- New 500 kiloliter sectional steel reservoir at Brandvlei Reservoir
- New 25m3/h Brandvlei Water Treatment Plant at the Brandvlei Reservoir
- New evaporation ponds x 2 of 1 000m2 each at the Brandvlei Reservoir
- Site works at Brandvlei Reservoir: Earthworks, access road, paving, terraforce walls, etc.
- Telemetry system – fibre optic cable between Brandvlei and Romanskolk and radio telemetry between boreholes
- Environmental rehabilitation works
- Principal contractor – Civil works
- Subcontractors for 22kV MV power line
- Water Treatment Plant Mechanical Works (pumps, sand filters and piping, fluoride removal)

Hantam Municipality furthermore received funding to upgrade the Calvinia Water Treatment Plant. The allocation for the 2019/20 financial year is R20 million. CSV Construction was appointed for the upgrade of the Water Treatment Plant.

Scope of work for the project were as follows:

- Upgrade inlet works and flow measurement
- Convert existing clarifiers to dortmund type settling tanks with inflow feed into centre stilling chamber
- Construct 4 new rapid gravity filters with combined air and water backwashing system
- Construct a dissolved air flotation pre-treatment system to remove algae from the raw water
- Upgrade the chemical dosing system
- Upgrade the disinfection dosing system
- Miscellaneous transfer pumps and connector pipelines
- Completion of the project is December 2020

Hantam Municipality implemented the Calvinia Northern wellfield project, JVZ construction was appointed for R6 979 555,65

The scope of works is as follows:

- Construction of 7.80km of 110mm dia HDPE Water Rising Mains from 5 Boreholes to the Calvinia Water Treatment Plant.
- Equipping of two additional boreholes c/w underground piping, submersible pumps, above ground piping, security cage, gantry and electrical switchgear and instrumentation.
- Construction of 3km of 3.3kV Medium Voltage Electrical Power Line c/w transformers and LV Kiosks.

This project was completed in May 2021.

The informal area in Calvinia West , Calvinia 260 was serviced with internal services , and standpipes was installed on the properties.

This was implemented by Coghsta and Barzani was the implementing agent on the project.

Sanitation:

The bucket system has been eradicated within the municipal area. There are no sanitation backlogs in the formal municipal area. In the informal area in Brandvlei there is still 30 buckets to be eradicated.

The following informal areas is currently in the jurisdiction of Hantam Municipality:

- Calvinia 260 (Blikkies Dorp)
- Nieuwoudtville 6
- Brandvlei Rondomskrik 50

Calvinia

The area is serviced by stand-alone water pipes within 200 metres from the residents and waterborne sewerage toilets that are shared by the residents.

Barzani Contractors was appointed by COGHSTA for the installation of water and sewerage services. This construction was completed December 2020.

Brandvlei

The area Rondomskrik consists of 50 informal households on formal properties. The area is serviced by 50 buckets. Saltcor provided 20 VIP toilets through their social responsibility programme and 20 buckets was eradicated. This will continue until the remainder is eradicated.

Nieuwoudtville

The area is serviced by mobile toilets.

Loeriesfontein

The Municipality engaged Mainstream Renewable Energy SA to assist with funding for the eradication of the 320 VIP toilets in Loeriesfontein through their social responsibility programmes.

The status of formal sanitation during 2020/21 can be summarised as follows:

Town/Area	Flush toilet sewerage	Flush toilet (septic tank)	Chemical toilet	Pit latrine (ventilation)	Pit latrine (no ventilati	Bucket	None
Calvinia	1 333	792	0	39	0	0	0
Brandvlei	0	582	0	80	140	30	0
Hantam	154	617	64	143	172	0	610
Loeriesfontein	308	750	0	340	0	0	0
Nieuwoudtville	242	401	0	0	0	0	0
Total	**2 037**	**3 142**	**64**	**602**	**312**	**30**	**610**

Table 13: *Current sanitation statistical information*

Refuse removal:

The Municipality delivers solid waste services to the residents of Hantam Municipality. All residents receive the service once a week and a black bag system is being implemented for the removal of all solid waste. All households are responsible for their own black bags.

The Municipality has 4 landfill sites of which Calvinia, Brandvlei, Nieuwoudtville and Loeriesfontein have permit licenses. Middelpos landfill site has been closed and the waste is transported to Calvinia landfill site. Although these sites are fully functional, illegal dumping of waste in the municipal area remains a major challenge. To curb illegal dumping, it is recommended that Council consider a recycling program. The landfill sites are also too close to the communities and the fencing is being vandalised or stolen which results in papers and bags being blown all around the area. This results to additional costs to clean and manage the landfill sites. It is recommended to move the landfill sites to new areas, which should be identified. The Integrated Waste Management Plan was valid for 2019 and it is recommended that Hantam Municipality together with the Department of Environmental Affairs and the District Municipality should source funding to review the Integrated Waste Management Plan.

1.3.3 Basic service delivery highlights

The following general highlights are experienced by the Municipality with regards to basic service delivery:

Highlight	Description
Roads	
Potholes (Calvinia and Brandvlei)	Various potholes were identified and repaired in Calvinia
Paving of roads	Various roads were paved throughout the Municipali area
Painted road signs on tar roads	All tar roads (road signs) were (painted) made visable for road users and pedestrians
Street names on kerbs	Street names on kerbs were made visible in all towns
Road signs	Road signs were replaced and provided where eluded in the past and replaced due to vandalism and risks for accidents
Sanitation	
Eradication of bucket system in Rondomskrik, Brandvlei	Saltcor provided 20 VIP toilets through their social responsibility programme and 20 buckets was eradicated in Rondomskrik, Brandvlei
Water	
Upgrade of the Calvinia WTP	n/a
Establishment of a new Brandvlei WTP	n/a
Housing	
Calvinia service of sites	COGHSTA approved previous 247 housing project for Calvinia and increased the total number to 260 houses
	Consultant appointed by COGHSTA for conducting geo technical tests and town planning for housing projects
	Consultant appointed by COGHSTA for construction of 260 serviced sites
Electricity	
Upgrade of the switching station - Nieuwoudtville	n/a

Table 14: *Basic services delivery challenges*

The following general challenges are experienced by the Municipality with regards to basic service delivery:

Service	Challenges
Human Resource	
Basic service delivery (shortage of staff)	Due to COVID-19 we had to endure one third workforce in order to render superior services
Fleet	
Outdated fleet	The Municipality requires additional funding in order

Service	Challenges
	to procure new fleet
Infrastructure	
Old infrastructure (water pipes and meters)	Increase in water losses due to old infrastructure and old water metering systems
Electricity	- Old RMU'S in the municipal vicinity, as well as other electrical network challenges due to old electrical infrastructure. The Municipality appreciates the funds allocated by DOE but more funds are needed to upgrade the whole electrical network systems - The installation of the Auto reclosers in Nieuwoudtville due to the availability of construction of material
Water and Sanitation	
Sanitation	The Municipality engaged Mainstream Renewable Energy South Africa to assist with funding for the eradication of the 320 VIP toilets in Loeriesfontein through their social responsibility programmes The installation of Waterborne sewerage in the informal settlement in Calvinia 260
Water	The impact of the drought and little rainfall is still a challenge and results in water shortages. The Municipality is still implementing water restriction measures
Equipment	
Excavating (earthmoving equipment) work	Municipality does not own a Bulldozer to do clearing and grabing in order to do repairs on trenches
Roads	
Paving of Skema Street and First Avenue.	Funding limitations
Repair and maintenance of existing tar roads	Funding limitations

Table 15: *Basic service challenges*

1.3.5 Proportion of households with access to minimum level of basic services

The table below shows the total number of households that have access to the minimum levels of basic services

Level of services	2019/20		2020/21	
	No of households	%	No of households	%
Electricity service connections	2 479	100	2657	100
Water - available within 200 m from dwelling	4 645	100	4728	100
Sanitation - Households with at least VIP service	4 679	100	4728	100
Waste collection - kerbside collection once a week	4 645	100	4728	100

Table 16: *Households with minimum level of basic services*

1.4 Financial Health Overview

1.4.1 Introduction

The last financial years were years of growth in the financial accountability of the Municipality and a unqualified audit with findings was achieved for 2019/20 compared to the audit qualified audit finding for 2020/21.

Some aspects are matters of concerns regarding the financial viability of the Municipality, of which liquidity is the most important. The debtors are growing at an alarming rate and the indigent households in the Municipality. The liquidity puts the service delivery at risk and result in low maintenance levels. The Municipality is reliant on grants to finance expenditure due to the limited revenue raising capacity. The equitable share stayed consistent over the past 3 years. This creates pressure on the Municipality due to inflation increases annually and the increase in the indigent population.

1.4.2 Financial viability highlights

The following highlights were achieved by the Municipality:

Highlights	Description
Annual financial statements (AFS)	Completed the AFS internally for 2021 and inhouse review for one of our interns. Submitted the statements to the Auditor-General (AG) by the legislative deadline
Budget related policies	All budget related policies were approved by Council at legislative deadline
Standard operating procedures (SOP's)	Standard operating procedures were implemented for revenue, expenditure and Supply Chain Management

Table 17: *Financial viability highlights*

1.4.3 Financial viability challenges

The following general challenges are experienced by the Municipality:

Section	Challenges
Non-payment	
Poor payment	• Non-payment of service accounts by economic active consumers lead to cash flow challenges • Correct register of indigent households to ensure correct equitable share allocation • Non-payment of service accounts from debtors due to COVID-19
mSCOA and Generally Recognised Accounting Practices (GRAP)	
mSCOA	Implementation of mSCOA as a whole
GRAP	Capacity of staff to implement and apply GRAP standards

Table 18: *Financial viability challenges*

1.4.4 Financial overview

The table below shows the financial overview of the Municipality:

CHAPTER 1: EXECUTIVE SUMMARY

Details	Original budget	Adjustment budget	Actual
	R'000		
Income	**100 857**	**113 857**	**113 857**
Grants (operational)	31 175	34 737	34 695
Taxes, levies and tariffs	71 976	73 852	53 985
Other	3 104	3 083	12 203
***Less:* Expenditure**	**122 505**	**115 522**	**101 864**
Plus: Grants (capital)	**66 236**	**79 207**	**76 780**
Net surplus/(deficit)	**150 933**	**189 215**	**189 657**

Table 19: *Financial overview*

1.4.5 Total capital expenditure

The table below shows the total capital expenditure for the last two financial years:

Detail	2019/20	2020/21
	(R'000)	
Original budget	55 436	70 088
Adjustment budget	90 024	83 088
Actual	**87 440**	**113 857**

Table 20: *Total capital expenditure*

1.5 Organisational Development Overview

1.5.1 Municipal transformation and organisational development highlights

The following highlights were achieved by the Municipality regarding municipal transformation and organisational development:

Highlights	Description
Workplace Skills Plan (WSP)	• WSP submission date was re-scheduled for 31 May 2020 and was submitted within the required legislative timeframe on 28 May 2020 to LGSETA • Application for discretionary grants was also submitted in the WSP to fund training for the employed and unemployed • 3 new projects were awarded and are currently in process for implementation • HR WIL • Incident management • Law Enforcement certificates
Employment Equity Committee	The employment equity committee is fully functional and was operational a mits the COVID-19 pandemic
Training Committee	The training committee is fully functional and was operational a mits the COVID-19 pandemic
COVID-19	The Municipality was operating fully with strict adherence to COVID-19 protocols
COVID-19 Policy	A COVID-19 Policy was drafted and will be submitted to Council in the new financial year
Occupational Health and Safety	The Municipality appointed two officials from own funding

Table 21: *Municipal transformation and organisational development highlights*

1.5.2 Municipal transformation and organisational development challenges

The following general challenges are experienced by the Municipality regarding municipal transformation and organisational development:

Section	Challenges
Council Secretarial Services	
Outdated Council system and equipment	Budget constraints
Human Resources Management	
Official Human Resources	Position was advertised and appointment will be made by 01 July 2021
Clerk Human Resources still vacant	Budget constraints
Outdated organogram	Review the organisational structure during the new financial year
Records Management	
Limited space for record management	Budget constraints
Outdated IT System	• Budgeted for the 2021/22 financial year • Tender was advertised

Table 22: *Municipal transformation and organisational development challenges*

1.5.3 MFMA competencies

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

In order to assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes based NQF level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted to 30 September 2015 in terms of Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The table below provides details of the financial competency attainment levels amongst financial and supply chain management officials as required by the regulation:

Description	Total number of officials employed by Municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials				

Description	Total number of officials employed by Municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	0
Senior managers	1	0	1	0
Any other financial officials	6	0	0	0
Supply chain management officials				
Heads of supply chain management units	1	0	0	0
Supply chain management senior managers	0	0	0	0
TOTAL	**10**	**2**	**3**	**1**

Table 23: *Financial competency development: Progress report*

1.6 Auditor-General Report

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters

There can be 5 different outcomes to an audit, once the municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follows:

- **A clean audit**: The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation
- **Unqualified audit with findings**: The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects
- **Qualified audit opinion**: The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated
- **Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements

- **Disclaimer of audit opinion**: Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements

1.6.1 Audited outcomes

The table below illustrates the audit outcomes for the past four financial years for the Municipality:

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Status	Qualified	Qualified	Qualified	Unqualified with findings	Unqualified with findings	Unqualified with findings

Table 24: *Audit outcomes*

CHAPTER 2: GOVERNANCE

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance comprises of 8 major characteristics: it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are considered and that the voices of the most vulnerable in society are heard in decision-making. It is responsive to the present and future needs of society.

2.1.1 Highlights: Good governance and public participation

The following highlights have been achieved by the Municipality with regards to good governance and public participation:

Highlights	Description
Hantam Intergovernmental Relations (IGR) Forum	Meeting was held during December 2020
Namakwa IDP Representative Forum	One meeting was held and attended by the Municipal Manager and Head: IDP/LED
IDP & Budget Public Participation	All meetings for the first round of public participation were successfully held in the respective wards A second round of meetings were held during April 2021
Council meetings rotation	The Council meetings were held on a rotational basis in all towns of Hantam including Middelpos
Council meets the people	Only one meeting could be held in Middlepos due to COVID-19
Election of ward councillor – ward 3	The vacant ward councillor position for Ward 3 was filled on 11 November 2020
Ward Committee meetings	Monthly ward committee meetings were held in all wards. Ward committee for ward 3 was retained and functional
Facebook page	• Improved interaction from community on posts • Regular posting and sharing of information • Provides platform that allows for reporting of service delivery issues
Local radio station broadcasting	Regular broadcasting sessions by the Mayor and Senior Management over Radio Kaboesna to keep communities informed of municipal processes and opportunities, service delivery issues as well as programs and opportunities of sector departments in Hantam affecting communities
Virtual meeting platforms as a result of COVID-19 regulations and restrictions	Saving time and costs for the municipality in terms of travel & accommodation expenses of officials
WhatsApp group communication	Effective way of communicating information to members of the community and receiving immediate feedback, e.g. local SMME's
Public Participation Policy	The Public Participation Policy was adopted and implemented to assist with various interaction channels of the Hantam Municipality
Review of Ward Committee policy	The Ward Committtee Policy was approved and adopted by Council

Table 25: *Highlights: Good governance and public participation*

2.1.2 Challenges: Good governance and public participation

The following general challenges are experienced by the Municipality with regards to municipal good governance and public participation:

Description	Action to address
Poor conditions of roads to Middelpos and Zwartkop for regular Public participation engagements	Upgrading of access roads to Middelpos and Zwartkop. Rotation of Council meetings includes Middelpos where after 'Council meets the people' meetings are held and door-to-door visits can be done
Limited involvement of sector departments and stakeholders at IGR forum and in terms of IDP process of municipality	Continuous liaison with all stakeholders of Hantam
• Poor cellular phone connectivity in most areas of Hantam • No cellular phone connectivity along routes that link towns of Hantam and along certain parts of R27	• Improvement of cellular phone and radio signals through SKA's project • Interventions of investors in the Hantam area to assist with funding to improve connectivity
Limited radius for local radio broadcasting area coverage, namely Radio Kaboesna which only covers Calvinia as a result of the geographic vastness of the area	Extension of radio broadcasting signal to all towns of Hantam through collaborative interventions of Mainstream Renewable Energy, SKA and Eagle Towers
No wi-fi-hotspots or broadband for community who cannot afford to install	Installation of wi-fi hotspots and broadband through the roll-out and implementation of GCIS's program, relevant Provincial Departments as well as investors
Only a limited number of SMME's can participate in online funding application programmes and opportunities while a large number of them do not have internet access or Wi-fi	
Virtual meetings requiring strong internet connectivity	

Table 26: *Challenges: Good governance and public participation*

2.2 POLITICAL GOVERNANCE STRUCTURE

Section 151(3) of the Constitution states that the Council of a municipality has the right to govern, on its own initiative, the local government affairs of the local community. Council as political governance performs both legislative and executive functions. Council focuses on decision-making to formulate policy and to play an oversight and participatory role.

The legislative function of the Council is vested within the full Council with the Mayor/Speaker as its chairperson. Council also established Section 80 Committees within specific functional areas of the municipality.

The Audit and Performance Audit Committee is an independent advisory body that advises the municipal Council, political office-bearers, Accounting Officer and management staff of the Municipality on financial control, risk management, accounting policies, performance management and effective governance.

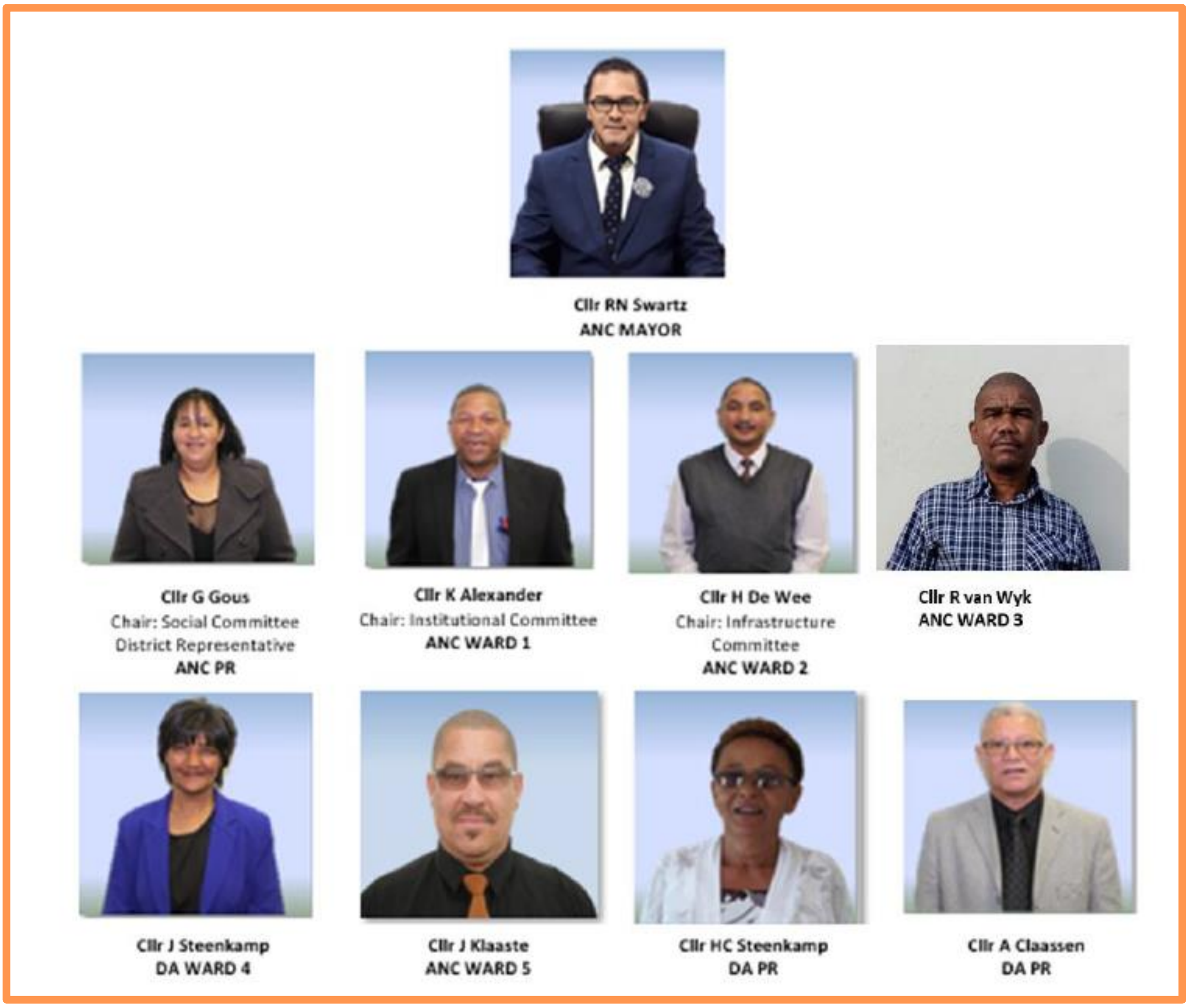
The Municipal Public Account Committee (MPAC) fulfils the duty of an oversight committee, and comprises of non-executive councillors, with the specific purpose of providing Council with comments and recommendations on the annual report. The Oversight Committee's report is published separately in accordance with MFMA guidelines. The MPAC investigates fruitless, wasteful and unauthorised expenditure and makes recommendations to Council.

CHAPTER 2: GOVERNANCE

Apart from their functions as policy makers, councillors are actively involved in community work and the various social programmes in the municipal area.

2.2.1 Council

Hantam's Municipal Council constitute of 9 councillors (ward and proportional representatives (PR)). The ANC has five councillors and the DA four councillors. The Municipality has a plenary Council.



Pictures 1: Council of Hantam Municipality

Below is a table that categorises the councillors within their specific political parties and wards after the municipal elections held in 03 August 2016 and for the year under review:

Ward	Councillor	Political Party	Ward/PR	Gender
PR	R. Swartz	ANC	PR-Mayor	Male
Ward 1	K. Alexander	ANC	Ward Councillor	Male
Ward 2	H. de Wee	ANC	Ward Councillor	Male
Ward 3	R van Wyk	ANC	Ward Councillor	Male
Ward 4	J. Steenkamp	DA	Ward Councillor	Female
Ward 5	J. Klaaste	ANC	Ward Councillor	Male

CHAPTER 2: GOVERNANCE

Ward	Councillor	Political Party	Ward/PR	Gender
PR	A. Claassen	DA	PR Councillor	Male
PR	G. Gous	ANC	PR Councillor	Female
PR	H. Steenkamp	DA	PR Councillor	Female

Table 27: *Council*

Below is a table which indicates Council meeting attendance for the 2020/21 financial year:

Meeting dates	Number of items submitted	Percentage Council meeting attendance	Percentage pologies for non-attendance
30 July 2020	24	8/9	88.8%
27 August 2020	17	7/8	87.5%
23 Sepetmeber 2020	13	8/9	88.8%
29 October 2020	23	7/8	87.5%
12 November 2020	8	7/8	87.5%
20 November 2020	1	9/9	100%
26 November 2020	18	8/9	88.8%
28 January 2021	19	8/9	88.8%
24 February 2021	18	8/9	88.8%
31 March 2021	20	6/9	66.7%
22 April 2021	18	9/9	100%
26 May 2021	22	8/9	88.8%
31 May 2021	4	8/9	88.9%
24 June 2021	20	8/9	88.8%

Table 28: *Council meetings*

2.2.2 Council committees

The following committees are established:

Committees	Councillors	Meeting dates
Budget and Treasury	R. Swartz (Chairperson)	13 June 2021
	K. Alexander	
	J. Steenkamp	
Institutional	K. Alexander (Chairperson)	n/a
	H. Steenkamp	
	H. de Wee	
Infrastructure	H. De Wee (Chairperson)	29 June 2020
	J Klaaste	
Social	G. Gous (Chairperson)	n/a
	K. Alexander	
	A. Claassen	

Committees	Councillors	Meeting dates
Rules / Ethics	K. Alexander (Chairperson)	n/a
	H. Steenkamp	
	H. De Wee	
Petitions and Community Liaison	G. Gous (Chairperson)	n/a
	J. Steenkamp	
	J Klaaste	
Local Labour Forum	H De Wee (Chariperson)	06 August 2020 17 November 2020 10 June 2021
	J Klaaste	
	Municipal Manager	
	Director Finance and Corporate Services	
Municipal Public Accounts (MPAC)	J Klaaste (Chairperson)	15 June 2020 27 October 2020
	H. De Wee	
	J. Steenkamp	

Table 29: *Council Committees meetings*

2.2.3 Political decision-taking

Section 53 of the Municipal Systems Act (MSA)(Act 32 of 2000) stipulates inter alia that the respective roles and areas of responsibility of each political structure and political once bearer of the municipality and of the municipal manager must be defined. The section below is based on the Section 53 role clarification that was approved at the Council meeting of **18 August 2016.**

Municipal Council

- Governs by making and administrating laws, raising taxes and taking decisions that affect people's rights
- Tax authority that may raise property taxes and service levies
- Primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political once bearers, individual councillors or officials
- Delegate responsibilities and duties for the purposes of fast and effective decision making
- Strive towards the constitutional objects of local government
- Consult the community with respect to local government matters
- Only decision maker on non-delegated matters such as the approval of the Integrated Development Plan (IDP) and budget

Executive Mayor

- Executive and political leader of the Municipality and is in this capacity supported by the mayoral committee
- Social and ceremonial head of the Municipality
- Identify the needs of the Municipality and must evaluate progress against key performance indicators
- The defender of the public's right to be heard

- Responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters
- Performs the duties and exercise the responsibilities that were delegated to him by the Council

The table below provide an analysis of the council resolutions taken and implemented during the year:

Number of council resolutions taken during the year	Number of council resolutions implemented during the year	Number of council resolutions not implemented during the year
263	263	0
% of resolutions implemented	**100%**	

Table 30: *Implementation of council resolutions*

2.3 Administrative Governance Structure

By law, a municipal manager is the head of administration, as well as the accounting officer. The municipal manager has extensive statutory and delegated powers and duties, as well as powers and duties that can be inferred from such statutory and delegated powers and duties.

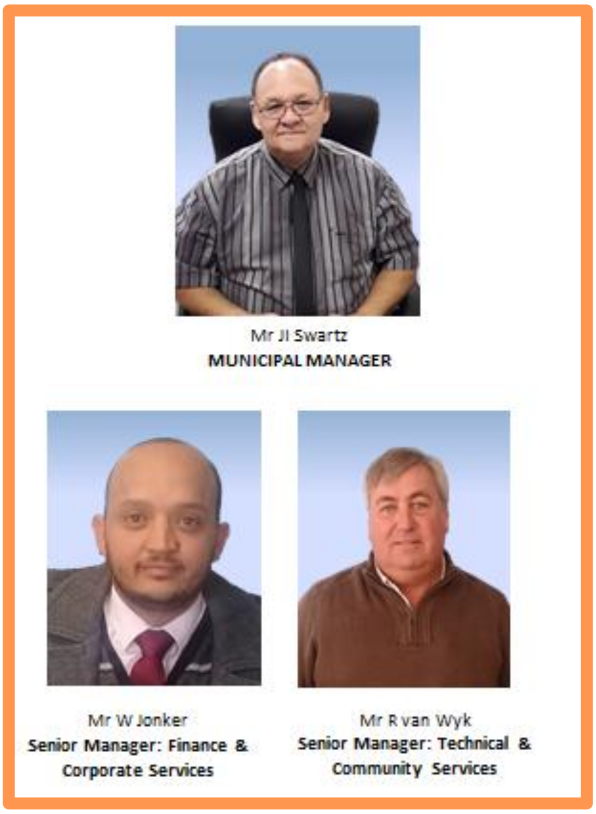
A municipal manager is, amongst others, responsible:

- for the formation and development of an economical, effective, efficient and accountable administration;
- to ensure that the municipal "machine" operates efficiently, that the organisational structure is able to perform the various tasks and exercise the necessary controls;
- to fulfil a leadership role in the administration; this is of utmost importance to influence the actions of staff and to inspire and persuade them to work together to realise the Municipality's goals;
- for the implementation of the Municipality's IDP, and the monitoring of progress with implementation of the plan; and
- for the financial responsibilities as accounting officer as determined by the MFMA.

The Municipal Manager is the chief adviser of the Municipality and must advise the political structures and political office-bearers of the Municipality. The Municipal Manager must see to the execution of the decisions of the political structures and political office-bearers of the Municipality.

The Municipal Manager must facilitate participation by the local community in the affairs of the Municipality and must also develop and maintain a system whereby community satisfaction with municipal services is assessed.

The Municipal Manager is assisted by his executive management team. The structure is outlined in the table below:



Pictures 2: Executive Management Team

Name of official	Department	Performance agreement signed (Yes/No)
J Swartz	Municipal Manager	Yes
W Jonker	Finance and Corporate Services	Yes
R Van Wyk	Technical and Community Services	Yes

Table 31: *Administrative governance structure*

2.3.1 Financial Disclosure of the Senior Managers

The table below indicates the financial disclosure made by the Senior Managers for the year under review:

Name	Designation	Date signed
J Swartz	Municipal Manager	28 June 2020
W Jonker	Snr Manager: Finance & Corporate Services	28 June 2020
R van Wyk	Snr Manager: Technical & Community Services	30 July 2020

Table 32: *Financial disclosure of senior managers*

COMPONENT B: INTERGOVERNMENTAL RELATIONS

CHAPTER 2: GOVERNANCE

It is the intention of the HM Administration and Council to ensure that the community derives maximum benefit from its participation in intergovernmental forums and meetings.

2.4 Intergovernmental Relations (IGR)

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest, coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

The following Technical IGR meetings were attended by the Municipal Manager:

- Namakwa District IGR Forum

2.4.1 Intergovernmental structures

To adhere to the principles of the Constitution the Municipality participates in the following intergovernmental structures:

Name of structure	Members	Outcomes of engagements and topics discussed
IGR District Forum	District Municipality; GOGHSTA Regional Office; Mayors and Municipal Managers other sector departments	District based initiative
IGR Local Forum	Hantam Municipality, District Municipality, Sector Departments and Hantam Investors	Local based initiative
IDP/Local Economic Development (LED) Managers Forum	South African Local Government Association (SALGA) and LED/IDP officials	Provincial and District based initiative
HR Practitioner's Forum	SALGA and HR Practitioners	Provincial based initiative
Governance and Intergovernmental Relations Forum	SALGA and Councillors	Provincial based Initiative
Community Development Working Group	SALGA and Director: Community Development	Provincial based initiative
SALGA Northern Cape Governance Structure	Councillors and SALGA	Provincial based initiative
Project Management Services Working Group	GOGHSTA and neighbouring municipalities	District based initiative
Quarterly & Mid-year Budget Engagements	Northern Cape Provincial Treasury; Finance & IDP/PMS officials	Provincial based initiative
District IDP Repforum	District Municipality; COGHSTA Regional Office; IDP/LED Officials other sector departments	District based initiative
District PMS Forum	COGHSTA, District Municipality & PMS officials of Local Municipalities in district	Provincial based initiative
IDP Assessments Engagements	District Municipality; COGHSTA Regional Office; IDP/LED Officials other sector departments	Provincial and regional based initiative

Name of structure	Members	Outcomes of engagements and topics discussed
Annual Report Assessments Engagement	COGHSTA and neighbouring municipalities	Provincial and regional based initiative
Local Government Municipal Improvement Model (LGMIM) Assessments	COGHTA and Namakwa District municipalities	National and regional based initiative
SALGA Karoo Small Town Regeneration Working Group	South African Local Government Association (SALGA), Mayors, Municipal Managers, Town Planning- and IDP/LED officials	National based initiative

Table 33: *Inter-governmental structures*

2.4.2 Joint projects and functions with sector departments

All the functions of government are divided between the different spheres namely national, provincial and local. The Municipality therefore share their area and community with other spheres of government and their various sector departments and has to work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

Name of project/ function	Expected outcome/s of the project	Sector department/s involved
Inform & empower the community of their rights	Police station, clinics, schools, business premises	Social Development
How to use your freedom responsibility	Public places	
Working together to uplift our community	Community hall	
Develop the youth to be responsible	Hantam hostel	
Upgrade the circumstances of the elderly	Identify houses	
Acknowledge the role of women in our society	Community centre	
Acknowledge who you are and where you come from	Hantam sport grounds	
Knowing your neighbours	Identify streets	
Focus on the elderly and disabled	Old age homes	
16 Days of Activism	Workplaces, public houses, roadblock	Police, IEC, Health, Labour NGO's, Education, Traffic, Correctional Services
AIDS / TB House-to-house visits and talks at schools	All	
Distribution of condoms at strategic points	All	
Radio talks on various health matters	All	
Clinic meetings	All	
Brandvlei Intermediate School (primary)	Major repairs and renovations to hostel and school	
Hantam Primary School	Construction of a large administration block	

Name of project/ function	Expected outcome/s of the project	Sector department/s involved
Hantam Primary School – relocated from Klipfontein Primary School	Construction of a large ablution block	
Hantam Secondary School	Repairs and renovations to school	
	Refurbishment of school infrastructure	
	Drilling and use of new borehole	
Calvinia High School	Upgrade to electricity supply to hostel	
	Supply, delivery and installation of welded mesh fence (at hostel)	
	Supply, delivery and installation of welded mesh fence	Department of Health
	Drilling and use of new borehole	
Brandvlei Primary School (High School)	Construction of a two-classroom block, a large administration block, a large ablution block and old toilets into a media centre	
	Repairs and renovations to school	
Calvinia Primary School	Supply, delivery and installation of welded mesh fence	Department of Education
	Water tower to be demolished	
Loeriesfontein High School	Repairs and renovations to school and hostel	
	Drilling and use of new borehole	
Loeriesfontein Primary School	Supply, delivery and installation of welded mesh fence	
	Drilling and use of new borehole	
Primary School Protea	Repairs and renovations to school	
Safety awareness	Support with drafting of ITP of Hantam Municipality	Transport, Safety & Liaison
	Safety promotion programme for Calvinia	
	Anti-substance abuse programme in Calvinia	
	Prevention of violence against women programme for Calvinia	
Oorlogskloof Nature Reserve (Nieuwoudtville)	Infrastructure and visitor amenity improvement (R10 million allocated during 2019/20 to 2022/23 MTSF period)	Department Environment and Nature Conservation
Nieuwoudtville Rooibos Project (Nieuwoudtville)	Cooperative involved in cultivating and processing of certified organic rooibos (R8 million allocated during 2019/20 to 2022/23 MTSF period)	
Botanical garden (Nieuwoudtville)	Eradication of alien invasive species on the estate, fix gravel service roads to reduce soil erosion, development of fire breaks, maintenance of boundaries, internal boundary fence lines installation, refurbishment of trails (R6 million allocated during 2019/20 to 2022/23 MTSF period)	

Name of project/ function	Expected outcome/s of the project	Sector department/s involved
Primary School Teacher Support Programme	• 2 x foundation phase teachers employed • 200 students impacted • 1 x mathematics and science teacher employed • (47 students impacted by programme)	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
High School Teacher Support Programme	• 1 x mathematics teacher employed for Grades 8 and 9 • (78 students impacted)	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
Literacy Programme	• 2 local youth employed full-time on the project • (100 students impacted)	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
High School Teacher Support Programme	• 1 x mathematics teacher employed for Grades 8 & 9 • (78 students impacted)	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
Literacy Programme	Continued support	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
Early Childhood Development Programme	Continued support	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
Youth Development Programme (Isibindi)	Continued support	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
Substance Abuse Programme	Continued support	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
Bursary Programme	Continued support	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
Maths Numeracy Programme	On a needs basis assistance is provided	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
Lay-Counsellor Training	• Facilitated the employment of 4 lay-counsellors by the Northern Cape Department of Social Development	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
Infrastructure Upgrades	• Completion of bridge	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)
Local Catering Companies	• Enterprise development and job creation	Mainstream Renewable Energy South Africa (Socio-economic programmes implemented for Loeriesfontein community)

Name of project/ function	Expected outcome/s of the project	Sector department/s involved
CWP Programmes	• Provision of brick making machine to Hantam • Assisted with repair of potholes • Provision of human resources, tools and seeds for vegetable garden at Laerskool Brandvlei • Cleaning of streets and illegal dumping sites • Assist with digging of graves • Repair and cleaning of elderly person's homes and gardens • Assist with cleaning and preparation of food at Department of Health • Assist with scholar patrol • Establish and maintain garden at Hantam Primary School • Assist Hantam Municipality with distribution of municipal accounts • Assist with cleaning of Goeie Hoop Morewag Creché • Painting of houses of vulnerable. • Provide assistance in Post Office • Assist municipal staff at Hantam with minor repairs • Provide assistance at Calvinia High School • Participate in recycling project at Department of Health • Assist Hantam High School Hostel with cleaning of vicinity and washing of windows • Assist with cleaning of Abraham Esau's premises • Assist with cleaning of cemeteries and Hantam Park sports ground • Provide assistance at the District Library • Provide assistance at school – cleaning of classrooms and sorting of books	3L Development
Socio-economic contribution	Request for provision of smart water meters to Loeriesfontein community submitted to DMR for approval	Saint Gobain
1. Zwartkop Multi-purpose Centre phase 2 2. Educational workshops in collaboration with NWU in Calvinia on IKS and presented by NWU 3. Involvement in the Sewing Project (this will be done in agreement with the Municipality) 4. SMME development by the Northern Cape SMME Trust, fifty (50) SMME's in the Karoo trained in entrepreneurship skills and business development. Received support to start their business and those with existing businesses trained on how to grow their businesses. The businesses receiving support to address local opportunities, access to new markets and services to ensure businesses meet the necessary regulatory requirements 5. Construction of two SKA telescopes in the Brandvlei/Hantam area 6. Involvement in schools and school programs 7. Establishment of a play park in Brandvlei		NRF | South African Radio Astronomy Observatory (SARAO)

Table 34: *Joint projects and functions with sector departments*

Component C: Public Accountability

MSA Section 15(b): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16(i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18(i)(d): requires a municipality to supply its community with information concerning municipal governance, management and development.

Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

2.5 Public Meetings

Accountability and community participation were enhanced by engagements through the following media:-

- Advertising in local newspapers (Noordwester) and Die Burger
- Facebook page
- Municipal website
- E-mails
- Radio broadcasting
- Loudhaulig
- WhatsApp
- Notices on municipal noticeboards and distribution of notices amongst residents
- Newsletter and notices attached to municipal accounts
- Tele-and video conferencing

The table below shows the different public meetings for the 2020/21 financial years:

Nature and purpose of meeting	Date of events	Number of participating municipal councillors	Number of participating municipal administrators	Number of community members attending
Annual IDP and Budget	September 2020	9	11	112
	April 2021	9	5	65
IDP/IGR	December 2020	5	n/a	n/a
IDP and Budget Steering	March 2020	4	6	0
Council meets the people	Due to the COVID-19 restrictions Council meets the people could not take place			

Nature and purpose of meeting	Date of events	Number of participating municipal councillors	Number of participating municipal administrators	Number of community members attending
Youth Economic Development	Due to the COVID-19 restrictions Council meets the people could not take place			
SMME Development	Due to the COVID-19 restrictions Council meets the people could not take place			
Stakeholders/Investors	Due to the COVID-19 restrictions Council meets the people could not take place			
Joint Operational Committee (JOC)	February 2021	2	5	6

Table 35: *Public meetings*

2.5.1 Ward committees

The purpose of a ward committee is:

- to get better participation from the community to inform Council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to Council. These committees play a very important role in the development and annual revision of the IDP of the area.

Ward committees support the ward councillor who receives reports on development, participates in development planning processes and facilitates wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

The table below provides information of the ward committee meetings held during the 2020/21 financial year:

Ward	Town	Number of meetings	Dates of meetings	Number of Councillors attended	Number of municipal administrators attended	Number of community members attended
1	Calvinia		14 July 2020	1	1	8
			17 August 2020	2	3	8
			17 September 2020	1	0	9
			19 October 2020	1	1	8
			17 November 2020	1	0	8
			9 December 2020	1	0	8
			19 January 2021	2	1	8
			18 February 2021	1	0	8
			22 March 2021	1	0	8

Ward	Town	Number of meetings	Dates of meetings	Number of Councillors attended	Number of municipal administrators attended	Number of community members attended
			08 June 2021	2	0	8
2	Calvinia		14 July 2020	1	0	7
			17 August 2020	2	2	10
			17 September 2020	1	0	9
			21 October 2020	1	0	9
			23 November 2020	1	0	6
			10 December 2020	1	0	10
			19 January 2021	2	1	8
			23 February 2021	1	1	9
			23 March 2021	1	1	9
			21 June 2021	1	0	9
3	Brandvlei		23 July 2020	1	1	9
			21 August 2020	1	1	8
			23 September 2020	1	1	10
			21 October 2020	1	1	7
			25 November 2020	1	0	10
			18 January 2021	1	0	8
			18 February 2021	1	0	9
			18 March 2021	1	0	7
			21 June 2021	1	0	8
4	Nieuwoudtville		16 July 2020	0	0	8
			18 August 2020	0	2	8
			15 September 2020	1	1	7
			19 October 2020	1	1	8
			11 January 2021	1	0	8
			8 March 2021	1	0	7
			14 June 2021	1	0	6
5	Loeriesfontein		20 July 2020	1	1	6
			14 August 2020	1	1	9
			17 September 2020	1	1	9
			19 October 2020	1	1	7
			17 November 2020	1	1	7
			7 December 2020	1	0	6
			27 January 2021	1	1	6
			17 February 2021	1	1	8
			15 March 2021	1	1	8
			22 June 2021	1	1	8

Table 36: *Ward committee meetings*

2.5.2 Functionality of ward committees

The table below provides information on the composition and functionality of ward committees as follows:

- Ward committee meetings held during the year include scheduled meetings between Ward Councillors and committee members, including IDP/Ward Committee engagements as part of the IDP process for the 2020/21 planning year. Currently the number of ward committee meetings are one per month as per council resolution and the approved Ward Committee Policy.
- Since the dissolvement of the Ward Committee for Ward 5 (Loeriesfontein) by Council, a new Ward Committee has been established on 17 October 2019.
- Minutes of Ward Committee meetings are submitted to the Mayor, as the Speaker, after each meeting. These minutes are distributed internally to Senior Management to address service delivery issues highlighted in the minutes. The minutes and reports are submitted to COGHSTA on a regular basis.
- Ward Committee reporting was including as a standing item on the Council meeting Agenda to allow for feedback and communication of service delivery issues.
- Functionality of ward committees is determined by the active engagements of ward committees with communities on public platforms and direct interactive sessions to improve or create better communities.

Ward number	Committee established: Yes / No	Number of reports submitted to the speaker's/ IDP office
1	Yes	12
2	Yes	12
3	Yes	12
4	Yes	12
5	Yes	12

Table 37: *Functioning of ward committees*

2.5.3 IDP participation and alignment criteria

The MSA requires that local government structures prepare IDP's. The IDP serves as a tool for the facilitation and management of development within the municipal area. The function for the preparation of the IDP is under the Office of the Municipal Manager and the authority for the preparation of the IDP is delegated to an official. In terms of the alignment of the IDP, there is still challenges that will be addressed in the new financial year.

IDP participation and alignment Criteria	Yes/No
Does the Municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

Table 38: *IDP participation and alignment criteria*

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes relationships among many stakeholders involved and the goals by which the institution is governed.

2.6 RISK MANAGEMENT

Risk management is a systematic and formalised process instituted by the Municipality to identify, assess, manage, monitor and report risks ensuring the achievement of objectives. In terms of Section 62(1)(c)(i) and Section 95(c)(i) of the MFMA, No. 56 of 2003, it requires the accounting officer to ensure that the municipality and municipal entities, if any, have and maintain effective, efficient and transparent systems of risk management. The main reason for risk management is that the service delivery environment and the public sector's interface with stakeholders have become far more demanding and volatile than before.

The objective of the Risk Management Policy is to assist management and Council to make informed decisions which will:

- Improve the Municipality's performance on decision making and planning
- Provide a sound basis for integrated risk management and internal control as components of good corporate governance
- Assist management in ensuring more effective reporting and compliance with applicable laws, regulations and other corporate governance requirements
- Foster a culture of good governance, ethical conduct, discourage inefficiencies and counter fraud and corruption

Historical ways of doing things are no longer effective as evidenced by several service delivery and general failures. Benefits from risk management are:

- more efficient, reliable and cost effective delivery of services;
- minimised waste and fraud; and
- more reliable decision making

2.6.1 Top five risks

The top five risks of the Municipality for the 2020/21 financial year are the following:

- Scarce water resources
- Outstanding debtors
- Liquidity
- High electricity and water losses
- Outdated Information Technology (IT) infrastructure

2.6.2 Action plan to address the top five risks

The table below provide the actions implemented/that will be implemented to address the top five risks:

Risk	Action implementation
Scarce water resources	EIA study and Wula registration of Calvinia Southern borehole field is in progress. A professional consultant was appointed to submit business plans and apply for funding from D.W.S.
Outstanding debtors	Fines for use above maximum usage has been cancelled by approval of Council. During lockdown level 5 all water meters were opened for consumptions but from level 1 in process of restricting supply where no payments were being made. Council amended credit control policy to allow household to pay 50% and write-off 50%
Liquidity	Pre-paid water meters to be installed to assist with the liquidity
High electricity and water losses	Hantam to budget for smart electricity meters and replace old infrastructure. Tender for prepaid water meters were concluded in 2020/21 financial year. The Municipality to buy prepaid water meters for Brandvlei for first roll out in the beginning of the 2021/22 financial year
Outdated Information Technology (IT) infrastructure	Business Impact Analysis to be conducted to address inadequate ICT infrastructure. Appointment of service provider in the 2020/21 financial year to start with phase in upgrade due to budget constraints

Table 39: *Action plan to address the top five risks*

2.6.3 Approved risk policies and strategies

Name of strategy / policy	Developed Yes/No	Date adopted/reviewed
Risk Management Policy	Yes	26 June 2020
Risk Management Implementation Plan	Yes	16 March 2020

Table 40: *Approved risk policies and strategies*

2.7 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the MFMA, Section 112(1)(m)(i) identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

2.7.1 Developed strategies

The table below indicates the strategy developed to combat fraud and corruption in the Municipality:

Name of strategy	Developed Yes/No	Date adopted/reviewed
Combating the abuse of SCM Regulations	Yes	July 2015
Fraud Prevention Plan	Yes	28 May 2019

Table 41: *Strategies*

2.8 Audit Committee

Section 166(2) of the MFMA states that an Audit Committee is an independent advisory body which must:

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:

- internal financial control;
- risk management;
- performance management; and
- effective governance.

2.8.1 Functions of the Audit Committee

The Audit Committee has the following main functions as prescribed in Section 166(2)(a-e) of the MFMA, 2003 and the Local Government Municipal and Performance Management Regulation:

- To advise council on all matters related to compliance and effective governance
- To review the annual financial statements to provide council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation
- Respond to council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by internal audit
- To evaluate audit reports pertaining to financial, administrative and technical systems
- To review the performance management system and make recommendations in this regard to council
- To identify major risks to which council is exposed and determine the extent to which risks have been minimised
- Review the plans of the internal audit function and in so doing, ensure that the plan addresses the high-risk areas and ensure that adequate resources are available
- Provide support to the internal audit function
- Ensure that no restrictions or limitations are placed on the internal audit section
- Evaluate the activities of the internal audit function in terms of their role as prescribed by legislation

2.8.2 Members of the Audit Committee

The table below indicates the members that serve on the Audit Committee and the dates of meetings held:

Name of representative	Capacity	Qualification	Meeting dates
A Titus	Member 1 February 2018 - 30 September 2019 Chairperson 1 October 2019 – till present	• Training as Law Enforcement NQF 5 • Accountant Clerk Claassen Stone	8 October 2020 13 October 2020 (review of AFS report is written as proof of meeting) 1 December 2020 18 February 2021 6 May 2021 8 June 2021
E van Wyk	Member	BAcc University Stellenbosch	

Name of representative	Capacity	Qualification	Meeting dates
	Till - 31 March 2021	Hons BCompt/STR UNISA Advanced Certificate in Auditing	
E Kapank	Member 1 July 2019 – 4 October 2020	Diploma: Business Management (2nd Year)	
F Rootman	Member Appointed - 1 April 2021	BCompt – UNISA Accounting III – Local Government UNISA	

Table 42: *Members of the AC*

2.9 Performance Audit Committee

The Regulations require that a PAC is comprised of a minimum of three members. Section 14(2)(b) of the Regulations further stipulates that the PAC must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate a member of the PAC who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

Section 14(3)(a) of the Regulations requires that the PAC of a municipality must meet at least twice during each financial year. However, additional special meetings of the PAC may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3)(b) of the Regulations.

2.9.1 Functions of the Performance Audit Committee

In terms of Section 14(4)(a) of the Regulations the PAC has the responsibility to:

- review the quarterly reports produced and submitted by the internal audit process;
- review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- at least twice during each financial year submit a performance audit report to the council of the municipality.

2.9.2 Members of the Performance Audit Committee

The functions of the PAC are fullfilled by the Audit Committee.

2.10 Internal Auditing

Section 165(2)(a)(b) and (c) of the MFMA requires that:

The internal audit unit of a municipality must:

(a) Prepare a risk-based audit plan and an internal audit program for each financial year

(b) Advise the accounting officer and report to the AC on the implementation of the internal audit plan and matters relating to:

(i) Internal audit;

(ii) internal controls;

(iii) accounting procedures and practices;

(iv) risk and risk management;

(v) performance management;

(vi) loss control; and

(vii) compliance with this act, the annual DoRA and any other applicable legislation

(c) Perform such other duties as may be assigned to it by the accounting officer

2.10.1 Risk register and three-year strategic plan

A risk assessment was performed by the provincial department's risk management team. The Risk-Based Audit Plan (RBAP) for 2020/21 was approved by the Audit Committee on 30 June 2020 and was approved by Council.

2.10.2 RBAP

The following auditable areas of the plan was audited during the financial year:

- IDP/Budget Statutory Review
- IDP/Budget process plan quarterly reviews
- Division of Revenue Act (DoRA) and quarterly reviews
- Performance Management quarterly reviews (SDBIP)
- Risk management quarterly follow-ups
- SCM (Deviations, UIF &W, Formal quotations & Tenders)
- Payments
- Leave Management
- Audit action plan

2.11 SCM

Section 110-119 of the SCM Regulations 2005 and relevant MFMA circulars, stipulate the required processes and guidance to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimise opportunities for fraud and corruption.

The Municipality's SCM Policy was reviewed and approved by Council on 20 June 2021.

Reports on the implementation of the SCM Policy are submitted monthly to the Accounting Officer. These reports are tabled in special Council meetings.

The procurement processes consists of the following components:-

- Contract management – Completed by the respective department, depending on the type of service that is requested

- Advertising – Formal quotations (R30 001 to R 199 999) are advertised on the notice boards and website of the Municipality for seven days and formal tenders are advertised for three weeks on the website and in the local newspapers as contemplated in the SCM Regulations
- Specification – The Municipality appointed the Accountant SCM as a standing member of the Bid Specification Committee. The other members of the Bid Specification Committee is appointed on an ad hoc basis, depending on the scope of work required
- Evaluation – The evaluation of formal quotations and tenders are done on the respective principles of 80/20 and 90/10 (as prescribed in the Preferential Procurement Policy Framework Act 5 of 2000 and the Preferential Procurement Regulation, 2017), depending on the type of services that was requested. The report of such evaluation is forwarded to the Adjudication Committee with a recommendation
- Adjudication – This committee accepts the proposals of above standing committees or refer the proposal and report back to the Evaluation Committee if additional information is needed regarding the proposed contractor

2.11.1 Highlights: SCM

The table below specifies the highlights for the year:

Highlights	Description
Senior Clerk: SCM	The vacant position in the SCM department was budgeted for and will be advertised and filled soon
CSD Registrations	The SCM Unit reminds the community regularly to register on the CSD. The SCM Unit also avails an employee of the SCM unit to assist the community in registering on the CSD and editing of Profiles etc.
CIPC Registrations	The SCM Unit in conjunction with the LED department of Hantam Municipality assists the Community in registering their companies.
Bid Committees	The Bid Committees was appointed in line with legislation and are operating at an optimum level. The Municipality currently have a contract with the Karoo Hoogland Municipality to use their two Senior Managers on our BAC, because the Municipality only has two senior manager and the regulation requests that the BAC consists of at least four senior managers
SCM Audit Findings	The number of findings for the SCM department decreased for the 2019/20 financial year

Table 43: *Highlights: SCM*

2.11.2 Challenges: Supply Chain Management

The table below specifies the challenges for the year:

Description	Actions to address
Bid Adjudication Committee – Two senior managers of Karoo Hoogland Municipality were appointed to serve on the BAC of Hantam Municipality. Our BAC meetings depend on the availability of those officials and this sometimes delays the awarding of a tender.	That dates for BAC meetings will be communicated with the officials of the Municipality in advance, in order to ensure and confirm availability

Description	Actions to address
Forward and long-term planning: End-user departments are struggling with the notion of planning in advance and keeping to timeframes as set out by the Demand Management Plan which places an unnecessary burden on the SCM Unit with procurement deadlines	The SCM Unit is committed to provide workshops and assistance in order to assist end-user departments in forward planning to ensure a more proactive then reactive approach
The SCM Unit is understaffed	The Senior Clerk: SCM will be appointed during the course of the 2020/21 financial year

Table 44: *Challenges: Supply Chain Management*

2.11.3 Largest Capital Project - Contractor

The table below specifies the largest capital project contractor for the period under review:

Project name and detail	Contractor	Start date	End date	Total value R	Total spent R
Calvinia Northern Wellfield Pipelines	JVZ Construction (Pty) Ltd	02 February 2020	19 May 2021	6 979 55.65	6 893 898.76

Table 45: *Largest capital project - contractor*

2.11.4 B-BBEE Compilance Performance Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad Based Black Economic Empowerment (B-BBEE) Act (53 of 2003; as amended by Act 46 of 2013) read inconjuction with the B-BBEE Rgulations of 2016 states in Section 13G(1) that all spheres of government, public enteties and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements (AFS) and Annual Report (AR). In accordance with the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commision the following tables provide details on the municipality's compliance with regard to broad-based economic empowerment:

a) Management Control

Category	Number	Race Classification	Gender	Disability
Senior Management	3	2 Coloure 1 White	3 Male	0

Table 46: *Management control*

b) Skills Development

Category	Number	Race Classification	Gender	Disability	Total Amount Spent
Black employees	9	Coloured	6 Female 3 Male	0	378 464
Black non-employees	0	0	0	0	0
Black people on internships, apprenticeship, learnership	0	0	0	0	0
Unemployed black people on any programme under the learning programme matrix	0	0	0	0	0

Category	Number	Race Classification	Gender	Disability	Total Amount Spent
Black people absorbed at end of internships, apprenticeship, learnership	0	0	0	0	0

Table 47: *Skills development*

c) Enterprise and Supplier Development

Total Procurement Spent					
Total Number of Suppliers	72		Total Value Spent	140 174 933.91	
Total number of Exempt Micro Enterprises (EME's) suppliers	Total value spent	% Black Ownership		% Black Ownership	
5	73 315.54	4		1	
Total number of Qualifying Small Enterprises (QSE's) suppliers	Total value spent	% Black Ownership		% Black Ownership	
n/a	n/a	n/a		n/a	
Total number of large suppliers	Total value spent	% Black Ownership		% Black Ownership	
n/a	n/a	n/a		n/a	
Total value of 2% NPAT or 0.2% of allocated budget					
Total number of Exempt Micro Enterprises (EME's)	Total value spent	% Black Ownership	%Black women ownership	Location/s	Sector/s
n/a	n/a	n/a	n/a	n/a	n/a
Total number of Qualifying Small Enterprises (QSE's)	Total value spent	% Black Ownership	%Black women ownership	Location/s	Sector/s
n/a	n/a	n/a	n/a	n/a	n/a
Total value of 1% NPAT or 0.1% of allocated budget					
Total number of Exempt Micro Enterprises (EME's)	Total value spent	% Black Ownership	%Black women ownership	Location/s	Sector/s
n/a	n/a	n/a	n/a	n/a	n/a
Total number of Qualifying Small Enterprises (QSE's)	Total value spent	% Black Ownership	%Black women ownership	Location/s	Sector/s
n/a	n/a	n/a	n/a	n/a	n/a

Table 48: *Enterprise and supplier development*

2.12 By-Laws and Policies

Section 11 of the MSA gives municipal councils the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/revised	Date adopted	Public participation conducted prior to adoption of policy (Yes/No)	Approval reference
Property Rates Policy	28 May 2020	Yes	SR06/05-20
Tarif Policy	28 May 2020	Yes	SR06/05-20
Credit Control and Debt Collection Policy	28 May 2020	Yes	SR06/05-20
Indigent Policy	28 May 2020	Yes	SR06/05-20
Supply Chain Management Policy	28 May 2020	Yes	SR06/05-20
Infrastructure Procurement and Delivery Management Policy	28 May 2020	Yes	SR06/05-20
Virement Policy	28 May 2020	Yes	SR06/05-20
Fraud Prevention Plan	28 May 2020	Yes	SR06/05-20
Funds and Reserve Policy	28 May 2020	Yes	SR06/05-20
Travel and Subsistance Policy	28 May 2020	Yes	SR06/05-20
Long Term Financial Planning and Implimentation Policy	28 May 2020	Yes	SR06/05-20
Investment Policy	28 May 2020	Yes	SR06/05-20
Disposal Policy	28 May 2020	Yes	SR06/05-20
Ammendment to Credit Control Policy	26 June 2020	Yes	R09/06-20
Ammendment to Tariff Policy	26 June 2020	Yes	R17/06-20
Risk Management Policy	26 June 2020	Yes	R21/06-20
Hantam Municipality Transport Allowance Policy	20 August 2020	Yes	RIK10/08-20
Municipal Corporate Governance of ICT Policy	26 November 2020	Yes	R11/11-20
Back-up Plicy	26 November 2020	Yes	R11/11-20
IT Security Policy	26 November 2020	Yes	R11/11-20
Patch Management Policy	26 November 2020	Yes	R11/11-20
Internet Acceptable Policy	26 November 2020	Yes	R11/11-20
User Account Management Policy	26 November 2020	Yes	R11/11-20
Service of Road Reserves Works and Installation Policy	22 April 2020	Yes	SR17/04-21
Hantam Community Safety Forum Terms of Reference Policy	26 May 2021	Yes	R15/05-21
Keep of Animal Policy	24 June 2021	Yes	R10/06-21
Overtime Policy	24 June 2021	Yes	RIK03/06-21

Table 49: *Policies*

2.13 WEBSITE

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the Municipality's communication strategy.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No and/or Date Published
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2021/22	Yes
Adjusted Budget 2021/22	Yes
Asset Management Policy	Yes
Customer Care, Credit control and Debt collection Policy	Yes
Indigent Policy	Yes
Funds and Reserves Policy	Yes
Investment and Cash Management Policy	Yes
Rates Policy	Yes
SCM Policy	Yes
Tariff Policy	Yes
Petty Cash Policy	Yes
Travel and Subsistence Policy	Yes
SDBIP 2020/21	Yes
IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2021/22	Yes
IDP Process Plan for 2021/22	Yes
SCM (Sections 14(2), 33, 37 and75(1)(e)and(f) and 120(6)(b)of the MFMA and Section 18(a) of the National SCM Regulation)	
SCM contracts above R30 000	Yes

Description of information and/or document	Yes/No and/or Date Published
Service delivery agreements	Yes
Public invitations for formal price quotations	Yes
Reports (Sections 52(d), 71, 72 and75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2020/21	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
LED (Section 26(c) of the MSA)	
LED Strategy	Yes
LED Policy Framework	Yes
Economic profile	Yes
LED projects	Yes
Performance management (Section 75(1)(d) of the MFMA)	
Performance agreements for employees appointed as per Section 57 of MSA	Yes
Assurance functions (Sections 62(1), 165 and 166 of the MFMA)	
Risk Management Policy	Yes

Table 50: *Website checklist*

2.14 Communication

2.14.1 Communication activities

Communication activities	Yes/No	Date Approved/Completed
Communication strategy	Yes (Include in the Public Participation Policy)	28 May 2020
Communication Policy	No	n/a
Public Participation Policy	Yes	28 May 2020
Functional complaint management systems	Yes	26 May 2020
Customer satisfaction surveys	No	n/a

Table 51: *Communication activities*

2.14.2 Communication unit

	Yes/No	Number of people in the Unit	Job titles
Communication Unit	No	1 person designated to perform communication related functions within the IDP/LED unit	Clerk: IDP/LED

Table 52: *Communication activities*

2.14.3 Highlights: Communication

Highlights	Description
Facebook page	• Improved interaction from community on posts • Regular posting and sharing of information • Provides platform that allows for communicating and reporting of service delivery issues

Highlights	Description
District Communication Forum involvement	Weekly updates are sent to Namakwa District Municipality's Communications Office on all communication related events in Hantam
Local radio station broadcasting	Regular broadcasting sessions by the Mayor and Senior Management over Radio Kaboesna to keep communities informed of municipal processes & opportunities, service delivery issues as well as programs & opportunities of sector departments in Hantam affecting communities
Virtual meeting platforms as a result of COVID-19 regulations and restrictions	Saving time and costs for the Municipality in terms of travel & accommodation expenses of officials to meetings in the Province and District
WhatsApp group communication	Effective way of communicating information to members of the community and receiving immediate feedback, e.g. local SMME's
	Utilization of WhatsApp groups to communicate to staff members since the implementation of National lockdown

Table 53: *Highlights Communication*

2.14.4 Challenges: Communication

Description	Action to address
- Poor cellular phone connectivity in most areas of Hantam due to vastness of area - No cellular phone connectivity along routes that link towns of Hantam and along certain parts of R27	Improvement of cellular phone and radio signals through SKA's project
Limited radius for local radio broadcasting area coverage, namely Radio Kaboesna which only covers Calvinia as a result of the geographic vastness of the area	Extension of radio broadcasting signal to all towns of Hantam through collaborative interventions of Mainstream Renewable Energy, SKA and Eagle Towers
Services of the local Post Office are not effective	Interventions of SA Post Services to adhere to ICASA standards
No wi-fi hotspots or broadband for community who cannot afford to install	Installation of wi-fi hotspots and broadband through the roll-out and implementation of GCIS's program
Virtual meetings requiring strong internet connectivity	

Table 54: *Challenges Communication*

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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

3.1 PERFORMANCE MANAGEMENT

Performance management is prescribed by Chapter 6 of the MSA, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that "A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the IDP, budget, Service Delivery Budget Implementation Plan (SDBIP) and individual and service provider performance.

3.1.1 Organisational performance

The organisational performance is monitored and evaluated via the Top Layer SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP 2020/21 was approved by the Mayor on 26 June 2020.
- The Municipality utilises a web-based performance management system which is updated on a quarterly basis.
- The first quarter Top Layer SDBIP report was submitted to Council on 29 October 2020 (Council resolution: R07/10-20).
- The Section 72 Mid-year Report in terms of the MFMA, was submitted to Council on 28 January 2021 (Council resolution: R07/01-21).
- The third quarter SDBIP report was submitted to Council on 27 May 2021 (Council resolution: R22/05-21).
- The Internal Audit Unit reviews the performance measurements of the Municipality on a continuous basis as prescribed by relevant legislation, which includes submission of reports on a quarterly basis to the Municipal Manager and Audit Committee.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1.2 Individual performance

a) Municipal Manager and managers directly accountable to the Municipal Manager

The MSA prescribes that the Municipality must enter into performance-based agreements with the S57-employees and that performance agreements be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2020/21 financial year for the Municipal Manager, Senior Manager Community and Technical Services and Senior Manager Finance and Corporate Services' was signed on 26 July 2020.

The mid-year performance assessment was held on 08 February 2021 for the 2020/21 financial year.

3.2 The IDP and the Budget

The IDP and the budget for 2020/21 was reviewed and approved on 27 May 2021 (Council Resolution: R22/05-21). The IDP and performance management processes are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fullfils the implementation, management, monitoring and evaluation of the IDP.

3.3 Service Providers Strategic Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the Municipality has entered into a service delivery agreement. A service provider:

- means a person or institution or any combination of persons and institutions which provide to or for the benefit of the local community
- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

During the year under review the Municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored.

3.4 Strategic SDBIP

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. The SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, budget and performance agreements).

The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP is measured:

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

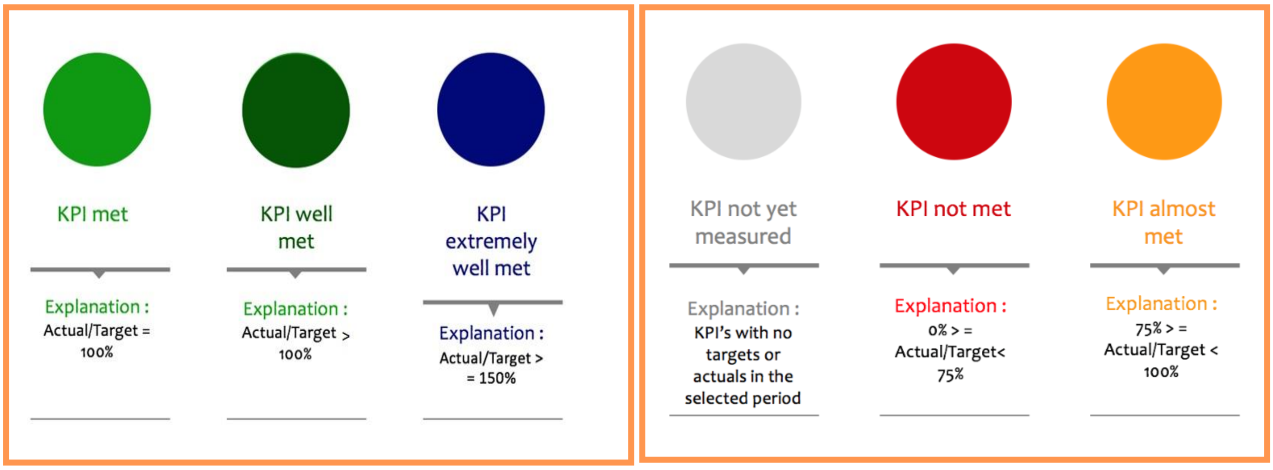
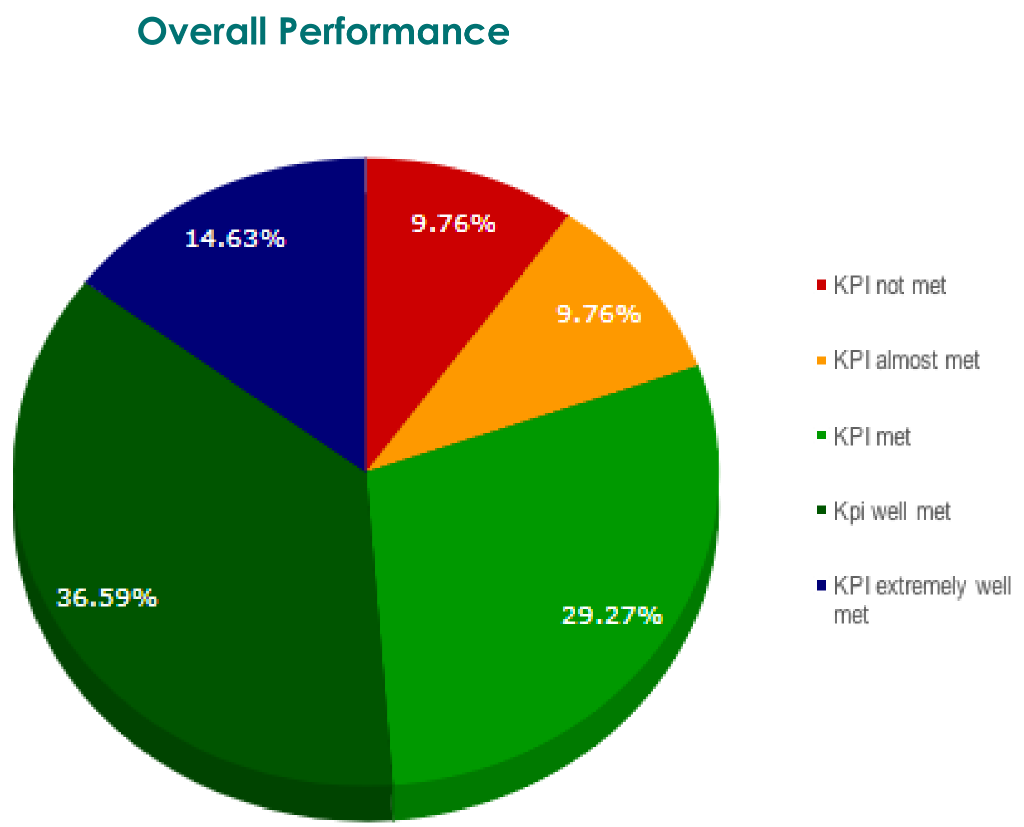
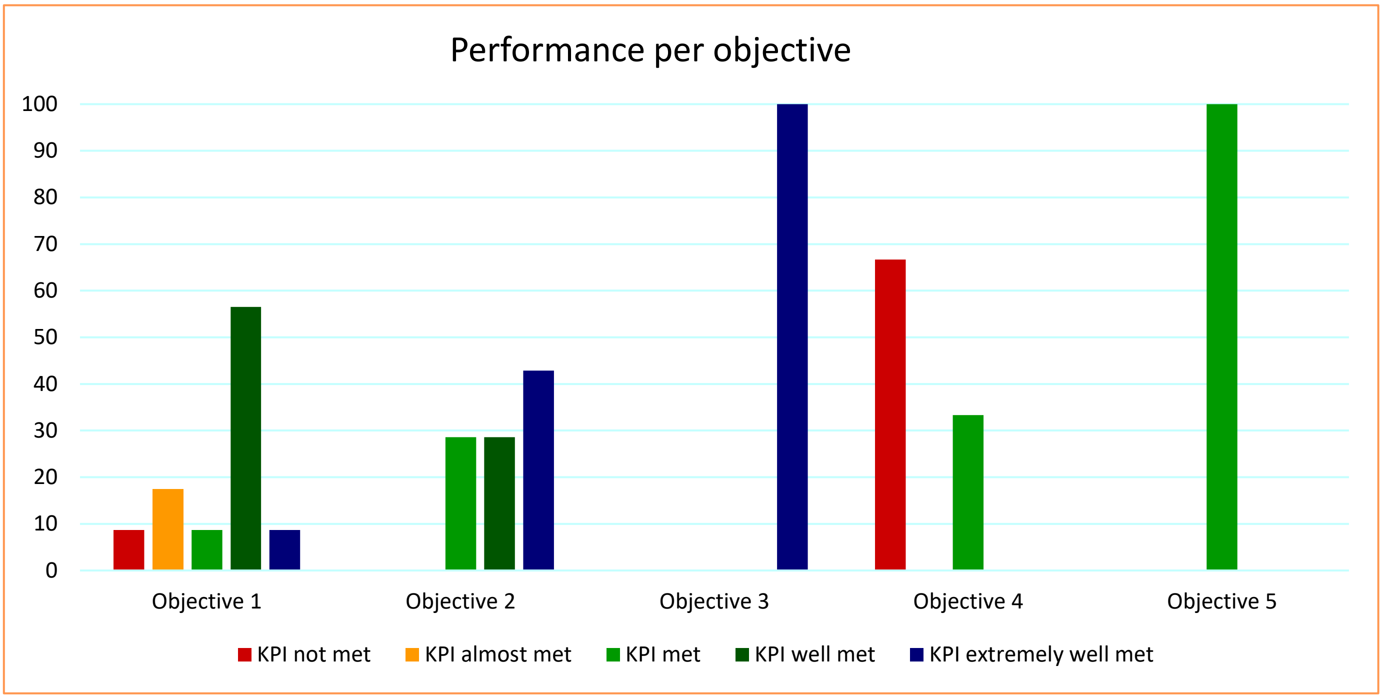


Figure 4: SDBIP measurement criteria

In the tables listed below is the KPI's set in the approved SDBIP per functional area, including actual performance for the 2020/21 financial year.



CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Measurement category	Objective 1 Infrastructure Development and Basic Service Delivery	Objective 2 Instatutional Development and transformatio	Objective 3 Economic Development	Objective 4 Financially Sustainablility and Viability	Objective 5 Promote Good Governance and Public Participation	Total
KPI Not Met	2	0	0	2	0	3
KPI Almost Met	4	0	0	0	0	4
KPI Met	2	2	0	1	7	12
KPI Well Met	13	2	0	0	0	16
KPI Extremely Well Met	2	3	1	0	0	6
Total		7	1	3	7	41

Graph 1: Overall performance per strategic objective

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.4.1 Economic Development

Ref	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL8	Create job opportunities ito EPWP by 30 June 2021	Number of job opportunities created by 30 June 2021	All	1 143	0	0	0	150	150	776	B

Table 55: *Economic development*

3.4.2 Infrastructure Development and Basic Service Delivery

Ref	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL9	Number of residential properties that which are billed for water or have pre paid meters that is connected to the municipal water infrastructure network as at 30 June 2021	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2021	All	4 383	4 614	4 614	4 724	4 724	4 724	4 728	G2
TL10	Number of residential properties which are billed for electricity or have pre paid meters as at 30 June 2021 (excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre paid meters as at 30 June 2021 (Excluding Eskom areas)	All	2 479	2 430	2 430	2 648	2 648	2 648	2 656	G2
TL11	Number of residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2021	Number of residential properties which are billed for sewerage as at 30 June 2021	All	4 383	4 614	4 614	4 724	4 724	4 724	4 728	G2
TL12	Number of residential properties which are billed for refuse removal as at 30 June 2021	Number of residential properties which are billed for refuseremoval as at 30 June 2021	All	4 383	4 614	4 614	4 724	4 724	4 724	4 728	G2
TL13	Provide free basic water to indigent households earning less than R5 030 as at 30 June 2021	Number of households receiving free basic water as at 30 June 2021	All	3 186	2 618	2 618	3 267	3 267	3 267	3 256	O
Corrective Measure		Regular applications will be done in the 202021/22 financial year to cover the loss									
TL14	Provide free basic electricity to indigent households earning less than R5 030 as at 30 June 2021	Number of households receiving free basic electricity	All	2 890	2 365	2 365	2 932	2 932	2 932	2 921	O

Ref	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21							
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
		as at 30 June 2021									
Corrective Measure	Regular applications will be done in the 202021/22 financial year to cover the loss										
TL15	Provide free basic sanitation to indigent households earning less than R5 030 as at 30 June 2021	Number of households receiving free basic sanitation as at 30 June 2021	All	3 186	2 618	2 618	3 267	3 267	3 267	3 256	O
Corrective Measure	Regular applications will be done in the 202021/22 financial year to cover the loss										
TL16	Provide free basic refuse removal to indigent households earning less than R5 030 as at 30 June 2021	Number of households receiving free basic refuse removal as at 30 June 2021	All	3 186	2 618	2 618	3 267	3 267	3 267	3 256	O
Corrective Measure	Regular applications will be done in the 202021/22 financial year to cover the loss										
TL17	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2021 (Actual amount spent on capital projects /Total amount budgeted for capital projects)X100	{Actual amount spent on capital projects /Total amount budgeted for capital projects)X100} by 30 June 2021	All	99%	0%	30%	60%	90%	90%	101.00%	G2
TL26	95% spent of the library operational conditional grant by 30 June 2021 {(Actual expenditure divided by the total grant received) x 100}	% of the library operational conditional grant spent by 30 June 2021 {(Actual expenditure divided by the total grant received) x 100}	All	175.95%	0%	10%	60%	95%	95%	95%	G
TL27	Limit unaccounted for electricity to less than 15% by 30 June 2021 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) × 100}	% Unaccounted for electricity by 30 June 2021	All	17%	0%	0%	0%	15%	15%	14.20%	B
TL28	Limit unaccounted for water to less than 15% by 30 June 2021 {(Number of Kiloliters Water Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purified × 100}	% Unaccounted for water by 30 June 2021	All	26.32%	0%	0%	0%	15%	15%	20%	R
Corrective Measure	The Municipality is in the tender process for the procurement for pre-paid water meters that will address this matter within the 2021/22 financial year										
TL29	90% spent of the budget for the water network and electrification of Romanskolk in Bandvlei in terms of the grant allocation received by 30 June	Percentage of budget spent by 30 June 2021	3	101.07%	0%	30%	60%	90%	90%	100%	G2

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	2021{(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}										
TL30	90% spent of the budget to upgrade the Water Treatment Works in Calvinia in terms of the grant allocation received by 30 June 2021 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	Percentage of budget spent by 30 June 2021	1;2	100.02%	0%	30%	60%	90%	90%	100%	G2
TL31	90% spent of the budget to upgrade sport facilities in Hantam Park in Calvinia in terms of the grant allocation received by 30 June 2021 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	Percentage of budget spent by 30 June 2021	1;2	100%	0%	30%	60%	90%	90%	100%	G2
TL32	90% spent of the budget to upgrade roads & stormwater in Calvinia in terms of the grant allocation received by 30 June 2021 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	Percentage of budget spent by 30 June 2021	1;2	New Performance Indicator for 2020/21. No comparative audited results available	0%	30%	60%	90%	90%	100%	G2
TL33	90% spent of the budget to upgrade ringman units in Nieuwoudtville in terms of the grant allocation received by 30 June 2021 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	Percentage of budget spent by 30 June 2021	4	New Performance Indicator for 2020/21. No comparative audited results available	0%	30%	60%	90%	90%	91%	G2
TL34	Procurement of 600 chairs for community halls by 30 June 2021	600 chairs procured for community halls by 30 June 2021	3;4;5	New Performance Indicator for 2020/21. No comparative audited results available	0	200	200	200	600	600	G

Ref	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL37	Provide free wood and oil to indigent households earning less than R5 030 as at 30 June 2021	Number of households receiving free wood and oil as at 30 June 2021	All	New Performance Indicator for 2020/21. No comparative audited results available	0	0	97	97	97	118	G2
TL38	90% of the budget spent to connect sewerage system in Calvinia (Jakaranda Street, Slotte & Lelie Street) in terms of the grant allocation received by 30 June 2021 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	Percentage of budget spent by 30 June 2021	1;2	New Performance Indicator for 2020/21. No comparative audited results available	0%	0%	30%	90%	90%	100%	G2
TL39	90% of the budget spent to improve sanitation system in Loeriesfontein (Terlot-, Namakwa-, Ebenheazer & Opperman Streets) in terms of the grant allocation received by 30 June 2021 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	Percentage of budget spent by 30 June 2021	5	New Performance Indicator for 2020/21. No comparative audited results available	0%	0%	30%	90%	90%	57%	R
Corrective Measure		No corrective action required as project was completed with budget savings and the remainder of COVID -19 relief funding was spent on an additional project which was also completed									
TL40	90% of the budget spent for the Akkerendam Northern well project in Calvinia in terms of the grant allocation received by 30 June 2021 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	Percentage of budget spent by 30 June 2021	1;2	New Performance Indicator for 2020/21. No comparative audited results available	0%	0%	30%	90%	90%	100%	G2
TL41	Procure 1x Mobile toilet by 30 June 2021	1x Mobile toilet procured by 30 June 2021	All	New Performance Indicator for 2020/21. No comparative audited results available	0	0	0	1	1	2	B

Table 56: *Infrastructure development and basic service delivery*

3.4.3 INSTATUTIONAL DEVELOPMENT AND TRANSFORMATION

Ref	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL18	Percentage of people from employment equity target groups that will be appointed in the three highest levels of management during the 2020/21 financial year in compliance with the municipality's approved employment equity plan	% of people that will be appointed in the three highest levels of management in compliance with a municipality's approved employment equity plan	All	66%	0%	0%	0%	66%	66%	66%	G
TL19	Percentage of municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2021 ((Total Actual Training Expenditure/ Total personnel Budget)x100))	(Total expenditure on training/total personnel budget)/100	All	3.83%	0.00%	0.00%	0.00%	0.01%	0.01%	9.00%	B
TL23	Limit vacancy rate to 20% of funded post by 30 June 2021 {(Number of funded posts vacant divided by budgeted funded posts)x100}	(Number of funded posts vacant divided by budgeted funded posts)x100	All	17%	0%	0%	0%	20%	20%	0.00%	B
TL24	Review the Workplace Skills Plan and submit plan to the LGSETA by 30 April 2021	Workplace Skills Plan submitted to LGSETA by 30 April 2020	All	1	0	0	0	1	1	1	G
TL25	90% of the ICT capital budget spent by 30 June 2020 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% of the ICT capital budget spent by 30 June 2020	All	76%	0%	30%	60%	90%	90%	146.73%	B
TL35	90% of the budget spent to upgrade IT and Telephone network by 30 June 2021 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	Percentage of budget spent by 30 June 2021	All	91%	0%	30%	60%	90%	90%	131.97%	G2

Ref	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL36	90% spent of the budget to purchase laptops by 30 June 2021	Percentage of budget spent by 30 June 2021	All	New Performance Indicator for 2020/21. No comparative audited results available						94.60%	G2

Table 57: *Instatutional development and transformation*

3.4.4 Financially Sustainability and Viability

Ref	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL20	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations at 30 June 2021 {Debt to Revenue (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant}	% Debt coverage as at 30 June 2021	All	0%	0%	0%	0%	1%	1%	1.0%	G
TL21	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2021 {Net Service debtors to revenue – (Total outstanding service debtors minus provision for bad debt)/ (revenue received for services) x100}	% outstanding service debtors at 30 June 2021	All	13.50%	0%	0%	0%	14%	14%	28.22%	R
Corrective Measure		The Municipality will implement stricter debt and credit controls									
TL22	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2021 {Cost coverage ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure	Cost coverage ratio as at 30 June 2021	All	0.35	0	0	0	0.6	0.6	0.6	R

Ref	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))}										
Corrective Measure		The Municipality has implemented saving measures. The position is however not yet filled and Senior Management are in discussions for purchase as highly important									

Table 58: *Financially sustainability and viability*

3.4.5 Good Governance and Public Participation

Ref	KPI	Unit of measurement	Wards	Actual performance of 2019/20	Overall performance 2020/21						
					Targets					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL1	Develop a Risk Based Audit Plan and submit to the audit committee for consideration by 30 June 2021	Risk Based Audit Plan developed and submitted to the audit committee by 30 June 2021	All	1	0	0	0	1	1	1	G
TL2	Compile the final IDP review and submit to council by 31 May 2021	Final IDP review submitted to council by 31 May 2021	All	1	0	0	0	1	1	1	G
TL3	Compile the draft IDP review for 2021/22 and submit to council by 31 March 2021	Draft IDP review for 2021/22 submitted to council by 31 March 2021	All	1	0	0	1	0	1	1	G
TL4	Compile the draft Annual Report for 2019/20 and submit to council by 31 January 2021	Draft Annual Report for 2019/20 submitted to council by 31 January 2021	All	1	0	0	1	0	1	1	G
TL5	Compile the final Annual Report for 2019/20 and submit to council by 31 March 2021	Final Annual Report for 2019/20 submitted to council by 31 March 2021	All	1	0	0	1	0	1	1	G
TL6	Submit the oversight reportfor 2019/20 on the Annual Report to council by 31 March 2021	Oversight Report for 2017/18 submitted to council by 31 March 2021	All	1	0	0	1	0	1	1	G
TL7	Review the Internal Audit Charter and Audit Committee Charter and submit to the Audit Committee by 30 June 2021	Internal Audit Charter and Audit Committee Charter submitted to the Audit Committee by 30 June 2021	All	1	0	0	0	1	1	1	G

Table 59: *Good governance and public participation*

3.5 Municipal Functions

3.5.1 Analysis of functions

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The powers and functions performed by local authorities in South Africa are defined primarily in Section 156 and 229 of the Constitution (Act 108 of 1996). The Local Government Municipal Structures Act (117 of 1998), read together with the Local Government Municipal Structures Amendment Act (33 of 2000), divides the powers and functions, as set out in the Constitution between district and local municipalities (Section 84). The Act, together with the Amendment Act, Section 85(1), allows the Member of Executive Council (MEC) for COGHSTA to further adjust the division of certain of these functions between district and local municipalities. Section 84(3)(a) allows only the Minister for Provincial and Local Government to authorize a local municipality to perform these functions.

The municipal functional areas are as indicated below:

Municipal function	Municipal function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Firefighting services	No
Local tourism	No
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	Yes

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Municipal function	Municipal function Yes / No
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	No
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 60: *Functional areas*

3.6 Overview of Performance per Ward

3.6.1 All wards

The table below gives information on the largest capital projects in all wards:

Capital projects				
No.	**Project name and detail**	**Start date**	**End date**	**Total value R**
1	Calvinia Northern Wellfield Pipelines	March 2020	June 2021	6 979 556
2	Upgrade of riads and storm water phase 3	December 2020	June 2021	3 129 320
3	Nieuwoudtville switching station	May 2021	September 2021	1 500 00
The above analysis includes only the 3 largest capital projects of the ward				

Table 61: *Capital projects of all wards*

Basic service provision – 2020/21					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Formal households	4 393	4 393	2 409	4 393	
Informal households	335	335	247	335	
Total Households*	**4 728**	**4 728**	**2 656**	**4 728**	
Houses completed in year					0
**** Informal households supplied with electricity by Eskom***					

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Table 62: *Basic service provision for all wards*

COMPONENT A: BASIC SERVICES

Hantam Municipality delivers on its core functions as prescribed by the Constitution. Performance targets for basic services were set, taking into account the financial position of the Municipality and the availability of resources. The focus was on delivering basic services to the community to the best of its ability with limited resources and finance.

The Municipality delivers the following basic services to its residents:

- Water provision
- Sanitation provision
- Electricity
- Solid waste management
- Municipal roads and stormwater
- Free basic services and indigent support

Flush toilet connected to sewerage and septic tanks %		Weekly refuse removal %		Piped water inside dwelling %		Electricity for lighting %	
2001	2011	2001	2011	2001	2011	2001	2011
41.9	53.7	60.2	72.5	41.6	59.8	72	76.9

Table 63: *Household services*

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3.7 WATER PROVISION

The residents in the municipal area have 100% access to water services. The Municipality has been experiencing an extreme water crisis. The Hantam Municipality was declared drought disaster area since 2015.

Loeriesfontein Bulk Water Supply (BWS) project was completed, and the community has access to drinking water 24 hours a day.

The Brandvlei BWS project was implemented in April 2019. The contract value was R101 million and it entailed:

- the drilling of 9 boreholes
- installing a 50km 200mm pipeline
- 50km electricity network

The project also included the construction of a Water Purification Plant that can remove fluoride by an activated lumina filtering process up to SANS standard. All diesel generators have been phased out which have been saving the municipality on operating costs. A new telemetry system was installed in Brandvlei to control the entire water network.

The water supply of Calvinia was mostly under pressure as the Kareedam has not rained full since 2015. The town Calvinia is dependent on seven (13) boreholes that cannot meet the town's demand. Funding was received from the Department of Water and Sanitation (DWS) and 25 boreholes were drilled in the area. Four (4) boreholes have been connected within the Akkerendam Nature Reserve to the network that complements the existing boreholes.

The completed Doornrivier study suggests 3 options:

1. A pipeline via Botterkloof
2. A pipeline via Ceres Karoo
3. The development of boreholes within a 30 km radius around Calvinia

The Municipality is waiting for funding from DWS to implement the above.

Drought relief funds have been received and a project is being implemented by Sedibeng Water to drill five (5) boreholes in Middelpos, connect nine (9) boreholes in Nieuwoudtville and three (3) boreholes in Calvinia to the existing network above ground.

Water and waste water samples are collected monthly and analysed by an accredited laboratory, VINLAB. VINLAB uploads results onto DWS Blue Drop System (BDS) and Green Drop System on LIMS. A full SANS analysis is done annually by VINLAB.

Hantam Municipality remains under water restrictions due to abnormal low rainfall in its area of jurisdiction.

The water sources in the municipal area are as follows:

Sources of water	
Borehole	36%
Spring	1%

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Sources of water	
Rain water tank	0.8%
Dam/pool/stagnant water	60%
River/stream	0%
Water vendor	0.3%
Water tanker	0.9%
Other	1%

Table 64: *Sources of water (Source: Annual Report 2015/16)*

3.7.1 Water service delivery levels

Water is the most fundamental and indispensable of natural resources. It is fundamental to life, the environment, food production, hygiene and power generation, without water, humanity cannot survive.

Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services, limited to potable water supply systems and domestic waste water and sewerage disposal systems, as a local government function. Basic water is defined as 25 litres of potable water per day supplied within 200 meters of a household.

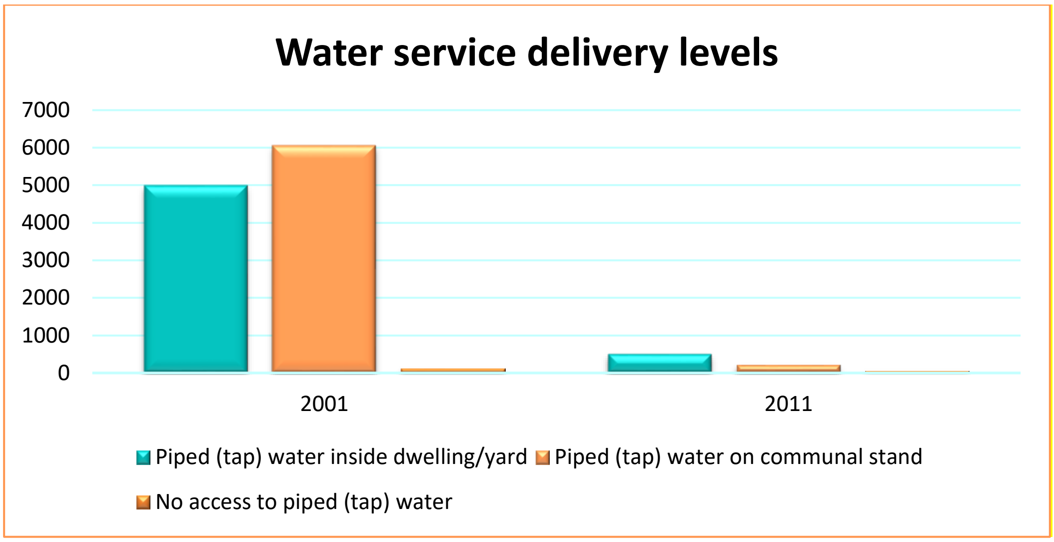
Access to potable water is the norm in Hantam Municipality. According to the Census 2011 assessment, the number of households with access to water has increased to 4 households.

Access to potable water is the norm in Hantam Municipality. According to the Census 2011 assessment, the number of households with access to water has increased to 4 679 households.

Access	2019/20 Number of households	2020/21 Number of households
Households receiving water	4 679	4 728
Access	Census 2011 Number of households	Census 2011 Number of households
Piped (tap) water inside dwelling/yard	6 064	6 064
Piped (tap) water on communal stand	212	212
No access to piped (tap) water	64	64

Table 65: *Distribution of households with access to piped water (Census 2011)*

The graph below shows the distribution of households with access to piped water:



Graph 2: Distribution of households with access to piped water (Census 2011)

3.7.2 Households : Water service delivery levels

Below is a table that specifies the number of formal and informal households with water service delivery levels below the minimum standards for the financial years 2019/20 and 2020/21:

Description	2019/20	2020/21
	Actual	Actual
Formal settlements		
Total households	4 679	4 728
Households below minimum service level (informal)	296	335
Proportion of households below minimum service level (%)	6.33	0
In terms of the back to basics requirements the Municipality is required to calculate the number of erven to which a service is provided regardless of the number of households per erf		

Table 66: *Water service delivery levels*

3.7.3 Highlights: Water service delivery levels

The table below give a brief description of the highlights for water service delivery during the 2020/21 financial year:

Highlight	Description
Upgrade Calvinia Water Treatment Works	The plant was upgraded by: • Clarifiers • Offices • Dafplant
Completion of the bulk water supply(BWS) system to Brandvlei	50km 200mm PVC pipline to Branvlei from Romanskolk
Construction of the Kreizberg Water pipeline	Connection of above ground 110mm HDPE pipeline connected to Calvina WTW
Connection of Northern Wellfield to Clvinia WTW	110mm HDPE pipeline connected to the Clvinia

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Highlight	Description
	WTW

Table 67: *Water service delivery highlights*

3.7.5 Challenges: Water service delivery levels

The table below gives a brief description of the water service delivery challenges during the 2020/21 financial year:

Challenge	Corrective action
Connection Kreizberg wellfield to Calvinia WTW	Source funding from DWS
High Water losses	Implantation fo listallation of prepaid water meter
Climet change	Invetigations are currently on way in order to get plausible ways of to influence climet patrens
Aging infrastructure in terms of waternetwork	Source additional funding from DWS

Table 68: *Water service delivery challenges*

3.7.3 Employees: Water Services

The table below indicates the number of staff employed by the Unit:

Job level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	23	0	0	0	0
4 - 6		14	12	2	14
7 - 9		10	10	0	0
10 - 12		0	0	0	0
13 - 15		1	1	0	0
16 - 18		0	0	0	0
19 - 20		0	0	0	0
Total	**23**	**25**	**23**	**2**	**8**

Table 69: *Employees: Water services*

3.7.4 Capital expenditure – Water Services

The table below indicates the amount that was actually spent on water services projects for the 2020/21 financial year:

Capital projects	2020/21			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Brandvlei	31 100 000.00	31 100 000.00	31 100 000.00	0
Upgrade of the Calvinia Water Treatment	24 000 000.00	33 000 000.00	33 000 000.00	0

Capital projects	2020/21			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Total	55 100 000.00	64 100 000.00	64 100 000.00	0

Table 70: *Capital expenditure 2020/21: Water ervices*

3.8 Sanitation Services

All residents in Hantam Municipality have access to basic sanitation services. The bucket system has been eradicated within the municipal area. There are no sanitation backlogs on formal residence in the Hantam municipal area. The backlog in informal areas:

- Calvinia - 219 households
- Brandvlei - 30 households
- Nieuwoudtville – 6 households

20 VIP toilets was constructed in the informal area Rondomskrik in Brandvlei. Saltcor provided the VIP toilets and the Hantam Municipality did the construction through the EPWP programme. One VIP toilet was constructed in Middelpos.

Business plans was submitted to COGHSTA and Department of Water and Sanitation for the installation of sewerage networks in Calvinia and to eradicate the VIP systems in Brandvlei and Loeriesfontein.

The status of formal sanitation during 2020/21 can be summarised as follows:

Town/Area	Flush toilet sewerage	Flush toilet (septic tank)	Chemical toilet	Pit latrine (ventilation)	Pit latrine (no ventilati	Bucket	None
Calvinia	1 333	792	0	39	0	0	0
Brandvlei	0	582	0	80	140	30	0
Hantam	154	617	64	143	172	0	610
Loeriesfontein	308	750	0	340	0	0	0
Nieuwoudtville	242	401	0	0	0	0	0
Total	2 037	3 142	64	602	312	30	610

Table 71: *Provision of formal sanitation*

3.8.1 Highlights: Sanitation service delivery levels

The table below give a brief description of the highlights for sanitation service delivery during the 2020/21 financial year:

Highlight	Description
Completion of the construction of services for 260 sites	The construction of services for the 260 sites informal settlement in Calvinia was completed

Table 72: *Sanitation service delivery highlight*

3.8.2 Challenges: Sanitation service delivery levels

The table below gives a brief description of the sanitation service delivery challenges during the 2020/21 financial year:

Challenges	Corrective Measures
The bucket system is still utilised by households of Rondomskrik informal area in Brandvlei	Working together with Saltcor to install VIP systems
The informal settlement in Calvinia is expanding. A ratio of 4-5 households use the same ablution facility	The ideal view would be for every household to get their own ablution facility, as it is very dangerous for women and children to go out at night
COVID-19 hampered the erection and installation of flush toilet systems/pit systems at Middelpos Community Hall	After the lockdown regulation softened at level 3 the Municipality will be able to embark on completing planned progress
The VIP and UDS systems remains a challenge is Brandvlei, Loeriesfontein and Middlepos	Submission of business plans to eradicate these systems with woaterborne surage network
Opperational and aintenance costs to empty septic and concervity tanks is unaffordable for the Municipality	Eradication of the septic and concervity tanks with surage network

Table 73: *Sanitation service delivery challenges*

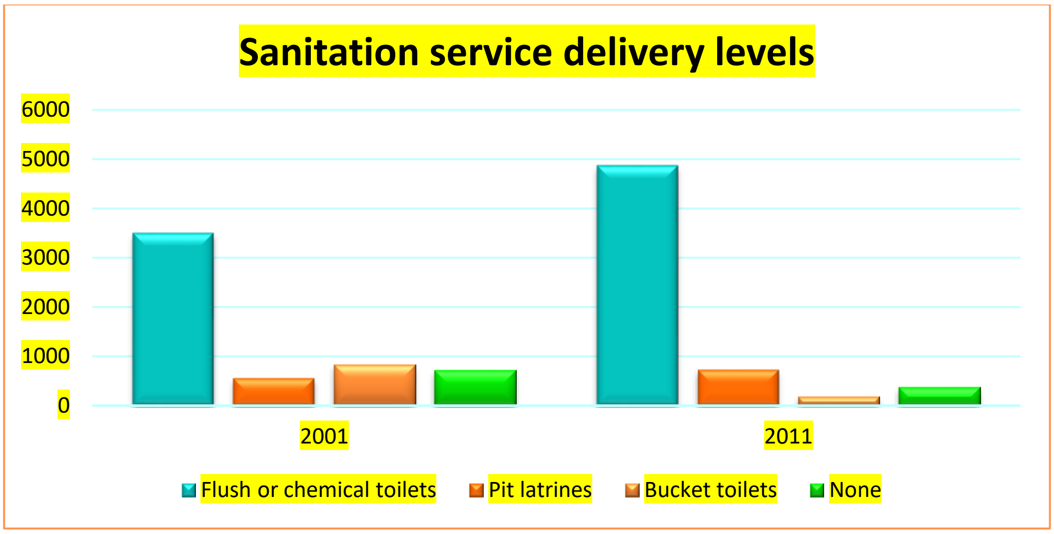
3.8.3 Sanitation service delivery levels

Below is a table that specifies the distribution of households by type of toilet facility:

Facility	Census 2001	Census 2011
	Number of households	Number of households
Flush or chemical toilets	3 505	4 879
Pit latrines	553	722
Bucket toilets	837	185
None	724	382

Table 74: *Distribution of households by type of toilet facility*

The graph below shows the distribution of households by type of toilet:



Graph 3: Distribution of households by type of toilet facility

3.8.4 Employees: Sanitation services

The table below indicates the number of staff employed by the Unit:

Job level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 – 3		0	0	0	0
4 – 6		9	9	0	0
7 – 9		7	7	0	0
10 – 12	16	0	0	0	0
13 – 15		0	0	0	0
16 – 18		0	0	0	0
19 – 20		0	0	0	0
Total	**16**	**16**	**16**	**0**	**0**

Table 75: *Employees: Sanitation services*

3.8.5 Capital expenditure : Sanitation Services

The table below indicates the amount that was actually spent on sanitation services projects for the 2020/21 financial year:

Capital projects	2020/21			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
COVID-19 San Reticulation	3 000 000.00	3 000 000.00	3 000 000.00	0

Capital projects	2020/21			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
Total	**3 000 000.00**	**3 000 000.00**	**3 000 000.00**	**0**

Table 76: *Capital expenditure 2020/21: Sanitation services*

3.9 ELECTRICITY

Electricity and street lighting are provided to all formal settlements and streets and electricity or high-mast lights are provided to most informal areas in Hantam. 97% of Households have access to electricity, 133 connections are sill needed in Calvinia in the Eskom area. (Stands still need to be allocated to people.) The Municipality provide electricity to a part of Brandvlei, Calvinia, Loeriesfontein and Nieuwoudtville, whilst Eskom provide electricity to part of Brandvlei, Calvinia, Loeriesfontein, Nieuwoudtville and Middelpos.

The electricity losses were determined at 14.20% for the 2020/21 financial year compared to 17.10% for the 2019/20 financial year. This increase in the % losses is due to faulty meters, electricity theft and points of supply that are not being metered.

Hantam Municipality sucsessfully implemented a project upgrade of Nieuwoudtville switching station, this installation includes two auto reclosers and a transformer to improve the safety of the substation in Nieuwoudtville, to be completed in August 2021.

3.9.1 Electricity service delivery levels

The table below indicates the different service delivery level standards for electricity within the urban edge area of the Municipality:

Electricity service delivery levels		
Description	2019/20	2020/21
	Number of households	
Energy (above minimum level)		
Electricity (minimum service level)	258	2 47
Electricity - prepaid (min service level)	2 221	2 409
Total	**2 479**	**2 656**
Energy (below minimum level) – Eskom provides electricity to informal and other settlements		

Table 77: *Electricity service delivery levels*

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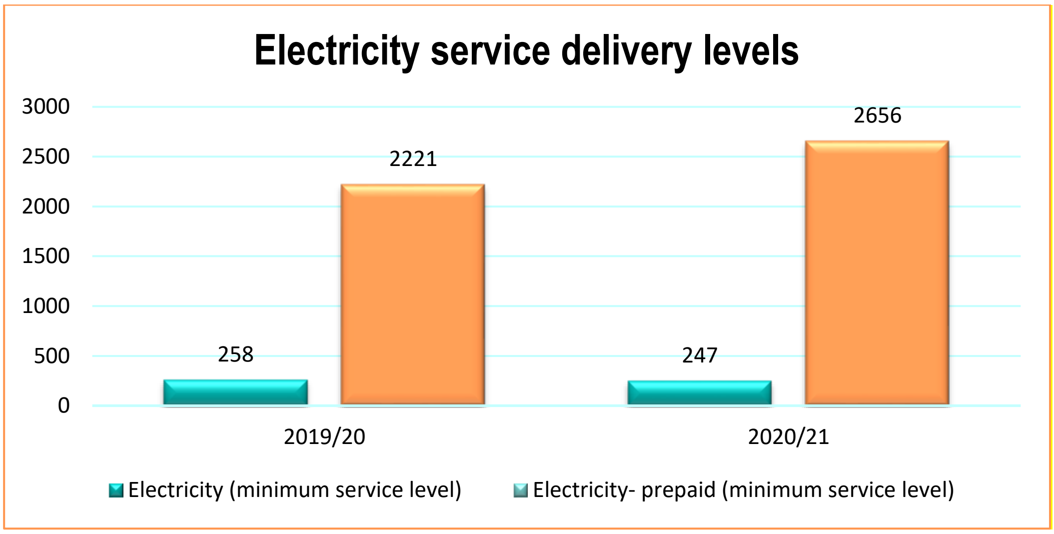
The graph below shows the different electricity service delivery levels per total households and the progress per year:



Graph 4: Electricity service delivery levels

3.9.2 Highlights: Electricity service delivery

The table below give a brief description of the highlights for service delivery during the 2020/21 financial year:

Highlight	Description
Brandvlei upgrade of incomer	2 x New reclosers and structure installed
Nieuwoudtville switch station	2 x New reclosers and structure installed

Table 78: *Electricity service delivery highlight*

3.9.3 Challenges: Electricity service delivery

The table below gives a brief description of the electricity service delivery challenges during the 2020/21 financial year:

Challenge	Corrective action
2 X Damaged high mast lights	The Municipality will have to utilise the procurement process in order to do the necessary maintenance

Table 79: *Electricity service delivery challenges*

3.9.4 Employees: Electricity Services

The table below indicates the number of staff employed by the Unit:

Job Level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	3	0	0	0	0
4 - 6		1	1	0	0
7 - 9		1	1	0	0
10 - 12		2	1	1	50
13 - 15		0	0	0	0
16 - 18		0	0	0	0
19 - 20		0	0	0	0
Total	**3**	**4**	**3**	**1**	**25**

Table 80: *Employees: Electricity services*

3.9.6 Capital expenditure – Electricity Services

The table below indicates the amount that was actually spent on electricity services projects for the 2020/21 financial year:

Capital projects	2020/21			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Nieuwoudtville switching station	1 500 000.00	1 500 000.00	1 500 000.00	0
Total	**1 500 000.00**	**1 500 000.00**	**1 500 000.00**	**0**

Table 81: *Capital expenditure 2020/21: Electricity services*

3.10 Waste Management (Refuse Collections, Waste Disposal, Street Cleaning and Recycling)

The Municipality delivers solid waste services to the residents of Hantam Municipality. All residents receive the service once a week and a black bag system is being implemented for the removal of solid waste.

The Municipality has 4 landfill sites of which Calvinia, Brandvlei, Nieuwoudtville and Loeriesfontein have permit licenses. Middelpos landfill site has been closed and the waste is transported to Calvinia landfill site. Although these sites are fully functional, illegal dumping of waste in the municipal area remains a major challenge. To curb illegal dumping, it is recommended that Council consider a recycling program. The landfill sites are also too close to the communities and the fencing is being vandalised or stolen which results in papers and bags being blown all around the area. This results to additional costs to clean and manage the landfill sites. It is recommended to move the landfill sites to new areas, which should be identified. The Integrated Waste

Management Plan is still valid for 2020/21 and it is recommended that Hantam Municipality together with the Department of Environmental Affairs and the district municipality should source funding to review the Integrated Waste Management Plan.

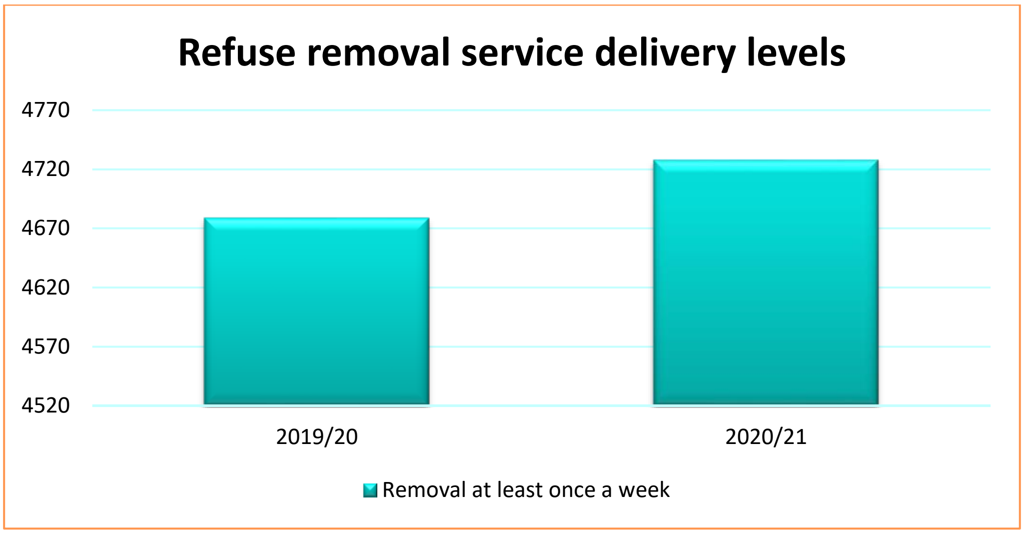
3.10.1 Refuse removal service delivery levels

The table below indicates the different refuse removal service delivery level standards within the urban edge area of the Municipality:

Description	2019/20	2020/21
	Actual	Actual
Household		
***Refuse removal:* (Minimum level)**		
Removed at least once a week	4 679	4 728
Minimum service level and above sub-total	4 679	4 728
Minimum service level and above percentage	**100%**	**100%**
***Refuse removal:* (Below minimum level)**		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below minimum service level sub-total	**0**	**0**
Below minimum service level percentage	**0**	**0**
Total number of households	**4 679**	**4 728**
In terms of the Back to Basics requirements the Municipality is required to calculate the number of erven to which a service is provided regardless of the number of households per erf		

Table 82: *Refuse removal service delivery levels*

The graph below shows the different refuse removal service delivery levels per total households and the progress per year:



Graph 5: Refuse removal service delivery levels

3.10.2 Highlights: Waste removal service delivery levels

The table below give a brief description of the highlights for waste removal service delivery during the 2020/21 financial year:

Highlight	Description
Weekly waste removal targets met	Waste removal targets were all met on a weekly basis, in relation to the removal of waste at domestic and business places
CWP and Thuma Mina participants helped out with cleaning up of municipal dumping sites where the black bags were sabotaged by illegal dump dwellers/pickers	Thuma Mina participants were deployed to clean up the illegal dumping sites and to pick up plastic bags at the legal dumping site caused by illegal dwellers/pickers

Table 83: *Waste removal service delivery highlight*

3.10.3 Challenges: Waste removal service delivery levels

The table below gives a brief description of the waste removal service delivery challenges during the 2020/21 financial year:

Challenge	Corrective action
• People still dump illegally (building material, garden materials, etc) • Still illegal picking and dwellers at the municipal dumping sites	Fines (law enforcement program) will be imposed on the public which participates in these illegal activities, as the Municipality has communicated with all towns communities via Face book, newsletters, loudhailers and local radio station about illegal dumping without any success
Communities ignoring the illegal dumping site boards which were erected at these sites by the Municipality	Educational programmes to educate communities about their role to play by taking ownership of the above-mentioned, by keeping our towns clean
COVI-19	Special waste removal had to be conducted when households were identified. These waste had to be transported to local Hospital for disposal

Table 84: *Waste removal service delivery challenges*

3.10.4 Employees: Waste management (refuse collections, waste disposal, street cleaning and recycling)

The table below indicates the number of staff employed by the Unit:

Job level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	6	0	0	0	0
4 - 6		12	0	0	0
7 - 9		7	6	1	14,29
10 - 12		0	0	0	0
13 - 15		0	0	0	0
16 - 18		0	0	0	0
19 - 20		1	0	0	0
Total	**6**	**20**	**6**	**1**	**50**

Table 85: *Employees: Waste management (refuse collections, waste disposal, street cleaning and recycling)*

3.11 Housing

The biggest challenges remain the backlog of 1 900 RDP houses and increased household numbers on the housing waiting list. The Municipality embarked on visits to all towns in Hantam during 2019/20 to register new applications on the National Housing Needs Register after the approval of the new Spatial Development Framework 2018/23. Council identified areas per town for future housing development projects. The Department of CoGHSTA appointed Barzani as implementing agents to start with the construction of the Calvinia 260 serviced sites. The duration of the contract is earmarked to end in December 2020.

Information for 2020/21 are illustrated in the table below:

	Calvinia	Loeriesfontein	Nieuwoudtville	Brandvlei	Middelpos
	754	256	324	444	57
2019/20	883	282	345	478	57
2020/21	887	282	345	488	57

Table 86: *Housing needs register*

3.12 Free Basic Services and Indigent Support

In accordance with the approved Indigent Policy of the Municipality, all account holders earning less than R5 030 per month will receive free basic services as prescribed by the national policy. Indigent support includes water, electricity, rates, refuse, and sewerage

3.12.1 Access to free basic services

The access to free basic services is summarised into the different services as specified in the following table:

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Free basic services to low income households										
Year	Number of households									
	Total	Households earning less than R 4 500 per month								
		Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse		
		Access	(%)	Access	(%)	Access	(%)	Access	(%)	
2017/18	4 645	2 978	64.11	2 978	64.11	2 699	58.11	2 978	64.11	
2019/20	4 679	3 186	68.09	3 186	68.09	2 890	61.77	3 186	68.09	
2020/21	4 728	3 256	68.87	3 256	68.87	2 921	61.78	3 256	68.87	
Free basic electricity is split between municipal and what Eskom provides.										

Table 87: *Access to free basic services (Source: Back-to-Basic Provincial Report)*

COMPONENT B: ROAD TRANSPORT

This component includes: Roads, transport and stormwater drainage.

The Hantam Municipality is responsible for the normal maintenance, re-gravel and reseal of roads. One of the major challenges experienced by the Municipality is the ongoing maintenance of potholes due to insufficient funds. The district municipality is responsible for maintenance, repairing, protecting and management of the proclaimed provincial roads in the area.

Hantam Municipality's waste water (stormwater) systems consist of channels, pipelines and open trenches with piped road crossings.

3.13 Roads

The number of funded projects allocated to the Department Technical and Community Services (roads and stormwater):

- 2017/18: 1 (one)
- 2019/20: 1 (one)
- 2020/21: 1 (one)

Below is a summary of the current existing streets/roads in Hantam Municipality:

Town	Surfaced/paved streets (km)	Gravel/unpaved streets (km)	Total
Calvinia	22	21	43
Loeriesfontein	4	22	26
Nieuwoudtville	4.5	18.5	23
Brandvlei	6.5	20.5	27

Table 88: *Summary of existing streets and roads*

3.13.1 Asphalt roads

Financial year	Total km asphalt roads	Km of new paved roads	Km existing new roads re-sheeted	Km asphalt roads maintained
2018/20	31.82	0.77	0	0

Financial year	Total km asphalt roads	Km of new paved roads	Km existing new roads re-sheeted	Km asphalt roads maintained
2019/20	31.2	1km	0	31
2020/21	31.2	0.6km	0	31

Table 89: *Asphalt roads*

3.13.2 Gravel roads

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to asphalt	Km gravel roads bladed/maintained
2019/20	86	n/a	1km	86
2020/21	85	n/a	1km	85
2020/21	85,45	450m	0	85.45

Table 90: *Gravel roads*

3.13.4 Highlights: Roads

The table below give a brief description of the highlights for service delivery during the 2020/21 financial year:

Highlight	Description
The paving of Calvinia Road and Stormwater phase 3	The existing road were very poor, and the new paved road with stormwater channels etc gives hope to a previously disadvantage community to feel proud of the road, and for pedestrians to walk without clay on their feet and car owners an ease of mind with minimum worries about mechanical challenges
Repairing of potholes, eluded curbing and slurry work of Voortrekker Street in Brandvlei.	The road was filled with potholes big and small and crocodile cracks on a major part of the surface. It is also a busy road used by motorist on a daily basis. Now the road can be used without driving of the pavement because of the potholes
Loeriesfontein Bridge and shortcut to town.	A bridge was constructed by Mainstream in Loeriesfontein, as a social responsibility Mainstream came to the aid via ASLA with regard to the latter, and Hantam municipality in conjunction with Mainstream constructed a gravel road, to ease the necessity of the Loeriesfontein community

Table 91: *Highlights: Roads*

3.13.4 Challenges: Roads

The table below gives a brief description of the service delivery challenges during the 2020/21 financial year:

Challenges	Corrective Measures
COVID-19 Level 5,4 and 3 restrictions. July 2021 up until September 2021 it was a new challenge, as material suppliers struggled to deliver on time road materials, and programmes were a little delayed.	COVID-19 guidelines was adjusted, as it was something new that government and ourselves as Local government had to deal with. Guidelines are clearer now, as it was amended almost every single month in the first couple of months with regard to COVID-19.
We only have one grader as a municipality and when it's in for repairs, we lose a lot of ground with regards to our gravel road programmes, taking into account all of the towns that need to be serviced.	Budgeting for an additional grater would be a solution to the challenge.
BOMAG BMP 8500 compacting Machine	Attachment (TL 7500) grader which can be put behind a tractor and can maintain gravel roads, and even maintain the edges of gravel roads. Compacting machine utilized for compacting tar roads etc.
Stark Road Drag TL 7500	

Table 92: *Challenges: Roads*

3.13.5 Cost of construction/maintenance

The total cost of maintenance for gravel and paved/asphalt roads were R700 000. The budget for paved constructed roads was R3 800 000,00 . Roads and Storm water phase 3 Skema and Eerstelaan Calvinia.

3.13.6 Employees – Roads

The table below indicates the number of staff employed by the Unit:

Job level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6		10	0	0	0
7 - 9		1	0	0	0
10 - 12		0	0	0	0
13 - 15		0	0	0	0
16 - 18		0	0	0	0
19 - 20		0	0	0	0
Total	**0**	**11**	**0**	**0**	**0**

Table 93: *Employees: Roads*

3.13.5 Capital expenditure – Roads and Stormwater

The table below indicates the amount that was actually spent on roads service projects for the 2020/21 financial year:

Capital projects	2020/21			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Roads and Stormwater: Phase 3	7 726 351.00	7 726 351.00	7 726 351.00	0
Total	**7 726 351.00**	**7 726 351.00**	**7 726 351.00**	**0**

Table 94: *Capital expenditure 2020/21: Roads services*

3.14 Stormwater

Stormwater remains one of the main challenges to the area due to 86 km of gravel roads which do not have stormwater channels. During the rainy season gravel roads washes away and the maintenance to these roads need to be done at high costs for the Municipality.

Hantam Municipality approved a business plan to pave roads in Calvinia through the Municipal Infrastructure Grant (MIG) programme. The business plan also addresses the stormwater challenges. The roads that were identified are Skema Street, Eerstelaan, Mandela Street, Hoof Street, Lande Street, as well as Steyn Street.

3.14.1 Highlights: Stormwater

The table below give a brief description of the highlight for service delivery during the 2020/21 financial year:

Highlight	Description
Installation of storm water Channel in Kriegestreet, Calvinia.	• 150m 375 mm storm water pipe • 130m 450 mm storm water pipe

Table 95: *Stormwater service delivery highlight*

3.14.2 Challenges: Stormwater

The table below gives a brief description of the stormwater service delivery challenge during the 2020/21 financial year:

Challenges	Corrective Measures
Gravel roads without propr storm water channels	• The approval of Storm water business plans • The approval of funding for plans

Table 96: *Stormwater service delivery challenges*

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Pictures 4: The bridge and stormwater channels

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes two service delivery priorities namely planning and development. Planning consists of land use and building control and development consist of Local Economic Development (LED). LED is built around a commitment to develop a climate in which economic development and growth can prosper.

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3.15 Planning

National imperatives such as the MSA prescribes that municipalities must develop a spatial plan that seeks to address the past skewed planning models and in an integrated way explore how planning for all people and communities will be addressed. The spatial plan informs how space and resources will be used to create a more coherent and systematic approach to planning and service delivery.

The existing Spatial Development Framework (SDF) is currently outdated thus the Municipality has embarked on drafting and approving an SDF that serves as a guideline for all town planning and changes to existing uses of erven.

The focus of planning is on the approval and issuing of rezoning applications, sub-divisions and consolidation and application of the regulations in terms of building control and the approval of building plans.

The Municipality (in partnership with the South African Radio Astronomy Observatory who appointed Ditsamai Investments and Projects to complete it) has started a process to have the SDF reviewed to (a) conform to planning legislation, (b) be in accordance with national guidelines, and (c) consider updated information and recent development trends. The Phase 1 and 2 reports prepared as part of drafting the 'new' municipal SDF Framework, were provided to the Hantam Municipality during 2018. This was followed by a presentation at a workshop between representatives from the Municipality and the service provider to discuss phases 3 and 4 of the project and reports on the latter phases were also provided to the Municipality. The Municipality's Council approved the final SDF.

Funding to implement the LUMS was a challenge to the Municipality.The Municipality could not reach the deadline date of 30 June 2020. Subsequently an application for postponement was referred to the Minster and was then granted. A funding application was sent to the Department of Rural Development and was approved. The LUMS will be completed by December 2021.

3.15.1 Highlights: Planning

The table below give a brief description of all the highlights with regards to the planning department during the 2020/21 financial year:

Highlight	Description
Municipal Planning Tribunal	- 3 Meetings were held in Calvinia for 2020/21 - Tribunal is fully functional - Re-appointment of Tribunal by Council for the next 5 years as the term expires on 30 June 2020
Commonage	The Municipality has 56 000ha of commonage

Table 97: *Highlights: Planning*

3.15.2 Challenges: Planning

The table below give a brief description of all the challenges with regards to the planning department during the 2020/21 financial year:

Challenge	Corrective action
Limited available space for graves	Establishment of two new cemeteries
Complaints from communities regarding landfill sites	• Closure of two solid waste sites and implementation of recycling project and establishment of recycling facilities • Identify new sites for Calvinia and Brandvlei
Housing provision challenge and availability of land for housing development	EIA and subdivisions of erven for RDP and middle-income houses
Township establishment for Middelpos and Zwartkop still outstanding	Appointment of professional service providers to do EIAs, Geotech as well as subdivisions for township establishment for Middelpos and Zwartkop
Tribunal challenges	Lack of townplanners Shortage of meetings due to COVID-19
Commonage	
Drought and impact of climate change	Drought relief funding from National Government
Scarcity of water resources such as boreholes and reservoirs	• Drought relief funding from National Government, as well as water and sanitation programme • Provision of jojo-tanks
Poor and outdated infrastructure and buildings	Improvement in revenue collection to maintain infrastructure and buildings
Lack of sufficient support for emerging farmers including after care of projects	Interventions from the Department of Agriculture, Rural Development and Land Reform to assist emerging farmers
Distances between farms and towns	Road quality should be improved Appointment of additional staff to assist
Pest control	Source assistance from the District Municipality

Table 98: *Planning challenges*

3.15.3 Service delivery statistics for Planning

The table below displays the applications for land use development:

Detail	Rezoning	
	2019/20	2020/21
Planning application received	27	12
Determination made in year of receipt	27	10
Determination made in following year	0	0
Applications withdrawn	2	2
Applications outstanding at year end	0	0

Table 99: *Applications for land use development*

The table below indicates the building plans received and processed during the financial year

Type of service	2019/20	2020/21
Building control		
Building plan applications processed	22	32

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Type of service	2019/20	2020/21
Approximate value	5 780 800	8 672 000
New residential dwellings	4	7
Residential extensions	15	24
New Business buildings	1	0
Business extensions	1	1

Table 100: *Town planning and building control service delivery statistics*

3.15.3 Employees: Planning

The table below indicates the number of staff employed by the Unit:

Job level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	12	0	0	0	0
4 - 6		8	8	0	0
7 - 9		2	2	0	0
10 - 12		2	2	0	0
13 - 15		0	0	0	0
16 - 18		0	0	0	0
19 - 20		0	0	0	0
Total	12	12	12	0	0

Table 101: *Employees: Planning*

3.16 LED

The draft LED Strategy, which was compiled during 2011 by the Department of Economic Development, Namakwa District Municipality and Urban Econ, was approved by Council on 30 June 2018. The Provincial Department of Economic Development will assist with the review of the Strategy once the necessary capacity becomes available. The LED Strategy is built around commitment to develop a climate in which economic development and growth can prosper and growth is shared. The primary role of local government is to create a climate that is conducive to local economic development hence we can only achieve this goal with the assistance and support of all our relevant stakeholders.

Since the introduction of Biz Portal to Municipalities in November 2019, which is a platform developed by the Companies and Intellectual Property Commission (hereafter CIPC) to offer company registration and related services in a simple seamless digital way which is completely paperless, we can now assist local SMME's with their registration processes in a short span of time.

Regular engagements with investors in the municipal area forms a vital part of our attempts to foster relationships as well as ensuring that they contribute in terms of their social responsibility towards the community of Hantam in terms of projects identified in the IDP. The Municipality ensures implementation and support of programmes that focus on economic development. With the focus on developing local SMME's in Hantam, the Municipality embarked on a process of meeting with local SMME's and youth to establish business development forums. Through the necessary assistance and commitment from the Provincial Department of Economic Development and relevant role players these business forums could be established in Hantam as well as the business hub.

The opportunities that derive from renewable energy projects, especially within the Loeriesfontein and surrounding areas, pose opportunities for economic growth for the municipal area as well as the district. Especially with new regulations that require from investors to implement socio-economic projects district-wide,instead of within a radius of 50km as in the past.

EPWP:

The Municipality aim to create a conducive business environment where municipal capital projects can be implemented through the Expanded Public Works Programme (EPWP). The programme aims to increase economic growth by improving skills levels through education and training. It also aims to provide an enabling environment for industry to flourish. The programme is based on Labour Intensive Methods of Construction (LIC) by contractors which will also enhance skills development. The number of EPWP participants employed within the grant funded projects of the Municipality for the 2020/21 financial year was **779.**

Socio Economic projects implemented by investors in Hantam – Projects for 2020/21

South African Radio Astronomy Observatory (SARAO)

South African Radio Astronomy Observatory (SARAO) implemented the following socio-economic projects for the year under review:

- Zwartkop Multi-purpose Centre phase 2
- Schools and Community development grants for Brandvlei usually this is R150 000 for each school in Brandvlei. Depending on the application, the community development grants linked to human developmental and educational initiatives.
- Educational workshops in collaboration with NWU in Calvinia on IKS and presented by NWU.
- Involvement in the Sewing Project (this will be done in agreement with the Municipality)
- SMME development by the Northern Cape SMME Trust, Fifty (50) SMME's in the Karoo trained in entrepreneurship skills and business development. Received support to start their business and those with existing businesses trained on how to grow their businesses. The businesses received support to address local opportunities, access new markets and services to ensure businesses meet the necessary regulatory requirements.
- Involvement with local crafters to continue. Nine artists that graduated from the MeerKAT Creative Community Initiative (MCCI) in March 2019 and have been commissioned to design corporate gifts for the South African Radio Astronomy Observatory (SARAO) bursary conference in December 2019. Some have been selected to sell their products at the Craft Design Institute (CDI) store at the Watershed, the

craft and design hub at the V&A Waterfront. This is after an inspection was conducted by Waterfront management to ensure the products adhere to the standard of the products sold there.

- Construction of two SKA telescopes in the Brandvlei/Hantam area.
- Involvement in schools and school programs.
- Start process to establishment of a play park in Brandvlei.

Saint Gobain Gypsium Mine

No socio-economic projects were completed during this period as the previous rain harvesting project in Loeriesfontein came to an end at the end of 2017. No new LED/IDP project has been approved by the Northern Cape DMR.

No new job opportunities were created as the mine currently runs on a skeleton staff of 5 members due to reduced market demand. Seven (7) contractors are employed to transport product from the mine to the Sishen-Saldanha rail siding at Loop 8.

3.16.1 Mainstream Renewable Energy Projects for 2020/21

The table below provides for an overview of the projects conducted through out the 2020/21 financial year:

Project Name	Community Beneficiaries
Bursary Programmes	Youth
Infrastructure	Construction of bridge

Table 102: *Mainstream renewable energy projects 2020*

3.16.2 Highlights: LED

The table below gives a brief description of all the highlights for LED during the 2020/21 financial year:

Highlights	Description
Filling of Clerk: IDP/LED vacancy	The vacant position for the Clerk: IDP/LED was filled in January 2020
Biz Portal from CIPC	• The unit assisted eight local SMME's with the full registration process of their businesses • The platform allows us to assist local SMME's with queries related to their business documentation • Cost savings on travel arrangements of SMME's to do business registration processes in Springbok, Cape Town, Upington or Kimberley
Enterprise Development	• Updated database of all spaza shops in Hantam • Updated database of local registered SMMEs • Regular visits from SMME's requesting information on registering their businesses as well as availability of funding programmes for small business development • Inclusion of clause in all tenders to give preference to local SMME's • Regular communication with SMMEs regarding business opportunities and funding support programs from the Department of Economic Development, small business development, etc. via Whats App groups, e-mails and other communication platforms of Hantam Municipality

Highlights	Description
	• Inclusion of priorities gained from meetings with SMME's of Hantam in new approved IDP 2020/21
DEDAT workshop	DEDAT in co-operation with Provincial Treasury, SARS, CIDB and the Municipality held a two-day workshop on 29-30 October 2019 for all SMME's in Hantam
SEDA workshops	• One workshop was held by SEDA to train 20 SMME's • Two visits of SEDA to assist local SMME's with business queries and drafting of business plans
Youth development	• Started with process for establishment of Youth Economic development Forums in all towns of Hantam • Inclusion of priorities gained from meetings with Youth in Hantam in new approved IDP 2020/21
Terms of Reference for Business Forums	Terms of reference for business forums and youth economic development forums in Hantam approved by Council
CSD registrations	Quarterly notices published by SCM unit for SMME's to register on CSD

Table 103: *LED highlights*

3.16.3 Challenges: LED

The table below gives a brief description of all the highlights for LED during the 2020/21 financial year:

Challenge	Corrective Action
Wi-fi and broadband needed by SMME's to do online business applications	• Engaging the Department of Sports, Arts and Culture & GCIS for roll out of wi-fi and broadband installation projects in Hantam • Engaging investors in Hantam (Mainstream, SKA & Eagle Towers) to fund a wi-fi/broadband installation project in towns of Hantam
COVID-19 pandemic and National lockdown regulations and restrictions: • Decline in the economy of Hantam due to most businesses which had to close • Significant decrease in revenue for the Municipality	• Relaxation of lockdown regulations enabling businesses to re-open and their employees/staff to start working again • Relaxation on the operating hours of businesses • Encouraging communities to utilize online banking services to pay their municipal accounts via the respective communication platforms & re-opening the pay points with skeleton staff
Corporate social responsibility of investors in Hantam for funding of projects identified in IDP by communities	Engage investors regularly to contribute towards community projects in the IDP
Establishment of One-stop-shop for businesses/business hub	Support needed from the Department of Economic Development and relevant role players to establish
50km Radius of SARAO and Mainstream Renewable Energy SA for implementation of socio-economic projects in municipal jurisdiction.	Future projects of Investors to have a municipal-wide/district-wide implementation regulation for implementation of socio-economic projects
Lack of job opportunities/high unemployment rate	Creation of job opportunities through implementation of sustainable projects
Upgrading and development of Akkerendam Nature Reserve	Source funding from DENC or DEDAT to develop Akkerendam Nature Reserve to promote economic development and tourism

Challenge	Corrective Action
Upgrading and development of the Waterfall in Nieuwoudtville as a tourism attraction	Source funding from DENC or DEDAT to develop the Waterfall at Nieuwoudtville to promote economic development and tourism
SARS visits	Engaging SARS to do regular outreach visits to assist SMME's due to vastness of area and distances
The Construction Industry Development Board (CIDB) registrations can only be made at a branch office Kimberley or Cape Town	Engaging CIDB to do outreach visits to assist SMME's due to vastness of area and distances

Table 104: *LED Challenges*

3.16.4 LED initiatives

The following table indicates the EPWP projects and the number of work opportunities created:

Jobs created through EPWP projects	
Project details	**Number of work opportunities**
IG_Beautification of Hantam Cemeteries Phase 4	22
IG_Law Enforcement in Hantam Phase 1	11
IG_Maintenance of Sportsfields in Hantam Phase 3	24
IG_Maintenance of Streets in Hantam Phase 3	184
IG_Waste Collection Hantam Phase 4	479
IG_Maintenance of Water in Hantam Phase 2	114

Table 105: *Job creation through EPWP projects*

3.16.5 Tourism awareness/events

Annual events in the Hantam region:

Annual event	Date
Kontrei Kos en Mark Loeriesfontein	14 - 25 August 2019
Hantam Vleisfees	30 – 31 August 2019
Tankwa Camino - Calvinia	23 August – 1 September 2019
Hantam Kuierfees	27 – 28 September 2019
Hantam Vastrap Mountain Bike event	25 August 2018
Onse Mark – Calvinia	9 – 5 September 2019
Nieuwoudtville Choir Festival	12 October 2019
Onse Kersmark	15 – 30 November 2019
Street Carnival	28 November 2019
VLV Pretstap - Nieuwoudtville	5 October 2019
Biedouw Enduros - Calvinia	19 – 25 October 2019
Familie Mark – Calvinia	7 December 2019
Pompelompie Hartklop Fees - Middelpos	31 January – 2 February 2020
The Karoo Burn Bicycle Tour	22 February 2020
4 X 4 Pretdag - Nieuwoudtville	29 February 2020
Familie Mark - Calvinia	14 March 2020

Annual event	Date
Tankwa Camino - Calvinia	20 – 25 March 2020
Note: Tourism of the Hantam Municipality is driven by the Namaqua District Municipality	

Table 106: *Tourism awareness/events*

3.16.6 Employees: LED

The table below indicates the number of staff employed by the Unit:

Job level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	1	0	0	0	0
4 - 6		0	0	0	0
7 - 9		1	1	0	100
10 - 12		1	1	0	0
13 - 15		0	0	0	0
16 - 18		0	0	0	0
19 - 20		0	0	0	0
Total	**1**	**2**	**2**	**0**	**0**

Table 107: *Employees: LED*

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

This component includes:

- Libraries
- Cemeteries
- Social programmes

3.17 LIBRARIES

The Municipality provides library services in Calvinia, Loeriesfontein, Nieuwoudtville, Brandvlei, Middelpos and Zwartkop.

The library service ensures the provision of library and information services to communities in a sustainable manner. Libraries and community library projects maintain and develop information resources and other skills programmes. Libraries develop organised systems with other relevant government departments to enhance service delivery to our communities.

3.17.1 Highlights: Libraries

The table below gives a brief description of all the highlights for libraries during the 2020/21 financial year:

Highlight	Description
Provides library services	9536 books were circulated in spite of the fact that the libraries were closed for a couple of months due to Covid-

Highlight	Description
	19. 3 735 members and visitors visited the libraries. Schoolchildren used the internet to get information for theire assignments and they used the public computers to type theire their assignments
Mzanzi Online Project: Computers and X-boxes installed in libraries during 2019/20	The Karoo Jeugdienssentrum make use of the Calvinia library to present classes for young students to prepare themselves for the future. The classes are presented by Mrs R Nel

Table 108: *Libraries highlights*

3.17.3 Challenges: Libraries

The table below gives a brief description of the challenges for libraries for the 2020/21 financial year:

Challenge	Corrective action
Need more funds	The Department of Sport, Arts and Culture (DSAC) does not give enough money for the Municipality to cover for all the expenditure of the Hantam libraries. This problem was brought under the attention of DSAC
Take-over	Hantam Municipality asked for a take-over of the libraries by Province. Province does not want to do it, because they say they cannot manage libraries from Kimberley as they do not know what are the needs of every community. The salaries and additional benefits of the Municipalites are also more than what Povrince can afford

Table 109: *Libraries challenges*

3.17.4 Service Statistics - Libraries

The table below gives the service statistics of libraries in the municipal area:

Type of service	2019/20	2020/21
Libraries		
Number of libraries	6	6
Library members	3 352	3 479
Books circulated	55 967	55 77
People visiting the Libraries	42 489	31 510
Internet users – number of computers	2 973/26	2 110/26
New library service points or Wheelie Wagons	6	0
Children programmes	Weekly	0
Visits by school groups and crèches	Weekly	0
Book group meetings for adults	Monthly	Monthly/4

Table 110: *Service statistics – Libraries*

3.17.5 Employees: Libraries

The table below indicates the number of staff employed by the Unit:

Job level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	9	0	0	0	0
4 – 6		6	5	1	17
7 – 9		3	3	0	0
10 – 12		1	1	0	0
13 – 15		0	0	0	0
16 – 18		0	0	0	0
19 – 20		0	0	0	0
Total	**9**	**10**	**9**	**1**	**10**

Table 111: *Employees: Libraries*

3.18 Cemeteries

There are 8 cemeteries in the Hantam area that resort under the jurisdiction of the Municipality and 2 additional cemeteries that belong to churches.

A number of historical graves were discovered in the Akkerendam Nature Reserve and a process was started to declare it as a heritage site. The Department of Sport, Arts and Culture was informed and Hantam awaits their recommendation on the outcome of the investigation.

Hantam Municipality is also working together with the CWP team to ensure that the cemeteries get cleaned on a regular basis in all towns within the Hantam Municipal Area.

3.18.1 Highlights: Cemetries

The table below give a brief description of the cemeteries highlight during the 2020/21 financial year:

Highlights	Dscription
Clean of cemetries	CWP and Thuma Mina teams cleaned cemeteries on a regular basis

Table 112: *Cemeteries highlights*

3.18.2 Challenges: Cemetries

The table below give a brief description of the cemetries challenge during the 2020/21 financial year:

Challenge	Corrective action
Vandalism	Appoint Law Enforcement Officer to prevent vandalism of graves

Table 113: *Cemetries challenges*

3.19 Social Programmes

The aim of social programmes is to: -

- Address problems and poverty identified in the community

- Commemorate special public days
- Enhance good communication

The following special programmes were executed during the 2020/21 financial year:

Description of programmes	Date of program	Target group
Donation - P Mouton: College Registration	March 2021	Youth
Donation – House restoration Brandvlei	March 2021	Elderly
Donation - A Jacobs: University registration	March 2021	Youth
Donation – Calvin United Rugby Club	March 2021	ALL
Donation -SA van Rooyen: College Registration	April 2021	Youth
Donation- M Jooste: University Registration	April 2021	Youth
Donation- Logan Rugby	April 2021	All
Donation- Pauper Burial	April 2021	Elderley
Donation - CYDC	April 2021	Youth
Donation – LM Cloete: CIPC Registration	May 2021	Elderley
Donation - G Pieters: CIPC Registration	May 2021	Elderley
Donation – Tank Brandvlei	May 2021	Elderley
Donation– C Beukes: University Registration	May 2021	Youth
Donation – Logan H/S Rugby	June 2021	Youth
Donation- Pauper Burial	June 2021	Elderley
Donation – L Fortuin: University Registration	June 2021	Youth
Donation – House Restoration: Brandvlei	June 2021	Elderley

Table 114: *Special programmes executed during 2020/21*

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes:

- Pollution control
- Biodiversity
- Landscape

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According to Section156(2) of the Constitution, a municipality may make and administer by-laws for the effective administration of matters that it has the right to administer. Air pollution is listed as a matter in which local government has authority and national and provincial government may not compromise or impede a municipality's right to exercise its powers or perform its functions.

3.20 Pollution Control

Air pollution control is not a function of the Municipality, but a function performed by the district municipality.

3.21 Bio-diversity, Landscape and Open Spaces

The municipal area includes three of the seven biomes present in the Northern Cape Province, i.e. the Fynbos, Succulent Karoo and Nama-Karoo biomes and, also in a provincial context, the following centres of endemism: Succulent Karoo, Knersvlakte, Hantam-Roggeveld and Cape Floristic region. These centres, all located in the most westerly segment of the municipal area, serve as biodiversity priority areas. This western segment includes the Oorlogskloof Nature Reserve as protected area and the Greater Cederberg Biodiversity Corridor conservation initiative — an initiative aiming to maintain or restore connectivity across the landscape (and provincial boundaries). The other significant protected area is the Tankwa Karoo National Park in the south eastern corner of the municipal area.

We also acknowledge the initiative by the South African Radio Astronomy Observatory to commission a report on the 'desired state' of the SKA National Park Management Plan as first step towards establishing a national park within an area still to be determined.

The Department of Environment and Nature Conservation (DENC) in co-operation with the World Wide Fund (WWF) is currently busy with the second phase of expanding the Protected Area Network in the Northern Cape with funding of the Leslie Hill Succulent Karoo Trust. The three-year project (2018/21) entails restoration of degraded ecosystems and enhanced conservation of natural resources and land added to the provincial conservation estate. The seven provincial nature reserves are:

- Goegap
- Oorlogskloof
- Nababeep
- Orange River Mouth in Namakwa District
- Rolfontein and Doornkloof in Pixley ka Seme District
- Witsand in ZF Mgcawu District

COMPONENT F: SECURITY AND SAFETY

This component includes:

- Traffic, law enforcement and licensing
- Fire
- Disaster management
- Aerodrome (Airfield)

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

The function of security and safety is to provide a safe environment for the residents of the Hantam and to ensure the safety of the personnel of the Municipality through effective and efficient operationalization of all relevant plans in conjunction with public safety.

Namakwa District Municipality delivers fire fighting services throughout the are with the Hatam Municipality's assistance. All towns do have firefighting equipment available.

Disaster management is a district function and the Namakwa District Council maintains a District Disaster Management Centre. HM has appointed its Chief of Traffic Services as its Disaster Manager and co-operates closely with the District Disaster Management Centre.

The aim of law enforcement in a municipality is to create an environment that will further the social and economic development of the community. Through law enforcement services the Municipality ensures that individuals and their families are safe. Law Enforcement Officers are deployed in the municipal area to ensure that by-laws are enforced in the municipal area. An officer of Traffic is currently fulfilling the duties of law enforcement.

3.22 Traffic, Security and Licensing

The aim and function of the Traffic Department is to educate and create a culture of voluntary compliance with road traffic rules and regulations and to enhance courteous and tolerant road user behaviour. HM has an operational traffic department comprising of driver licensing, traffic law enforcement, vehicle testing and motor vehicle registration. Renewal of licenses was shifted to the Post Office.

The main priorities are:

- The testing of applicants for driver's licenses, learner's licenses and the application and renewal of professional driving licenses.
- The registration of motor vehicles.
- The promotion of road safety and law enforcement.
- Operating of the vehicle testing centre.

3.22.1 Highlights: Traffic, security and licensing

The table below give a brief description of the highlights for traffic, security and licensing during the 2020/21 financial year:

Highlight	Description
Stability and continuation of service to the public	Amits COVID-19 this function remain vigilant

Table 115: *Traffic, security and licensing highlights*

3.22.2 Challenges: Traffic, security and licensing

The table below gives a brief description of the traffic, security and licensing challenges during the 2020/21 financial year:

Challenge	Corrective action
Staff illness – this created a shortage of staff for the execution of duties	Filling of vacancy

Table 116: *Traffic, security and licensing challenges*

3.22.3 Service Statistics – Traffic, security and licensing

Details	2019/20	2020/21
	Actual no.	Actual no.
Number of road traffic accidents during the year	2	3
Number of infringements attended	0	0
Number of traffic officers in the field on an average day	1	1
Number of traffic officers on duty on an average day	1	1
Number of driver's licenses issued	604	691
Number of learner's licenses processed and issued	252	96
Number of motor vehicle license transactions	512	595
Number of road signage erected		
Number of fines issued for traffic offences	424	112
R-value of fines collected	33 836	34 260
Number of roadblocks held	Permanent roadblock from 26 March 2020 until 30 June 2020 due to COVID-19	11
Special escorts	2	1
Awareness initiatives on public safety	7	13

Table 117: *Service data for traffic, security and licensing*

3.22.4 Employees: Traffic, security and licensing

The table below indicates the number of staff employed by the Unit:

Job level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3		0	0	0	0
4 - 6		3	2	1	33
7 - 9		1	0	0	0
10 - 12		3	0	0	0
13 - 15		1	0	1	100
16 - 18		0	0	0	0
19 - 20		0	0	0	0
Total	**2**	**8**	**2**	**2**	**25**

Table 118: *Employees: Traffic, security and licensing*

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3.23 COVID-19

On 15 March 2020 President Cyril Ramaphosa declared South Africa COVID-19 epidemic a national state of disaster under the Disaster Management Act of 2002. This was done primarily, as the President stated it to enable the government to "have an integrated and coordinated disaster management mechanism that will focus on preventing and reducing the outbreak of this virus." The declaration enabled the government to issue a slew of regulations, directions, and guidelines to contain and mitigate the impact of the pandemic.

During a state of disaster, the Disaster Management Act allows the government to issue regulations to restrict, inter alia, movement of persons and goods "to, from or within the disaster-stricken or threatened area, … the suspension or limiting of the sale, dispensing or transportation of alcoholic beverages in the disaster-stricken or threatened area…. [or] any other steps that may be necessary to prevent an escalation of the disaster, or to alleviate, contain and minimise the effects of the disaster…" (section 27(2).)

Similarly, the Disaster Management Regulations of 2004 (DMR) (as amended) state that:

"any Minister may issue and vary directions, as required, within his or her mandate, to address, prevent and combat the spread of COVID-19, from time to time, as may be required, including…steps that may be necessary to prevent an escalation of the national state of disaster, or to alleviate, contain and minimise the effects of the national state of disaster." (section 10(8).)

These regulations and the pandemic itself has had a major impact on the basic service delivery and operations of local government, who had to adjust with immediate effect not only identified risks, projects, man power but also budgets.

3.23.1 COVID-19 Committees

On 06 April 2020 the Hantam Municipality established the **COVID-19 Joint Operational Committee**. The committee comprises of members from all spheres of government.

The COVID-19 Joint Operational Committee has the following functions:

- Discussions of intergovernmental nature related to COVID 19 pandemic;
- Each department were responsible for feedback to the committee regarding the number of COVID-19 infections, recoveries and fatalities within their respective departments;
- Identification and communication of hotspots in municipal area;
- Adhering to regulations pertaining the availability of PPE;
- Regular statistics of the R27 roadblocks in Calvinia;
- Distribution of food parcels and support needed in communities;
- Regular communication to communities to keep them informed;
- Scheduling sanitization of municipal buildings, government buildings, public spaces as well as spaza shops;
- Provision of necessary water and sanitation infrastructure where needed;
- Monitor of public gatherings, such as funerals to be in line with Disaster Management Act and Regulations;
- Identification of cemetery for COVID-19 burials as was required; and
- Identification of recovery facility for Hantam area.

3.23.2 COVID-19 Joint Operational Committee members

The table below indicates the members that serve on the COVID-19 Joint Operational Committee and the dates of the meetings held:

Name of representative	Representative Department	Meeting dates
L Vermeulen	Namakwa District Municipality	06 April 2020 13 April 2020 28 April 2020 05 May 2020 11 May 2020 29 June 2020 20 July 2020 03 August 2020 17 August 2020
Mayor (RN Swartz) Municipal Manager (JI Swartz) R van Wyk W Jonker RC van Wyk Jan Isaacs C Koopman M Waterboer G Mathys E De Wet	Hantam Municipality	
Col V van Wyk Capt. A Burger	Transport, Safety and Liaison: SAPS	
F Floris	Health: Hospital	
D Moses	Social Development	
S Tieties	SASSA	
N Kweleta	Correctional Services	
J Leukes	Labour	
Sr SA Hoon	Health: Clinic	
S Witbooi	GEMCOR	
LB Wena J Meyer	Education	

Table 119: *COVID-19 Joint operational committee members*

On 28 April 2020 the Hantam Municipality established the **COVID-19 Steering Committee**. The committee comprises of members from all departments of the Municipality.

The COVID-19 Steering Committee has the following functions:

- Discuss, implement and monitor Disaster Management Act Regulations;
- Appointment of COVID-19 Compliance Officer;
- Compilation of COVID-19 Action Plan of the Municipality;
- Distribution of PPE to all municipal sites and skeleton staff officials;
- Compile schedule for sanitizing of buildings;
- Discussion of working hours and action plan for gradual return to work of skeleton staff (1third);
- Compilation of policy to be approved by Council;
- Referred regulation regarding COVID-19 Danger Allowance to Council for approval including Policy;
- Compilation of schedule for sanitization of municipal buildings, government buildings, public spaces as well as Spaza shops; and

- Identification of cemetery for COVID-19 burials as was required.

3.23.3 COVID-19 Steering Committee members

Name of representative	Representative Department/Division	Meeting dates
RN Swartz T Brown	Mayor PA of Mayor	20 July 2020 03 August 2020 17 August 2020 7 Mei 2020 12 Mei 2020 20 Mei 2020 18 Junie 2020 24 Junie 2020 30 Junie 2020 12 Augustus 2020 17 September 2020 18 Januarie 2021
JI Swartz	Municipal Manager	
R van Wyk RC van Wyk C Koopman M Waterboer	Technical and Community Services	
W Jonker E De Wet J Langner	Finance & Corporate Services	
W Steenkamp N Moses (Compliance Officer)	IMATU	
N Coetzee M Waterboer	SAMWU	

Table 120: *COVID-19 Steering committee members*

3.23.4 Challenges: COVID-19

The table below gives a brief description of the service delivery challenges during the 2020/21 financial year:

Challenge	Corrective action
COVID-19: staff on sick leave for testing / isolation	Healthy staff fulfilled their duties or casuals were used for the time being
Temporary non-payment by customers due to loss of income	Eventual payment when economic activity restarted
Municipality was not open for the whole day	Working hours were from 9:00 till 14:00

Table 121: *COVID-19 challenges*

3.23.5 COVID-19: Action Plan

The table below provide the actions implemented/that will be implemented to address the COVID-19 associated risks:

Risk	Action implementation
COVID-19 transmission on the premises	New comprehensive COVID-19 Policy was drafted regulating behaviour and risk in the workplace and premises. - Special leave addressed, - Discretion to management to make risk mitigating decisions ie closing of business or letting high risk employees work from home
Business operations	Full Acton Plan drafted assigning certain functions to specific people in disaster periods.

Table 122: *COVID-19 action plan*

3.23.6 COVID-19: Communication/Awareness

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The table below indicates the different communication/awareness statistical information the Municipality implemented:

Communication/ Awareness campaign	Platform/ channel utilised	Date
Posting statistics & information	Facebook page of Municipality	Daily/every second day
Radio broadcasted interviews by the Mayor of Hantam, Namakwa District and MEC's in the Province	Radio Kaboesna	Bi-weekly
Posting statistics & information	WhatsApp communication	Daily
Loud hauling in respective town of Hantam by Traffic Officer	Loud hauling	On days when large groups were visiting towns (government grant pay outs, etc.)
Distribution of information pamphlets	Ward committees	April 2020
Working hours of municipal staff and opening of municipal offices	Facebook, Noordwester, Notice boards	As and when needed per regulations
COVID-19 protocol notices	Notice boards and municipal office sites & workshops	As and when needed

Table 123: *COVID-19 communication/awareness*

COMPONENT G: SPORT AND RECREATION

This component includes:

- Community halls
- Swimming pools
- Caravan park
- Nature reserve
- Sport grounds

3.24 Community Halls

Community halls are maintained and available in Calvinia, Loeriesfontein, Brandvlei and Nieuwoudtville.

Cleaning and minimum maintenance are done at all the community halls. These halls are used by the community for gatherings and social activities with friends and family.

3.24.1 Highlights: Community halls

The table below give a brief description of the highlights for community halls during the 2020/21 financial year:

Highlight	Description
Continues Maintenance at all 5 Community Halls	Due to the COVID-19 pandemic the usage of the halls were limited which resulted less maintenance required

Table 124: *Community halls highlights*

3.24.2 Challenges: Community halls

The table below gives a brief description of the community halls challenges during the 2020/21 financial year:

Challenge	Corrective action
Vandalism of buildings and fencing	Installation of security cameras and security services will also be acquired to fight vandalism of sport fields in HM area
COVID-19: Due to the pandemic community halls could not be utilised optimally as a result of the Regulations	n/a

Table 125: *Community halls challenges*

3.25 Swimming Pools

Due to the shortage of water in Calvinia the swimming pool is closed. The only town with a caravan park and swimming pool is Nieuwoudtville that is used by all the communities in the Hantam. During the summer season the pool is always full of visitors as well as off season with private bookings for parties at the swimming pool or tourists visiting during the flower season. The beautiful natural scenery where the swimming pools are situated adds to its allure for visitors who like to pose for the camera and posting on social media.

3.25.1 Challenges: Swimming pools

The table below give a brief description of the swimming pool challenges during the 2020/21 financial year:

Challenge	Corrective action
Water shortage	Alternative sources of water should be investigated
Swimming pools for other towns in Hantam Municipality	Business plans for alternative sources of water, as well as project plans for funding for the construction of swimming pools in towns where pools are not yet established, should be drafted and submitted
COVID-19: Due to the pandemic the swimming pool could not operate optimally	n/a

Table 126: *Swimming pools challenge*

3.26 Caravan Park

A caravan park is operated in Nieuwoudtville and is popular during the flower season and December holidays. The caravan park is situated near the swimming pool and the local dam which adds to its attraction for visitors and approximately 10km's away from the Nieuwoudtville Nature Reserve which also attracts many visitors throughout the year. There are 16 camping sites equipped with braai facilities including a source for lights (*power outlet*) for each one.

3.26.1 Highlights: Caravan park

The table below give a brief description of the highlights for caravan parks during the 2020/21 financial year:

Highlight	Description
Maintenance of ablution facilities and other structures	Maintenance is done on a regular basis with more work to be finished before the flower season starts

Table 127: *Caravan park highlights*

3.26.2 Challenges: Caravan park

The table below gives a brief description of the caravan park challenges during the 2020/21 financial year:

Challenge	Corrective action
• The drought together with climate changes • The Disaster Management Regulations as a result of COVID-19 restricted tourists to visit the caravan park and resulted in a loss of income for the Municipality	Promotion and marketing of caravan park
Upgrade of facilities	A project plan was submitted to the DEA for funding to upgrade caravan park (waiting)

Table 128: *Caravan park challenges*

3.26.3 Service statistics – Caravan park

Caravan site reservations generated no revenue during the 2020/21 financial year.

3.27 Nature Reserves

The Akkerendam Nature Reserve is situated in Calvinia and is a popular recreation facility for residents. Hiking trails have been developed in the Hantam Mountains and various routes with different levels of difficulty can be hiked. Springbok kept in the nature reserve provide a handy source of revenue.

Akkerendam Nature Reserve is the second oldest proclaimed municipal nature reserve in the Northern Cape, yet to date no vegetation map has been produced. Akkerendam Nature Reserve now has a paper published on its vegetation supported by the National Research Foundation. This is based on the work done in the reserve to develop a vegetation map and determine carrying capacity etc, which was funded by the Lesley Hill Succulent Karoo Trust a few years ago. Very interesting and included in this paper, are historical photographs which were redone recently by Dr Hoffman and Dr van der Merwe.

The possible expansion of the reserve is under consideration. Three (3) plant communities were identified within the reserve and expansion area; however, four (4) subcommunities are only found in the proposed expansion area. Relevés compiled from Acocks' species lists were absorbed into the phytosociological table indicating that no significant vegetation change has taken place in the last ±60 years. This study found 222 species in common with Acocks' species lists; however, he did not list the alien invasive species Prosopis glandulosa. Comparison of repeat photographs with images taken nearly a century earlier suggests that, except for the impact of recent fires, the composition remained relatively similar. The phytosociological approach adopted has provided a map of the vegetation units of the study area, while the historical comparisons indicate that the vegetation of Akkerendam Nature Reserve has not undergone significant change over the last 100 years.

Pictures 5: Viooltjie and Bobbejaantjie at Akkerdam


Pictures 6: Veldkool at Akkerdam en Koppie en piering at Nieuwoudtville

Nieuwoudtville has a flower bulb reserve managed by the Municipality that is very popular during the peak flower season. In fact, it is just as popular as the waterfall on the road between Nieuwoudtville and Loeriesfontein.

3.27.1 Highlights: Nature reserves

The table below give a brief description of the highlights for the nature reserves during the 2020/21 financial year:

Highlight	Description
COVID-19: Due to the pandemic the carbonfootprint was minimized at the Nature resrves which meant the natural habitat could flourish more	n/a

Table 129: *Nature reserves highlights*

3.27.2 Challenges: Nature reserves

The table below give a brief description of the nature reserves challenges during the 2020/21 financial year:

Challenge	Corrective action
Upgrade and development of Akkerendam Nature Reserve as a tourist attraction	Funding support required from DENC and DEDAT to upgrade and develop the nature reserve as a tourist attraction and enhance economic opportunities for local community
Upgrade and development of the Waterfall between Nieuwoudtville and Loeriesfontein as a tourist attraction	Funding support required from DENC and DEDAT to upgrade and develop the Waterfall as a tourist attraction and enhance economic opportunities for the local community
COVID-19: Not as many visters could visit our are	n/a

Table 130: *Nature reserves challenges*

3.28 Sport Grounds

Sport fields are available in all towns of the Hantam Municipal area, namely Calvinia, Brandvlei, Nieuwoudtville and Loeriesfontein.

Currently Nieuwoudtville have a grassed pitch.

The sport facility of Loeriesfontein was upgraded by Mainstream Renewable Energy. The existing rugby and athletic pitch were covered with grass, new flood lights were constructed and a pipeline was laid from the Waste Water Treatment Plant to the sport field. Two 11 000 litre jo-jo tanks and a booster pump was installed to irrigate the grass pitch. Mainstream financed this upgrade and donated it to the Municipality.

Calvinia started with the upgrade of Hantam Park where a pipeline was constructed from the Waste Water Treatment Plant to Hantam Park and from there to the Kraal to provide waste water for irrigation to the two facilities. This project includes new floodlights at Hantam Park and upgrading of the pavilion. The two schools namely Hantam High and Hantam Primary will also be provided with irrigation water for their rugby fields as the pipelines run through the residential areas passing the two schools.

The project is funded by MIG and completion date is 15 December 2020.

3.28.1 Highlights: Sport grounds

The table below gives a brief description of the sport grounds highlights during the 2020/21 financial year:

Highlights	Description
Irrigation of Hantam Park and The Kraal sport facilities	Floodlights at Hantam Park and grass pitch for rugby and athletics, upgrade of pavilion

Table 131: *Sport grounds highlights*

3.28.2 Challenges: Sport grounds

The table below gives a brief description of the sport grounds challenge during the 2020/21 financial year:

Challenge	Corrective action
Vandalism	New security systems required depending on the available budget
COVID-19: Due to the Regulations the sportsfacilities could not be utilised optimally	n/a

Table 132: *Sport grounds challenge*

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Pictures 7: Hantam Parck

Pictures 8: Hantam Parck Irrigation

3.28.3 Employees: Sport grounds

The table below indicates the number of staff employed by the Unit:

Job Level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 – 3	5	0	0	0	0
4 – 6		5	5	0	0
7 – 9		0	0	0	0
10 – 12		0	0	0	0
13 - 15		0	0	0	0
16 - 18		0	0	0	0
19 - 20		0	0	0	0
Total	**5**	**5**	**5**	**0**	**0**

Table 133: *Employees: Sport ground*

3.28.4 Capital expenditure – Sport grounds

The table below indicates the amount that was actually spent on sport ground projects for the 2020/21 financial year:

Capital projects	2020/21			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Calvinia sportsfields irrigation	5 880 649.00	5 880 649.00	5 880 649.00	0

Total	5 880 649.00	5 880 649.00	5 880 649.00	0

Table 134: *Capital expenditure 2020/21: Sport grounds services*

COMPONENT H: CORPORATE POLICY, OFFICES AND OTHER SERVICES

This component includes:

- Executive and Council
- Financial Services
- HR

3.29 Executive and Council

Executive and Council includes the:

- Mayor
- Councillors
- Office of the Municipal Manager

3.29.1 Highlights: Executive and Council

The table below gives a brief description of all the highlights for Executive and Council during the 2020/21 financial year:

Highlight	Description
Oversight and Policy making	
Approval of policies	Various policies were reviewed/developed during 2020/21 and tabled to Council for approval
Functionality of Council Committees	**The following committees held meetings during 2020/21:** - Budget and Treasury - Municipal Public Accounts Committee (MPAC) - Infrastructure Committee - Local Labour Forum (LLF) - Disciplinary Board - Employment Equity - Training Committee - IDP and Budget Steering Committee - Audit, Performance and Risk Committee - Debt Collection Commitee
Infrastructure projects	
Spending of grant funding allocated to Hantam Municipality	- Equitable share – R29 869 000 incuded was R3 525 000 to combat the spread of COVID-19 virus - Subsidise of all free basic services of the Municipality - R26 344 000 - Financial Management Grant (FMG) – R1 900 000 (Interns and finance training needs) - Water Services Infrastructure Grant (WSIG) – R33 000 000 for upgrade of Water Treatment Works in Calvinia and procuring of prepaid water meters

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Highlight	Description
	• Regional Bulk Infrastructure Grant (RBIG) – R31 100 000 for Upgrade of Brandvlei Bulk Water Supply System and Electrification • Municipal Infrastructure Grant (MIG) – R13 607 000 for upgrade of roads and stormwater in Calvinia at R7 726 351and irrigation of sports field in Calvinia R 5 880 649 • Integrated National Energy Program (INEP) – R1500 000 for upgrade of Auto Reclosers in Niewoudtville • Expanded Public Works Program (EPWP) – R1 704 000 for job creation projects • Library Services grant – R1 150 000 for day-to-day expenses of libraries
Water infrastructure projects implemented to the benefit of communities of Brandvlei and Calvinia	• Construction of 52 km water pipeline and electricity network from Brandvlei to Romanskolk. The contractor was appointed and started in April 2019 with construction of a pipeline laid from Romanskolk outside Brandvlei to supply sustainable water to the whole community of Brandvlei. The construction period is until December 2020 with a project value of R127 208 543 and afinalised in end January 2021 • Upgrade of Water Treatment Works in Calvinia with a project value of R26 805 755. The purpose of this project was to enhance the capacity and the purification process of the water treatment works
Finance	
Timeous approval of budget during COVID 19 lockdown period	All budgets were timeously approved as per the legislation requirements including all adjusted budgets as a result of COVID-19 appropriates
Spending of COVID 19 budget	• Personal Protective Equipment (PPE) was procured for each employee as well as a danger pay for employees who had to work during the lockdown period • All municipal buildings in the Hantam was sanitized, some government departments' buildings as per request, as well as public spaces and spaza shops
Human Resources	
Section 57 managers	The Municipal Manager and two senior management signed performance agreements for 2020/21. No vacant positions on senior management level
New appointments made	• Appointment of Qualified Process Controllers Water and Waste Water in Calvinia to ensure adherence to legislation and promote basic service delivery • Appointment of IDP/LED Clerk to promote local economic development • Appointment of Social Transformation Officer to promote social transformation in the Hantam municipal area
Promotion of staff	Succession Planning Policy has been approved by Council to promote training and development and promotions **The following 6 promotions were made:**

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Highlight	Description
	- Cashier Clerk Traffic Services in Calvinia T08 promoted to Senior Cashier Clerk Traffic Services T10 - General Worker in Loeriesfontein T03 promoted to Process Controller T06 - Traffic Officer in Calvinia T10 promoted to Divisional Head Traffic Officer in Calvinia T12 - Electrician in Calvinia T10 promoted to Senior Electrician T12
Organisational structure	Consultation process done during strategic session with Council & senior management, as well as unions. Approval of organisational structure by Council on 20 February 2020 – Council resolution SRIK03/02-20
Job descriptions	Employee's job descriptions were reviewed and signed by them, union representatives and senior managers
Council	
Councils meetings held	Eighteen Council meetings were held for 2020/21 with an average attendance of 89% by councillors
Council Meet the People engagements	One Council Meets the People public meetings were held with the communities of Middelpos
Stability of Council	- All councillors mostly attend Council- as well as committee meetings and are robustly participating in discussions on the agenda impacting Hantam's communities - Decisions of Council are made in consensus between the two political parties at the best interest of the communities in Hantam - All councillors participate and support programmes rolled out that benefits the communities they serve in good faith
Functional ward committees	- Ward committees of all five wards are fully functional and regular meetings are held - All new ward committee members received training and induction during 2020/21 by COGHSTA - Ward committees are of great assistance to the municipality and will be utilised more effectively in the next financial year in terms of their role with regards to public participation in the respective wards

Table 135: *Executive and council highlights*

3.29.2 Challenges: Executive and Council

The table below gives a brief description of Executive and Council challenges during the 2020/21 financial year:

Challenge	Corrective action
Revenue and debt collection	The Council, Mayor and the Municipal Manager made a decision to accommodate business with the payment of their service accounts (50% payable immediately and 50% is payable within 12 months). Municipal account holders can make arrangements with the Municipality to pay off their arrear accounts
Collection of government debts	Interact through Intergovernmental Relations Forum on a regular basis

Challenge	Corrective action
Council chambers and proper equipment for recording of meetings	Budget for equipment in the 2020/21 financial year
Regular requests from communities to assist with funding for social programmes, bursary applications, school uniforms, etc.	- Requests are channelled to investors who has a role to play in terms of social responsibility contributions to communities of Hantam - Annual Street Carnaval event is held to generate income for the Special Programmes account
High unemployment and poverty	- A clause was included in Tenders of the Municipality to utilise local SMME's/contractors for projects implemented in Hantam - Local SMME's are given support with registration of their businesses and to obtain the necessary documentation to enable them to participate in tender processes to make them more sustainable

Table 136: *Executive and council challenges*

3.29.3 Employees: Executive and Council

The table below indicates the number of staff employed by the Unit:

Job Level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	6	0	0	0	0
4 - 6		0	0	0	0
7 - 9		5	3	2	0.4
10 - 12		1	1	0	0
13 - 15		1	1	0	0
16 - 18		0	0	0	0
19 - 20		1	1	0	0
Total	**6**	**8**	**6**	**2**	**0.25**

Table 137: *Employees: Executive and council*

3.30 Financial Services

Financial services include:

- Budget and treasury control
- Expenditure management
- Income management
- Supply Chain Management

Sound financial management practices are essential to the long-term sustainability of the Municipality. It underpins the process of democratic accountability. The key objectives of the MFMA is to modernise municipal financial management in South Africa to lay a sound financial base for the sustainable delivery of services. The management of key financial and governance areas is achieved by focussing on reducing the levels of outstanding debt owed to the Municipality, to assist with service delivery spending and maintaining a healthy cash flow and maintaining an unqualified audit for the Municipality by resolving audit findings and improving financial governance.

Debt recovery						
Details of the types of account raised and recovered	2019/20			2020/21		
	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %
	R		%	R		%
Property rates	13 681	9 106	67%	15 877	15 444	97%
Electricity	24 386	23 410	96%	30 043	26 833	89%
Water	3 978	3 819	96%	11 948	1 780	15%
Sanitation	4 749	4 560	96%	7 515	4 970	66%
Refuse	5 221	5 013	96%	8 468	5 446	64%

Table 138: *Service standards for financial services*

3.30.1 Highlights: Financial Services

The table below gives a brief description of all the highlights for financial services during the 2020/21 financial year:

Highlight	Description
Standard operating procedures	Implemented within the financial year
Yearly tenders implemented	Hantam adopted a yearly tender system to curb irregular expenditure
Creditors	Arrangements was made with SALGA and AG

Table 139: *Financial services highlight*

3.30.2 Challenges: Financial Services

The table below gives a brief description of the financial services challenges during the 2020/21 financial year:

Challenge	Corrective action
Outstanding debtors	A debt collecting committee was established during 2019/20 to discuss all individual debtor challenges. The Municipality has also appointed a debt collection service provider to collect outstanding debt
Cash flow	The Municipality adopted a Cost Containment Policy as prescribed by National Treasuary and strict measures are put in place to reduce expenditure. Ongoing discussions with trade unions regarding payments of staff bonuses spreaded across the financial year (e.g. in month of birthday)

Table 140: *Financial Services challenges*

3.30.3 Employees: Financial Services

The table below indicates the number of staff employed by the Unit:

Job Level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	25	0	0	0	0
4 - 6		8	8	0	0
7 - 9		6	6	0	0
10 - 12		10	9	1	10
13 - 15		0	1	0	0
16 - 18		0	0	0	0
19 - 20		1	1	0	0
Total	**25**	**26**	**25**	**1**	**4**

Table 141: *Employees: Financial services*

3.30.4 Capital expenditure – Financial Services

The table below indicates the amount that was actually spent on financial services projects for the 2020/21 financial year:

Capital projects	2020/21			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Office equipment	881 000.00	881 000.00	881 000.00	0
Total	**881 000.00**	**881 000.00**	**881 000.00**	**0**

Table 142: *Capital expenditure 2020/21: Financial services*

3.31 HR

The HR Unit resort under the Department of Finance Corporate Services and is responsible for the following functions:

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

- HR Administration
- Recruitment and selection
- Legal services and labour relations
- Employment Equity
- Organisational structure and job evaluation
- Occupational Health and Safety
- Training and development
- Employee Assistance Programme (EAP)

The aim is to provide management with effective and efficient strategic advice and support regarding new and amended legislation, interpretation of policies, organizational change, sound labour relation practices and a healthy and safe environment.

3.31.1 Highlights: HR

The table below gives a brief description of all the highlights for HR during the 2020/21 financial year:

Highlight	Description
HR Administration	A mits the COVID-19 pandemic and the challenges the Administration faced, regular LLF meetings were held
Promotions	The following promotions were made: • 3 x General workers was appointed as supervisors • 1 x Line Worker was appointed as an Electrician as of 01 January 2021
Recruitment and selection	Recruitment and selection has been conducted for 6 Critical positions: • Manager BTO • Divisional Head IDP and LED • HR Official • Official for testing of vehicles, Learners and Drivers Licences • Supervisor
Legal services and Labour Relations	Regular consultation meetings with organised Labour took place although consultations processes was affected by COVID-19 labour issues were addressed with Union representatives
Employment Equity	• The Employment Equity Plan for 2020 was submitted before the due date and acknowledgement of the EE report was received on 15 January 2020 • Hantam appear on the EE public register as published by the Minister of Employment and Labour in terms of section 41 of the EE Act
Organisational structure and job evaluation	Job evaluation processes started on 02 September 2020 and lasted till 04 September 2020

Highlight	Description
Occupational Health and Safety	Appoitnment of the Compliance Officer (COVID-19) was concluded on 04 May 2020
Training and developement	• WSP was submitted before the due date and acknowledgement of WSP was received on 28 May 2020 • Hantam received Discretionary grants for 4 projects for unemployed youth • Practical training for 10 HR Interns NQF 5 enabled them to receive national diplomas • Certificate obtainment for 10 Finance NQF 6, 20 Incident Management NQF 5 and 15 Law Enforcement Officers • CFO attend SAIPA training and qualified as a Proffesional Accountant • 1x Line worker attend RPL and qualified as an electrician • 1x Supervisor attend RPL and successfully qualified as an Electrician. • 8x people attended MMC training
Approved HR policies	• The Transport Allowance Policy approved on 10 Aug 2020 Council resolution RIK10/08-21 • The Overtime Policy approved on 24 June 2021Council resolution RIK03/06-21
Employee Assistance Programme (EAP)	

Table 143: *HR highlights*

3.31.2 Challenges: HR

The table below gives a brief description of the HR challenges during the 2020/21 financial year:

Challenge	Corrective action
Filling of 6 critical positions: • Manager BTO • Divisional Head IDP and LED • HR Official • Official for testing of vehicles, Learners and Drivers Licences • Supervisor	Vacant positions will be filled in the 2021/22 financial year
Induction programme	A proper induction programme will be compiled and implemented in 2021/22 financial year
Employment assistance programme	Employment assistance programme will be reviewed and implemented in the 2021/22 financial year
Job evaluation	• Organisational structure is under review • Job evaluation has to be done in line with the reviewed Organisational structure • Approved Organogram and Job Descriptions will be implemented in the 2021/22 financial year

Table 144: *HR challenges*

3.32 Corporate Services

The Corporate Services Unit resort under the Department of Finance and Corporate Services and is responsible for the following functions:

- HR
- Administration services
- IT services
- Record management
- Cleaning services
- Switchboard and customer care

The aim is to ensure effective and efficient administrative systems to enhance the Municipality's objectives.

3.32.1 Highlights: Corporate Services

The table below gives a brief description of the highlights for corporate services during the 2020/21 financial year:

Highlight	Description
Council and Council committee meetings	Regular Council, MPAC and LLF meetings were held amits the COVID-19 strictions
Implementation of IT system	• Budget has been approved for implementation of a new IT system • Contract was advertised for a service provider and implementation of the new internet wiring was done
Appointment of IT Technician	The function has been outsourced and interviews and training is in process
Complaints Management Register	Complaints Management Register was implemented in the 2020/21financial year

Table 145: *Corporate services highlights*

3.32.2 Challenges: Corporate Services

The table below gives a brief description of the corporate services challenges during the 2020/21 financial year:

Challenge	Corrective action
Appointment of HR Official	The successful completion of the appointment of a HR Official was done in the 2021/22 financial year
Limited space for records management	Budget constrains – will be address in the 2021/22 financial year
Outdate IT system	Implementation of IT system
Appointment of IT Technician	The appointment of an IT Technician in 2021/22 financial year

Challenge	Corrective action
Revision of Council policies	Due to constrains because of vacant positions the department had limited human resource subsequently policies will be review in the 2021/22 financial year

Table 146: *Corporate services challenges*

3.32.3 Employees: Corporate Service

The table below indicates the number of staff employed by the Unit:

Job level	2019/20	2020/21			
(T-grade)	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 – 3	10	0	0	0	0
4 – 6		0	0	0	0
7 – 9		7	5	2	29
10 – 12		3	2	1	33
13 – 15		0	0	0	0
16 – 18		0	0	0	0
19 – 20		0	0	0	0
Total	**10**	**10**	**7**	**3**	**30**

Table 147: *Employees: Corporate services*

COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

3.33 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2021/22

The main development and service delivery priorities for 2020/21 forms part of the Municipality's Top Layer SDBIP for 2021/22 and are indicated in the tables below:

3.33.1 Instutional Development and transformation

Ref	KPI	Unit of measurement	Ward	Annual target
TL19	Percentage of people from employment equity target groups appointed in the three highest levels of management during the 2021/22 financial year in compliance with the municipality's approved employment equity plan	% of people that will be appointed in the three highest levels of management in compliance with a municipality's approved employment equity plan	All	66%
TL20	Percentage of municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2022 ((Total Actual Training Expenditure/ Total personnel Budget)x100))	(Total expenditure on training/total personnel budget)/100	All	0.01%
TL24	Limit vacancy rate to 20% of funded posts by 30 June 2022 {(Number of funded posts vacant divided by budgeted funded posts)x100}	(Number of funded posts vacant divided by budgeted funded posts)x100	All	20%

Ref	KPI	Unit of measurement	Ward	Annual target
TL25	Review the Workplace Skills Plan and submit plan to the LGSETA by 30 April 2022	Workplace Skills Plan submitted to LGSETA by 30 April 2022	All	1
TL26	90% of the ICT capital budget spent by 30 June 2022 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	% of the ICT capital budget spent by 30 June 2022	All	90%

Table 148: *Service delivery priorities for 2020/21: Instutional development and transformation*

3.33.2 Economic development

Ref	KPI	Unit of measurement	Ward	Annual target
TL8	Create job opportunities ito EPWP by 30 June 2021	Number of job opportunities created by 30 June 2021	All	150

Table 149: *Service delivery priorities for 2021/22: Economic development*

3.33.3 Financially sustainable and viable

Ref	KPI	Unit of measurement	Ward	Annual target
TL21	Financial viability measured in terms of the municipality's ability to meet its service debt obligations at 30 June 2022 {Debt to Revenue (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant}	% Debt coverage as at 30 June 2021	All	1%
TL22	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2022 {Net Service debtors to revenue – (Total outstanding service debtors minus provision for bad debt)/ (revenue received for services) x100}	% outstanding service debtors at 30 June 2021	All	14%
TL23	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2022 {Cost coverage ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))}	Cost coverage ratio as at 30 June 2021	All	0.6

Table 150: *Service delivery priorities for 2020/21: Financially sustainable and viability*

3.33.4 Good governance and public participation

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Ref	KPI	Unit of measurement	Ward	Annual target
TL1	Develop a Risk Based Audit Plan for the 2022/23 financial year and submit to the audit committee for consideration by 30 June 2022	Risk Based Audit Plan developed and submitted to the audit committee by 30 June 2022	All	1
TL2	Compile the final IDP review and submit to council by 31 May 2022	Final IDP review submitted to council by 31 May 2021	All	1
TL3	Compile the draft IDP and submit to council by 31 March 2022	Draft IDP submitted to council by 31 March 2022	All	1
TL4	Compile the draft Annual Report for 2020/21 and submit to council by 31 January 2022	Draft Annual Report for 2020/21 submitted to council by 31 January 2022	All	1
TL5	Compile the final Annual Report for 2020/21 and submit to council by 31 March 2022	Final Annual Report for 2020/21 submitted to council by 31 March 2022	All	1
TL6	Submit the oversight report for 2020/21 on the Annual Report to council by 31 March 2022	Oversight Report for 2020/21 submitted to council by 31 March 2022	All	1
TL26	Review the Internal Audit Charter and Audit Committee Charter and submit to the Audit Committee by 30 June 2022	Internal Audit Charter and Audit Committee Charter submitted to the Audit Committee by 30 June 2022	All	1

Table 151: *Service delivery priorities for 2020/21: Good governance and public participation*

3.33.5 Infrastructure Development and Basic Service Delivery

Ref	KPI	Unit of measurement	Ward	Annual target
TL9	Number of residential properties that which are billed for water or have pre paid meters that is connected to the municipal water infrastructure network as at 30 June 2022	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2022	All	4 393
TL10	Number of residential properties which are billed for electricity or have pre paid meters as at 30 June 2022 (excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre paid meters as at 30 June 2022 (Excluding Eskom areas)	All	2 648
TL11	Number of residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2022	Number of residential properties which are billed for sewerage as at 30 June 2022	All	4 724
TL12	Number of residential properties which are billed for refuse removal as at 30 June 2022	Number of residential properties which are billed for sewerage as at 30 June 2022	All	4 724
TL13	Provide free basic water to indigent households earning less than R5 290 as at 30 June 2022	Number of households receiving free basic water as at 30 June 2022	All	3 256
TL14	Provide free basic electricity to indigent households earning less than R5 290 as at 30 June 2022	Number of households receiving free basic electricity as at 30 June 2022	All	2 921
TL15	Provide free wood and oil to indigent households earning less than R5290 as at 30 June 2022	Number of households receiving free wood and oil as at 30 June 2022	All	118

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Ref	KPI	Unit of measurement	Ward	Annual target
TL16	Provide free basic sanitation to indigent households earning less than R5 290 as at 30 June 2022	Number of households receiving free basic sanitation as at 30 June 2022	All	3 256
TL17	Provide free basic refuse removal to indigent households earning less than R5 290 as at 30 June 2022	Number of households receiving free basic refuse removal as at 30 June 2022	All	3 256
TL18	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2022 (Actual amount spent on capital projects /Total amount budgeted for capital projects)X100	{Actual amount spent on capital projects /Total amount budgeted for capital projects)X100} by 30 June 2022	All	90%
TL27	95% spent of the library operational conditional grant by 30 June 2022 {(Actual expenditure divided by the total grant received) x 100}	% of the library operational conditional grant spent by 30 June 2022 {(Actual expenditure divided by the total grant received) x 100}	All	95%
TL28	Limit unaccounted for electricity to less than 15% by 30 June 2022 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) × 100}	% unaccounted for electricity by 30 June 2022	All	15%
TL29	Limit unaccounted for water to less than 15% by 30 June 2022 {(Number of Kiloliters Water Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purified × 100}	% unaccounted for water by 30 June 2022	All	15%
TL30	90% spent of the budget for the water network and electrification of Romanskolk in Brandvlei in terms of the grant allocation received by 30 June 2022{(Actual capital expenditure on the project divided by the total approved capital budget for the project)	Percentage of budget spent by 30 June 2022	3	90%
TL31	90% spent of the budget to upgrade sewerage network in Calvinia West in terms of the grant allocation received by 30 June 2022 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	Percentage of budget spent by 30 June 2022	1;2	90%
TL32	90% spent of the budget to upgrade sewerage network in Calvinia East in terms of the grant allocation received by 30 June 2022 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	Percentage of budget spent by 30 June 2022	1;2	90%
TL33	90% spent of the budget LED streetlights in terms of the grant allocation received by 30 June 2022 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)x100}	Percentage of budget spent by 30 June 2022	1;2	90%

Table 152: *Service delivery priorities for 2020/21: Infrastructure development and basic service delivery*

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Chapter 4: Organisational Development Performance (PERFORMANCE REPORT PART II)

a) National KPI – Municipal transformation and organisational development

The following table indicates the Municipality's performance in terms of the national KPIs required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These KPIs are linked to the national key performance area – municipal transformation and organisational development.

KPA and Indicators	Municipal achievement	Municipal achievement
	2020/21	2021/22
Percentage of people from employment equity target groups that will be appointed in the three highest levels of management during the 2020/21 financial year in compliance with the municipality's approved employment equity plan	66%	66%
Percentage of municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2021 ((Total Actual Training Expenditure/ Total personnel Budget)x100))	2%	0%

Table 153: *National KPIs: Municipal transformation and organisational development*

4.1 Introduction to the Municipal Workforce

The HM as at 30 June 2021 employs 128 (excluding 19 vacant positions), including permanent officials as well as employees appointed on long term fixed contracts, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of HR management is to render an innovative HR service that addresses both skills development and an administrative function.

4.1.1 Employment equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to the: "number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

a) Employment equity versus population

Description	African	Coloured	Indian	White	Other	Total
Population numbers	945	17 741	147	2 609	137	21 578
% population	4.38%	82.21%	0.68%	12.09%	0.63%	100%

Table 154: *Employment equity population 2020/21 (Source: IDP 2020/21 (Quantec 2017))*

b) Occupational Levels - Race

The table below categories the number of employees by race within the occupational levels:

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Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	1	0	0	0	0	0	0	1
Senior management	0	1	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	0	3	0	2	0	3	0	1	9
Technicians	0	0	0	0	0	0	0	0	0
Community and clerical workers	0	0	0	0	0	0	0	0	0
Machinery and driver operators	0	0	0	0	0	0	0	0	0
General workers	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	27	0	1	0	5	0	0	32
Semi-skilled and discretionary decision making	0	16	0	0	0	17	0	2	35
Unskilled and defined decision making	0	32	0	0	0	10	0	0	42
Temporary employees	0	2	0	0	0	4	0	1	7
Grand total	**0**	**81**	**0**	**3**	**0**	**39**	**0**	**4**	**128**

Table 155: *Occupational levels - race*

4.1.2 Vacancy rate

The approved organogram for the Municipality had **139** posts for the 2020/21 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 19 Posts were vacant at the end of 2020/21, resulting in a vacancy rate of **9%.**

Below is a table that indicates the vacancies within the Municipality:

Per post level		
Post level	**Filled**	**Vacant**
MM and MSA section 57 and 56	3	0
Middle management	13	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	32	6
Unskilled and defined decision making	76	10
Total	**120**	**19**
Per functional level		
Functional area	**Filled**	**Vacant**
Municipal Manager	7	4
Corporate Services	7	4

Per post level		
Post level	**Filled**	**Vacant**
Financial Services	18	4
Community Services	25	4
Technical Services	63	3
Total	**120**	**19**

Table 156: *Occupational levels – vacancy rate*

4.1.3 Staff turnover rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the staff turnover rate within the Municipality. The staff turnover rate shows a decrease from **6**% in 2019/20 to **13%** in 2020/21.

The table below indicates the staff turnover rate over the last three years:

Financial year	Total no. of appointments at the end of each financial year	New appointments	No. of terminations during the year	Turn-over rate
2019/20	145	6	9	6%
2020/21	128	6	19	13%

Table 157: *Staff turnover rate as at 30 June 2021*

The table below shows a breakdown of the different categories of terminations and appointments:

Month	Appoint-ments	Promo-tions	Total	Retire-ments	Dismissals	Resignations	Disabled	Death	Total
July 2020	0	0	**0**	0	1	0	0	0	**1**
August 2020	0	0	**0**	0	0	0	0	0	**0**
September 2020	0	0	**0**	0	0	0	0	0	**0**
October 2020	0	0	**0**	0	0	0	0	0	**0**
November 2020	0	3	**0**	0	0	0	0	0	**3**
December 2020	0	0	**0**	1	0	1	0	1	**3**
January 2021	0	1	**0**	0	0	3	0	0	**4**
February 2021	0	0	**0**	1	0	5	0	1	**7**
March 2021	1	0	**0**	0	0	0	0	1	**2**
April 2021	0	0	**0**	0	0	1	0	0	**1**
May 2021	0	0	**0**	1	0	1	0	0	**2**
June 2021	1	0	0	0	0	1	0	0	**2**
Total	**2**	**4**	**0**	**3**	**1**	**12**	**0**	**3**	**25**

Table 158: *Termination categories*

4.2 MANAGING THE MUNICIPAL WORKFORCE

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Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.2.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

Injuries show a number of **06** employees for 2020/21 compared to the amount of 17 employees for 2019/20.

Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty.

The table below indicates the total number of injuries within the different directorates:

Directorates	2019/20	2020/21
Municipal Manager	1	0
Corporate Services	0	1
Finance	3	0
Community Services	6	1
Technical Services	7	4
Total	17	6

Table 159: *Injuries*

4.2.2 Sick leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of sick leave taken during the 2020/21 financial year 406 shows an increase when compared with the 2019/20 financial year (286).

The table below indicates the total number sick leave days taken within the different directorates:

Department	2019/20	2020/21
Municipal Manager	17	
Corporate Services	30	
Finance	58	
Community Services	80	
Technical Services	101	
Total	286	

Table 160: *Sick leave*

4.2.4 HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

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The table below shows the HR policies that was reviewed and workshopped during the 2020/21 financial year:

Name of policy	Date approved / reviewed
Transport Allowance Policy	10 August 2020 Council resolution RIK10/08/21
Overtime Policy	24 June 2021 Council resolution RIK03/06-21

Table 161: *HR policies reviewed*

4.3 Capacitating the Municipal Workforce

Section 68(1) of the MSA states that a municipality must develop its HR capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the HR capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.3.1 Skills matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S57	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	1	1
	Male	2	2
Associate professionals and technicians	Female	0	0
	Male	3	3
Professionals	Female	1	1
	Male	1	1
Clerks	Female	2	2
	Male	1	1
Service and sales workers	Female	0	0
	Male	0	0
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	0
	Male	0	0
Elementary occupations	Female	0	0
	Male	0	0
Sub total	**Female**	**4**	**4**
	Male	**7**	**7**

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Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
Total		154	11

Table 162: *Skills matrix*

The following training was implemented:

Type of training	Details
Skills Programme	Municipal Finance management Prgramme
Professional Qualification	Professional Accounting
Recognition of Prior Learning	Trade Certificate Electrician

Table 163: *Details of training implemented*

4.3.2 Skills development – training provided

The Skills Development Act (1998) and the MSA require employers to supply employees with the necessary training to develop its HR capacity. Section 55(1)(f) states that as head of the administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period	
			Skills programmes and other short courses	
			Actual	Target
Municipal Manager and senior managers	Female	1	1	1
	Male	1	1	1
Professionals	Female	1	1	1
	Male	1	1	1
Community and safety workers	Female	0	0	0
	Male	1	1	1
Technicians and trade workers	Female	0	0	0
	Male	3	3	3
Clerks	Female	2	2	2
	Male	1	1	1
Service and sales workers	Female	0	0	0
	Male	0	0	0
Plant and machine operators and assemblers	Female	0	0	0
	Male	0	0	0
Elementary occupations	Female	0	0	0
	Male	0	0	0
Sub total	*Female*	4	4	4
	Male	7	7	7
Total		145	11	11

Table 164: *Skills development*

4.3.3 Skills development - budget allocation

The table below indicates that a total amount of **R402 908** was allocated to the workplace skills plan and that **82%** of the total amount was spent in the 2020/21 financial year:

Total personnel budget	Total allocated	Total spent	% Spent
42 169 674	402 908	330 730	82%

Table 165: *Budget allocated and spent for skills development*

LGSETA requires all municipalities to submit quarterly training reports with evidence of attendance in order to ensure that actual training is taking place in terms of the Skills Development Plan submitted for the 2020/21 financial year.

4.4 Managing the Municipal Workforce Expenditure

Section 66 of the MSA states that the accounting officer of a municipality must report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.4.1 Personnel expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well beneath the national norm of between 35 to 40%:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		%
2019/20	38 956	100 462	38.81
2020/21	39 797	85 826	46.37

Table 166: *Personnel expenditure*

Below is an analysis of the personnel expenditure for the year under review:

Description	2019/20	2020/21
	Actual	Actual
	R	
Councillors (Political office bearers plus other)		
Salary	2 820 637	2 753 702
Cell phone allowance	395 220	383 390
Subtotal - Councillors	**3 215 857**	**3 137 092**
% increase/(decrease)	**6.35%**	**2.45%**
All municipal employees (excl. Councillors)		
Salary	29 648 559	27 946 597

Description	2019/20	2020/21
	Actual	Actual
	R	
Company contributions	5 375 496	6 295 383
Motor vehicle allowances	871 590	913 244
Housing benefits and allowances	486 378	358 264
Performance bonus	382 012	2 323 654
Overtime	1 455 898	1 542 627
Subtotal - All municipal employees (excl. councillors)	**38 219 933**	**39 379 769**
% increase/ (decrease)	**0.34%**	**3.03%**
Total municipality	**41 435 790**	**42 516 861**
% increase/(decrease)	**0.78%**	**2.61%**

Table 167: *Personnel expenditure*

CHAPTER 5: FINANCIAL PERFORMANCE

Chapter 5: Financial Performance

Component A: Statement of Financial Performance

The statement of financial performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2020/21 financial year:

Description	2019/20	2020/21			2020/21 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Financial Performance						
Property rates	13 209	15 512	15 877	14 942	(3.81)	(6.26)
Service charges	40 336	58 214	59 028	41 115	(41.59)	(43.57)
Investment revenue	1 092	0	600	772	100.00	22.31
Transfers recognised - operational	29 391	31 175	34 737	34 695	10.15	(0.12)
Other own revenue	14 969	1 354	1 431	9 359	85.53	84.71
Total Revenue (excluding capital transfers and contributions)	98 998	106 255	111 673	100 884	(5.32)	(10.70)
Employee costs	39 288	42 244	42 170	39 148	(7.91)	(7.72)
Remuneration of councillors	3 216	3 534	3 534	3 137	(12.65)	(12.65)
Debt Impairment	2 378	10 904	10 904	4 940	(120.74)	(120.74)
Depreciation & asset impairment	11 806	10 477	10 477	0	0	0
Finance charges	3 044	4 005	3 840	3 181	(25.89)	(20.69)
Materials and bulk purchases	21 416	27 356	22 228	21 954	(24.61)	(1.25)
Inventory Consumed	1 752	2 146	2 550	1 139	(88.39)	(123.82)
Contracted Services	0	11 445	10 209	0	0	0
Transfers and grants	274	60	60	148	59.49	59.49
Other expenditure	32 061	10 335	9 552	28 216	63.37	66.15

Description	2019/20	2020/21			2020/21 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Total Expenditure	115 236	122 505	115 523	101 864	(20.26)	(13.41)
Surplus/(Deficit)	(16 238)	(16 250)	(3 849)	(980)	(1558.58)	(292.90)
Transfers recognised - capital	88 130	66 326	79 207	76 651	13.47	(3.34)
Contributions recognised - capital & contributed assets	0	0	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	71 892	50 076	75 358	75 671	33.82	0.41
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	88 130	66 326	79 207	76 651	13.47	(3.34)
Public contributions & donations	198	321	321	321	0.00	0.00
Borrowing	0	0	0	0	0	0
Internally generated funds	2 061	821	821	821	0.00	0.00
Total sources of capital funds	90 389	67 468	80 349	77 793	13.27	(3.29)
Financial position						
Total current assets	16 356	4 892	14 510	18 417	73.44	21.21
Total non-current assets	416 518	437 895	453 789	485 256	9.76	6.48
Total current liabilities	36 836	12 015	12 233	33 909	64.57	63.93
Total non-current liabilities	51 433	72 448	73 433	51 794	(39.88)	(41.78)
Community wealth/Equity	344 605	358 324	382 634	417 970	14.27	8.45
Cash flows						
Net cash from (used) operating	93 792	62 367	84 341	77 546	19.57	(8.76)
Net cash from (used) investing	(90 140)	(67 207)	(79 207)	(69 226)	2.92	(14.42)
Net cash from (used) financing	(58)	0	78	(79)	100.00	199.35
Cash/cash equivalents at the year end	3 594	(4 840)	5 212	8 242	158.72	36.77

Description	2019/20	2020/21			2020/21 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Cash backing/surplus reconciliation						
Cash and investments available	991	(3 166)	6 202	9 233	134.29	32.82
Application of cash and investments	44 171	62 367	88 456	84 887	26.53	(4.20)
Balance - surplus (shortfall)	45 162	30 011	2 322	94 120	68.11	97.53
Asset management						
Asset register summary (WDV)	378 184	394 145	408 422	438 183	10.05	6.79
Depreciation & asset impairment	11 806	10 477	10 477	12 982	19.30	19.30
Renewal of Existing Assets	0	0	0	0	0	0
Repairs and Maintenance	4 542	0	0	3 955	100.00	100.00
Free services						
Cost of Free Basic Services provided	8 346	9 630	9 630	9 630	0.00	0.00
Revenue cost of free services provided	8 346	9 630	9 630	9 630	0.00	0.00
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1.						

Table 168: *Financial performance 2019/20*

CHAPTER 5: FINANCIAL PERFORMANCE

The table below shows a summary of performance against budgets

Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2019/20	95 415	91 582	3 8313	(4)	113 705	108 876	4 830	4.00
*2020/21	101 731	98 998	2 733	3	115 448	114 139	1 309	1
*Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General								

Table 169: *Performance against budgets*

The following graph indicates the various types of revenue items in the municipal budget for 2020/21:

Graph to be included after the financial figures have been audited and finalised

CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the various types of expenditure items in the municipal budget for 2020/21:

Graph to be included after the financial figures have been audited and finalised

5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2019/20	*2020/21			*2020/21 Variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjust-ments budget
	R'000				%	
Vote 1 – Executive Council	3 268	2 066	2 066	1 128	-83.16	-83.16
Vote 2 – Budget and Treasury	19 696	19 036	17 937	19 411	1.93	7.60
Vote 3 – Corporate Services	16 401	17 579	16 312	16 894	-4.06	3.45
Vote 4 – Community and Social Services	1 104	1 167	1 167	1 279	8.76	8.75
Vote 5 – Sport and Recriation	414	320	320	6 324	94.94	94.94
Vote 6 – Public Safety	0	0	0	0	0	0
Vote 7 – Planning and Development	0	0	0	0	0	0
Vote 8 – Road Transport	4 037	10 565	10 335	5 830	-81.22	-77.27
Vote 9 – Electricity	24 404	33 899	28 640	30 564	-10.91	6.29
Vote 10 – Water	74 629	56 809	92 977	76 251	25.50	-21.94
Vote 11 – Waste Water Management	10 739	8 728	8 520	10 789	19.10	21.03
Vote 12 – Solid Waste	7 354	11 557	11 553	8 797	-31.38	-31.33
Vote 13 - Other	0	0	0	0	0	0
Vote 14 – Environmental Health	192	84	35	266	68.29	86.84
Total revenue by vote	**162 510**	**161 811**	**189 862**	**177 533**	**8.86**	**-6.94**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						
****Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General***						

Table 170: *Revenue by vote*

5.1.2 Revenue collection by source

The table below indicates the revenue collection performance by source for the 2020/21 financial year:

Vote description	2019/20	*2020/21			*2020/21 Variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Property rates	13 209	15 512	15 877	14 942	-3.81	-6.26
Service charges - electricity revenue	24 378	26 949	30 043	26 783	-0.62	-12.17
Service charges - water revenue	3 978	13 561	11 949	1 863	-627.97	-541.43
Service charges - sanitation revenue	4 748	7 492	7 515	4 964	-50.91	-51.38
Service charges - refuse	5 217	8 463	8 468	5 433	-55.77	-55.86
Rentals of facilities and equipment	383	715	715	594	-20.34	-20.34
Interest earned - external investments	1 092	0	600	772	100.00	22.31
Interest earned - outstanding debtors	2 014	1 750	1 053	2 072	15.53	49.18
Dividends received	0	0	0	0	0.00	0.00

Vote description	2019/20	*2020/21			*2020/21 Variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Fines	34	33	29	25	-33.38	-17.21
Licences and permits	2	3	3	3	8.26	8.26
Agency services	173	250	250	176	-42.04	-42.04
Transfers recognised - operational	29 391	31 175	34 737	34 695	10.15	-0.12
Other revenue	14 377	353	434	8 561	95.88	94.93
Gains on disposal of PPE	0	0	0	0	0	0
Total revenue (excluding capital transfers and contributions)	**98 998**	**106 255**	**111 673**	**100 884**	**-5.32**	**-10.70**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						
****Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General***						

Table 171: *Revenue by source*

5.1.3 Operational services performance

The table below indicates the operational services performance for the 2020/21 financial year:

Description	2019/20	2020/21			2020/21 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Operating Cost						
Water	18 908	13 426	12 297	9 506	-41.24	-29.36
Waste Water (Sanitation)	5 138	6 899	5 413	4 209	-63.92	-28.60
Electricity	23 660	37 108	33 170	31 574	-17.53	-5.05
Waste Management	11 816	11 844	13 074	11 677	-1.43	-11.96
Housing	0	0	0	0	0	0
Other	101	120	120	78	-53.85	-53.85
Component A: sub-total	**59 623**	**69 397**	**64 072**	**57 044**	-21.66	-12.32
Roads and Stormwater	8 869	4 685	5 746	6 864	31.74	16.29
Component B: sub-total	**0**	**4 685**	**5 746**	**6 864**	31.74	16.29
Planning and Building Control	1 561	2 029	1 994	1 897	-6.96	-5.11
Local Economic Development	935	0	0	0	0	0
Tourism	3	0	0	0	0	0
Component C: sub-total	**2 499**	**2 029**	**1 994**	**1 897**	-6.96	-5.11
Libraries	1 871	0	0	0	0	0
Cemeteries	0	0	0	0	0	0
Child Care, Aged Care Social Programmes	3 053	2 493	2 864	2 270	-9.82	-26.17
Component D: sub-total	**4 924**	**2 493**	**2 864**	**2 270**	-9.82	-26.17
Environmental Protection	55	69	49	18	-283.33	-172.22
Component E: sub-total	**55**	**69**	**49**	**18**	-283.33	-172.22
Traffic Services and Law Enforcement	1 762	2 831	1 793	0	0	0
Component F: sub-total	**1 762**	**2 831**	**1 793**	**0**	0	0
Sport and Recreation	1 334	1 623	1 011	359	-352.09	-181.62
Component G: sub-total	**1 334**	**1 623**	**1 011**	**359**	-352.09	-181.62
Financial Services	19 554	23 299	23 327	19 023	-22.48	-22.63
Internal Audit	2 050	2 005	2 005	1 988	-0.86	-0.86
Corporate Services	0	0	0	0	0	0
Executive and Council	12 345	16 116	12 587	12 400	-29.97	-1.51
Component H: sub-total	**33 949**	**41 420**	**37 919**	**33 411**	-23.97	-13.49
Total Net Operational Expenditure	**104 147**	**124 547**	**115 448**	**101 863**	-22.27	-13.34
In this table operational income is offset agaist operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 172: *Operational services performance*

5.2 Financial Performance per Municipal Function

The tables below show the financial performance according to municipal functions:

5.2.1 Executive and Council

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**2 264**	**2 066**	**2 066**	**2 275**	**9.21**

Expenditure:					
Employees	3 378	8 058	8 146	2 918	**-176.13**
Repairs and Maintenance	0	0	0	0	**0**
Other	7 580	8 058	8 146	10 629	**24.19**
Total Operational Expenditure		**16 116**	**16 293**	**13 547**	**-18.96**
Net Operational (Service)		**(14 050)**	**(14 227)**	**(11 272)**	**-24.65**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 173: *Financial performance: Executive and Council*

5.2.2 Budget and Treasury

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**16 278**	**15 340**	**15 422**	**19 269**	**20.39**
Expenditure:					
Employees	10 064	9 337	9 516	9 823	**4.94**
Repairs and Maintenance	27	–	–	–	**#DIV/0!**
Other	5 289	7 236	7 836	10 902	**33.62**
Total Operational Expenditure	**15 380**	**16 573**	**17 352**	**20 725**	**20.03**
Net Operational (Service)	**898**	**(1 233)**	**(1 930)**	**(1 456)**	**15.28**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 174: *Financial performance: Budget and Treasury*

5.2.3 Corporate Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**16 616**	**16 212**	**16 412**	**16 621**	**2.46**
Expenditure:					
Employees	3 659	5 358	4 641	3 187	**-68.13**
Repairs and Maintenance	916	533	533	1 069	**50.16**
Other	1 852	2 482	2 697	8 051	**69.17**
Total Operational Expenditure	**6 427**	**8 372**	**7 871**	**12 307**	**31.97**
Net Operational (Service)	**10 189**	**7 840**	**8 541**	**4 314**	**-81.73**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 175: *Financial performance: Corporate services*

5.2.4 Sport and Recreation

Description	2019/20	2020/21

	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**7 964**	**5 986**	**5 961**	**6 324**	**5.35**
Expenditure:					
Employees	161	735	199	170	**-333.41**
Repairs and Maintenance	56	186	186	137	**-35.58**
Other	55	456	612	52	**-770.08**
Total Operational Expenditure	**271**	**1 377**	**997**	**359**	**-283.40**
Net Operational (Service)	**7 693**	**4 608**	**4 963**	**5 965**	**22.74**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 176: *Financial performance: Sport and Recreation*

5.2.5 Traffic and Law Enforcement

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**203**	**275**	**275**	**200**	**-37.48**
Expenditure:					
Employees	1 531	1 863	1 255	1 265	**-47.28**
Repairs and Maintenance	68	80	80	63	**-27.66**
Other	163	236	225	278	**15.05**
Total Operational Expenditure	**1 762**	**2 179**	**1 560**	**1 606**	**-35.73**
Net Operational (Service)	**(1 559)**	**(1 904)**	**(1 285)**	**(1 405)**	**-35.48**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 177: *Financial performance: Traffic and Law Enforcement*

5.2.6 Planning and Building Control

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**0**	**0**	**0**	**0**	**0**
Expenditure:					
Employees	1 152	1 610	1 281	1 243	**-29.50**
Repairs and Maintenance	0	0	0	0	**0**
Other	0	0	0	0	**0**
Total Operational Expenditure	**1 152**	**1 610**	**1 281**	**1 243**	**-29.50**
Net Operational (Service)	**(1 152)**	**(1 610)**	**(1 281)**	**(1 243)**	**-29.50**

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 178: *Financial performance: Planning and Building Control*

5.2.7 Roads and Stormwater

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**2 247**	**4 571**	**8 452**	**5 630**	**18.80**
Expenditure:					
Employees	2 688	2 128	2 794	2 656	**19.89**
Repairs and Maintenance	1 013	854	854	1 780	**52.02**
Other	2 811	4 148	4 148	2 733	**-51.78**
Total Operational Expenditure	**6 512**	**7 130**	**7 796**	**7 169**	**0.55**
Net Operational (Service)	**(4 265)**	**(2 559)**	**656**	**(1 539)**	**-66.24**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 179: *Financial performance: Roads and Stormwater*

5.2.8 Electricity

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**26 938**	**30 999**	**33 896**	**30 694**	**-0.99**
Expenditure:					
Employees	1 469	1 183	1 500	1 344	**11.99**
Repairs and Maintenance	700	938	938	1 029	**8.86**
Other	29 258	25 336	27 177	27 612	**8.24**
Total Operational Expenditure	**31 427**	**27 457**	**29 615**	**29 986**	**8.43**
Net Operational (Service)	**(4 489)**	**3 542**	**4 281**	**708**	**-400.02**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 180: *Financial performance: Electricity*

5.2.9 Water

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**33 499**	**71 943**	**79 331**	**76 251**	**5.65**
Expenditure:					
Employees	4 544	4 181	5 223	4 990	**16.21**
Repairs and Maintenance	1 774	927	927	1 660	**44.16**
Other	7 811	7 393	7 164	6 547	**-12.92**
Total Operational Expenditure	**14 130**	**12 501**	**13 314**	**3 198**	**5.28**
Net Operational (Service)	**19 369**	**59 441**	**66 017**	**63 053**	**5.73**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 181: *Financial performance: Water*

5.2.10 Sanitation Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**7 084**	**13 317**	**13 340**	**13 689**	**2.72**
Expenditure:					
Employees	2 275	3 337	2 555	2 447	**-36.33**
Repairs and Maintenance	188	293	293	202	**-45.12**
Other	2 917	2 877	2 846	2 857	**-0.72**
Total Operational Expenditure	**5 380**	**6 506**	**5 693**	**5 505**	**-18.18**
Net Operational (Service)	**1 704**	**6 810**	**7 647**	**8 184**	**16.78**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 182: *Financial performance: Sanitation Services*

5.2.11 Refuse Removal

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**9 056**	**11 832**	**11 832**	**8 797**	**-34.50**
Expenditure:					
Employees	6 368	4 604	6 878	6 936	**33.61**

Repairs and Maintenance	2 120	555	555	1 320	**57.91**
Other	9 056	5 078	5 032	8 797	**42.27**
Total Operational Expenditure	**17 545**	**10 238**	**12 466**	**17 052**	**39.96**
Net Operational (Service)	**(8 488)**	**1 594**	**(634)**	**(8 255)**	**119.31**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 183: *Financial performance: Refuse Removal*

5.2.12 IDP and LED

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**0**	**0**	**0**	**0**	**0**
Expenditure:					
Employees	567	924	757	649	**-42.45**
Repairs and Maintenance	–	1	1	–	**#DIV/0!**
Other	368	69	69	220	**68.53**
Total Operational Expenditure	**935**	**994**	**826**	**869**	**-14.44**
Net Operational (Service)	**(935)**	**(994)**	**(826)**	**(869)**	**-14.44**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 184: *Financial performance: IDP and LED*

5.2.13 Tourism

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**62**	**160**	**266**	**266**	**39.91**
Expenditure:					
Employees	0	0	0	0	**0**
Repairs and Maintenance	3	125	70	42	**-194.54**
Other	1	47	46	1	**-6120.00**
Total Operational Expenditure	**3**	**172**	**116**	**43**	**-297.43**
Net Operational (Service)	**59**	**(12)**	**150**	**223**	**105.22**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 185: *Financial performance: Tourism*

5.2.14 Libraries

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**1 091**	**1 217**	**1 155**	**1 154**	**-5.48**
Expenditure:					
Employees	1 776	1 749	1 875	1 868	**6.42**
Repairs and Maintenance	7	56	35	12	**-359.02**
Other	88	525	585	139	**-277.19**
Total Operational Expenditure	**1 871**	**2 329**	**2 495**	**2 020**	**-15.33**
Net Operational (Service)	**(780)**	**(1 112)**	**(1 340)**	**(866)**	**-28.44**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 186: *Financial performance: Libraries*

5.2.15 Cemetries

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjust-ment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	**59**	**117**	**117**	**125**	**6.60**
Expenditure:					
Employees	–	276	276	–	**#DIV/0!**
Repairs and Maintenance	89	137	137	132	**-3.76**
Other	304	393	393	118	**-232.90**
Total Operational Expenditure	**393**	**806**	**806**	**250**	**-222.44**
Net Operational (Service)	**(335)**	**(689)**	**(689)**	**(125)**	**-452.48**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 187: *Financial performance: Cemetries*

5.3 Grants

5.3.1 Grant performance

The table below indicates the grant performance for the 2020/21 financial year:

Description	2019/20	*2020/21			*2020/21 Variance	
	Actual	Budget	Adjust-ments budget	Actual	Original budget	Adjust-ments budget
	R'000				%	
Operating and capital transfers and grants						

Description	2019/20	*2020/21			*2020/21 Variance	
	Actual	Budget	Adjust-ments budget	Actual	Original budget	Adjust-ments budget
	R'000				%	
National government:	**28 311**	**28 680**	**32 242**	**33 500**	**14.39**	**3.76**
Local Government Equitable Share	24 746	25 045	28 607	29 896	16.22	4.31
Finance Management Grant	1 970	1 930	1 930	1 900	-1.60	-1.60
Expanded Public Works Programme (EPWP Incentive)	1 595	1 704	1 704	1 704	0.00	0.00
Provincial Government:	**1 080**	**2 495**	**2 495**	**1 150**	**-116.98**	**-116.98**
Library subscription grant	1 080	2 495	2 495	1 150	-116.98	-116.98
Total Operating Transfers and Grants	**29 391**	**31 175**	**34 737**	**34 650**	**10.03**	**-0.25**
***Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General**						

Table 188: *Grant performance for 2020/21*

5.3.2 Conditional grants

The performance in the spending of conditional grants is summarised as follows:

Details	2019/20	*2020/21				
	Actual	Budget	Adjust-ments budget	Actual	Variance	
					Budget	Adjustments budget
		R'000			%	
Financial Management	1 970	1 930	1 930	1 900	-1.60	-1.60
EPWP Incentive	1 595	1 704	1 704	1 704	0.00	0.00
Municipal Infrastructure Grant	9 760	9 607	13 609	13 609	29.41	0.00
Integrated National Electrification Program	700	1 500	1 500	1 500	0.00	0.00
Library Subscription Grant	1 080	2 495	2 495	1 150	-116.98	-116.98
Regional Bulk Infrastructure Grant	57 503	31 100	31 100	31 100	0.00	0.00
Municipal Water Infrastructure Grant	20 000	24 000	33 000	33 000	27.27	27.27
Municipal Disaster Grant	167	0	0	0	0	0.00
Total	**92 775**	**72 337**	**85 339**	**83 963**	**13.85**	**-1.64**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						
***Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General**						

Table 189: *Conditional grant*

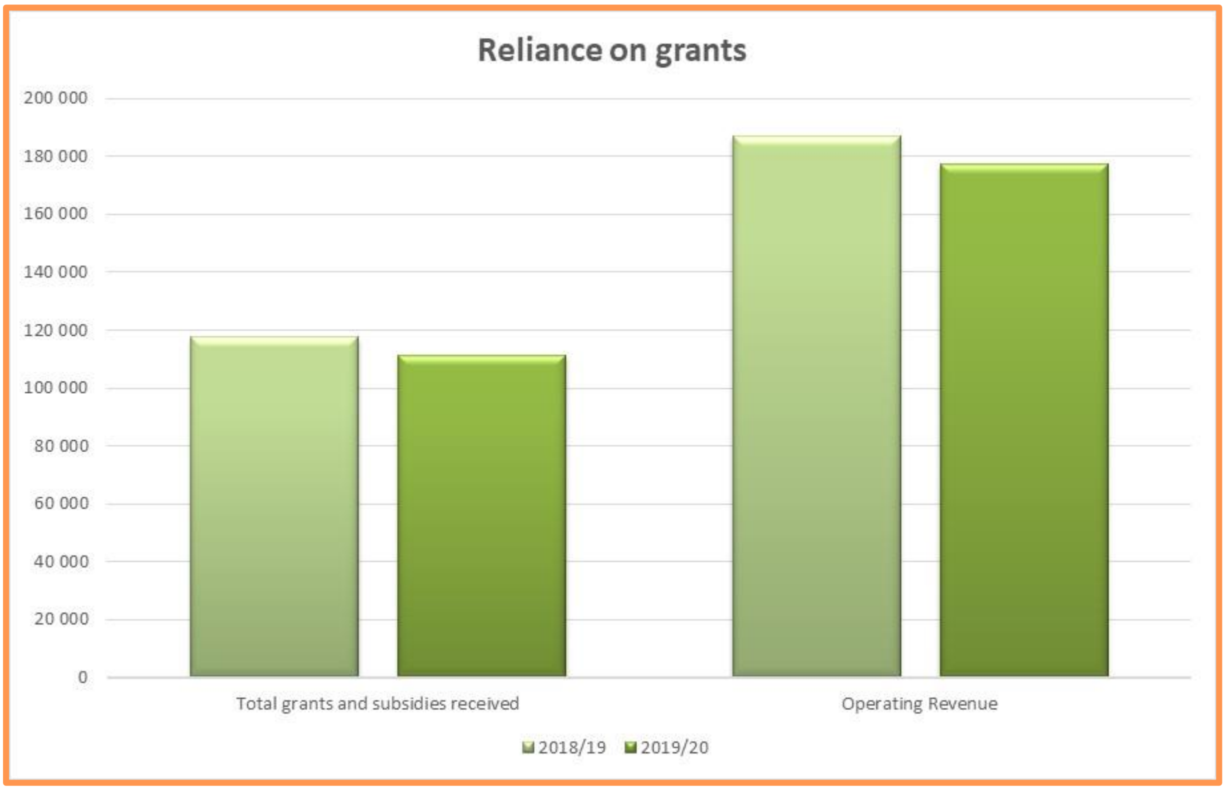
5.3.3 Level of reliance on grants and subsidies

The table below indicates the Municipality's level of reliance on grants and subsidies:

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		%
2019/20	117 521	187 128	**159%**
***2020/21**	111 346	177 534	**159%**
***Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General**			

Table 190: *Reliance on grants*

The following graph indicates the municipality's reliance on grants for the last two financial years:



Graph 6: Reliance on grants

5.4 Financial Ratios Based on KPI

5.4.1 Liquidity ratio

The table below indicates the Municipality's liquidity ratio:

Description	Basis of calculation	2019/20	*2020/21
		Pre-audit outcome	Unaudited outcome
Current Ratio	Current assets/current liabilities	0.44	0.54
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.31	0.40
Liquidity Ratio	Monetary Assets/Current Liabilities	0.44	0.54
*Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General			

Table 191: *Liquidity financial ratio*

5.4.2 IDP Regulation Financial Viability

The table below indicates the Municipality's IDP regulation financial viability

Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.01	0.09
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	3	0.13
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	959.24	0.00

Table 192: *IDP regulation financial viability*

5.4.3 Borrowing management

The table below indicates the Municipality's capacity with regards to borrowing and the management thereof:

Description	Basis of calculation	2019/20	*2020/21
		Audited outcome	Pre-audit outcome
Capital charges to operating expenditure	Interest and principal paid /operating expenditure	2.91	3.39
**Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General*			

Table 193: *Borrowing management*

5.4.3 Employee costs

The table below indicates the Municpality's employee cost per revenue for the past two financial years

Description	Basis of calculation	2019/20	*2020/21
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	225%	173%
**Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General*			

Table 194: *Employee costs*

5.4.4 Repairs and maintenance

The table below indicates the Municipality's ratio in terms of repairs and maintenance for the past two financial years:

Description	Basis of calculation	2019/20	*2020/21
		Audited outcome	Pre-audit outcome
Repairs and maintenance	Repairs and maintenance/(Total revenue excluding capital revenue)	29%	17%
**Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General*			

Table 195: *Repairs and maintenance*

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spent.

5.5 CAPITAL EXPENDITURE

5.5.1 Cpital Expenditure: Funding Sources

The table below indicates the capital expenditure by funding source for the 2020/21 financial year:

Capital Expenditure: Funding Sources					
Details	2020/21				
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of Finance					
Description	R'000			%	
External loans	0	0	0	0	0
Public contributions and donations	321	321	321	321	0
Grants and subsidies	70 88	82 088	113 858	18.55	37.03
Own funding	821	821	821	0.00	0.00
Total	**71 230**	**84 230**	**115 000**	**15.43**	**38.06**
% Percentage of Finance					
External loans	0	0	0		
Public contributions and donations	0	0	0		
Grants and subsidies	100	98	99		
99Own funding	1	1	1		
Capital Expenditure					
Description	R'000			%	
Water and sanitation	27 550	64 100	64 100	132.67	0.00
Electricity	1 500	1 500	1 500	0.00	0.00
Housing	0	0	0	0.00	0.00
Roads and Stormwater	9 760	9 670	13 607	13 607	0.00
Other	3 861	3 861	3 861	0.00	0.00
Total	**55 136**	**90 024**	**89 844**	**38.42**	**38.30**
% Percentage of Expenditure					
Water and sanitation	65	77	77		
Electricity	4	2	2		
Housing	0	0	0		
Roads and stormwater	11	23	16		
16Other	9	5	5		

Table 196: *Capital Expenditure Funding Source*

5.5.2 Capital expenditure by new assets programme

Description	2019/20	*2020/21		
	Audited outcome	Original budget	Adjustment budget	Actual expenditure
	R'000			
Capital expenditure by asset class				
Infrastructure - Total	**0**	**3 726**	**4 000**	**5 300**
Infrastructure: Road transport - Total	**0**	**3 726**	**4 000**	**5 300**
Roads, pavements and bridges	0	0	0	0
Stormwater	0	0	0	0
Infrastructure: Electricity - Total	**0**	**1 500**	**1 500**	**0**
Generation	0	1 500	1 500	0
Transmission and reticulation	0	0	0	0
Street lighting	0	0	0	0
Infrastructure: Water - Total	**0**	**55 100**	**64 100**	**64 100**
Bulk Mains	0	31 100	31 100	31 000
Water purification	0	24 000	33 000	33 000
Reticulation	0	0	0	0
Infrastructure: Sanitation - Total	**0**	**0**	**3 000**	**3 000**
Reticulation	0	0	3 000	3 000
Sewerage purification	0	0	0	0
Infrastructure: Other - Total	**0**	**0**	**0**	**0**
Waste management	0	0	0	0
Transportation	0	0	0	0
Gas	0	0	0	0
Other	0	0	0	0
Community - Total	**0**	**5 881**	**0**	**5 881**
Parks and gardens	0	0	0	0
Sports fields and stadiums	0	5 881	0	5 881
Swimming pools	0	0	0	0
Community halls	0	0	0	0
Libraries	0	0	0	0
Recreational facilities	0	0	0	0
Fire, safety and emergency	0	0	0	0
Security and policing	0	0	0	0
Buses	0	0	0	0
Clinics	0	0	0	0
Museums and art galleries	51	0	0	0
Cemeteries	0	0	0	0
Social rental housing	0	0	0	0
Other	0	0	0	0
Capital expenditure by asset class	**0**	**66 207**	**72 600**	**78 281**
Heritage assets - Total	**0**	**0**	**0**	**0**

Description	2019/20	*2020/21		
	Audited outcome	Original budget	Adjustment budget	Actual expenditure
	R'000			
Capital expenditure by asset class				
Buildings	0	0	0	0
Other	0	0	0	0
Investment properties - Total	**0**	**0**	**0**	**0**
Housing development	0	0	0	0
Other	0	0	0	0
Other assets	**0**	**821**	**821**	**798**
General vehicles	0	0	0	0
Specialised vehicles	0	0	0	0
Plant and equipment	0	0	0	0
Computers - hardware/equipment	0	821	821	798
Furniture and other office equipment	0	0	0	0
Abattoirs	0	0	0	0
Markets	0	0	0	0
Civic land and buildings	0	0	0	0
Other buildings	0	0	0	0
Other land	0	0	0	0
Surplus Assets - (investment or inventory)	0	0	0	0
Other	0	0	0	0
Agricultural assets	**0**	**0**	**0**	**0**
List sub-class	0	0	0	0
Biological assets	**0**	**0**	**0**	**0**
List sub-class	0	0	0	0
Intangibles	**0**	**0**	**0**	**0**
Computers - software and programming	0	0	0	0
Other (list sub-class)	0	0	0	0
Total capital expenditure on new assets	**0**	**821**	**821**	**798**
Specialised vehicles	**0**	**0**	**0**	**0**
Refuse	0	0	0	0
Fire	0	0	0	0
Conservancy	0	0	0	0
Ambulances	0	0	0	0
***Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General**				

Table 197: *Capital expenditure: New assets programme*

5.5.3 Capital spending on 5 largets projects

Projects with the highest capital expenditure in 2020/21:

Name of Project*	*2020/21			% Variance	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
Brandvlei Bulk Water Supply					

Name of Project*	*2020/21			% Variance	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
Brandvlei bulk water supply	31 100 000	31 100 000	31 100 000	0.00	0.00
Calvinia sportsfield irrigation	5 880 649	0	0	-100	-100
Upgrading of roads and storm water: Calvinia West	3 726 351	7 726 351	0	-100	-100
Upgrading of santitation infrastructure – COVID-19	0	3 000 000	3 000 000	0.00	0.00
Upgrade of the Calvinia water treatment plant: WSIG 2019/20	24 000 000	33 000 000	33 000 000	38	0
Projects with the highest capital expenditure in 2020/21					
*Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General					

Table 198: *Capital expenditure on the 5 largest projects*

Name of Project - A	BRANDVLEI BULK WATER SUPPLY
Objective of Project	Water distribution for community in Brandvlei
Delays	COVID - 19
Future Challenges	Maintenance costs of equipment
Anticipated citizen benefits	Job Creation and sustainable water for community
Name of Project - B	CALVINIA SPORTSFIELDS IRRIGATION
Objective of Project	Community upliftment and sport development
Delays	COVID -19
Future Challenges	Maintenance costs of equipment
Anticipated citizen benefits	Community upliftment and sport development and Job Creation
Name of Project - C	UPGRADING OF BULK SUPPLY NETWORK IN LOERIESFONTEIN
Objective of Project	Updrading of Electricity supply in Loeriesfontein
Delays	none
Future Challenges	Maintenance costs of equipment
Anticipated citizen benefits	Sustainable Electricity supply to Community
Name of Project - D	UPGRADE OF THE CALVINIA WATER TREATMENT PLANT
Objective of Project	Upgrading of the Water treatment plant with proper reservoirs and better purification of water
Delays	COVID -19
Future Challenges	Maintenance costs of equipment
Anticipated citizen benefits	Job Creation and sustainable water and better purified water
Name of Project - E	BRANDVLEI:UPGRADING OF CHURCH, KAREEBOOM & CHRISTIAN ROADS
Objective of Project	Paving of gravel roads in rural area
Delays	none
Future Challenges	Maintenance costs of equipment
Anticipated citizen benefits	Job Creation and irradication of gravel roads

Table 199: *5 Largest capital projects details*

5.5.4 Municipal Infrastructure Grant (MIG) Expenditure on Services Backlogs

The table below indicates the MIG Expenditure of Service Backlogs:

Municipal Infrastructure Grant (MIG)* Expenditure **2020/21 on Service backlogs						
Details	Budget	Adjust-ments Budget	Actual	Variance		The grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social
				Budget	Adjustments Budget	
	R'000			%	%	

						institutions servicing poor communities
Other Specify: Recreational facilities & Roads	**9 607 000**	**7 726 351**	**11 180 728**	**14.08**	**30.90**	
Outdoor Sport facilities	5 880 649	0	5 880 649	0.00	0.00	
Roads	3 726 351	7 726 351	5 300 079	29.69	100.00	
Total	**9 607 000**	**7 726 351**	**11 180 728**	**14.08**	**30.90**	

***** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.***

*****Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General***

Table 200: *MIG Expenditure on Service Backlogs*

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.6 CASH FLOW

Description	2019/20	*2020/21		
	Actual (audited outcome)	Original budget	Adjusted budget	Actual
	R'000			
Cash flow from operating activities				
Receipts				
Ratepayers and other	9 385	13 185	13 551	11 302
Service charges	36 499	47 995	49 500	37 515
Other Revenue	2 119	1 247	1 247	3 442
Government - operating	29 391	31 175	34 737	33 100
Government - capital	88 130	66 326	79 207	79 207
Interest	1 092	1 750	1 750	772
Dividends	0	0	0	0
Payments				
Suppliers and employees	(72 774)	(99 310)	(95 651)	(87 710)
Finance charges	(50)	0	0	(82)
Transfers and Grants	0	0	0	0
Net cash from/ (used) operating activities	**93 792**	**62 367**	**84 341**	**77 546**
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	0	0	0	0
Decrease (Increase) in non-current debtors	196	0	0	(101)
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(90 336)	(67 207)	(79 207)	(69 125)
Nt cash from/(used) investing activities	**(90 140)**	**(67 207)**	**(79 207)**	**(69 226)**

Description	2019/20	*2020/21		
	Actual (audited outcome)	Original budget	Adjusted budget	Actual
	R'000			
Cash flow from operating activities				
Receipts				
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	0	0	0
Increase/(Decrease) in Consumer Deposits	106	0	78	92
Payments				
Repayment of borrowing	(164)	0	0	(171)
Net cash from/(used) financing activities	**(58)**	**0**	**78**	**(79)**
Net increase/ (decrease) in cash held	**3 594**	**(4 840)**	**5 212**	**8 242**
Cash/cash equivalents at the year begin:	2 603	1 674	991	991
Cash/cash equivalents at the year-end:	991	(3 166)	6 202	9 233
Source: MBRR SA7				
***Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General**				

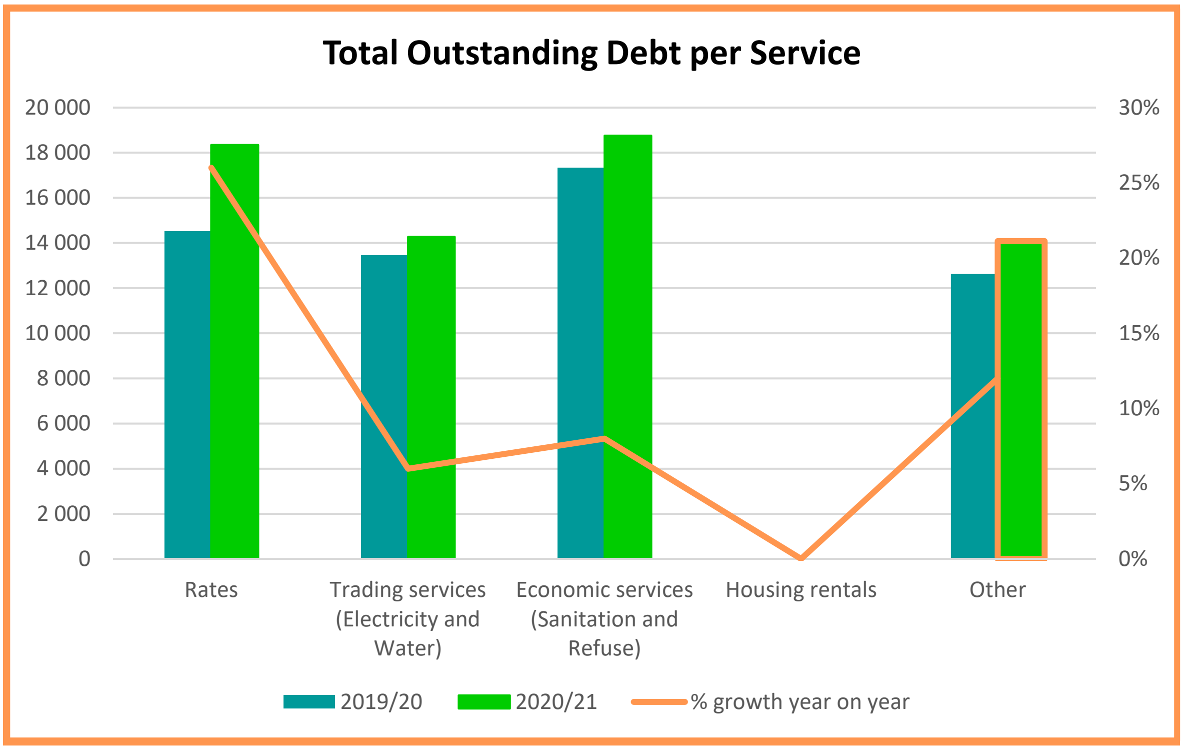
Table 201: *Cash flow*

5.7 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		Electricity and water	Sanitation and refuse			
	R'000					
2019/20	14 523	13 467	17 340	0	12 620	57 951
*2020/21	18 345	14 274	18 757	0	14 085	65 461
Difference	3 823	807	1 416	0	1 465	7 511
% growth year on year	**26**	**6**	**8**	**0**	**12**	**13**
***Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General**						

Table 202: *Gross outstanding debtors per service*

The following graph indicates the total outstanding debt per type of service and the increase/decrease from 2019/20 to 2020/21:



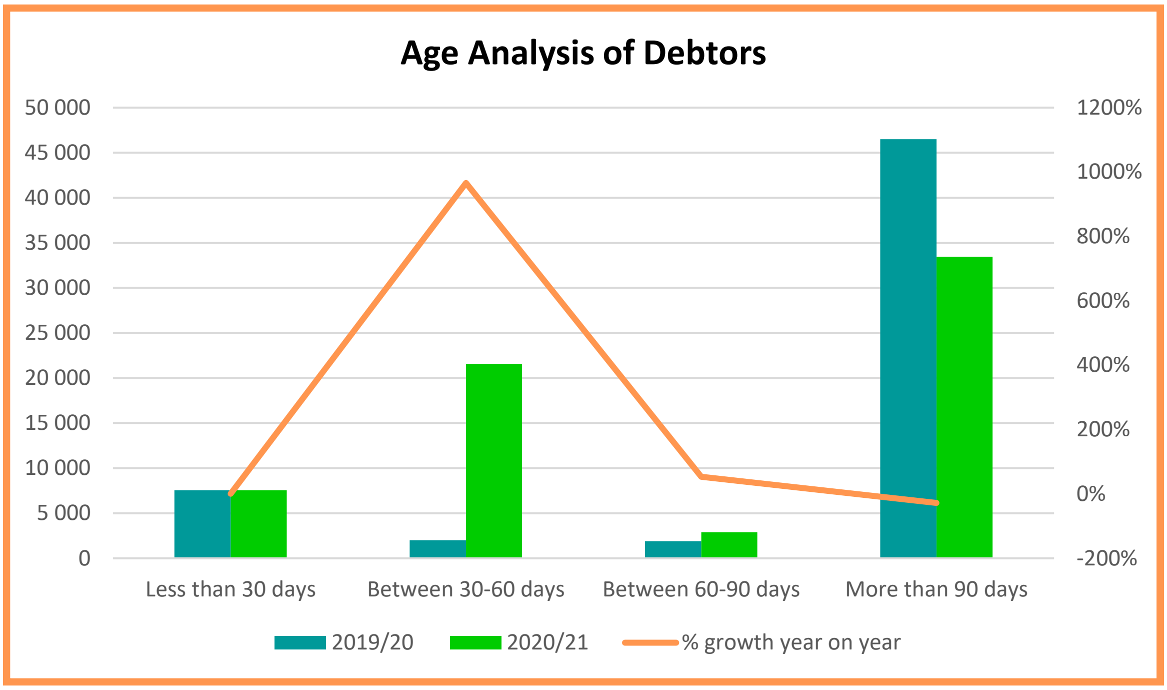
Graph 7: Debt per type of service

5.8 Total Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2019/20	7 548	2 021	1 889	46 491	57 951
*2020/21	7 548	21 549	2 895	33 470	65 461
Difference	0	19 527	1 005	(13 022)	7 511
growth year on year	0	966	53	-28	13
Note: Figures exclude provision for bad debt					
****Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General***					

Table 203: *Service debtor age analysis*

The following graph indicates the age analysis of debtors and the increase/decrease from 2019/20 to 2020/21:



Graph 8: Age analysis of debtors

5.9 Borrowing and Investments

5.9.1 Actual borrowings

Instrument	2019/20	*2020/21
	R'000	
Long-term loans (annuity/reducing balance)	0	0
Long-term loans (non-annuity)	0	0
Local registered stock	0	0
Instalment credit	0	0
Financial leases	0	485
PPP liabilities	0	0
Finance granted by Cap equipment supplier	0	0
Marketable bonds	0	0
Non-marketable bonds	0	0
Bankers acceptances	0	0
Financial derivatives	0	0
Other securities	0	0
Municipality total	**0**	**485**
***Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-General**		

Table 204: *Actual borrowings*

5.9.2 Municipal investments

Investment type	2019/20	*2020/21
	R'000	
Securities - National government	0	0
Listed corporate bonds	0	0

Investment type	2019/20	*2020/21
	R'000	
Deposits – Bank	1 150	6 100
Deposits - Public investment commissioners	0	0
Deposits - Corporation for public deposits	0	0
Bankers acceptance certificates	0	0
Negotiable certificates of deposit – Banks	0	0
Guaranteed endowment policies (sinking)	0	0
Repurchase agreements – Banks	0	0
Municipal bonds	0	0
Other	0	0
Municipality total	**1 150**	**6 100**
Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-Genreal		

Table 205: *Municipal investments*

5.9.4 Grants made by the Municipality

All organisations or persons in receipt of grants from the Municipality	Nature of projects	Conditions attached to funding	Value 2020/21	Total amount committed over previous and future years
Bursaries to students	Mayor Special programmes	None	148	151

Table 206: *Grants made by the Municipality*

5.10 Municipal Cost Containment Measures

5.10.1 Municipal Cost Containment Regulations (MCCR)

National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comments were received, from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities and other stakeholders. After extensive consultation and consideration of all comments received, the MCCR were finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2019.

5.10.2 Municipal Cost Containment Policy

The MCCR do not apply retrospectively, therefore will not impact on contracts concluded before 1 July 2019. If municipalities and municipal entities decided to extend current contracts, such contracts should have been aligned with the principles outlined in the MCCR and SCM regulations.

Regulation 4(1) of the MCCR requires municipalities and municipal entities to either develop or review their cost containment policies. The MCCR require municipalities to adopt the cost containment policies as part of their budget related policies prior to 30 September 2019.

5.10.3 Cost Containment Measure and Annual Cost Saving

The effective implementation of the MCCR is the responsibility of the municipal council and the municipal accounting officer. In terms of the cost containment framework provided in the MCCR, which is consistent with the provisions of the MFMA and other government pronouncements, the following cost savings for the financial year are disclosed:

Cost Containment			
Cost Containment Measure	Budget	Total Expenditure	Savings
	R'000	R'000	R'000
Use of consultants	1 029 000	688 344	340 656
Vehicles used for political office - bearers	80 000	48 829	31 171
Travel and subsistence	483 245	482 103	1 142
Sponsorships, events and catering	1 029 000	688 344	340 656
Communication	80 000	48 829	31 171
Total	**1 592 245**	**1 219 276**	**372 969**
***Financial figures for the 2020/21 year are currently unaudited and is subject to changes after the audit is completed by the Auditor-Genreal**			

Table 207: *Cost Containment Measures and Annual Savings*

CHAPTER 5: FINANCIAL PERFORMANCE

Component D: Other financial matters

5.11 SCM

The Municipality does have policies and practices that comply with the guidelines set by the SCM Regulations of 2005.

The Municipality complies with the following GRAP statements:

5.12 GRAP Compliance

- GRAP 1: Presentation of financial statements
- GRAP 2: Cash flow statement
- GRAP 3: Accounting policies, changes in accounting estimates and errors
- GRAP 4: The effects of changes in foreign exchanges rates
- GRAP 5: Borrowing costs
- GRAP 6: Consolidated and separate financial statements
- GRAP 7: Investments in associates
- GRAP 8: Interests in joint ventures
- GRAP 9: Revenue from exchanges transactions
- GRAP 10: Financial reporting in hyperinflationary economies
- GRAP 11: Contraction contracts
- GRAP 12: Inventories
- GRAP 13: Leases
- GRAP 14: Events after the reporting date
- GRAP 16: Investment property
- GRAP 17: Property, plant and equipment
- GRAP 19: Provisions, contingent liabilities and contingent assets
- GRAP 21: Impairment of Non-Cash Generating Assets
- GRAP 23: Revenue from Non-exchange Transactions
- GRAP 24: Presentation of Budget Information in the Financial Statements
- GRAP 25: Employee Benefits
- GRAP 26: Impairment of Cash Generating Assets
- GRAP 27: Agriculture
- GRAP 31: Intangible Assets
- GRAP 100: Non-current assets held for sale and discontinued operations
- GRAP 101: Agriculture
- GRAP 102: Intangible assets
- GRAP 103: Heritage Assets
- GRAP 104: Financial Instruments

CHAPTER 6: AUDITOR-GENERAL AUIT FINDINGS

COMPONENT B: AUDITOR-GENERAL OPINION 2020/21

6.2 AUDITOR-GENERAL REPORT: 2019/20

6.2.1 Financial performance: 2019/20

Auditor-General Report on Financial Performance 2019/20	
Audit report status:	**Unqualified with findings**
Reporting on audit findings of AFS:	
Non-Compliance Issues	**Remedial Action Taken**
Impairment - receivables	
As disclosed in not 10 to the financial statements, a provinsion, a provision for debt impariament of R32 823 507 (2019: R25 684 611) was provided for as a result of the Municipality's assessment of the recoverability of receivables from exchange transaction As disclosed in note 11 to the financial statements, a provision for debt impairment of R24 097 084(2019: R18 618 740) was provided for as a result of the municipality's assessment of the recoverability of receivables from non – exchange transactions	• Investigation of immediate action against non-payers of 30 Days outstanding accounts • Ward Committee to be involved by motivating consumers • Public participation meetings shall be held in order to emphasise the issue of non-payments for services
Material lossess-electricity	
As disclosed in note 52.8 to the financial statements, material electricity distribution losses of R5 278 752 (2019: R4 435 556) was incurred, which represents 17.1% (2019:15.44%) of total electricity purchased	• Replace all conventional meters with pre-paid meters • Ensuring that deviation reports on meter readings were followed-up and corrected • Avoid estimates by using average use over a few months

Table 208: *AG report on financial performance 2019/20*

6.2.2 Service Delivery Performance: 2019/20

Auditor-General Report on Service Delivery Performance 2019/20	
Audit report status:	**Unqualified**
Extract from Audit Report: "27. I did not raise any material findings on the usefulness and reliability of the reported performance information."	

Table 209: *AG report on financial performance 2019/20*

6.3 AUDITOR-GENERAL REPORT: 2020/21

6.3.1 Financial performance: 2020/21

Auditor-General Report on Financial Performance 2020/21	
Audit report status:	**Unqualified**
Reporting on audit findings of AFS:	
Non-Compliance Issues	**Remedial Action Taken**
Impairment - receivables	
As disclosed in not 10 to the financial statements, a provinsion, a provision for debt impariament of R35 446 259 (2020: R32 359 838) was provided for as a	• Investigation of immediate action against non-payers of 30 Days outstanding accounts

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

Auditor-General Report on Financial Performance 2020/21	
result of the Municipality's assessment of the recoverability of receivables from exchange transaction	• Ward Committee to be involved by motivating consumers • Public participation meetings shall be held in order to emphasise the issue of non-payments for services
As disclosed in note 11 to the financial statements, a provision for debt impairment of R28 120 117(2020: R24 319 629) was provided for as a result of the municipality's assessment of the recoverability of receivables from non – exchange transactions	
Material lossess-electricity	
As disclosed in note 50.8 to the financial statements, material electricity distribution losses of R3 116 716 (2020: R3 658 653) was incurred, which represents 14.2% (2020:17.1%) of total electricity purchased	• Replace all conventional meters with pre-paid meters • Ensuring that deviation reports on meter readings were followed-up and corrected • Avoid estimates by using average use over a few months
Irregular Expenditure	
As disclosed in note 49.3 to the financial statements, the municipality incurred irregular expenditure of R45 713 301, as it did not follow proper procurement processes	• The municipality will implement stricter controles in terms of SCM Regulation

Table 210: *AG report on financial performance 2020/21*

6.3.2 Service Delivery Performance: 2020/21

Auditor-General Report on Service Delivery Performance 2020/21	
Audit report status:	**Unqualified with finding**
The achievement of 100% was reported against target 90% in the annual performance report for TL 39 however the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 43%	• Stricter internal controls will be implemented to ensure accuare reporting

Table 211: *AG report on financial performance 2020/21*

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LIST OF ABBREVIATIONS

ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
CoGHSTA	Commitment from Co-operative Governance, Human Settlements and Traditional Affairs
CSD	Central Suppliers Database
CWP	Capital Works Programme
DoRA	Division of Revenue Act
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
EPWP	Extended Public Works Programmes
EPWP	Expanded Public Works Programme
GAMAP	Generally Accepted Municipal Accounting Practice
GDPR	Gross Domestic Product Rate
GRAP	Generally Recognised Accounting Practice
HM	Hantam Municipality
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IGR	Intergovernmental Relations
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
MayCo	Executive Mayoral Committee
MBRR	Municipal Budget and Reporting Regulations
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MFMP	Municipal Financial Management and Planning
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act No. 32 of 2000
mSCOA	Municipal Standard Chart of Accounts

LIST OF ABBREVIATIONS

MTECH	Medium Term Expenditure Committee
NGO	Non-Governmental Organisation
NT	National Treasury
OPEX	Operating Expenditure
PAC	Performance Audit Committee
PMS	Performance Management System
PPP	Public Private Partnership
PT	Provincial Treasury
RBAP	Risk Based Audit Plan
RBIG	Regional Bulk Infrastructure Grant
SALGA	South African Local Government Association
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SPLUMA	Spatial Planning and Land Use Management Act

HANTAM
MUNICIPALITY

FINANCIAL STATEMENTS

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APPENDICES

HANTAM MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

GENERAL INFORMATION

NATURE OF BUSINESS

Hantam Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998).

JURISDICTION

The Hantam Municipality includes the following areas:
Calvinia
Brandvlei
Loeriesfontein
Nieuwoudtville

EXECUTIVE MAYOR

RN Swartz

MUNICIPAL MANAGER

JI SWARTZ

CHIEF FINANCIAL OFFICER

W JONKER

REGISTERED OFFICE

Private Bag X14
Calvinia
8190

AUDITORS

The Auditor-General
Private Bag X5013
Kimberley
8300

PRINCIPLE BANKERS

Standard Bank

HANTAM MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

GENERAL INFORMATION

ATTORNEYS

Louw & Muller
Groenewaldt & Symington

RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE HANTAM MUNICIPALITY

WARD	COUNCILLOR
1	H De Wee
2	K Alexander
3	R van Wyk
4	JE Steenkamp
5	J Klaaste
Proportional	RN Swartz
Proportional	AJE Claasen
Proportional	G Gous
Proportional	HC Steenkamp

HANTAM MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2021, which are set out on pages 5 to 90 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2022 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

I certify that the remuneration of Councillors and in-kind benefits 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 Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

JI SWARTZ
Municipal Manager

31 August 2021
Date

HANTAM MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

	Notes	2021 R	2020 R
ASSETS			
Non-Current Assets		**478,232,744**	**417,334,652**
Property, Plant and Equipment	**2**	438,182,644	379,001,021
Agricultural	**3**	13,500	13,500
Investment Property	**4**	37,681,441	36,033,000
Intangible Assets	**5**	673,543	663,065
Heritage Assets	**6**	1,618,055	1,618,055
Non-Current Receivables from Exchange Transactions	**7**	52,945	2,925
Non-Current Receivables from Non-Exchange Transactions	**8**	10,615	3,086
Current Assets		**27,886,096**	**20,508,481**
Inventory	**9**	104,627	50,048
Receivables from Exchange Transactions	**10**	6,577,117	5,690,119
Receivables from Non-exchange Transactions	**11**	6,698,672	4,628,147
Taxes	**20.3**	5,215,434	8,949,073
Current Portion of Non-Current Receivables	**8 & 9**	57,732	14,162
Cash and Cash Equivalents	**12.1**	9,232,516	1,176,933
Total Assets		**506,118,840**	**437,843,133**
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		**51,793,774**	**51,433,077**
Long-term Borrowings	**13**	270,468	-
Non-current Provisions	**14**	16,792,673	19,117,155
Non-current Employee Benefits	**15**	16,355,000	15,072,000
Trade and Other Payables from Exchange Transactions	**18**	18,375,633	17,243,923
Current Liabilities		**33,779,208**	**37,619,771**
Consumer Deposits	**16**	1,187,997	1,095,561
Current Employee Benefits	**17**	5,619,577	5,331,456
Trade and Other Payables from Exchange Transactions	**18**	24,330,914	31,006,592
Unspent Transfers and Subsidies	**19**	2,426,272	-
Cash and Cash Equivalents	**12.2**	-	186,161
Current Portion of Long-term Borrowings	**13**	214,449	-
Total Liabilities		**85,572,982**	**89,052,848**
Net Assets		**420,545,858**	**348,790,285**
Revaluation Reserve	**21**	2,551,323	2,551,323
Accumulated Surplus/(Deficit)		417,994,535	346,238,963
Total Net Assets and Liabilities		**506,118,840**	**437,843,133**

HANTAM MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 R	2020 R
REVENUE			
Revenue from Non-exchange Transactions		**140,389,227**	**145,126,564**
Taxation Revenue		**15,902,740**	**13,275,622**
Property Rates	22	14,941,961	12,374,664
Interest Earned - Non-Exchange Transactions	31	960,779	900,959
Transfer Revenue		**111,797,015**	**117,718,939**
Government Grants and Subsidies	23	111,475,759	117,521,000
Public Contributions and Donations		321,256	197,939
Other Revenue		**12,689,472**	**14,132,003**
Actuarial Gains	15	209,472	2,426,733
Availability Charges	24	7,006,024	6,366,042
Fines. Penalties and Forfeits		24,742	33,836
Contributed Property, Plant and Equipment	2.11	2,900,088	4,495,167
Operational Revenue	30	2,549,147	810,224
Revenue from Exchange Transactions		**41,777,969**	**39,777,349**
Service Charges	25	39,043,682	36,945,631
Sales of Goods and Rendering of Services	26	452,487	214,584
Rental from Fixed Assets	27	141,649	168,718
Interest Earned - External Investments	28	772,307	1,092,355
Interest Earned - Exchange Transactions	29	1,110,929	1,113,370
Licences and Permits		3,270	2,122
Agency Services		176,004	172,972
Operational Revenue	30	77,642	67,597
Total Revenue		**182,167,196**	**184,903,913**
EXPENDITURE			
Employee related costs	31	(39,147,690)	(39,288,238)
Remuneration of Councillors	32	(3,137,092)	(3,215,857)
Bad Debts Written Off		(4,939,658)	(2,377,937)
Depreciation and Amortisation	33	(12,982,053)	(11,805,660)
Actuarial Losses	15	(1,146,977)	-
Finance Costs	34	(3,181,437)	(3,017,422)
Bulk Purchases	35	(21,953,735)	(21,391,391)
Inventory Consumed	9	(1,084,813)	(1,752,335)
Operating Leases		(188,108)	(164,332)
Transfers and Subsidies	36	(148,129)	(274,025)
Operational Costs	37	(18,775,810)	(20,270,482)
Total Expenditure		**(106,685,502)**	**(103,557,678)**
Operating Surplus/(Deficit) for the Year		**75,481,694**	**81,346,235**
Reversal of Impairment Loss/(Impairment Loss) on Receivables	38	(4,691,650)	(5,143,503)
Gains/(Loss) on Sale of Fixed Assets	39	(549,428)	(654,141)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		-	(4,297)
Profit/(Loss) on Fair Value Adjustments	40	1,648,441	-
Water Losses	41	(133,485)	(142,167)
NET SURPLUS/(DEFICIT) FOR THE YEAR		**71,755,572**	**75,402,126**

HANTAM MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R
Balance at 1 July 2019	**2,692,664**	**270,019,870**	**272,712,534**
Correction of Error - Note 43.6	-	675,626	675,626
Restated balance	2,692,664	270,695,496	273,388,160
Net Surplus for the year	-	75,402,126	75,402,126
Net Surplus previously reported	-	71,892,367	71,892,367
Effects of Correction of Errors - Note 43.7	-	3,509,759	3,509,759
Transfer to Revaluation Reserve	(141,341)	141,341	-
Restated balance at 30 June 2020	**2,551,323**	**346,238,963**	**348,790,286**
Net Surplus for the year	-	71,755,572	71,755,572
Balance at 30 June 2021	**2,551,323**	**417,994,535**	**420,545,858**

HANTAM MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 R	2020 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		11,301,932	9,384,617
Service Charges		39,021,489	36,498,998
Other Revenue		3,897,320	2,118,719
Government - Operating		34,695,031	29,391,000
Government - Capital		79,207,000	88,130,000
Interest		772,307	1,092,355
Cash payments			
Suppliers and Employees	*	(83,025,004)	(81,293,317)
Finance Charges		(81,648)	(49,718)
Net Cash from Operating Activities	**44**	**85,788,427**	**85,272,654**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	*	(77,345,758)	(81,775,199)
Purchase of Intangible Assets		(21,294)	(41,236)
Decrease/(Increase) in Non-Current Debtors		(101,120)	195,516
Net Cash from Investing Activities		**(77,468,172)**	**(81,620,918)**
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in Consumer Deposits		92,436	106,275
Repayment of Borrowing		(170,947)	(164,440)
Net Cash from Financing Activities		**(78,511)**	**(58,164)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,241,743	3,593,572
Cash and Cash Equivalents at the beginning of the year		990,771	(2,602,801)
Cash and Cash Equivalents at the end of the year	**45**	9,232,516	990,771
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**8,241,744**	**3,593,572**

***** *The 2019/2020 Cash Flow balances of Purchase of Property, Plant and Equipment was previously overstated by R8,519,306 and Cash Payments to Suppliers and Employees was understated with the same amount due to the accrued Capital expenditure recognised as Cash outflows and not changes in working capital.*

HANTAM MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2021	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	%
ASSETS									
Current Assets									
Cash		(3,165,839)	9,368,256	6,202,417	-	-	6,202,417	9,232,516	48.85%
Consumer Debtors		7,874,292	249,541	8,123,833	-	-	8,123,833	13,275,788	63.42%
Other Debtors		-	-	-	-	-	-	5,215,434	100.00%
Current Portion of long-term receivables			-	-	-	-	-	57,732	100.00%
Inventory		183,692	-	183,692	-	-	183,692	104,627	-43.04%
Total Current Assets	**48.2.1**	4,892,145	9,617,797	14,509,942	-	-	14,509,942	27,886,096	92.19%
Non-Current Assets									
Long-term Receivables		-	-	-	-	-	-	63,561	100.00%
Investment Property		43,161,000	-	43,161,000	-	-	43,161,000	37,681,441	-12.70%
Property, Plant and Equipment		394,145,159	14,276,445	408,421,604	-	-	408,421,604	438,182,644	7.29%
Biological Assets		13,500	-	13,500	-	-	13,500	13,500	0.00%
Intangible Assets		575,194	-	575,194	-	-	575,194	673,543	17.10%
Other Non-Current Assets		-	1,618,055	1,618,055	-	-	1,618,055	1,618,055	0.00%
Total Non-Current Assets	**48.2.2**	437,894,853	15,894,500	453,789,353	-	-	453,789,353	478,232,744	5.39%
TOTAL ASSETS		442,786,998	25,512,297	468,299,295	-	-	468,299,295	506,118,840	8.08%
LIABILITIES									
Current Liabilities									
Borrowing		-	-	-	-	-	-	214,449	100.00%
Consumer Deposits		862,000	-	862,000	-	-	862,000	1,187,997	37.82%
Trade and Other Payables		7,307,917	(56,400)	7,251,517	-	-	7,251,517	26,757,186	268.99%
Provisions		3,845,481	273,691	4,119,172	-	-	4,119,172	5,619,577	36.42%
Total Current Liabilities	**48.2.3**	12,015,398	217,291	12,232,689	-	-	12,232,689	33,779,208	176.14%
Non-Current Liabilities									
Borrowing		-	-	-	-	-	-	270,468	100.00%
Provisions		56,058,061	985,132	57,043,193	-	-	57,043,193	33,147,673	-41.89%
Trade and Other Payables		16,389,892	-	16,389,892	-	-	16,389,892	18,375,633	12.12%
Total Non-Current Liabilities		72,447,953	985,132	73,433,085	-	-	73,433,085	51,793,774	-29.47%
TOTAL LIABILITIES		84,463,351	1,202,423	85,665,774	-	-	85,665,774	85,572,982	-0.11%
NET ASSETS									
Accumulated Surplus/(Deficit)		353,469,164	24,309,874	377,779,038	-	-	377,779,038	417,994,535	10.65%
Reserves		4,854,483	-	4,854,483	-	-	4,854,483	2,551,323	-47.44%
TOTAL NET ASSETS	**48.2.4**	358,323,647	24,309,874	382,633,521	-	-	382,633,521	420,545,858	9.91%

HANTAM MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Original Budget	Budget Adjustments	Final Adjustment Budget	Shifting of Funds	Virement	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
			(i.t.o. s28 and s31 of the MFMA)		(i.t.o. s31 of the MFMA)	(i.t.o. Council approved by-law)		2021	
		R	R	R	R	R	R	R	%
REVENUE									
Property Rates		15,511,660	365,633	15,877,293	-	-	15,877,293	14,941,961	-5.89%
Service Charges - Electricity Revenue		26,949,060	3,094,334	30,043,394	-	-	30,043,394	26,783,476	-10.85%
Service Charges - Water Revenue		13,560,618	(1,612,037)	11,948,581	-	-	11,948,581	1,862,808	-84.41%
Service Charges - Sanitation Revenue		7,491,583	23,417	7,515,000	-	-	7,515,000	4,964,340	-33.94%
Service Charges - Refuse Revenue		8,463,146	5,000	8,468,146	-	-	8,468,146	5,433,059	-35.84%
Rental of Facilities and Equipment		715,000	-	715,000	-	-	715,000	594,136	-16.90%
Interest Earned - External Investments		-	600,000	600,000	-	-	600,000	772,307	28.72%
Interest Earned - Outstanding Debtors		1,750,000	(697,206)	1,052,794	-	-	1,052,794	2,071,707	96.78%
Fines		33,000	(4,000)	29,000	-	-	29,000	24,742	-14.68%
Licences and Permits		3,000	-	3,000	-	-	3,000	3,270	8.99%
Agency Services		250,000	-	250,000	-	-	250,000	176,004	-29.60%
Transfers Recognised - Operational		31,175,000	3,562,075	34,737,075	-	-	34,737,075	34,695,031	-0.12%
Other Revenue		353,050	81,039	434,089	-	-	434,089	10,163,541	2241.35%
Total Revenue (excluding capital transfers and contributions)	**48.2.5**	106,255,117	5,418,255	111,673,372	-	-	111,673,372	102,486,380	-8.23%
EXPENDITURE									
Employee Related Costs		42,243,722	(74,048)	42,169,674	-	-	42,169,674	39,147,690	-7.17%
Remuneration of Councillors		3,533,906	-	3,533,906	-	-	3,533,906	3,137,092	-11.23%
Debt Impairment		10,903,660	-	10,903,660	-	-	10,903,660	4,939,658	-54.70%
Depreciation and Asset Impairment		10,476,625	-	10,476,625	-	-	10,476,625	12,982,053	23.91%
Finance Charges		4,005,047	(165,397)	3,839,650	-	-	3,839,650	3,181,437	-17.14%
Bulk Purchases		27,355,558	(5,127,808)	22,227,750	-	-	22,227,750	21,953,735	-1.23%
Inventory Consumed		2,146,480	403,750	2,550,230	-	-	2,550,230	1,084,813	-57.46%
Contracted Services		11,444,654	(1,235,375)	10,209,279	-	-	10,209,279	-	-100.00%
Transfers and Grants		60,000	-	60,000	-	-	60,000	148,129	146.88%
Other Expenditure		10,335,352	(783,373)	9,551,979	-	-	9,551,979	23,837,017	149.55%
Total Expenditure	**48.2.6**	122,505,004	(6,982,251)	115,522,753	-	-	115,522,753	110,411,624	-4.42%
Surplus/(Deficit)		(16,249,887)	12,400,506	(3,849,381)	-	-	(3,849,381)	(7,925,243)	105.88%
Transfers Recognised - Capital		66,326,000	12,881,000	79,207,000	-	-	79,207,000	76,780,728	-3.06%
Contributed Assets		-	-	-	-	-	-	2,900,088	100.00%
Surplus/(Deficit) after Capital Transfers & Contributions		50,076,113	25,281,506	75,357,619	-	-	75,357,619	71,755,572	-4.78%
Taxation		-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation		50,076,113	25,281,506	75,357,619	-	-	75,357,619	71,755,572	-4.78%
Attributable to Minorities			-				-	-	-
Surplus/(Deficit) Attributable to Municipality		50,076,113	25,281,506	75,357,619	-	-	75,357,619	71,755,572	-4.78%
Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		50,076,113	25,281,506	75,357,619	-	-	75,357,619	71,755,572	-4.78%

HANTAM MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2021	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	%
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Taxation		13,184,910	365,634	13,550,544	-	-	13,550,544	11,301,932	-16.59%
Service Charges		47,994,745	1,505,715	49,500,460	-	-	49,500,460	39,021,489	-21.17%
Other Revenue		1,246,800	-	1,246,800	-	-	1,246,800	3,897,320	212.59%
Government - Operating		31,175,000	3,562,075	34,737,075	-	-	34,737,075	34,695,031	-0.12%
Government - Capital		66,326,000	12,881,000	79,207,000	-	-	79,207,000	79,207,000	0.00%
Interest		1,750,000	-	1,750,000	-	-	1,750,000	772,307	-55.87%
Dividends		-	-	-	-	-	-	-	0.00%
Payments									
Suppliers and Employees		(99,310,016)	3,658,783	(95,651,233)	-	-	(95,651,233)	(83,025,004)	-13.20%
Finance costs		-	-	-	-	-	-	(81,648)	100.00%
Transfers and Grants		-	-	-	-	-	-	-	
Net Cash from/(used) Operating Activities	**48.2.7**	62,367,439	21,973,207	84,340,646	-	-	84,340,646	85,788,427	1.72%
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Debtors		-	-	-	-	-	-	(101,120)	100.00%
Decrease/(Increase) in Other Non-Current Receivables		-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Investments		-	-	-	-	-	-	-	
Payments									
Capital Assets		(67,207,000)	(12,000,000)	(79,207,000)	-	-	(79,207,000)	(77,367,052)	-2.32%
Net Cash from/(used) Investing Activities		(67,207,000)	(12,000,000)	(79,207,000)	-	-	(79,207,000)	(77,468,172)	-2.20%
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
Short Term Loans		-	-	-	-	-	-	-	0.00%
Borrowing long term/refinancing		-	-	-	-	-	-	-	0.00%
Increase/(Decrease) in Consumer Deposits		-	78,000	78,000	-	-	78,000	92,436	18.51%
Payments									
Repayment of Borrowing		-	-	-	-	-	-	(170,947)	100.00%
Net Cash from/(used) Financing Activities		-	78,000	78,000	-	-	78,000	(78,511)	-200.66%
NET INCREASE/(DECREASE) IN CASH HELD		(4,839,561)	10,051,207	5,211,646	-	-	5,211,646	8,241,743	58.14%
Cash and Cash Equivalents at the year begin:		1,673,723	(682,952)	990,771			990,771	990,771	0.00%
Cash and Cash Equivalents at the year end:		(3,165,838)	9,368,255	6,202,417	-	-	6,202,417	9,232,515	48.85%

HANTAM MUNICIPALITY

REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2021

For management purposes, the municipality is organised and operates in key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level.

Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Executive and Council	1.1 - Municipal Manager	Aggregated	Governance and Administration	Supporting service departments
	1.2 - Councilors	Aggregated	Governance and Administration	Supporting service departments
Vote 2 - Budget and Treasury Office	2.1 - Finance General	Aggregated	Governance and Administration	Supporting service departments
	2.2 - Accountant Revenue	Aggregated	Governance and Administration	Supporting service departments
	2.3 - Accountant Expenditure	Aggregated	Governance and Administration	Supporting service departments
	2.4 - Supply Chain Management	Aggregated	Governance and Administration	Supporting service departments
Vote 3 - Corporate Services	3.1 - Administration	Aggregated	Governance and Administration	Supporting service departments
	3.2 - Human Resources	Aggregated	Governance and Administration	Supporting service departments
	3.3 - Property Services	Aggregated	Governance and Administration	Supporting service departments
Vote 4 - Community and Social Services	4.1 - Cemeteries	Aggregated	Community and Public Safety	Cemeteries and Library services
	4.2 - Libraries	Aggregated	Community and Public Safety	
Vote 5 - Sport and Recreation	5.1 - Nature Reserves	Aggregated	Community and Public Safety	Sports- and Recreation facilities
	5.2 - Sport Ground	Aggregated	Community and Public Safety	
	5.3 - Swimming Pool	Aggregated	Community and Public Safety	
	5.4 - Caravan Park	Aggregated	Community and Public Safety	
Vote 6 - Public Safety	6.1 - Civil Defence	Individually Reported	Community and Public Safety	Supporting service departments
Vote 7 - Planning and Development	7.1 - IDP Department	Individually Reported	Economic and Environmental Services	Supporting service departments
Vote 8 - Road Transport	8.1 - Roads	Aggregated	Economic and Environmental Services	Supporting service departments
	8.2 - Traffic Services	Aggregated	Economic and Environmental Services	Supporting service departments
Vote 9 - Electricity	9.1 - Electricity Distribution	Individually Reported	Trading Services	Electricity services
Vote 10 - Water	10.1 - Water Distribution	Individually Reported	Trading Services	Water management
Vote 11 - Waste Water Management	11.1 - Waste Water Management	Individually Reported	Trading Services	Waste water management
Vote 12 - Solid Waste	12.1 - Waste Removal	Individually Reported	Trading Services	Waste management services
Vote 13 - Other	13.1 - Aerodrome	Individually Reported	Other	Supporting service departments

SECONDARY SEGMENTS

Mscoa Functional Segments identified	Aggregation	Aggregation	Reportable Segment	Types of Goods/Services delivered
• Governance and Administration	Executive and council	Aggregated	Governance and Administration	Supporting service departments
	Finance and administration	Aggregated	Governance and Administration	Supporting service departments
	Internal audit	Aggregated	Governance and Administration	Supporting service departments
• Community and public safety	Community and social services	Aggregated	Community and public safety	Library services, Sports and recreational centers
	Sport and recreation	Aggregated	Community and public safety	
• Economic and environmental services	Planning and development	Aggregated	Economic and environmental services	Supporting service departments
	Road transport	Aggregated	Economic and environmental services	Supporting service departments
	Environmental protection services	Aggregated	Economic and environmental services	Supporting service departments
• Trading services	Energy sources	Individually Reported	Energy sources	Electricity services
	Water management	Individually Reported	Water management	Water management
	Waste water management	Individually Reported	Waste water management	Waste water management
	Waste management service	Individually Reported	Waste management service	Waste management services
• Other	Air Transport	Aggregated	Other	Airfield

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does not monitor performance geographically as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive.

HANTAM MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Governance and Administration	Community and Public Safety	Trading Services	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	**3,522,577**	**290,010**	**40,154,611**	**-**	**-**	**43,967,198**
Service Charges - Electricity Revenue	-	-	26,783,476	-	-	26,783,476
Service Charges - Water Revenue	-	-	1,862,808	-	-	1,862,808
Service Charges - Sanitation Revenue	-	-	4,964,340	-	-	4,964,340
Service Charges - Refuse Revenue	-	-	5,433,059	-	-	5,433,059
Rental of Facilities and Equipment	139,242	2,407	-	-	-	141,649
Interest Earned - External Investments	772,307	-	-	-	-	772,307
Interest Earned - Outstanding Debtors	960,779	-	1,110,929	-	-	2,071,707
Licences and Permits	3,270	-	-	-	-	3,270
Other Revenue - Exchange	1,646,980	287,603	-	-	-	1,934,583
External revenue from non-exchange transactions	**37,162,154**	**1,302,717**	**20,776,724**	**926,029**	**-**	**60,167,623**
Fines	-	717	-	24,025	-	24,742
Property Rates	14,941,961	-	-	-	-	14,941,961
Availability Charges	-	-	7,006,024	-	-	7,006,024
Agency Services	-	-	-	176,004	-	176,004
Transfers Recognised - Operational	19,217,587	1,302,000	13,770,700	726,000	-	35,016,287
Other Revenue - Non-Exchange	3,002,606	-	-	-	-	3,002,606
Revenue from transactions with other segments	**-**	**-**	**-**	**-**	**-**	**-**
Internal Revenue	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	**40,684,732**	**1,592,726**	**60,931,335**	**926,029**	**-**	**104,134,821**
SEGMENT EXPENDITURE						
Employee Related Costs	16,821,486	2,038,067	15,717,727	4,570,410	-	39,147,690
Remuneration of Councillors	3,137,092	-	-	-	-	3,137,092
Debt Impairment	-	-	9,631,307	-	-	9,631,307
Depreciation and Asset Impairment	6,280,959	-	5,281,279	1,419,816	-	12,982,053
Finance Charges	1,371,446	26,543	1,780,810	2,638	-	3,181,437
Bulk Purchases	-	-	21,953,735	-	-	21,953,735
Other Materials	46,150	98,949	305,348	767,851	-	1,218,298
Contracted Services	5,130,439	298,387	4,210,710	1,842,704	25,194	11,507,433
Transfers and Grants	148,129	-	-	-	-	148,129
Other Expenditure	8,909,675	243,943	(878,240)	824,992	52,520	9,152,890
Internal charges	-	-	-	-	-	-
Total Segment Expenditure	**41,845,375**	**2,705,889**	**58,002,675**	**9,428,411**	**77,714**	**112,060,065**
Surplus/(Deficit)	**(1,160,643)**	**(1,113,163)**	**2,928,659**	**(8,502,383)**	**(77,714)**	**(7,925,243)**
Transfers Recognised - Capital	-	6,276,726	65,600,000	4,904,002	-	76,780,728
Contributions Recognised - Capital	-	-	-	-	-	-
Contributed Assets	-	-	2,900,088	-	-	2,900,088
Surplus/(Deficit) after Capital Transfers & Contributions	**(1,160,643)**	**5,163,563**	**71,428,747**	**(3,598,381)**	**(77,714)**	**71,755,572**
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	**(1,160,643)**	**5,163,563**	**71,428,747**	**(3,598,381)**	**(77,714)**	**71,755,572**
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	**(1,160,643)**	**5,163,563**	**71,428,747**	**(3,598,381)**	**(77,714)**	**71,755,572**
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	**(1,160,643)**	**5,163,563**	**71,428,747**	**(3,598,381)**	**(77,714)**	**71,755,572**

HANTAM MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Governance and Administration	Community and Public Safety	Trading Services	Economic and Environmental Services	Other	Unallocated	Total
	R	R	R	R	R		R
OTHER INFORMATION							
Segment Assets	-	-	-	-	-	506,118,840	506,118,840
Segment liabilities	-	-	-	-	-	85,572,982	85,572,982
Non-cash revenue (included above)	-	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-	-

HANTAM MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Community and public safety	Economic and environmental services	Trading services: Energy Sources	Trading services: Water Management	Trading services: Waste water management	Trading services: Waste management services	Other	Governance and Administration	Unallocated	Total
	R	R	R				R	R	R	R
SEGMENT REVENUE										
External revenue from exchange transactions	**23,726**	**266,283**	**27,894,404**	**1,862,808**	**4,964,340**	**5,433,059**	**-**	**3,522,577**	**-**	**43,967,198**
Service Charges - Electricity Revenue	-	-	26,783,476	-	-	-	-	-	-	26,783,476
Service Charges - Water Revenue	-	-	-	1,862,808	-	-	-	-	-	1,862,808
Service Charges - Sanitation Revenue	-	-	-	-	4,964,340	-	-	-	-	4,964,340
Service Charges - Refuse Revenue	-	-	-	-	-	5,433,059	-	-	-	5,433,059
Rental of Facilities and Equipment	2,407	-	-	-	-	-	-	139,242	-	141,649
Interest Earned - External Investments	-	-	-	-	-	-	-	772,307	-	772,307
Interest Earned - Outstanding Debtors	-	-	1,110,929	-	-	-	-	960,779	-	2,071,707
Licences and Permits	-	-	-	-	-	-	-	3,270	-	3,270
Other Revenue - Exchange	21,319	266,283	-	-	-	-	-	1,646,980	-	1,934,583
External revenue from non-exchange transactions	**1,302,717**	**926,029**	**1,300,000**	**10,288,024**	**5,825,000**	**3,363,700**	**-**	**37,162,154**	**-**	**60,167,623**
Fines	717	24,025	-	-	-	-	-	-	-	24,742
Property Rates	-	-	-	-	-	-	-	14,941,961	-	14,941,961
Availability Charges	-	-	-	7,006,024	-	-	-	-	-	7,006,024
Agency Services	-	176,004	-	-	-	-	-	-	-	176,004
Transfers Recognised - Operational	1,302,000	726,000	1,300,000	3,282,000	5,825,000	3,363,700	-	19,217,587	-	35,016,287
Other Revenue - Non-Exchange	-	-	-	-	-	-	-	3,002,606	-	3,002,606
Revenue from transactions with other segments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Internal Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	**1,326,443**	**1,192,312**	**29,194,404**	**12,150,832**	**10,789,340**	**8,796,759**	**-**	**40,684,732**	**-**	**104,134,821**
SEGMENT EXPENDITURE										
Employee Related Costs	2,038,067	5,813,259	1,344,306	4,990,032	2,447,414	6,935,975	-	15,578,637	-	39,147,690
Remuneration of Councillors	-	-	-	-	-	-	-	3,137,092	-	3,137,092
Debt Impairment	-	-	4,550,993	2,209,436	1,322,862	1,548,016	-	-	-	9,631,307
Depreciation and Asset Impairment	-	1,419,816	-	3,785,816	1,320,029	175,433	-	6,280,959	-	12,982,053
Finance Charges	26,543	2,638	-	3,020	-	1,777,790	-	1,371,446	-	3,181,437
Bulk Purchases	-	-	21,953,735	-	-	-	-	-	-	21,953,735
Other Materials	98,949	767,851	15,794	289,553	-	-	-	46,150	-	1,218,298
Contracted Services	281,141	1,859,949	1,029,424	1,660,219	201,550	1,319,517	25,194	5,130,439	-	11,507,433
Transfers and Grants	-	-	-	-	-	-	-	148,129	-	148,129
Other Expenditure	243,193	825,742	(141,244)	86,435	111,451	(934,882)	52,520	8,909,675	-	9,152,890
Loss on Disposal of PPE	-	-	-	-	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	**2,687,893**	**10,689,256**	**28,753,008**	**13,024,512**	**5,403,307**	**10,821,848**	**77,714**	**40,602,526**	**-**	**112,060,065**

HANTAM MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Community and public safety	Economic and environmental services	Trading services				Other	Governance and Administration	Unallocated	Total
			Energy Sources	Water Management	Waste water management	Waste management services				
	R	R	R				R	R	R	R
Surplus/(Deficit)	**(1,361,450)**	**(9,496,944)**	**441,396**	**(873,680)**	**5,386,033**	**(2,025,090)**	**(77,714)**	**82,206**	**-**	**(7,925,243)**
Transfers Recognised - Capital	6,276,726	4,904,002	1,500,000	64,100,000	-	-	-	-	-	76,780,728
Contributions Recognised - Capital	-	-	-	-	-	-	-	-	-	-
Contributed Assets	-	-	-	-	2,900,088	-	-	-	-	2,900,088
Surplus/(Deficit) after Capital Transfers & Contributions	**4,915,275**	**(4,592,942)**	**1,941,396**	**63,226,320**	**8,286,121**	**(2,025,090)**	**(77,714)**	**82,206**	**-**	**71,755,572**
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	**4,915,275**	**(4,592,942)**	**1,941,396**	**63,226,320**	**8,286,121**	**(2,025,090)**	**(77,714)**	**82,206**	**-**	**71,755,572**
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	**4,915,275**	**(4,592,942)**	**1,941,396**	**63,226,320**	**8,286,121**	**(2,025,090)**	**(77,714)**	**82,206**	**-**	**71,755,572**
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	**4,915,275**	**(4,592,942)**	**1,941,396**	**63,226,320**	**8,286,121**	**(2,025,090)**	**(77,714)**	**82,206**	**-**	**71,755,572**

OTHER INFORMATION										
Segment Assets	-	-	-	-	-	-	-	-	506,118,840	506,118,840
Segment liabilities	-	-	-	-	-	-	-	-	85,572,982	85,572,982
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	-

Reconciliation of Segment Revenue to Total Revenue as per the Annual Financial Statements for the year ended 30 June 2021

Total Segment Revenue (including capital transfers and contributions)	183,815,637
Total Revenue as per Statement of Financial Performance	182,167,196
Difference	**1,648,441**
Reconciling items - not included in Operating revenue	**1,648,441**
Profit/(Loss) on Fair Value Adjustments	1,648,441

Reconciliation of Segment Expenses to Total Expenses as per the Annual Financial Statements for the year ended 30 June 2021

Total Segment Expenditure	112,060,065
Total Expenditure as per Statement of Financial Performance	106,685,502
Difference	**5,374,563**
Reconciling items - not included in Operating expenditure	**5,374,563**
Impairment Loss on Receivables	4,691,650
Loss on Sale of Fixed Assets	549,428
Water Losses	133,485

Reconciliation of the Statement of Financial Performance as at 30 June 2021 as per the Annual Financial Statements vs the Surplus of the Segment report

Surplus for the year as per Segments	71,755,572
Surplus for the year as per Statement of Financial Performance	71,755,572
Difference - None	-

Reconciliation of Segment Assets to Total Assets as per the Annual Financial Statements for the year ended 30 June 2021

Total Segment Assets	506,118,840
Total Assets as per Statement of Financial Position	506,118,840
Difference - None	-

Reconciliation of Segment Liabilities to Total Liabilities as per the Annual Financial Statements for the year ended 30 June 2021

Total Segment Liabilities	85,572,982
Total Liabilities as per Statement of Financial Position	85,572,982
Difference - None	-

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Finance Management Act (MFMA) and effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – April 2019) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the annual financial statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Property, Plant and Equipment, Investment Property and Intangible Assets where the acquisition cost of an asset could not be determined.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand. No foreign exchange transactions are included in the statements.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The mSCOA Charts are updated annually by National Treasury. The municipality has realigned items in the financial statements with the Item Segment of mSCOA Version 6.4, on which the municipality was required to transacted for periods after 1 July 2020. Alignment of the item segment with the updated mSCOA charts did not require any reclassification of comparative information previously reported in the annual financial statements.

1.5. CONSISTENT AND NEW ACCOUNTING POLICIES

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements will be adjusted in accordance with GRAP 3.

The following GRAP standards became effective on 1 April 2020:

- GRAP 18 Segment Reporting
- GRAP 110 Living and non-living resources
- GRAP 34 Separate financial statements
- GRAP 35 Consolidated financial statements
- GRAP 36 Investment in Associates and Joint Ventures
- GRAP 37 Joint Arrangements
- GRAP 38 Disclosure of Interest in Other Entities

GRAP 34 - 38 and GRAP 110 will not have an influence on the operations of the municipality.

Amendments were made to the following GRAP interpretations:

- iGRAP 1 Applying the Probability Test on Initial Recognition of Revenue
- iGRAP 20 Accounting for Adjustments to Revenue

1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

Management has determined materiality for the purposes of explaining variances between the final budget and actual amounts in the annual financial statements, as R1 000 000 and a variance of more than 10%.

1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts is disclosed as separate additional financial statements, namely Statements of comparison of budget and actual amounts.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

Explanations for differences between the approved and final budget are included in the Notes to the Financial Statements.

Explanations for material differences between the final budget amounts and actual amounts are included the notes to the annual financial statements. The municipality considers a variance between the actual and budget of more than 10% of the budgeted value as material, provided that such variance exceeds R1,000,000. All variances less than R1,000,000 is considered immaterial.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24.

1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards and Interpretations of the Standards of GRAP have been issued but are not yet effective and have not been early adopted by the municipality:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 104 **(Revised – April 2020)**	**Financial Instruments** The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. The Municipality might need to revise the categories of financial instruments and the impairment model.	Unknown
Guideline	**Landfill sites** No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
Guideline	**Application of Materiality of Financial Statements** The guideline is not authoritative but only encourage. The municipality may have to revise their currently policy on materiality to include additional factors.	Unknown

1.9. RESERVES

1.9.1. Revaluation Reserve

The accounting for the Revaluation Reserve must be performed in accordance with the requirements of GRAP 17.

All increases in the carrying value of assets as a result of a revaluation are credited against the reserve, except to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in the Statement of Financial Performance.

All decreases in the carrying value of assets as a result of a revaluation are debited against the reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation reserve is realized as revaluated assets are depreciated, through a transfer from the Revaluation Reserve to the accumulated surplus / (deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus / (deficit) while gains or losses on disposal, based on revaluated amounts, are charged to the Statement of Financial Performance.

1.10. LEASES

1.10.1. Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.10.2. Municipality as Lessor

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leases asset is diminished.

1.11. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the liability. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.12. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately disclosed in the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from public.

The following provisions are set for the creation and utilisation of grant receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.13. PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

(b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

1.14. EMPLOYEE BENEFITS

(a) Post-Retirement Medical Obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with

GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The interest cost of the defined benefit obligation is recognised as finance cost in the Statement of Financial Performance, as it meets the definition of Interest Cost in GRAP 25. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

(b) Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of Interest Cost in GRAP 25. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

(c) Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

Accumulated leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

(d) Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

(e) Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees.

(f) Other Short-term Employee Benefits

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.

1.15. PROPERTY, PLANT AND EQUIPMENT

1.15.1. Initial Recognition

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 year.

The following items will be regarded as Property, plant and equipment rather than investment property:

- Owner-occupied property (including held for future use);
- Owner-occupied property held for development;
- Property occupied by employees for housing;
- Owner-occupied property held for disposal;
- Property held by the municipality to fulfil their mandated function rather than rental or capital appreciation and;
- Property held by the municipality for strategic purpose

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded 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 the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

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 assets acquired is initially measure 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.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Where an asset is acquired through a non-exchange transaction, any transaction cost incurred are recognised as part of the cost of the asset.

1.15.2. Subsequent Measurement – Revaluation Model (Land and Buildings)

Subsequent to initial recognition, Land and Buildings are carried at a re-valued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Financial Performance.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in the Statement of Financial Performance, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

1.15.3. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated 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.

1.15.4. Depreciation and Impairment

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated useful lives:

The annual depreciation rates are based on the following estimated useful lives:

Land and Buildings	***Years***
Land	Indefinite
Buildings	3-50
Infrastructure	
Roads and Streets	1-100
Electricity Mains	1-80
Water Mains and Purification	1-80
Security Measures	5-20
Community	
Recreation Grounds	3-50
Fire, Safety and Emergency	3-10
Libraries	3-30
Clinics and Hospitals	3-50
Finance lease assets	
Office equipment	1-3
Other	
Motor Vehicles	1-15
Furniture and Office Equipment	1-20
Plant and Equipment	1-20
Landfill sites	5-40
Computer equipment	1-10

The depreciation charge is recognised in the Statement of Financial Performance.

Changes to the useful life and residual value of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

1.15.5. De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.15.6. Land and Buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings, the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2015. For Other Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2015.

1.16. INTANGIBLE ASSETS

1.16.1. Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project;
- it is probable that the municipality will receive future economic benefits or service potential; and
- the Municipality can measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially recognised at cost.

Where an intangible asset 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.

1.16.2. Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.16.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight-line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

Intangible Assets	**Years**
Computer Software	2-12

The amortisation charge is recognised in the Statement of Financial Performance.

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

Intangible Assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

1.16.4. De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.16.5. Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2007.

1.17. INVESTMENT PROPERTY

1.17.1. Initial Recognition

Investment property shall be recognised as an asset when and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or held for sale, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases;
- A property owned by the municipality and leased out at a below market rental; and
- Property that is being constructed or developed for future use as investment property.

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 measured at cost.

Where an asset is acquired through a non-exchange transaction, any transaction cost incurred are recognised as part of the cost of the asset.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

1.17.2. Subsequent Measurement – Fair Value Model

Subsequent to initial recognition, items of investment property is measured at fair value. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

1.17.3. De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.17.4. Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007.

1.18. AGRICULTURE

1.18.1. Initial Recognition

A biological asset or agricultural produce is recognised when and only when:

- the Municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality;
- and the fair value or cost of the asset can be measured reliably.

Biological assets are initially measured at their fair value less cost to sell. Bearer plants are recognised as Property, Plant and Equipment in terms of GRAP 17.

1.18.2. Subsequent Measurement

Biological assets are measured at their fair value less cost to sell.

The fair value of game is determined based on market prices of livestock of similar age, breed, and genetic merit in the local industry. Game is considered to be consumable biological assets.

A gain or loss arising on initial recognition of biological assets at fair value less cost to sell is included in profit or loss for the period in which it arises.

1.19. HERITAGE ASSETS

1.19.1. Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if, and only 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.

A heritage asset that qualifies for recognition as an asset is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

1.19.2. Subsequent Measurement – Cost Model

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

1.19.3. Depreciation and Impairment

Heritage assets are not depreciated

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

1.19.4. De-recognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

1.19.5. Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2015.

1.20. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.20.1. Cash generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- A decision to halt the construction of the asset before it is complete or in usable condition;
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation 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 shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.20.2. Non-cash-generating assets

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

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information

- Evidence is available of physical damage of an asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an 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 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.

- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, 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 usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

- *service unit 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. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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.

An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an 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 an 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. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. 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. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.21. INVENTORIES

1.21.1. Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Water inventory is being measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.21.2. Subsequent Measurement

Inventories, consisting of consumable stores, materials and supplies and water, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

Water inventory is measured annually at the reporting date by way of dip readings.

1.22. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions). The future utilization of Unspent Conditional Grants is evaluated in order to determine whether it is treated as financial instruments.

1.22.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.22.2. Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.22.2.1. *Receivables*

Receivables are classified as financial assets at amortised cost and are subsequently measured amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss 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 expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.22.2.2. *Payables and Annuity Loans*

Financial liabilities consist of trade and other payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.22.2.3. *Cash and Cash Equivalents*

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

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

1.22.3. De-recognition

1.22.3.1. *Financial Assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality’s continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality’s continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.22.3.2. *Financial Liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.22.4. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.23. STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Receivables that arise due to contractual arrangements are accounted for in terms of the accounting policy on Financial Instruments. Statutory receivables can arise from both exchange and non-exchange transactions.

1.23.1. Initial Recognition

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition- and recognition criteria of an asset.

1.23.2. Subsequent Measurement

The Municipality initially measures the statutory receivables at their transaction amount. The Municipality measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to reflect any:

(a) interest or other charges that may have accrued on the receivable;
(b) impairment losses; and
(c) amounts derecognised.

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable 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 is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the 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 Municipality discounts the estimated future cash flows using a rate that reflects the current risk-free rate and any risks specific to the statutory receivable 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 by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

1.23.3. Derecognition

The Municipality derecognises a statutory receivable when:

(a) the rights to the cash flows from the receivable are settled, expire or are waived;
(b) the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
(c) 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 Municipality:

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

1.23.4. Transitional Provision

Every effort is made to ensure compliance with the standard, but due to the risk of omission of some items due to a lack of experience with implementing this standard, the municipality is utilising the transitional provisions contained within Directive 4 that grant the municipality a period of three years in order to finalise the classification and measurement for Statutory Receivables.

The transitional period commences from 1 June 2019 and will utilised until the period ending 30 June 2022.

1.24. REVENUE

1.24.1. Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non-exchange transactions is recognised when:

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

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition, the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, this would be considered as a subsequent event. Collection charges are recognised when such amounts are legally enforceable. Rebates and discounts are offset against the related revenue, in terms of IGRAP 1, as there is no intention of collecting this revenue.

Fine Revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e., insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

All unclaimed deposits are initially recognised as a liability until 36 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue, once approved by council. This policy is in line with prescribed debt principle as enforced by the law.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a 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 present 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 will be recognised as revenue.

Services in-kind that are significant to the Municipality's operations are recognised as assets and the related revenue when:

- it is probable that the future economic benefits or service potential will flow to the Municipality; and
- the fair value of the assets can be measured reliably.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition is satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in-kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset, because the Municipality controls the resource from which future economic benefits or service potential is expected to flow to the Municipality. The assets are immediately consumed and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality therefore recognises an expense and related revenue for the consumption of services in-kind.

1.24.2. Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

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;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods is recognised when:

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

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on an annual basis in advance by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied annually or monthly by choice of the user.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue is measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.25. TRANSFER OF FUNCTIONS (Municipality as acquirer)

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving a Municipality's objectives, either by providing economic benefits or service potential.

A transfer of functions is the reorganisation and/or the re-allocation of functions between Municipalities by transferring functions between Municipalities or into another entity.

An asset is identifiable if it either:

- is separable, i.e., is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or

- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the Municipality or from other rights and obligations.

The Municipality accounts for each transfer of functions between entities not under common control by applying the acquisition method. Applying the acquisition method requires:

(a) identifying the acquirer (Municipality);
(b) determining the acquisition date;
(c) recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
(d) recognising the difference between (c) and the consideration transferred to the seller.

As of the acquisition date, the Municipality recognises the identifiable assets acquired and the liabilities assumed. The identifiable assets acquired and liabilities assumed meets the definitions of assets and liabilities in the *Framework for the Preparation and Presentation of Financial Statements* and the recognition criteria in the applicable Standards of GRAP at the acquisition date. In addition, the identifiable assets acquired and liabilities assumed are part of what the Municipality and the acquiree (or its former owners) agreed in the binding arrangement.

The Municipality measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

The Municipality subsequently measures and account for assets acquired and liabilities assumed in accordance with other applicable Standards of GRAP.

1.26. ACCOUNTING BY PRINCIPLES AND AGENTS

A principal-agent arrangement exists where there is a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

The municipality can be either the agent or the principal in terms of the circumstances of the arrangement.

Where the municipality is considered the principal, all revenues, expenses, liabilities and assets are recorded in the records of municipality in accordance with the relevant standards of GRAP.

Where the municipality is the agent to the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or moneys due being recorded in terms of GRAP 104: Financial Instruments.

Identification

Special consideration is given to the classification of an agreement (once the standard is triggered) to carefully consider whether the municipality is an agent. The considerations include (all of) the following:

- Who determines significant terms?
- Who receives the benefit from the transactions?
- Is the municipality exposed to the variability of the outcome?

If these are not met, but the standard is applicable, the municipality would be regarded as the principal in the transaction.

1.27. SERVICE CONCESSION ARRANGEMENTS: (Municipality as grantor)

Identification

Service concession arrangements of the municipality include the provision of mandated functions on behalf of the municipality by the operator for a specified period of time, for which the operator is compensated for its services over the period of the service concession arrangement.

Initial Recognition

Service concession assets are measured initially at fair value except where the assets are existing assets of the municipality in which case the assets are reclassified at their carrying amounts. Service concession assets will be identified separately.

The service concession liability is recognised and initially measured at:
- The same amount as the service concession asset,
- Adjusted by the amount of any other consideration (e.g., cash) from the municipality to the operator, or from the operator to the municipality.

Subsequent Measurement

The municipality initially measures the service concession asset at fair value if it Is not an existing asset of the municipality.
After initial recognition, the municipality applies the measurement (including impairment) and derecognition principles to the service concession asset applicable to similar items of Property, Plant and Equipment, Intangible Assets or Heritage Assets.

Where the municipality has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the municipality accounts for the liability as a financial liability.

The municipality allocates the payments to the operator and account for them according to their substance as a reduction in the service concession liability, a finance charge, and charges for services provided by the operator.

Other Liabilities, Contingent Liabilities, Contingent Assets and Revenue

The municipality accounts for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the policy on Provisions, Contingent liabilities and contingent assets and Financial Instruments.

The municipality accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the principles of Revenue from Exchange Transactions.

Dividing the arrangement

When the municipality pays for the construction, development, acquisition, or upgrade of a service concession asset partly by incurring a financial liability and partly by the grant of a right to the operator, it accounts separately for each part of the total liability.

Recognition of the performance obligation and the right to receive a significant interest in a service concession asset

Were the municipality controls a significant residual interest in a service concession asset at the end of the service concession arrangement through ownership, beneficial entitlement or otherwise, and the arrangement does not constitute a finance or an operating lease, the municipality recognises its right to receive the residual interest (i.e. a receivable) in the service concession asset at the commencement of the arrangement. The value of the receivable at the end of the service concession arrangement, reflects the value of the service concession asset as if it were already in the age and in the condition expected at the end of the service concession arrangement.

1.28. TRANSFER OF FUNCTIONS (Municipality as acquirer)

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving a Municipality’s objectives, either by providing economic benefits or service potential.

A transfer of functions is the reorganisation and/or the re-allocation of functions between Municipalities by transferring functions between Municipalities or into another entity.

An asset is identifiable if it either:

- is separable, i.e., is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the Municipality or from other rights and obligations.

The Municipality accounts for each transfer of functions between entities not under common control by applying the acquisition method. Applying the acquisition method requires:

(a) identifying the acquirer (Municipality);
(b) determining the acquisition date;
(c) recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
(d) recognising the difference between (c) and the consideration transferred to the seller.

As of the acquisition date, the Municipality recognises the identifiable assets acquired and the liabilities assumed. The identifiable assets acquired and liabilities assumed meets the definitions of assets and liabilities in the *Framework for the Preparation and Presentation of Financial Statements* and the recognition criteria in the applicable Standards of GRAP at the acquisition date. In addition, the identifiable assets acquired and liabilities assumed are part of what the Municipality and the acquiree (or its former owners) agreed in the binding arrangement.

The Municipality measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

The Municipality subsequently measures and account for assets acquired and liabilities assumed in accordance with other applicable Standards of GRAP.

1.29. RELATED PARTIES

The Municipality resolved to adopt the disclosure requirements as per GRAP 20 – "Related Party Disclosures".

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.

The following are regarded as related parties of the Municipality:

(a) A person or a close member of that person's family is related to the Municipality if that person:

  - has control or joint control over the Municipality.
  - has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
  - is a member of the management of the Municipality or its controlling entity?

(b) An entity is related to the Municipality if any of the following conditions apply:

  - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
  - both entities are joint ventures of the same third party.

- one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
- the entity is controlled or jointly controlled by a person identified in (a).
- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

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. A person is considered to be a close member of the family of another person if they:

(a) are married or live together in a relationship similar to a marriage; or
(b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Management (formerly known as “Key Management”) includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

(a) all members of the governing body of the Municipality;
(b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
(c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
(d) the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

(a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee;
(b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm’s length and not on normal commercial terms are disclosed.

1.30. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.31. 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), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.32. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.33. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measures with sufficient reliability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

Management judgement is required when recognising and measuring contingent liabilities.

Contingent Assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the municipality.

1.34. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the carrying 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future could differ from these estimates which may be material to the annual financial statements. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

Post-retirement medical obligations and long service awards

The cost of post-retirement medical obligations and long service awards and are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 15 of the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Impairment of Statutory Receivables

The calculation in respect of the impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based on the history of recoverability of such receivables. When insufficient information is available to assess individual debtors, debtors are grouped into appropriate aggregated grouping levels. Aggregation is based on best practice. Thereafter receivables are assessed based on historic information available.

Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of Property, Plant and Equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated replacement cost method which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- Cost of items with a similar nature currently in the Municipality's asset register;
- Cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- Cost as supplied by suppliers.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuators to support the useful life of buildings.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

Provision for Landfill Sites

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the best estimate to rehabilitate the landfill site at year end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset is charged to the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates (investment rate) linked to prime was used to calculate the effect of time value of money.

Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

Provision for Performance bonuses

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

Pre-paid electricity estimation

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year end, which is still unused.

Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality. In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

The iGRAP 20 interpretation is not regarded as having an effect, as the principals of revising revenue (for e.g., incorrect tariff or appeal) is already applied by the municipality.

1.35. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.36. CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.37. EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.38. SEGMENT REPORTING

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

Management identifies reportable segments in accordance with the monthly section 71 report, which are regularly reviewed by management. Management reviews the performance on an aggregated basis of total revenue and total expenditure.

The municipality manages its assets and liability as a whole and are not reviewed on a segregated basis for each town. Segment reporting per geographical area is not deemed relevant.

The measurement basis per the monthly reports is the same as the annual financial statements.

On the first-time adoption of GRAP 18, comparative segment information is not required in terms of the transitional provisions.

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2021

	Cost/Revaluation						Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions & WIP	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
Infrastructure													
Roads & Storm Water	44,851,845	-	7,412,236	-	-	52,264,081	11,384,263	-	1,419,816	-	-	12,804,079	39,460,002
Electricity	31,547,113	-	29,311,634	-	(6,141)	60,852,606	11,446,609	-	1,068,436	-	(4,940)	12,510,105	48,342,501
Water Supply	253,383,276	-	27,173,293	-	(491,961)	280,064,607	19,424,093	-	5,869,496	-	(39,195)	25,254,394	254,810,213
Sanitation	54,921,856	-	6,521,318	-	-	61,443,175	9,190,965	-	1,320,029	-	-	10,510,994	50,932,181
Solid Waste	13,401,314	-	(3,196,039)	-	-	10,205,275	6,152,843	-	175,468	-	-	6,328,311	3,876,964
	398,105,405	-	67,222,442	-	(498,102)	464,829,744	57,598,772	-	9,853,246	-	(44,134)	67,407,883	397,421,861
Community Assets													
Community Facilities	11,561,513	-	-	-	(228,391)	11,333,122	2,214,868	-	626,080	-	(180,961)	2,659,986	8,673,135
Sport and Recreation Facilities													
Outdoor Facilities	22,280,399	-	1,451,283	-	(27,988)	23,703,694	2,248,139	-	973,584	-	(16,527)	3,205,195	20,498,499
	33,841,912	-	1,451,283	-	(256,379)	35,036,816	4,463,007	-	1,599,664	-	(197,489)	5,865,181	29,171,634
Other Assets	29,378,905												
Other Land	1,785,411	-	-	-	-	1,785,411	-	-	-	-	-	-	1,785,411
Operational Buildings	5,572,939	-	-	-	-	5,572,939	4,026,129	-	98,950	-	-	4,125,079	1,447,859
Computer Equipment	1,514,572	-	621,808	-	(90,027)	2,046,354	780,163	-	122,238	-	(70,573)	831,829	1,214,525
Furniture and Office Equipment	2,933,880	-	316,572	-	(51,651)	3,198,801	2,425,574	-	133,721	-	(47,977)	2,511,318	687,483
Machinery and Equipment	1,643,129	-	807,623		(52,088)	2,398,663	882,636	-	215,427	-	(39,630)	1,058,433	1,340,230
Transport Assets	10,447,622	-	1,626,695	-	(19,500)	12,054,817	6,667,567	-	747,588	-	(18,518)	7,396,637	4,658,180
	23,897,553	-	3,372,698	-	(213,267)	27,056,984	14,782,070	-	1,317,924	-	(176,697)	15,923,296	11,133,688
Leases													
Furniture and Office Equipment	-	-	655,863	-	-	655,863	-	-	200,403	-	-	200,403	455,461
	-	-	655,863	-	-	655,863	-	-	200,403	-	-	200,403	455,461
Total	455,844,870	-	72,702,286	-	(967,748)	527,579,408	76,843,848	-	12,971,236	-	(418,321)	89,396,763	438,182,644

2.2 30 JUNE 2020

	Cost/Revaluation						Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
Infrastructure							246,844						
Roads & Storm Water	43,354,166	382,870	1,282,786	-	(167,976)	44,851,845	9,948,312	(259,288)	1,761,022	-	(65,783)	11,384,263	33,467,582
Electricity	30,523,392	103,948	972,607	-	(52,834)	31,547,113	10,725,660	4,343	751,069	-	(34,463)	11,446,609	20,100,504
Water Supply	175,782,499	(559,374)	79,209,675	-	(1,049,524)	253,383,276	15,542,258	(129,051)	4,615,700	-	(604,815)	19,424,093	233,959,183
Sanitation	53,932,789	319,401	703,037	-	(33,370)	54,921,856	8,011,080	(82,365)	1,282,703	-	(20,453)	9,190,965	45,730,892
Solid Waste	15,796,774	-	(2,394,970)	-	(489)	13,401,314	5,552,941	(30)	600,420	-	(489)	6,152,843	7,248,472
	319,389,620	246,844	79,773,135	-	(1,304,194)	398,105,405	49,780,251	(466,389)	9,010,913	-	(726,003)	57,598,772	340,506,633
Community Assets													
Community Facilities	11,574,044	-	-	-	(12,531)	11,561,513	1,558,991	-	664,498	-	(8,621)	2,214,868	9,346,645
Sport and Recreation Facilities													
Outdoor Facilities	11,939,173	-	10,774,500	-	(433,274)	22,280,399	1,813,250	-	802,549	-	(367,660)	2,248,139	20,032,260
	23,513,216	-	10,774,500	-	(445,805)	33,841,912	3,372,241	-	1,467,047	-	(376,281)	4,463,007	29,378,905
Other Assets													
Other Land	1,785,411	-	-	-	-	1,785,411	-	-	-	-	-	-	1,785,411
Operational Buildings	5,572,939	-	-	-	-	5,572,939	3,926,907	-	99,222	-	-	4,026,129	1,546,809
Computer Equipment	1,088,021	25,619	410,984	-	(10,051)	1,514,572	667,520	738	120,220	-	(8,314)	780,163	734,409
Furniture and Office Equipment	2,929,868	9,146	23,854	-	(28,988)	2,933,880	2,291,033	2,798	158,465	-	(26,721)	2,425,574	508,306
Machinery and Equipment	1,409,192	81,057	168,615	-	(15,736)	1,643,129	735,526	8,671	151,321	-	(12,883)	882,636	760,493
Transport Assets	9,204,009	-	1,243,613	-	-	10,447,622	6,047,700	-	616,001	-	3,867	6,667,567	3,780,055
	21,989,440	115,822	1,847,066	-	(54,776)	23,897,553	13,668,685	12,207	1,145,230	-	(44,052)	14,782,070	9,115,483
Leases													
Furniture and Office Equipment	465,508	-	-	-	(465,508)	-	290,701	-	174,807	-	(465,508)	-	-
	465,508	-	-	-	(465,508)	-	290,701	-	174,807	-	(465,508)	-	-
Total	365,357,785	362,667	92,394,701	-	(2,270,283)	455,844,870	67,111,878	(454,183)	11,797,997	-	(1,611,844)	76,843,848	379,001,021

		2021 R	2020 R
2.3	**Property, Plant and Equipment which is in the process of being constructed or developed:**		
	Infrastructure Assets	16,389,942	103,630,323
	Roads	4,757,829	182,037
	Electricity	4,775,187	213,313
	Water Supply	4,333,523	103,234,973
	Sanitation	2,523,403	
	Community Assets	-	7,073,749
	Other Assets	329,500	329,500
	Total Property, Plant and Equipment under construction	**16,719,442**	**111,033,572**

The movements for the year can be reconciled as follows:

	2021	2020
Balance at beginning of year	111,033,572	30,217,339
Expenditure during the year	69,601,288	88,776,938
Donated Assets	2,900,088	4,495,167
Assets unbundled during the year	(166,815,506)	(12,455,872)
Balance at end of year	**16,719,442**	**111,033,572**

2.4 There are no Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected.

2.5 There are no Property, Plant and Equipment where construction or development has been halted.

2.6 Expenditure incurred to repair and maintain Property, Plant and Equipment:

	2021	2020
Other materials	1,218,298	1,894,502
Previously reported	-	63,423
Correction of balance previously reported	-	1,831,079
Contracted Services	8,455,690	8,304,594
Previously reported	-	4,711,480
Correction of balance previously reported	-	3,593,114
Other Expenditure	11,170	37,538
Previously reported	-	5,875,417
Correction of balance previously reported	-	(5,837,879)
Total Repairs and Maintenance	**9,685,158**	**10,236,634**

2.7 Assets pledged as security:

Leased Property, Plant and Equipment of R 455,461 (2020: R 0) is secured for leases as set out in Note 13.

2.8 Details of Valuation

The effective date of the revaluations was 1 July 2019. Revaluations were performed by an independent valuers, HCB Property Valuations, HC Botha and P le Roux . The valuers are not connected to the municipality. Land and Buildings are revalued independently every 5 years.

The following methods and significant assumptions were used:

Residential, Vacant and Agricultural properties - Comparable Sales

An appraisal method that compares a piece of property to other properties with similar characteristics that have been sold recently. The sales comparison approach takes into account the effect that individual features have on the overall property value, meaning that the total value of the property is a sum of values of all its features.

Commercial/Industrial - Capitalization of Income Approach

Is applicable to income producing properties and is not practical in the appraisal of properties for which a rental market or a rental value cannot be identified. This method is based on the principle of anticipation and a process of capitalization is used to convert an income projection into present capital indication.

Reconciliation of Revaluation Surplus:

	2021	2020
Opening balance	2,551,323	2,692,664
Movement for the period	-	(141,341)
Closing balance	2,551,323	2,551,323

		2021 R	2020 R
2.9	**Contractual commitments for acquisition of Property, Plant and Equipment:**		
	Approved and contracted for:	7,954,408	69,234,970
	Infrastructure	7,954,408	63,210,936
	Community	-	6,024,034
	Total	**7,954,408**	**69,234,970**
	This expenditure will be financed from:		
	Government Grants	7,954,408	69,234,970
	Total	**7,954,408**	**69,234,970**

Contractual commitments are disclosed inclusive of VAT.

2.10 Properties held for strategic purposes:

Properties are classified as held for strategic purposes when the Municipality has not made a firm decision on the use of the property, but the property is likely to be used to fulfil its mandate. The only properties currently held for strategic purposes are vacant land which is included in Other Land.

2.11 Contributed Property, Plant and Equipment:

The Municipality received donated assets amounting to R2,900 088 (2020: R4,495,167) during the financial year. Cost of the donated assets was confirmed with invoices from the donor. The donated assets are included in Property, Plant and Equipment additions per asset class in Note 2.1 and are classified as follows:

	2021	2020
Electricity Infrastructure	171,358	91,380
Sanitation Infrastructure	-	703,037
Roads and Storm Water Infrastructure	2,654,407	-
Machinery and Equipment	74,322	-
Community Assets - Sports and Recreational Facilities - Outdoor Facilities	-	3,700,750
Total	**2,900,088**	**4,495,167**

3. AGRICULTURAL

3.1 Biological Assets that from part on an agricultural activity:

Consumable Biological Asset	**Quantity (Units)**	**Fair Value**	**2021 R**	**2020 R**
Springbuck	30	450	13,500	13,500
Total Consumable Biological Assets		450	13,500	13,500
Total Biological Assets		**450**	**13,500**	**13,500**

Fair value of biological assets is based on selling prices less costs to sell in an open market.

3.2 Reconciliation of changes in the carrying amount of biological assets:

	2021	2020
Balance beginning of year	13,500	13,500
Additions	-	-
Disposals	-	-
Transfers	-	-
Other changes	-	-
Balance end of year	**13,500**	**13,500**

No title or other restrictions are placed on biological assets.

No biological assets were pledged as security for liabilities.

There are no commitments for the development or acquisition of biological assets.

All biological assets are located in the Akkerdam Nature Reserve. The primary activities around biological assets are as follows:

- Ensure that the game life of the municipal area are conserved for future generations.
- Ensure that game numbers are managed adequately. When the need arises to reduce the game number, prospective hunters are invited to submit tenders for the purchase game, resulting in an inflow of resources to the municipality.

Due to the unwillingness of insurance companies to carry the risk and potential losses relating to biological assets, the financial risk is managed as follows:
- Regular inspection and maintenance of boundary fences to manage movement of biological assets.
- Regular monitoring of game quantities by municipal staff.

All biological assets are considered to be consumable biological assets in term of GRAP 27.

		2021 R	2020 R
4.	**INVESTMENT PROPERTY**		
4.1	**Net Carrying amount at 1 July**	**36,033,000**	**36,033,000**
	Fair Value	36,033,000	36,033,000
	Gains arising from changes in fair value	1,648,441	-
	Net Carrying amount at 30 June	**37,681,441**	**36,033,000**
	Fair Value	37,681,441	36,033,000
4.2	**Revenue from Investment Property**		
	Revenue derived from the rental of Investment Property	139,242	137,146

There are no Investment Property which is in the process of being constructed or developed.

There are no Investment Property that is taking a significantly longer period of time to complete than expected.

There are no Investment Property where construction or development has been halted.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Fair value of Investment Properties was determined on 30 June 2021 by taking current property sales and current market conditions into consideration. Valuations were performed by independent valuers, HCB Property Valuations. The fair value of properties not located in the Municipal demarcation is confirmed with the external values contained in the latest published valuation roll for the specific area.

The following methods and significant assumptions were used:

Residential, Vacant and Agricultural properties - Comparable Sales

An appraisal method that compares a piece of property to other properties with similar characteristics that have been sold recently. The sales comparison approach takes into account the effect that individual features have on the overall property value, meaning that the total value of the property is a sum of values of all its features.

Commercial/Industrial - Capitalization of Income Approach

Is applicable to income producing properties and is not practical in the appraisal of properties for which a rental market or a rental value cannot be identified. This method is based on the principle of anticipation and a process of capitalization is used to convert an income projection into present capital indication.

		2021 R	2020 R
5.	**INTANGIBLE ASSETS**		
5.1	**Net Carrying amount at 1 July**	**663,065**	**629,491**
	Cost	672,741	631,505
	Accumulated Amortisation	(9,676)	(2,014)
	Additions	21,294	41,236
	Amortisation	(10,816)	(7,662)
	Net Carrying amount at 30 June	**673,543**	**663,065**
	Cost	694,035	672,741
	Accumulated Amortisation	(20,492)	(9,676)
5.2	**Intangible Assets which is in the process of being constructed or developed:**		
	Servitudes	575,194	575,194
	Total	**575,194**	**575,194**

There are no Intangible Assets that is taking a significantly longer period of time to complete than expected.
Loeriesfontein Servitude is still in progress and finalisation is pending.

There are no Intangible Assets where construction or development has been halted.

No intangible asset were assed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There age no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

6. HERITAGE ASSETS

		2021 R	2020 R
6.1	**Net Carrying amount at 1 July**	**1,618,055**	**1,618,055**
	Cost	1,618,055	1,618,055
	Net Carrying amount at 30 June	**1,618,055**	**1,618,055**
	Cost	1,618,055	1,618,055
	Calvinia Museum	1,300,000	1,300,000
	Loeriesfontein Museum Erven 355	282,500	282,500
	Kerkstraat Erven 301 & 302	10,000	10,000
	Akkerendam Nature Reserve	25,556	25,556
		1,618,056	1,618,056

There are no Heritage Assets which is in the process of being constructed or developed.

There are no Heritage Assets that is taking a significantly longer period of time to complete than expected.

There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities

There are no Heritage Assets that are used by the municipality for more than one purpose.

There was no expenditure incurred for repairs and maintenace of Heritage Assets.

7. NON-CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2021 R	2020 R
Receivables with repay arrangements - At amortised cost	100,190	10,338
Electricity	2,137	-
Water	30,851	1,603
Waste Management	20,617	1,495
Waste Water Management	18,136	1,304
Other Service Charges	28,450	5,936
Less: Current portion transferred to Receivables from Exchange Transactions	(47,245)	(7,413)
Total Non-Current Receivables from Exchange Transactions	**52,945**	**2,925**

8. NON-CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2021 R	2020 R
Rates	21,102	9,835
Less: Current portion transferred to Receivables from Non-Exchange Transactions	(10,487)	(6,749)
Total Non-Current Receivables from Non-Exchange Transactions	**10,615**	**3,086**

9. INVENTORY

	2021 R	2020 R
Water	104,627	50,048
Total Inventory	**104,627**	**50,048**

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

9.1 Inventories recognise as an expense during the year:

	2021 R	2020 R
Materials and Supplies	1,084,813	1,752,335
Total	**1,084,813**	**1,752,335**

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2021 R	2020 R
Electricity	7,560,303	6,419,395
Previously reported	-	7,481,816
Correction of Error - Note 43.2	-	(1,062,421)
Water	6,841,155	7,174,930
Previously reported	-	7,731,843
Correction of Error - Note 43.2	-	(556,913)
Waste Management	12,071,245	10,657,973
Previously reported	-	10,701,168
Correction of Error - Note 43.2 (Internal Charges)	-	(43,194)
Waste Water Management	7,497,965	6,731,996
Previously reported	-	6,745,599
Correction of Error - Note 43.2 (Internal Charges)	-	(13,603)
Other Arrears	3,670,580	3,540,879
Interest	2,054,268	1,826,991
Other	1,616,312	1,713,934
Correction of Error - Note 43.2 (Internal Charges)	-	(47)
Total: Receivables from exchange transactions (before provision)	**37,641,248**	**34,525,173**
Less: Provision for Debt Impairment	(31,064,131)	(28,835,054)
Total: Receivables from exchange transactions (after provision)	**6,577,117**	**5,690,119**

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition. The fair value of receivables approximate their carrying value.

Debtors with a total outstanding balance of R100,190 (2020: R10,338) have arranged to settle their account over an re-negotiated period. Total payments to the value of R52,945 (2020: R2,925) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

(Electricity): Ageing

	2021 R	2020 R
Current (0 - 30 days)	1,994,380	2,766,543
31 - 60 Days	379,802	398,304
61 - 90 Days	309,531	336,619
+ 90 Days	4,876,590	2,917,929
Total	**7,560,303**	**6,419,395**

(Water): Ageing

	2021 R	2020 R
Current (0 - 30 days)	621,998	1,601,258
31 - 60 Days	312,818	358,002
61 - 90 Days	398,525	380,427
+ 90 Days	5,507,813	4,835,243
Total	**6,841,155**	**7,174,930**

(Waste Management): Ageing

	2021 R	2020 R
Current (0 - 30 days)	812,453	793,375
31 - 60 Days	296,008	300,659
61 - 90 Days	275,939	276,945
+ 90 Days	10,686,846	9,286,995
Total	**12,071,245**	**10,657,973**

(Waste Water Management): Ageing

	2021 R	2020 R
Current (0 - 30 days)	715,620	680,421
31 - 60 Days	255,939	251,347
61 - 90 Days	221,970	225,699
+ 90 Days	6,304,436	5,574,530
Total	**7,497,965**	**6,731,996**

(Other): Ageing

	2021 R	2020 R
Current (0 - 30 days)	226,686	226,983
31 - 60 Days	105,762	98,300
61 - 90 Days	91,639	84,907
+ 90 Days	3,246,493	3,130,689
Total	**3,670,580**	**3,540,879**

(Total): Ageing

	2021 R	2020 R
Current (0 - 30 days)	4,371,136	6,068,578
31 - 60 Days	1,350,329	1,406,612
61 - 90 Days	1,297,604	1,304,597
+ 90 Days	30,622,178	25,745,386
Total	**37,641,248**	**34,525,173**

	2021 R	2020 R
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	28,835,054	25,384,641
Previously reported	-	25,684,611
Correction of Error - Note 43.2 (Internal Charges)	-	(299,970)
Contribution to provision	1,938,328	2,979,007
Previously reported	-	6,205,410
Correction of Error - Note 43.2 (Internal Charges)	-	(163,699)
Correction of Error - Note 43.2 (Impairment calculation)	-	(3,062,704)
VAT on provision	290,749	471,406
Previously reported	-	933,486
Correction of Error - Note 43.2 (Impairment calculation)	-	(462,080)
Reversal of provision	-	-
Balance at end of year	**31,064,131**	**28,835,054**

The total amount of this provision is R31,064,131 (2020: R28,835,054) and consists of:

	2021 R	2020 R
Services	31,064,131	28,835,054
Other Debtors	-	-
Total Provision for Debt Impairment on Receivables from exchange transactions	**31,064,131**	**28,835,054**
Ageing of amounts past due but not impaired:		
1 month past due	-	-
2+ months past due	-	-
	-	**-**

11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2021 R	2020 R
Taxes - Rates	19,785,354	15,962,635
Previously reported	-	16,057,133
Correction of Error - Note 43.3	-	(94,498)
Availability Charges	10,498,136	9,163,195
Previously reported	-	9,180,469
Correction of Error - Note 43.3	-	(17,274)
Other Receivables	1,058,883	1,210,007
	31,342,373	26,335,836
Less: Provision for Debt Impairment	(24,643,701)	(21,707,689)
Total Receivables from non-exchange transactions	**6,698,672**	**4,628,147**

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition. The fair value of other receivables approximate their carrying value.

Debtors with a total outstanding balance of R21,102 (2020: R9,835) have arranged to settle their account over an re-negotiated period. Total payments to the value of R10,615 (2020: R3,086) have been deferred beyond 12 months after year end and subsequently included as part of long term debtors.

	2021 R	2020 R
(Availability Charges): Ageing		
Current (0 - 30 days)	646,140	631,666
31 - 60 Days	243,894	240,949
61 - 90 Days	228,701	221,345
+ 90 Days	9,379,401	8,069,235
Total	**10,498,136**	**9,163,195**
(Rates): Ageing		
Current (0 - 30 days)	1,278,338	1,214,924
31 - 60 Days	389,422	373,838
61 - 90 Days	353,306	363,551
+ 90 Days	17,764,288	14,010,322
Total	**19,785,354**	**15,962,635**

Summary of Debtors (Rates) by Customer Classification

30 June 2021	Residential	Industrial/ Commercial	National and Provincial Government
Current (0 - 30 days)	1,071,088	175,251	31,999
31 - 60 Days	348,738	35,333	5,352
61 - 90 Days	316,362	31,636	5,308
+ 90 Days	15,326,034	979,146	1,459,108
Sub-total	17,062,222	1,221,366	1,501,767
Less: Provision for Debt Impairment	(12,436,716)	(890,258)	(1,094,643)
Total debtors by customer classification	**4,625,506**	**331,108**	**407,123**

Summary of Debtors (Rates) by Customer Classification

30 June 2020	Residential	Industrial/ Commercial	National and Provincial Government
Current (0 - 30 days)	918,858	190,008	109,341
31 - 60 Days	292,728	33,114	48,006
61 - 90 Days	281,861	31,450	50,252
+ 90 Days	10,836,258	929,402	2,241,357
Sub-total	12,329,705	1,183,974	2,448,956
Less: Provision for Debt Impairment	(9,982,112)	(901,400)	(1,939,917)
Total debtors by customer classification	**2,347,593**	**282,574**	**509,039**

Reconciliation of Provision for Debt Impairment	2021 R	2020 R
Balance at beginning of year	21,707,689	19,354,922
Previously reported	-	18,618,740
Correction of Error - Note 43.3 (Internal Charges)	-	736,182
Contribution to provision	2,753,322	2,164,497
Previously reported	-	5,290,073
Correction of Error - Note 43.3 (Internal Charges)	-	(513,637)
Correction of Error - Note 43.3 (Impairment calculation)	-	(2,611,940)
VAT on provision	182,690	188,270
Balance at end of year	**24,643,701**	**21,707,689**

The total amount of this provision is R 24,643,701 (2020: R 21,707,689) and consists of:

	2021 R	2020 R
Taxes	14,421,617	12,823,429
Availability Charges	10,222,084	8,884,260
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	**24,643,701**	**21,707,689**

Ageing of amounts past due but not impaired:	2021 R	2020 R
1 month past due	389,422	373,838
2+ months past due	3,695,977	1,550,444
	4,085,399	**1,924,282**

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

12. BANK ACCOUNTS

12.1 Cash and Cash Equivalents

	2021 R	2020 R
Current Accounts	3,131,227	24,965
Call Deposits and Investments	6,099,789	1,150,467
Cash On-hand	1,500	1,500
Total Cash and Cash Equivalents - Assets	**9,232,516**	**1,176,933**

12.2 Liabilities

	2021 R	2020 R
Current Accounts	-	(186,161)
Total Cash and Cash Equivalents - Liabilities	**-**	**(186,161)**

The municipality has the following bank accounts:

Current Accounts

Standard Bank - Account No. 08 298 352 6 (Primary Bank Account):	240,460	(186,161)
ABSA Bank - Account No. 1620 000 031 (Secondary Bank Account):	2,716,225	18,338
Standard Bank - Account No. 08 299 664 4 (Account - opened in accordance with MFMA Section 12):	174,541	6,627
	3,131,227	**(161,196)**

Call Deposits and Investments

Call Deposit CRR - Standard Bank Account No. 088673669021:	32,505	34,105
Financial Management Grant - Standard Bank Account No. 088673669024:	6,007	14,280
Municipal Systems Improvement Grant - Standard Bank Account No. 088673669023:	3,005,998	3,709
Hantam DBSA - Standard Bank Account No. 088673669025:	357,022	26,217
Municipal Infrastructure Grant - Standard Bank Account No. 088673669022:	2,510,634	5,001
Hantam Surplus Cash - Standard Bank Account No. 088673669026:	24,900	1,063,902
Hantam EPWP - Standard Bank Account No. 088673669027:	1,166	1,160
Hantam INEP - Standard Bank Account No. 088673669028:	161,556	2,093
	6,099,789	**1,150,467**

	2021 **R**	**2020** **R**
Details of current accounts are as follow:		
Standard Bank - Account No. 08 298 352 6 (Primary Bank Account):		
Cash book balance at beginning of year	(186,161)	(5,056,864)
Cash book balance at end of year	240,460	(186,161)
Bank statement balance at beginning of year	119,779	317,071
Bank statement balance at end of year	216,119	119,779
ABSA Bank - Account No. 1620 000 031 (Secondary Bank Account):		
Cash book balance at beginning of year	18,338	30,435
Cash book balance at end of year	2,716,225	18,338
Bank statement balance at beginning of year	216,681	77,468
Bank statement balance at end of year	2,744,162	216,681
Standard Bank - Account No. 08 299 664 4 (Account - opened in accordance with MFMA Section 12):		
Cash book balance at beginning of year	6,627	87,425
Cash book balance at end of year	174,541	6,627
Bank statement balance at beginning of year	6,627	87,425
Bank statement balance at end of year	174,541	6,627
Details of call investment accounts are as follow:		
Call Deposit CRR - Standard Bank Account No. 088673669021:		
Cash book balance at beginning of year	34,105	207,151
Cash book balance at end of year	32,505	34,105
Bank statement balance at beginning of year	34,105	207,151
Bank statement balance at end of year	32,505	34,105
Financial Management Grant - Standard Bank Account No. 088673669024:		
Cash book balance at beginning of year	14,280	4,169
Cash book balance at end of year	6,007	14,280
Bank statement balance at beginning of year	14,280	4,169
Bank statement balance at end of year	6,007	14,280
Cash book balance at beginning of year	3,709	3,647
Cash book balance at end of year	3,005,998	3,709
Bank statement balance at beginning of year	3,709	3,647
Bank statement balance at end of year	3,005,998	3,709
Hantam DBSA - Standard Bank Account No. 088673669025:		
Cash book balance at beginning of year	26,217	25,673
Cash book balance at end of year	357,022	26,217
Bank statement balance at beginning of year	26,217	25,673
Bank statement balance at end of year	357,022	26,217
Municipal Infrastructure Grant - Standard Bank Account No. 088673669022:		
Cash book balance at beginning of year	5,001	2,081,118
Cash book balance at end of year	2,510,634	5,001
Bank statement balance at beginning of year	5,001	2,081,118
Bank statement balance at end of year	2,510,634	5,001

Hantam Surplus Cash - Standard Bank Account No. 088673669026:		
Cash book balance at beginning of year	1,063,902	5,762
Cash book balance at end of year	24,900	1,063,902
Bank statement balance at beginning of year	1,063,902	5,762
Bank statement balance at end of year	24,900	1,063,902
Hantam EPWP - Standard Bank Account No. 088673669027:		
Cash book balance at beginning of year	1,160	1,140
Cash book balance at end of year	1,166	1,160
Bank statement balance at beginning of year	1,160	1,140
Bank statement balance at end of year	1,166	1,160
Hantam INEP - Standard Bank Account No. 088673669028:		
Cash book balance at beginning of year	2,093	6,042
Cash book balance at end of year	161,556	2,093
Bank statement balance at beginning of year	2,093	6,042
Bank statement balance at end of year	161,556	2,093

13. LONG-TERM BORROWINGS

	2021 R	2020 R
Capitalised Lease Liability - At amortised cost	484,916	-
	484,916	**-**
Less: Current Portion of Long-term Borrowings	(214,449)	-
Capitalised Lease Liability - At amortised cost	(214,449)	-
	270,468	**-**
Total Long-term Borrowings	**270,468**	**-**

13.1 The obligations under finance leases are scheduled below:

	Minimum payments	
Amounts payable under finance leases:		
Payable within one year	271,565	-
Payable within two to five years	294,196	-
	565,761	-
Less: Future finance obligations	(80,844)	-
Present value of finance lease obligations	**484,916**	**-**

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
CJJ Business Solutions (ta Nashua)	Copiers/Printers	15%	0%	3 Years	7/31/2023

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Finance Leases are secured by property, plant and equipment - Note 2

14. NON-CURRENT PROVISIONS

	2021 R	2020 R
Provision for Rehabilitation of Landfill-sites	16,792,673	19,117,155
Total Non-current Provisions	**16,792,673**	**19,117,155**

14.1 ***Landfill Sites***

Balance 1 July	19,117,155	19,890,079
Contribution for the year	1,777,790	1,622,046
Change in Provision for Rehabilitation Cost	(4,102,271)	(2,394,970)
Total provision 30 June	**16,792,673**	**19,117,155**
Less: Transfer of Current Portion to Current Provisions	-	-
Balance 30 June	**16,792,673**	**19,117,155**

	Brandvlei	Calvinia	Loeriesfontein	Nieuwoudtville
Rehabilitation volume (m³)	31,069	33,017	7,153	3,791
Preliminary and general (Rand)	1,539,396	1,822,227	432,451	270,918
Site Clearance and Preparation	36,351	38,630	8,369	4,435
Storm water control measures (Rand)	1,476,691	1,490,130	671,727	527,839
Capping (Rand)	7,415,503	7,761,032	1,712,911	908,256
Leachate Management (Rand)	532,665	547,214	256,229	214,660
Fencing (Rand)	11,999	1,376,699	11,999	11,999
Environmental Authorisation Closing License (Rand)	445,500	445,500	445,500	445,500
Technical ROD (Rand)	195,000	195,000	195,000	195,000
Install Groundwater Monitoring Boreholes with locable caps (Rand)	224,356	175,700	184,084	190,547
Landscape Architects (Rand)	132,997	137,570	135,108	134,239
Water use licence (Rand)	35,000	35,000	35,000	35,000
Topographical Survey (Rand)	7,457	7,924	6,750	6,750
Contingencies (Rand)	1,101,261	1,303,593	309,369	193,811
Engineering: Professional Fees (Rand)	1,272,921	1,506,615	417,887	265,350
Site Supervision (Engineer's Representative) (Rand)	351,041	400,997	201,157	141,141
Site Supervision (Environmental Control Officer & OHS Agent) (Rand)	103,581	178,731	128,775	100,163

The municipality has an obligation to rehabilitate landfill sites at the end of the expected usefull life of the asset. The estimate cost and date of decommission of the sites are as follows:

Location	Estimated decommission date	Post-closure monitoring period	2021 R	2020 R
Brandvlei	2051	None	64,686,475	35,507,168
Calvinia	2034	2040 - 2069	33,432,515	21,671,637
Loeriesfontein	2046	None	17,530,844	11,193,768
Nieuwoudtville	2035	None	7,237,327	6,429,570
			122,887,161	**74,802,143**

Post closure monitoring of landfill sites are applicable only to the Calvinia landfill in terms of the permit requirements of Hantam Municipality. Post closure monitoring is required for a period not exeeding 30 years and is expected to commence in 2040.

15. NON-CURRENT EMPLOYEE BENEFITS

	2021	2020
Provision for Post Retirement Health Care Benefits	14,508,000	13,072,000
Provision for Long Service Awards	1,847,000	2,000,000
Total Non-current Employee Benefits	**16,355,000**	**15,072,000**

Post Retirement Health Care Benefits

	2021	2020
Balance 1 July	14,028,000	15,487,103
Contribution for the year	1,515,000	1,600,943
Expenditure for the year	(1,147,977)	(831,680)
Actuarial Loss/(Gain)	1,146,977	(2,228,366)
Total provision 30 June	**15,542,000**	**14,028,000**
Less: Transfer of Current Portion to Current Provisions - Note 17	(1,034,000)	(956,000)
Balance 30 June	**14,508,000**	**13,072,000**

Long Service Awards

	2021	2020
Balance 1 July	2,160,000	2,098,043
Contribution for the year	354,000	356,822
Expenditure for the year	(48,528)	(96,498)
Actuarial Gain	(209,472)	(198,367)
Total provision 30 June	**2,256,000**	**2,160,000**
Less: Transfer of Current Portion to Current Provisions - Note 17	(409,000)	(160,000)
Balance 30 June	**1,847,000**	**2,000,000**

15.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	23	25
In-service (employee) non-members	94	-
Continuation members (e.g. Retirees, widows, orphans)	15	14
Total Members	**132**	**39**

The liability in respect of past service has been estimated to be as follows:

	2021 R	2020 R
In-service members	3,463,000	3,896,000
In-service non-members	306,000	-
Continuation members	11,773,000	10,132,000
Total Liability	**15,542,000**	**14,028,000**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2019 R	2018 R	2017 R
In-service members	4,073,242	5,291,229	5,362,866
In-service non-members	-	-	-
Continuation members	11,413,861	10,353,572	6,965,071
Total Liability	15,487,103	15,644,801	12,327,937

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas
Hosmed
LA Health
Key Health, and
SAMWU Medical Aid

The Current-service Cost for the ensuing year is estimated to be R220 000, whereas the Interest Cost for the next year is estimated to be R1 448 000.

Key actuarial assumptions used:	2021 %	2020 %
i) Rate of interest		
Discount rate	9.63%	9.75%
Health Care Cost Inflation Rate	6.52%	5.90%
Net Effective Discount Rate	2.92%	3.64%

ii) Mortality rates

The PA(90) ultimate table, adjusted down by one year of age, and a 1% annual compound mortality improvement from 2010 was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 65 years.

iv) Expected rate of salary increases

2020/2021 - CPI + 1,25%

The three-year Salary and Wage Collective Agreement ends on 30 June 2022.

	2021 R	2020 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	15,542,000	14,028,000
Fair value of plan assets	-	-
	15,542,000	14,028,000
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	**15,542,000**	**14,028,000**
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	14,028,000	15,487,103
Total expenses	367,023	769,263
Current service cost	193,000	228,221
Interest Cost	1,322,000	1,372,722
Benefits Paid	(1,147,977)	(831,680)
Actuarial (gains)/losses	1,146,977	(2,228,366)
Present value of fund obligation at the end of the year	15,542,000	14,028,000
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	-	-

Sensitivity Analysis on the Accrued Liability on 30 June 2021

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Central Assumptions	3.769	11.773	15.542

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation	+1%	4.559	12.891	17.450	12%
Health care inflation	-1%	3.142	10.801	13.943	-10%
Post-employment mortality	+1 yr	3.666	11.352	15.018	-3%
Post-employment mortality	-1 yr	3.873	12.197	16.070	3%
Average retirement age	-1 yr	4.139	11.773	15.912	2%
Withdrawal Rate	-10%	3.289	11.773	15.062	-3%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2022

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	220,000	1,448,000	1,668,000

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	+1%	273,000	1,632,000	1,905,000	14%
Health care inflation	-1%	178,000	1,294,000	1,472,000	-12%
Post-retirement mortality	+1 yr	214,000	1,398,000	1,612,000	-3%
Post-retirement mortality	-1 yr	226,000	1,499,000	1,725,000	3%
Average retirement age	-1 yr	235,000	1,484,000	1,719,000	3%
Withdrawal Rate	-10%	192,000	1,402,000	1,594,000	-4%

	2021 Rm	2020 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(0.320)	0.046
Assets: Gain / (loss)	–	–

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2019 Rm	2018 Rm	2017 Rm
Liabilities: (Gain) / loss	(0.464)	(0.297)	1.118
Assets: Gain / (loss)	–	-	–

Impact on COVID-19

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this stage. There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effect treatments and/or vaccines will have.

Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

	2021 R	2020 R

15.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 117 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R196 000 whereas the Interest Cost for the next year is estimated to be R183 000.

Key actuarial assumptions used:	2021 %	2020 %
i) Rate of interest		
Discount rate	8.89%	7.17%
General Salary Inflation (long-term)	5.77%	3.86%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.95%	3.19%

The amounts recognised in the Statement of Financial Position are as follows:	2021 R	2020 R
Present value of fund obligations	2,256,000	2,160,000
Fair value of plan assets	-	-
	2,256,000	2,160,000
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	**2,256,000**	**2,160,000**

Reconciliation of present value of fund obligation:

	2021 R	2020 R
Present value of fund obligation at the beginning of the year	2,160,000	2,098,043
Total expenses	305,472	260,324
Current service cost	205,000	198,525
Interest Cost	149,000	158,297
Benefits Paid	(48,528)	(96,498)
Actuarial (gains)/losses	(209,472)	(198,367)
Present value of fund obligation at the end of the year	**2,256,000**	**2,160,000**

Sensitivity Analysis on the Accrued Liability on 30 June 2021

Assumption	Change	Liability (Rm)	% change
Central assumptions		2.256	
General salary inflation	+1%	2.372	5%
General salary inflation	-1%	2.148	-5%
Average retirement age	+2 yrs	2.422	7%
Average retirement age	-2 yrs	2.019	-11%
Withdrawal rates	x2	1.913	-15%
Withdrawal rates	x0,5	2.486	10%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2022

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	196,000	183,000	379,000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
General earnings inflation rate	+1%	211,000	193,000	404,000	7%
General earnings inflation rate	-1%	184,000	173,000	357,000	-6%
Discount rate	+1%	185,000	192,000	377,000	-1%
Discount rate	-1%	209,000	172,000	381,000	1%
Average retirement age	+2 yrs	211,000	198,000	409,000	8%
Average retirement age	-2 yrs	178,000	162,000	340,000	-10%
Withdrawal Rate	x2	149,000	152,000	301,000	-21%
Withdrawal Rate	x0,5	231,000	203,000	434,000	15%

Experience adjustments were calculated as follows:	2021 Rm	2020 Rm
Liabilities: (Gain) / loss	(0.221)	(0.112)
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2019 Rm	2018 Rm	2017 Rm
Liabilities: (Gain) / loss	0.102	0.132	0.230
Assets: Gain / (loss)	-	-	-

Impact of COVID-19

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this stage. There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effect treatments and/or vaccines will have.

Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

		2021 R	2020 R
15.3	**Retirement funds**		

DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

	2021 R	2020 R
Consolidated Retirement Fund	3,469,365	3,293,480
Municipal Workers Retirement Fund	676,303	651,539
	4,145,668	3,945,019

16. CONSUMER DEPOSITS

	2021 R	2020 R
Electricity	1,099,888	1,007,549
Rental Properties	88,109	88,012
Total Consumer Deposits	**1,187,997**	**1,095,561**

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

17. CURRENT EMPLOYEE BENEFITS

	2021 R	2020 R
Performance Bonuses	431,665	431,030
Staff Bonuses	1,119,152	1,211,416
Staff Leave	2,625,759	2,573,010
Current Portion of Non-Current Provisions	1,443,000	1,116,000
Current Portion of Post Retirement Benefits - Note 15	1,034,000	956,000
Current Portion of Long-Service Provisions - Note 15	409,000	160,000
Total Current Employee Benefits	**5,619,577**	**5,331,456**

The movement in current provisions are reconciled as follows:

17.1 *Performance Bonuses*

	2021 R	2020 R
Balance at beginning of year	431,030	381,377
Contribution to current portion	396,854	431,665
Expenditure incurred	(396,219)	(382,012)
Balance at end of year	**431,665**	**431,030**

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

17.2 *Staff Bonuses*

	2021 R	2020 R
Balance at beginning of year	1,211,416	1,116,454
Contribution to current portion	1,926,800	1,981,411
Expenditure incurred	(2,019,063)	(1,886,449)
Balance at end of year	**1,119,152**	**1,211,416**

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

17.3 *Staff Leave*

	2021 R	2020 R
Balance at beginning of year	2,573,010	2,065,808
Contribution to current portion	368,897	697,366
Expenditure incurred	(316,148)	(190,164)
Balance at end of year	**2,625,759**	**2,573,010**

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

18. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	11,002,593	14,394,009
Previously reported	-	14,568,014
Correction of Error 2019/2020 - Note 43.4	-	(174,005)
Advance Payments	1,025,530	1,006,780
Department of Transport	18,375,633	17,243,923
Other Payables	3,863,547	5,940,322
Previously reported	-	4,982,351
Correction of Error Prior to 1 July 2019 - Note 43.4	-	120,000
Correction of Error 2019/2020 - Note 43.4	-	837,971
Retentions	8,439,244	9,665,481
Total Trade Payables	**42,706,546**	**48,250,515**

Disclosed as:

Trade and Other Payables	24,330,914	31,006,592
Non-Current Trade and Other Payables	18,375,633	17,243,923
Total Trade Payables	**42,706,546**	**48,250,515**

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

19. UNSPENT TRANSFERS AND SUBSIDIES

	2021 R	2020 R
Unspent Transfers and Subsidies	2,426,272	-
National Government Grants	2,426,272	-
Total Unspent Transfers and Subsidies	**2,426,272**	**-**

See appendix "D" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

20. TAXES

20.1	VAT Payable	-	-
	VAT Output in Suspense	(4,182,190)	(3,865,921)
	Less: Contribution to Provision for Doubtful Debt Impairment	3,726,330	3,292,559
	Previously Reported	-	3,754,639
	Correction of Error - Note 43.5 (Provision for Doubtful Debt Impairment VAT - Exchange transactions)	-	(462,080)
	Total VAT Payable	**(455,861)**	**(573,362)**
20.2	VAT Receivable	1,534,101	3,948,258
	VAT Input in Suspense	4,137,194	5,549,493
	Correction of Error - Note - 43.5	-	24,684
	Total VAT Receivable	**5,671,295**	**9,522,435**
20.3	**Net VAT (Payable)/Receivable**	5,215,434	8,949,073

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

21. NET ASSET RESERVES

RESERVES	2,551,323	2,551,323
Revaluation Reserve	2,551,323	2,551,323
Total Net Asset Reserve and Liabilities	**2,551,323**	**2,551,323**

21.1 The Revaluation Reserve is created by surplus arising from the revaluation of property, plant and equipment.

22. PROPERTY RATES

Actual

Rateable Land and Buildings	20,818,312	16,913,781
Business and Commercial Property	3,178,770	2,371,026
Public Benefit Organisations	932,246	788,187
Residential Properties	10,278,810	8,858,028
State-owned Properties	2,775,367	2,325,675
Agricultural Property	3,653,120	3,071,375
Correction of Error - Note 43.6 (Internal Charges)	-	(500,510)
Less: Revenue Forgone	(5,876,351)	(4,539,117)
Total Property Rates	**14,941,961**	**12,374,664**

Valuations - 1 July 2020

Rateable Land and Buildings	4,677,823,600	4,677,823,600
Business and Commercial Property	281,723,000	222,428,000
Farm Properties	446,000	446,000
Industrial Property	1,539,000	1,539,000
Municipal Properties	37,693,000	37,693,000
Public Benefit Organisations	9,925,000	9,925,000
Public Service Infrastructure Properties	3,063,000	3,063,000
Residential Properties	651,301,600	677,331,600
State-owned Properties	179,796,000	179,796,000
Agricultural Property	3,464,684,000	3,497,949,000
Other Categories	47,653,000	47,653,000
Total Assessment Rates	**4,677,823,600**	**4,677,823,600**

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2019. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate	**2021**	**2020**
Brandvlei - Land and buildings	1,1543625c/R	1,3422827c/R
Calvinia - Land and buildings	1,1543625c/R	1,3422827c/R
Loeriesfontein - Land and buildings	1,1543625c/R	1,3422827c/R
Nieuwoudtville - Land and buildings	1,1543625c/R	1,3422827c/R
Agriculture Properties	0,1052514c/R	0,0877096c/R

Rates are levied annually and monthly. Monthly rates are payable by the 15th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential -	The first R41 000 on the valuation is exempted.
Agriculture -	50% Discount
Government -	20% Discount

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission to the amount of R5,876,351 (2020: R4,539,118).

23. GOVERNMENT GRANTS AND SUBSIDIES

	2021 R	2020 R
Government Grants and Subsidies - Operating	34,695,031	29,391,000
Equitable Share	29,896,000	24,746,000
Expanded Public Works Programme Integrated Grant	1,704,000	1,595,000
Local Government Financial Management Grant	1,900,000	1,970,000
Libraries, Archives and Museums	1,150,000	1,080,000
Capacity Building	45,031	-
Government Grants and Subsidies - Capital	76,780,728	88,130,000
Integrated National Electrification Programme Grant	1,500,000	700,000
Municipal Infrastructure Grant	11,180,728	9,760,000
Municipal Disaster Relief Grant	-	167,000
Water Services Infrastructure Grant	33,000,000	20,000,000
Regional Bulk Infrastructure Grant	31,100,000	57,503,000
Total Government Grants and Subsidies	**111,475,759**	**117,521,000**

Included in above are the following grants and subsidies received:

	2021 R	2020 R
Unconditional	29,896,000	24,746,000
Equitable Share	29,896,000	24,746,000
Conditional	81,579,759	92,775,000
Local Government Financial Management Grant	1,900,000	1,970,000
Municipal Infrastructure Grant	11,180,728	9,760,000
Integrated National Electrification Programme Grant	1,500,000	700,000
Municipal Disaster Relief Grant	-	167,000
Regional Bulk Infrastructure Grant	31,100,000	57,503,000
Expanded Public Works Programme	1,704,000	1,595,000
Municipal Water Infrastructure Grant	33,000,000	20,000,000
Libraries, Archives and Museums	1,150,000	1,080,000
LGSETA - Capacity Building	45,031	-
Total Government Grants and Subsidies	**111,475,759**	**117,521,000**

Revenue recognised per vote as required by Section 123 (c) of the MFMA:

	2021 R	2020 R
Equitable share	29,896,000	24,746,000
Executive and council	2,066,000	-
Finance and Administration	16,830,331	1,970,000
Community and social services	1,257,000	1,297,202
Sport and recreation	6,321,726	7,932,735
Road Transport	5,630,002	2,247,377
Energy Sources	2,800,000	700,000
Water Management	67,382,000	77,608,202
Waste Water Management	5,825,000	-
Waste Management	3,363,700	1,019,484
Total Government Grants and Subsidies	**111,475,759**	**117,521,000**

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

		2021 R	2020 R
23.1	**Equitable Share**		
	Opening balance	-	-
	Grants received	29,896,000	24,746,000
	Conditions met - Operating	(29,896,000)	(24,746,000)
	Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

		2021 R	2020 R
23.2	**Local Government Financial Management Grant (FMG)**		
	Opening balance	-	-
	Grants received	1,900,000	1,970,000
	Conditions met - Operating	(1,900,000)	(1,970,000)
	Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

		2021 R	2020 R
23.3	**Municipal Infrastructure Grant (MIG)**		
	Opening balance	-	-
	Grants received	13,607,000	9,760,000
	Conditions met - Capital	(11,180,728)	(9,760,000)
	Conditions still to be met	**2,426,272**	-

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

		2021 R	2020 R
23.4	**Integrated National Electrification Grant**		
	Opening balance	-	-
	Grants received	1,500,000	700,000
	Conditions met - Capital	(1,500,000)	(700,000)
	Conditions still to be met	-	-

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

		2021 R	2020 R
23.5	**Library Grant**		
	Opening balance	-	-
	Grants received	1,150,000	1,080,000
	Conditions met - Operating	(1,150,000)	(1,080,000)
	Conditions still to be met	-	-

The grant was used to finance library activities.

		2021 R	2020 R
23.6	**Regional Bulk Infrastructure Grant**		
	Opening balance	-	-
	Grants received	31,100,000	57,503,000
	Conditions met - Capital	(31,100,000)	(57,503,000)
	Conditions still to be met	-	-

The Regional Infrastructure Grant was utilised to upgrade infrastructure in previously disadvantaged areas.

		2021 R	2020 R
23.7	**Expanded Public Works Programme**		
	Opening balance	-	-
	Grants received	1,704,000	1,595,000
	Conditions met - Operating	(1,704,000)	(1,595,000)
	Conditions still to be met	-	-

The grant was used for job creation.

		2021 R	2020 R
23.8	**Municipal Water Infrastructure Grant**		
	Opening balance	-	-
	Grants received	33,000,000	20,000,000
	Conditions met - Capital	(33,000,000)	(20,000,000)
	Conditions still to be met	-	-

The grant was used for drought relief projects.

		2021 R	2020 R
23.9	**Municipal Disaster Grant**		
	Opening balance	-	-
	Grants received	-	167,000
	Conditions met - Capital	-	(167,000)
	Conditions still to be met	-	-

The grant was used for COVID-19 related projects.

		2021 R	2020 R
23.10	**Capacity Building**		
	Opening balance	-	-
	Grants received	45,031	-
	Conditions met - Operating	(45,031)	-
	Conditions still to be met	-	-

The grant was used for various training needs for employees of the Municipality.

		2021 R	2020 R
23.11	**Total Grants**		
	Opening balance	-	-
	Grants received	113,902,031	117,521,000
	Conditions met - Operating	(34,695,031)	(29,391,000)
	Conditions met - Capital	(76,780,728)	(88,130,000)
	Conditions still to be met/(Grant expenditure to be recovered)	**2,426,272**	-
	Disclosed as follows:		
	Unspent Conditional Government Grants and Receipts	2,426,272	-
	Unpaid Conditional Government Grants and Receipts	-	-
	Total	**2,426,272**	**-**

		2021 R	2020 R
24.	**AVAILABILITY CHARGES**		
	Water	7,006,024	6,379,170
	Correction of Error - Note 43.6	-	(13,127)
	Total Availiability Charges	**7,006,024**	**6,366,042**

		2021 R	2020 R
25.	**SERVICE CHARGES**		
	Electricity	26,783,476	23,588,478
	Previously Reported	-	24,377,749
	Correction of Error - Note 43.5	-	(789,271)
	Water	1,862,808	3,554,949
	Previously Reported	-	3,978,187
	Correction of Error - Note 43.5	-	(423,238)
	Waste Management	5,433,059	5,217,480
	Waste Water Management	4,964,340	4,748,422
	Correction of Error - Note 43.5 (Internal Charges 2019/2020)	-	(163,699)
	Total Service Charges	**39,043,682**	**36,945,631**

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission R9,637 522 (2020: R8,534,493).

		2021 R	2020 R
26.	**SALES OF GOODS AND RENDERING OF SERVICES**		
	Building Plan Approval	67,587	30,970
	Building Plan Clause Levy	61,717	51,261
	Camping Fees	266,283	62,191
	Cemetery and Burial	18,261	8,682
	Clearance Certificates	30,523	24,899
	Entrance Fees	-	21,009
	Photocopies and Faxes	2,605	6,936
	Sale of Goods	453	4,942
	Valuation Services	5,057	3,693
	Total Sales of Goods and Rendering of Services	**452,487**	**214,584**
27.	**RENTAL FROM FIXED ASSETS**		
	Investment Property	139,242	137,146
	Property, Plant and Equipment	2,407	31,572
	Total Rental from Fixed Assets	**141,649**	**168,718**
28.	**INTEREST EARNED - EXTERNAL INVESTMENTS**		
	Bank	772,307	1,092,355
	Total Interest Earned - External Investments	**772,307**	**1,092,355**
29.	**INTEREST EARNED**		
	Interest Earned - Exchange Transactions	1,110,929	1,113,370
	Interest Earned - Non-Exchange Transactions	960,779	900,959
	Total Interest Earned - Outstanding Receivables	**2,071,707**	**2,014,329**
30.	**OPERATIONAL REVENUE**		
	Administrative Handling Fees	77,642	83,597
	Debt Relief - Auditor-General	1,404,454	794,224
	Unknown deposits recognised as revenue	1,144,693	-
	Total Operational Revenue	**2,626,790**	**877,822**
	Disclosed as follows:		
	Revenue from Exchange Transactions	77,642	67,597
	Previously Reported	-	861,822
	Correction of Error - Debt Relief - Non-Exchange Transaction	-	(794,224)
	Revenue from Non-Exchange Transactions	2,549,147	810,224
	Previously Reported	-	16,000
	Correction of Error - Debt Relief - Non-Exchange Transaction	-	794,224
	Total Operational Revenue	**2,626,790**	**877,822**

31. EMPLOYEE RELATED COSTS

Basic Salaries and Wages	27,946,597	27,432,677
Pension and UIF Contributions	4,684,941	4,622,581
Medical Aid Contributions	462,465	699,346
Overtime	1,542,627	1,455,898
Bonuses	2,323,654	2,413,076
Motor Vehicle Allowance	913,244	871,590
Cell Phone Allowance	134,118	145,001
Housing Allowances	217,629	334,620
Other benefits and allowances	6,516	9,957
Payments in lieu of leave	368,897	697,366
Workmen's Compensation Fund	-	21,082
Post-retirement Benefit Obligations	547,000	585,043
Total Employee Related Costs	**39,147,690**	**39,288,238**

KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

	2021 R	2020 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager - Mr JI Swartz		
Basic Salary	652,286	660,182
Performance Bonus	152,200	148,054
Motor Vehicle Allowance	60,000	60,000
Cell Phone Allowance	10,200	10,200
Other benefits and allowances	500,319	437,408
Total	**1,375,005**	**1,315,844**
Remuneration of the Senior Manager: Finance and Corporate Services - Mr W Jonker		
Basic Salary	489,038	497,998
Performance Bonus	114,109	109,404
Motor Vehicle Allowance	72,000	72,000
Cell Phone Allowance	10,200	10,200
Other benefits and allowances	340,826	312,901
Total	**1,026,173**	**1,002,503**
Remuneration of Senior Manager: Technical and Community Services - Mr JR van Wyk		
Basic Salary	556,755	564,580
Performance Bonus	129,910	124,554
Motor Vehicle Allowance	60,000	60,000
Cell Phone Allowance	10,200	10,200
Other benefits and allowances	419,067	390,477
Total	**1,175,932**	**1,149,811**

32. REMUNERATION OF COUNCILLORS

RN Swartz	850,464	850,466
FJ Sterkse	-	298,280
R van Wyk	190,156	-
HC Steenkamp	299,496	299,491
AJE Claasen	299,496	299,491
H De Wee	299,496	299,491
K Alexander	299,496	299,491
G Gous	299,496	299,491
JE Steenkamp	299,496	299,491
JHN Klaaste	299,496	270,164
Total Councillors' Remuneration	**3,137,092**	**3,215,857**

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	806,064	-	44,400	-	850,464
Chief Whip	-	-	-	-	-
Councillors	1,947,638	-	338,990	-	2,286,628
Total Councillors' Remuneration	**2,753,702**	**-**	**383,390**	**-**	**3,137,092**

In-kind Benefits

The Mayor is a full-time councillor. He is provided with an office and secretarial support at the cost of the Municipality.

		2021 R	2020 R
33.	**DEPRECIATION AND AMORTISATION**		
	Property, Plant and Equipment	12,971,237	11,797,998
	Intangible Assets	10,816	7,662
	Total Depreciation and Amortisation	**12,982,053**	**11,805,660**
34.	**FINANCE COSTS**		
	Long-term Borrowings	77,988	13,175
	Non-current Provisions	1,777,790	1,622,046
	Non-current Employee Benefits	1,322,000	1,372,722
	Payables	3,660	9,479
	Total Finance Costs	**3,181,437**	**3,017,422**
35.	**BULK PURCHASES**		
	Electricity	21,953,735	21,391,391
	Total Bulk Purchases	**21,953,735**	**21,391,391**

		2021 R	2020 R
36.	**TRANSFERS AND SUBSIDIES**		
	Operational	148,129	274,025
	Allocations In-kind	148,129	274,025
	Households	148,129	274,025
	Total Transfers and Subsidies	**148,129**	**274,025**

37. OPERATIONAL COSTS

Advertising, Publicity and Marketing	51,506	68,254
Audit Fees	3,011,327	2,954,928
Bank Charges, Facility and Card Fees	400,238	470,941
Commission	708,433	549,373
Courier and Delivery Services	26,368	48,621
Communication	482,103	364,563
Contribution to Provisions	(906,232)	-
Deeds	10,089	13,707
Entertainment	812	9,028
External Computer Service	31,086	2,118
Insurance Underwriting	639,033	443,420
Learnerships and Internships	667,516	461,154
Printing, Publications and Books	205,160	498,429
Professional Bodies, Membership and Subscription	500,000	500,000
Remuneration to Ward Committees	248,196	261,856
Signage	11,170	37,538
Skills Development Fund Levy	330,731	262,491
Travel and Subsistence	688,334	1,316,900
Uniform and Protective Clothing	162,509	101,106
Personnel and Labour	2,584,929	1,031,560
Business and Advisory	3,757,273	4,962,354
Laboratory Services	414,251	558,129
Legal Cost and Collection	493,741	551,599
Catering Services	48,829	38,110
Electrical	244,845	360,712
Maintenance of Buildings and Facilities	454,904	339,604
Maintenance of Equipment	581,509	700,188
Maintenance of Unspecified Assets	2,919,067	3,354,919
Pest Control and Fumigation	8,085	8,878
Total Operational Costs	**18,775,810**	**20,270,482**

38. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES

Receivables from Exchange Transactions - Note 10	1,938,328	2,979,007
Previously reported	-	6,205,410
Correction of Error - Note 43.2 (Internal Charges)	-	(163,699)
Correction of Error - Note 43.2 (Impairment calculation)		(3,062,704)
Receivables from Non-exchange Revenue - Note 11	2,753,322	2,164,497
Previously reported	-	5,290,073
Correction of Error - Note 43.3 (Internal Charges)	-	(513,637)
Correction of Error - Note 43.3 (Impairment calculation)	-	(2,611,940)
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	**4,691,650**	**5,143,503**

39. GAINS/(LOSS) ON SALE OF FIXED ASSETS

Property, Plant and Equipment	(549,428)	(654,141)
Total Gains/ (Loss) on Sale of Fixed Assets	**(549,428)**	**(654,141)**

40. PROFIT/(LOSS) ON FAIR VALUE ADJUSTMENTS

Investment Property carried at fair value	1,648,441	-
Total Profit/ (Loss) on Fair Value Adjustments	**1,648,441**	**-**

41. WATER LOSSES

Real Losses	133,485	142,167
Total Water Losses	133,485	142,167

42. RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS AS A RESULT OF THE IMPLEMENTATION OF mSCOA

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality aligned the items in the financial statements with the Item Segment of mSCOA. New versions of the mSCOA Chart of accounts are issued annually which requires the municipality to realign its vote structure to the updated mSCOA chart. The process of updating the municipal chart of accounts to the applicable mSCOA chart presented no reclassification of 2020 audited amounts.

43. CORRECTION OF ERROR IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from prior period errors and the implementation of GRAP:

43.1 Property, Plant and Equipment

	2021 R	2020 R
Balance previously reported	-	378,184,171
Cost	-	455,844,869
Balance previously reported		455,482,202
Correction of Other Assets in periods prior to 1 July 2019 - Note 2	-	115,822
Operating Expenditure incorrectly capitalised as Infrastructure Assets prior to 1 July 2019 - Note 2	-	(182,037)
Correction of Infrastructure Assets in periods prior to 1 July 2019 - Note 2	-	428,881
Accumulated Depreciation and Impairment Losses	-	(76,843,848)
Balance previously reported	-	(77,298,032)
Correction of depreciation of Other Assets in periods prior to 1 July 2019 - Note 2	-	(12,207)
Correction of depreciation of Infrastructure Assets in periods prior to 1 July 2019 - Note 2	-	466,391
Restated Balance	**-**	**379,001,021**

Correction of Property, Plant and Equipment recognised incorrection in prior years and correction of recalculated depreciation.

43.2 Receivables from Exchange Transactions

	2021 R	2020 R
Balance previously reported	-	3,377,844
Correction of Electricity debtors balances in 2019/2020 - Note 10	-	(789,271)
Correction of Water debtors balances in 2019/2020 - Note 10	-	(423,238)
Correction of Internal Charges included in Electricity Debtors balances prior to 1 July 2019 - Note 10	-	(320,650)
Correction of Internal Charges included in Refuse Debtors balances prior to 1 July 2019 - Note 10	-	(55,943)
Correction of Internal Charges included in Water Debtors balances prior to 1 July 2019 - Note 10	-	(71,905)
Correction of Internal Charges included in Waste Water Debtors balances prior to 1 July 2019 - Note 10	-	(29,120)
Correction of Internal Charges included in Other Debtors balances prior to 1 July 2019 - Note 10	-	(20,151)
Correction of Debt Impairment on Internal Charges recognised prior to 1 July 2019 - Note 10	-	497,769
Correction of Internal Charges included in Electricity Debtors balances 2019/2020 - Note 10	-	(79,740)
Correction of Internal Charges included in Refuse Debtors balances 2019/2020 - Note 10	-	(14,828)
Correction of Internal Charges included in Water Debtors balances 2019/2020 - Note 10	-	(61,775)
Correction of Internal Charges included in Waste Water Debtors balances 2019/2020 - Note 10	-	(6,384)
Correction of Internal Charges included in Other Debtors balances prior 2019/2020 - Note 10	-	(972)
Correction of Debt Impairment on Internal Charges recognised 2019/2020 - Note 10	-	163,699
Correction of Internal Exchange Charges incorrectly reversed previously - Note 10	-	197,799
Correction of Debt Impairment of Internal Exchange Charges incorrectly reversed previously - Note 10	-	(197,799)
Correction of Debt Impairment on Electricity Debtors balances in 2019/2020 - Note 10	-	1,742,843
Correction of Debt Impairment on Refuse Debtors balances in 2019/2020 - Note 10	-	480,144
Correction of Debt Impairment on Waste Water Debtors balances in 2019/2020 - Note 10	-	483,010
Correction of Debt Impairment on Water Debtors balances in 2019/2020 - Note 10	-	818,787
	-	-
Restated Balance	**-**	**5,690,119**

Correction of service charges levied in the incorrect period. Reversal of Internal Charges included in prior year balances reported. Correction of debt impairment previously recognised on these accounts.

43.3 Receivables from Non-Exchange Transactions

	2021 R	2020 R
Balance previously reported	-	2,350,525
Correction of Rates debtors balances in 2019/2020 - Note 11	-	(334,318)
Correction of Internal Charges included in Rates balances prior to 1 July 2019 - Note 11	-	(699,568)
Correction of Internal Charges included in Water Availability Debtors balances prior to 1 July 2019 - Note 11	-	(66,943)
Correction of Debt Impairment on Internal Charges recognised prior to 1 July 2019 - Note 11	-	766,511
Correction of Internal Charges included in Rates balances 2019/2020 - Note 11	-	(500,510)
Correction of Internal Charges included in Water Availability Debtors balances 2019/2020 - Note 11	-	(13,127)
Correction of Debt Impairment on Internal Charges recognised in 2019/2020 - Note 11	-	513,637
Correction of Internal Rates Charges incorrectly reversed previously - Note 11	-	1,439,898
Correction of Debt Impairment relating to Internal Charges incorrectly reversed previously - Note 11	-	(1,439,898)
Correction of Internal Availability Charges incorrectly reversed previously - Note 11	-	62,796
Correction of Debt Impairment relating to Internal Availability Charges incorrectly reversed - Note 11	-	(62,796)
Correction of Debt Impairment on Rates Debtors balances in 2019/2020 - Note 11	-	2,611,940
Restated Balance	**-**	**4,628,147**

Correction of rates levied in the incorrect period. Reversal of Internal Charges included in prior year balances reported. Correction of debt impairment previously recognised on these accounts.

43.4 Trade and Other Payables from Exchange Transactions

	2021 R	2020 R
Balance previously reported	-	47,466,548
Correction of incorrect allocation to Other Payables 2019/2020 - Note 18	-	816,747
Correction of incorrect allocation to Other Payables in periods prior to 1 July 2019 - Note 18	-	141,225
Correction of incorrect allocation to Trade Payables 2019/2020 - Note 18	-	(174,005)
Restated Balance	**-**	**48,250,515**

Correction of payable amounts settled during the year, which was not previously reported.

43.5 Taxes

Balance previously reported	-	9,386,469
Correction of input VAT on Bulk Purchases not claimed in 2019/2020 - Note 20	-	24,684
Correction of VAT on Debt Impairment in 2019/2020 - Note 20	-	(462,080)
Restated Balance	**-**	**8,949,073**

Correction of input VAT not claimed on Bulk purchases in 2019/2020.

43.6 Accumulated Surplus/(Deficit) - 1 July 2019

	2021 R	2020 R
Correction of Other Payables before 1 July 2019 - Note 43.4	-	(141,225)
Correction of Internal Charges included in Electricity Debtors balances prior to 1 July 2019 - Note 43.2	-	(320,650)
Correction of Internal Charges included in Refuse Debtors balances prior to 1 July 2019 - Note 43.2	-	(55,943)
Correction of Internal Charges included in Water Debtors balances prior to 1 July 2019 - Note 43.2	-	(71,905)
Correction of Internal Charges included in Waste Water Debtors balances prior to 1 July 2019 - Note 43.2	-	(29,120)
Correction of Internal Charges included in Other Debtors balances prior to 1 July 2019 - Note 43.2	-	(20,151)
Correction of Debt Impairment on Internal Charges recognised prior to 1 July 2019 - Note 43.2	-	497,769
Correction of Internal Charges included in Rates balances prior to 1 July 2019 - Note 43.3	-	(699,568)
Correction of Internal Charges included in Water Availability balances prior to 1 July 2019 - Note 43.3	-	(66,943)
Correction of Debt Impairment on Internal Charges recognised prior to 1 July 2019 - Note 43.3	-	766,511
Correction of Other Assets - Cost in periods prior to 1 July 2019 - Note 43.1	-	115,822
Correction of Other Assets - Accumulated Depreciation in periods prior to 1 July 2019 - Note 43.1	-	(12,207)
Correction of Infrastructure Assets - Cost in periods prior to 1 July 2019 - Note 43.1	-	246,844
Correction of Infrastructure Assets - Accumulated Depreciation in periods prior to 1 July 2019 - Note 43.1	-	466,391
Correction of Internal Rates Charges incorrectly reversed previously - Note 43.3	-	1,439,898
Correction of Debt Impairment of Internal Rates Charges incorrectly reversed - Note 43.3	-	(1,439,898)
Correction of Internal Availability Charges incorrectly reversed previously - Note 43.3	-	62,796
Correction of Debt Impairment relating to Internal Availability Charges incorrectly reversed - Note 43.3	-	(62,796)
Correction of Internal Exchange Charges incorrectly reversed previously - Note 43.2	-	197,799
Correction of Debt Impairment of Internal Exchange Charges incorrectly reversed previously - Note 43.2	-	(197,799)
Total	**-**	**675,626**

43.7 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property Rates	**43.3**	13,209,491	(834,827)	12,374,664
Interest Earned - Non-Exchange Transactions		900,959	-	900,959
Government Grants and Subsidies		117,521,000	-	117,521,000
Public Contributions and Donations		197,939	-	197,939
Actuarial Gains		2,426,733	-	2,426,733
Availiability Charges	**43.3**	6,379,170	(13,127)	6,366,042
Fines. Penalties and Forfeits		33,836	-	33,836
Contributed Property, Plant and Equipment		4,495,167	-	4,495,167
Operational Revenue	**30**	16,000	794,224	810,224
Service Charges	**43.2**	38,321,840	(1,376,208)	36,945,631
Sales of Goods and Rendering of Services		214,584	-	214,584
Rental from Fixed Assets		168,718	-	168,718
Interest Earned - External Investments		1,092,355	-	1,092,355
Interest Earned - Exchange Transactions		1,113,370	-	1,113,370
Licences and Permits from Exchange Transactions		2,122	-	2,122
Agency Services		172,972	-	172,972
Operational Revenue - Exchange Transactions	**30**	861,822	(794,224)	67,597
Total		**187,128,076**	**(2,224,163)**	**184,903,913**
Expenditure				
Employee related costs		(39,288,238)	-	(39,288,238)
Remuneration of Councillors		(3,215,857)	-	(3,215,857)
Bad Debts Written Off		(2,377,937)	-	(2,377,937)
Depreciation and Amortisation		(11,805,660)	-	(11,805,660)
Finance Costs	**43.4**	(3,044,486)	27,064	(3,017,422)
Bulk Purchases	**43.5**	(21,416,075)	24,684	(21,391,391)
Inventory Consumed		(1,752,335)	-	(1,752,335)
Operating Leases		(164,332)	-	(164,332)
Transfers and Subsidies		(274,025)	-	(274,025)
Operational Costs	**43.4**	(19,600,676)	(669,806)	(20,270,482)
Total		**(102,939,620)**	**(618,058)**	**(103,557,678)**

Gains and Losses				
Reversal of Impairment Loss/(Impairment Loss) on Receivables	**43.2**	(11,495,483)	6,351,980	(5,143,503)
Gains/(Loss) on Sale of Fixed Assets		(654,141)	-	(654,141)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		(4,297)	-	(4,297)
Profit/(Loss) on Fair Value Adjustments		-	-	-
Water Losses		(142,167)	-	(142,167)
Total		**(12,296,089)**	**6,351,980**	**(5,944,109)**
Net Surplus/(Deficit) for the year		**71,892,367**	**3,509,759**	**75,402,126**

	2021 R	2020 R
44. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	71,755,572	75,402,126
Adjustments for:		
Depreciation and Amortisation	12,982,053	11,805,660
Loss/(Gain) on Sale of Fixed Assets	549,428	654,141
Impairment Loss/(Reversal of Impairment Loss)	-	4,297
Fair Value Adjustments	(1,648,441)	-
Contributed Property, Plant and Equipment	(2,900,088)	(4,495,167)
Government Grants and Subsidies received	113,902,031	117,521,000
Government Grants and Subsidies recognised as revenue	(111,475,759)	(117,521,000)
Contribution to provisions – Non-Current Provisions	871,558	1,622,046
Contribution from/to provisions - Non-Current Employee Benefits	672,495	1,029,587
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	937,505	(2,426,733)
Contribution from/to - Current Employee Benefits	(38,879)	651,817
Contribution to provisions – Bad Debt	4,691,650	6,498,176
Bad Debts written off	4,939,658	2,377,937
Operating Surplus/(Deficit) before changes in working capital	95,238,783	93,123,886
Changes in working capital	(9,450,356)	(7,851,232)
Increase/(Decrease) in Trade and Other Payables	(540,587)	(249,519)
Increase/(Decrease) in Taxes	3,733,639	4,375,658
(Increase)/Decrease in Inventory	(54,579)	125,566
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(7,764,983)	(7,634,220)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(4,823,847)	(4,468,718)
Cash generated/(absorbed) by operations	**85,788,426**	**85,272,654**

45. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Current Accounts - Note 12	3,131,227	(161,196)
Call Deposits and Investments - Note 12	6,099,789	1,150,467
Cash Floats - Note 12	1,500	1,500
Total cash and cash equivalents	**9,232,516**	**990,771**

46. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

Cash and Cash Equivalents - Note 45	9,232,516	990,771
Less:	(2,426,272)	-
Unspent Transfers and Subsidies - Note 19	(2,426,272)	-
Net cash resources available for internal distribution	6,806,244	990,771
Allocated to:		
Capital Replacement Reserve	-	-
Employee Benefits Reserve	-	-
Social Contribution Reserve	-	-
Non-Current Provisions Reserve	-	-
Valuation Reserve	-	-
Resources available for working capital requirements	**6,806,244**	**990,771**

47. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term Liabilities - Note 13	484,916	-
Used to finance property, plant and equipment - at cost	(484,916)	-
	-	-
Cash set aside for the repayment of long-term liabilities		
Cash invested for repayment of long-term liabilities	**-**	**-**

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

	2021 R	2020 R

48. BUDGET INFORMATION

48.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to the continued impact of COVID-19, reprioritising of municipal funds and virements.

Final Budget and Actual Amounts: Explanation for variances greater than 10% and in excess of R1,000,000 (1% of operating expenses).

48.2 Statement of Financial Position

48.2.1 Current Assets

Cash

VAT refunds received from SARS which was not yet spend at year end .

Consumer Debtors

Provision for debt impairment increased from prior year which means that less debtors paid their municipal accounts and due to COVID 19 debt collection rate decreased.

Other Debtors

Incorrect budgeting. The budget for the non-exchage receivable is budgted in consumer debtors. Taxes receivablde was not budgeted for.

48.2.2 Non-Current Assets

Investment Property

Accounting policy indicate valuations be done yearly therefore new valuations were done by HCB which increase the value of investment Property

Property, Plant and Equipment

Capitalisation of infrastructure asset finalised during the financial year

48.2.3 Current Liabilities

Trade and Other Payables

Counter funding portion of Hantam had to be provided for RBIG project and also inculde AG and SALGA creditors.

Provisions

Salary increases had to be taken into account as well as leave days increased of staff which was not taken.

48.2.4 Non-Current Liabilities

Trade and Other Payables

Budget less then enticipated income received

Provisions

Valuation done by Engineer reduced useful life of landfill sites

48.2.4 Net Assets

Reserves

Offsetting of depreciation on revalution reserve.

Statement of Financial Performance

48.2.5 Revenue

Service Charges - Electricity Revenue

Decrease due to current ecnomic climate and the effect of COVID19.

Service Charges - Water Revenue

Decrease due to current ecnomic climate, drought and the effect of COVID19.

Service Charges - Sanitation Revenue

Decrease due to current ecnomic climate, drought and the effect of COVID19.

Service Charges - Refuse Revenue

Decrease due to current ecnomic climate and the effect of COVID19.

Interest Earned - Outstanding Debtors

Due to current ecnomic climate and the effect of COVID19 debtors did not pay on time and interest had to be charged .

Other Revenue

Includes other revenue items on statement of financial performance - Hantam also wrote of Unallocated Deposits as well as rebate on Audit fees from Auditor General.

48.2.6 Expenditure

Employee Related Costs

When post become vacant it is not filled immediately, therefore reduction in Employee related costs

Debt Impairment

Over budget of debt impairment because of prior year results.

Depreciation and Asset Impairment

Restructuring and unbundling of infrastured assets .

Inventory Consumed

Less inventory purchased during year.

Other Expenditure

Includes contracted services that had to be reallocated to other expenditure and not disclosed as a separate line item on the statement of financial performance as instructed per the AG .

Cash Flow Statement

48.2.7 Net Cash from Operating Activities

Taxation

Due to current ecnomic climate and the effect of COVID19.

Service Charges

Due to current ecnomic climate and the effect of COVID19.

Suppliers and Employees

Due to current ecnomic climate we spend less on purchases

49. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

49.1 <u>Unauthorised expenditure</u>

	2021 R	2020 R
Reconciliation of unauthorised expenditure:		
Opening balance	8,767,014	11,430,376
Unauthorised expenditure current year - operational	2,011,417	5,464,381
Unauthorised expenditure current year - capital	236,660	3,302,633
Written-off by Council	-	(11,430,376)
Current	-	-
Prior Period	-	(11,430,376)
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	**11,015,091**	**8,767,014**

Unauthorised expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings		
Over expenditure of 2020 approved budget - Operating		*None*	5,464,381	-
Over expenditure of 2020 approved budget - Capital		*None*	3,302,633	-
Over expenditure of 2021 approved budget - Operating		*None*	2,011,417	5,464,381
Over expenditure of 2021 approved budget - Capital		*None*	236,660	3,302,633
			11,015,091	8,767,014

	2021 R	2020 R
The over expenditure incurred by municipal departments on their operating budgets during the year is attributable to the following categories:		
Non-cash	2,011,417	6,596,378
Cash	-	-
	2,011,417	**6,596,378**

Analysed as follows: Non-cash	2021 R	2020 R
Employee related cost (Actuarial Valuations)		-
Depreciation and Amortisation	2,011,417	6,596,378
Finance Charges (Interest portion of Provision for Rehabilitation of Landfill-sites)		-
Loss on disposal of Property, Plant and Equipment		-
Impairment Losses		-
Provision for Debt Impairment	-	-
	2,011,417	**6,596,378**

The overspending of the Budget per municipal vote can be summarised as follows:

Unauthorised expenditure current year - operating	2021 Actual R	2021 Final Budget R	2021 Variance R	2021 Unauthorised R
Vote 1 - Executive and Council	15,298,520	14,974,961	323,559	323,559
Vote 2 - Budget and Treasury Office	16,683,237	15,706,750	976,487	976,487
Vote 3 - Corporate Services	9,863,618	9,152,247	711,371	711,371
Vote 4 - Community and Social Services	2,328,612	2,597,253	(268,641)	-
Vote 5 - Sport and Recreation	377,277	1,029,161	(651,884)	-
Vote 6 - Public Safety	-	704,007	(704,007)	-
Vote 7 - Planning and Development	653,736	826,288	(172,552)	-
Vote 8 - Road Transport	8,774,675	9,360,218	(585,543)	-
Vote 9 - Electricity	28,753,008	29,614,973	(861,965)	-
Vote 10 - Water	13,024,512	13,313,674	(289,162)	-
Vote 11 - Waste Water Management	5,403,307	5,693,481	(290,174)	-
Vote 12 - Solid Waste	10,821,848	12,465,840	(1,643,992)	-
Vote 13 - Other	77,714	83,900	(6,186)	-
	112,060,065	115,522,753	(3,462,688)	2,011,417

Unauthorised expenditure current year - capital	2021 Actual R	2021 Final Budget R	2021 Variance R	2021 Unauthorised R
Vote 1 - Executive and Council	236,660	-	236,660	236,660
Vote 2 - Budget and Treasury Office	798,041	821,000	(22,959)	-
Vote 3 - Corporate Services	-	-	-	-
Vote 4 - Community and Social Services	-	-	-	-
Vote 5 - Sport and Recreation	5,458,022	5,880,649	(422,627)	-
Vote 6 - Public Safety	-	-	-	-
Vote 7 - Planning and Development		-	-	-
Vote 8 - Road Transport	4,264,350	7,726,351	(3,462,001)	-
Vote 9 - Electricity	1,203,927	1,520,000	(316,073)	-
Vote 10 - Water	58,071,529	64,100,000	(6,028,471)	-
Vote 11 - Waste Water Management	2,878,427	3,040,000	(161,573)	-
Vote 12 - Solid Waste	-	-	-	-
	72,910,956	83,088,000	(10,177,044)	236,660

49.2 Fruitless and wasteful expenditure

	2021 R	2020 R
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	862,560	1,924,208
Fruitless and wasteful expenditure current year	419	-
Written-off by Council	(419)	(1,061,648)
Current	(419)	-
Prior Period	-	(1,061,648)
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
Fruitless and wasteful expenditure awaiting condonement	**862,560**	**862,560**

Fruitless and wasteful expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings	2021 R	2020 R
An amount of R775 000 paid to the previous municipal manager as a result of a settlement agreement.		*None*	775,000	775,000
An overpayment made to S.Domburg on retirement.		*None*	7,005	7,005
An overpayment made to K.Fourie on retirement.		*None*	23,555	23,555
An amount of R57 000 paid to Blaauw Leadership & Business Institute for services not delivered to the municipality.		*Currently under investigation by SAPS. MAS 52/06/2019*	57,000	57,000
			862,560	862,560

49.3 Irregular expenditure

	2021 R	2020 R
Reconciliation of irregular expenditure:		
Opening balance	22,281,470	48,590,729
Irregular expenditure current year	45,734,634	59,867,690
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Current	-	-
Prior Period	-	-
Written off by council	(58,056,729)	(86,176,949)
Current	(45,713,301)	(47,126,658)
Prior Period	(12,343,427)	(39,050,291)
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
Irregular expenditure awaiting further action	**9,959,376**	**22,281,470**

Irregular expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings	2021 R	2020 R
Non compliance with SCM Regulations		*None*	3,494,465	15,554,425
Competitive bidding process not followed.		*None*	6,464,911	6,727,045
			9,959,376	22,281,471

Recoverability of all irregular expenditure was evaluated by Council in terms of section 32 of MFMA. Council has declared all expenditure as irrecoverable.

Irregular Expenditure in the prior year was adjusted to reperesent the amount before VAT. Irregular Expenditure is disclosed exclusive of VAT.

50. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

50.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)

	2021 R	2020 R
Opening balance	2,978,000	2,478,000
Council subscriptions	500,000	500,000
Amount paid - current year	-	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	**3,478,000**	**2,978,000**

50.2 Audit fees - [MFMA 125 (1)(c)]

Opening balance	3,347,212	2,035,340
Current year audit fee	3,699,115	3,398,367
External Audit - Auditor-General	3,699,115	3,398,367
Amount paid - current year	(1,459,493)	(1,173,136)
Amount paid - previous year	(1,615,122)	(913,358)
Balance unpaid (included in creditors)	**3,971,712**	**3,347,212**

50.3 VAT - [MFMA 125 (1)(c)]

Opening balance	3,948,258	3,333,807
Correction of prior period error	-	-
Restated opening balance	3,948,258	3,333,807
Amounts received - previous year	(3,948,258)	(3,333,807)
Amounts received - current year	(10,427,599)	(14,475,168)
Amount paid - current year	402,191	205,903
Amount paid - previous year	-	-
Amounts claimed - current year	11,559,509	18,217,524
Closing balance	**1,534,101**	**3,948,258**

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.

50.4 PAYE and UIF - [MFMA 125 (1)(c)]

Opening balance	-	-
Current year payroll deductions	5,714,595	5,241,656
Amount paid - current year	(5,714,595)	(5,241,656)
Balance unpaid (included in creditors)	**-**	**-**

50.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

	2021 R	**2020 R**
Opening balance	-	-
Current year payroll deductions and Council Contributions	9,318,294	8,898,364
Amount paid - current year	(9,318,294)	(8,898,364)
Balance unpaid (included in creditors)	**-**	**-**

50.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

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

	Outstanding more than 90 days	**Outstanding more than 90 days**
AJE Claasen	298	298
K Alexander	1,030	618

50.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):

30 June 2021

		Type of Deviation			
	Amount	**Single Supplier**	**Impossible**	**Impractical**	**Emergency**
July	163,595	-	-	2	3
August	36,320	1	-	-	2
September	58,467	-	-	3	1
October	11,416	2	-	1	-
November	10,878	-	-	1	-
December	136,204	-	-	2	1
January	3,615	-	-	1	-
February	159,922	3	-	3	-
March	118,669	-	-	2	1
April	116,321	-	-	2	-
May	305,411	3	-	7	-
June	443,734	1	-	9	-
	1,564,550	10	-	33	8

30 June 2020

		Type of Deviation			
	Amount	**Single Supplier**	**Impossible**	**Impractical**	**Emergency**
July	174,513	4	-	-	4
August	14,490	-	-	3	-
September	20,102	1	-	-	3
October	33,333	1	-	4	-
November	82,612	3	-	2	-
December	34,938	1	-	1	2
January	54,662	-	-	2	2
February	28,763	-	-	4	-
March	97,882	-	-	3	1
April	79,906	-	-	-	3
May	73,379	-	-	4	9
June	300,640	3	-	5	5
	995,220	13	-	28	29

	2021 R	**2020** R
Reconciliation of SCM Deviations:		
Opening balance	505,104	104,201,352
Deviations from SCM current year	1,564,550	995,220
Approved in terms of Regulation 36(1)(a) and (b)	(1,564,550)	(104,691,469)
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting further action	**505,104**	**505,104**

50.8 Material losses

Electricity distribution losses

	2021	2020
Percentage lost during distribution	14.20%	17.10%
Distribution loss (Rand Value)	3,116,716	3,658,653

Increase in electricity losses is mainly due to electricity theft on pre-paid meters. Fines were issued for first time offenders. Rand value of the electicity losses are calculated through the Pre-paid Electricity selling price.

Water distribution losses

	2021	2020
Percentage lost during distribution	20.81%	23.70%
Distribution loss (Rand Value)	2,766,657	3,433,941

Normal pipe bursts and field leakages are responsible for water losses.

51. ADDITIONAL DISCLOSURES IN TERMS OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

52. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

	2021 R	2020 R
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
1% (2020: 1%) Increase in interest rates	87,461	13,616
1% (2020: 1%) Decrease in interest rates	(87,461)	(13,616)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 7 and 8 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 8 for balances included in receivables that were re-negotiated for the period under review.

	2021 %	2021 R	2020 %	2020 R
Non-Current Receivables				
Repay Arrangements	100.00%	100,190	100.00%	10,338
Non-exchange Receivables				
Rates	65.33%	19,785,354	63.53%	15,962,635
Availability Charges	34.67%	10,498,136	36.47%	9,163,195
	100.00%	30,283,490	100.00%	25,125,830
Exchange Receivables				
Electricity	20.09%	7,560,303	18.59%	6,419,395
Water	18.17%	6,841,155	20.78%	7,174,930
Waste Management	32.07%	12,071,245	30.87%	10,657,973
Waste Water Management	19.92%	7,497,965	19.50%	6,731,996
Other	9.75%	3,670,580	10.26%	3,540,879
	100.00%	37,641,248	100.00%	34,525,173

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 10 and 11 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2021 %	2021 R	2020 %	2020 R
Non-Current Receivables				
Repay Arrangements	0.00%	-	0.00%	-
Non-exchange Receivables				
Rates	25.89%	14,421,617	42.95%	21,707,689
Availability Charges	18.35%	10,222,084	0.00%	-
Exchange Receivables				
Services	55.76%	31,064,131	57.05%	28,835,054
	100.00%	55,707,832	100.00%	50,542,743

Ageing of amounts past due but not impaired are as follow:	Exchange Receivables	Non-exchange Receivables
2021		
1 month past due	-	389,422
2+ months past due	-	3,695,977
	-	4,085,399
2020		
1 month past due	-	373,838
2+ months past due	-	1,550,444
	-	1,924,282

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (ABSA Bank and Standard Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2021 R	2020 R
Financial assets exposed to credit risk at year end are as follows:		
Non-Current Receivables from Exchange Transactions	100,190	10,338
Non-Current Receivables from Non-Exchange Transactions	21,102	9,835
Receivables from exchange transactions	37,641,248	34,525,173
Receivables from non-exchange transactions	31,342,373	26,335,836
Cash and Cash Equivalents	9,231,016	1,175,433
	78,335,928	62,056,614

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2021	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Long-term Liabilities	214,449	270,468	-	-
Trade and Other Payables	42,706,546	-	-	-
	44,108,992	270,468	-	-

2020	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Long-term Liabilities	-	-	-	-
Trade and Other Payables	48,250,515	-	-	-
	49,346,076	-	-	-

53. FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

53.1 Financial Assets

<u>Financial Assets</u>	<u>Classification</u>	2021 R	2020 R
Non-Current Receivables			
Receivables with repay arrangements	Financial Instruments at amortised cost	100,190	10,338
Sport Club Loans	Financial Instruments at amortised cost	21,102	9,835
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	7,560,303	6,419,395
Water	Financial Instruments at amortised cost	6,841,155	7,174,930
Waste Management	Financial Instruments at amortised cost	12,071,245	10,657,973
Waste Water Management	Financial Instruments at amortised cost	7,497,965	6,731,996
Other Arrears	Financial Instruments at amortised cost	3,670,580	3,540,879
Receivables from Non-Exchange Transactions			
Water - Availability Charges	Financial Instruments at amortised cost	10,498,136	9,163,195
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	3,131,227	24,965
Call Deposits	Financial Instruments at amortised cost	6,099,789	1,150,467
Total Financial Assets		**46,993,555**	**35,720,778**
Financial Instruments at amortised cost:			
Long-term Receivables	Receivables with repay arrangements	100,190	10,338
Long-term Receivables	Sport Club Loans	21,102	9,835
Receivables from Exchange Transactions	Electricity	7,560,303	6,419,395
Receivables from Exchange Transactions	Water	6,841,155	7,174,930
Receivables from Exchange Transactions	Waste Management	12,071,245	10,657,973
Receivables from Exchange Transactions	Waste Water Management	7,497,965	6,731,996
Receivables from Exchange Transactions	Other Arrears	3,670,580	3,540,879
Cash and Cash Equivalents	Bank Balances	3,131,227	24,965
Cash and Cash Equivalents	Call Deposits	6,099,789	1,150,467
		46,993,555	35,720,778
Total Financial Assets		**46,993,555**	**35,720,778**

			2021 R	2020 R
53.2	**Financial Liabilities**	**Classification**		
	Long-term Liabilities			
	Capitalised Lease Liability	Financial Instruments at amortised cost	484,916	-
	Consumer Deposits			
	Consumer Deposits	Financial Instruments at amortised cost	1,187,997	1,095,561
			2021 R	**2020 R**
	Trade and Other Payables			
	Trade Payables	Financial Instruments at amortised cost	11,002,593	14,394,009
	Advance Payments	Financial Instruments at amortised cost	1,025,530	1,006,780
	Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	-	-
	Other Payables	Financial Instruments at amortised cost	3,863,547	5,940,322
	Retentions	Financial Instruments at amortised cost	8,439,244	9,665,481
	Cash and Cash Equivalents			
	Bank Overdraft	Financial Instruments at amortised cost	-	186,161
			26,003,827	32,288,315

SUMMARY OF FINANCIAL LIABILITIES

Financial instruments at amortised cost:

		2021	2020
Long-term Liabilities	Capitalised Lease Liability	484,916	-
Consumer Deposits	Consumer Deposits	1,187,997	1,095,561
Trade and Other Payables	Trade Payables	11,002,593	14,394,009
Trade and Other Payables	Advance Payments	1,025,530	1,006,780
Trade and Other Payables	Other Payables	3,863,547	5,940,322
Trade and Other Payables	Retentions	8,439,244	9,665,481
Cash and Cash Equivalents	Bank Overdraft	-	186,161
		26,003,827	**32,288,315**

54. STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

	2021	2020
Taxes		
VAT Receivable	1,534,101	3,948,258
Receivables from Non-Exchange Transactions	19,785,354	15,962,635
Rates	19,785,354	15,962,635
Total Statutory Receivables (before provision)	**21,319,455**	**19,910,893**
Less: Provision for Debt Impairment	(14,421,617)	(12,823,429)
Total Statutory Receivables (after provision)	**6,897,838**	**7,087,464**

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)
Fines	- Criminal Procedurs Act

(Rates): Ageing

	2021	2020
Current (0 - 30 days)	1,278,338	1,214,924
31 - 60 Days	389,422	373,838
61 - 90 Days	353,306	363,551
+ 90 Days	17,764,288	14,010,322
Total	**19,785,354**	**15,962,635**

Reconciliation of Provision for Debt Impairment

	2021	2020
Balance at beginning of year	12,823,429	11,672,817
Contribution to provision	1,598,188	1,150,612
Balance at end of year	**14,421,617**	**12,823,429**

Ageing of amounts past due but not impaired:

	2021	2020
1 month past due	389,422	-
2+ months past due	3,695,977	1,550,444
	4,085,399	**1,550,444**

55. CONTINGENT LIABILITY

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

Hantam Municipality v Steenkamp & Others (Case no: JR817/20):
Recission application in the Braamfontein Labour Court.
Estimated future Legal Cost of R80 000 to prepare heads of argument and argue the matter, if the Municipality is unsuccessful, back pay equal to 30 months since dismissal amounting to R746 490 plus interest.

Hantam Municipality v Bonn & Others (Case no: C88/2021):
Review application in the Cape Town Labour Court
Estimated future Legal Cost of R80 000 to prepare heads of argument and argue the matter, if the Municipality is unsuccessful, back pay equal to 18 months since dismissal amounting to R540 342 plus interest.

Hantam Municipality v Public Protector (Case no: 633/2021):
Matter is pending. Review application to set aside the Public Protector's finding in her report, no.4 of 2020/21.
Future Legal Cost is estimated as R250,000.

	2021	2020
	R	R

56. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

56.1 Related Party Transactions

Year ended 30 June 2021	Rates	Service Charges	Other	Interest	Outstanding Balance	Provision for Debt Impairment
Councillors						
JE Steenkamp	-	9,421		434	1,288	
R van Wyk	1,423	4,148	-	218	1,646	-
H De Wee	-	6,254	-	9	-533	-
J Klaaste	2,547	10,291	-	405	1,589	-
HC Steenkamp	-	-	-	-	-	-
AJE Claasen	1,698	7,947	-	476	3,867	-
G Gouws	-	-		2	300	
K Alexander	-	6,033	-	269	5,511	-
RN Swartz	2,995	6,792		45	814	-
	8,662	**50,885**	**-**	**1,858**	**14,483**	**-**
Municipal Manager and Section 57 Employees						
JI Swartz	4,862	3,013	-	403	-4,972	-
JR van Wyk	9,771	7,123		180	1,278	
	14,634	**10,136**	**-**	**584**	**-3,694**	**-**

Year ended 30 June 2020	Rates	Service Charges	Other	Interest	Outstanding Balance	Provision for Debt Impairment
Councillors						
JE Steenkamp					-	-
FJ Sterkse	5	927	2,348	3	3,283	-
H De Wee	-	97	-	-	97	-
J Klaaste	185	636	-	-	821	-
HC Steenkamp	-	-	-	-	-	-
AJE Claasen	492	2,420	298	136	3,346	-
K Alexander	-	5,158	618	433	6,209	-
RN Swartz	217	393	-	-	610	-
	898	**9,630**	**3,264**	**573**	**14,365**	**-**
Municipal Manager and Section 57 Employees						
JI Swartz	705	11,969	-	75	12,750	-
JR van Wyk	439	391	-	-	830	-
	1,143	**12,360**	**-**	**75**	**13,579**	**-**

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

Related party relationship

Councilors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality.

56.2 Compensation of key management personnel

The compensation of key management personnel is set out in note 31 to the Annual Financial Statements.

56.3 Remuneration of Councillors

There were no annual salary increase for remuneration of councillors at year end

56.4 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

Company Name	Related Party	Service Capacity	Relationship		
Lewis September Trading	C Barnes September	Technician: Water Service	Husband	1,900	1,900
				1,900	**1,900**

	2021 R	2020 R

57. PRINCIPAL - AGENT ARRANGEMENTS

57.1 <u>Principal in other Principal-Agent Arrangements (non-material)</u>

Hantam Municipality is the Principal in arrangements with service providers who sell prepaid electricity on their behalf. Prepaid vendors earn commission on the value of each transaction.

The following information is disclosed in aggregate as per GRAP 109 par 61.

Compensation paid for agency activities

	2021 R	2020 R
Commission - Note 37	708,433	549,373
Total Compensation	**708,433**	**549,373**

There are no resources under the custodianship of the agents, nor have they been recognised as such.

57.2 <u>Agent in arrangement</u>

Hantam Municipality is the Agent in the Principal-Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The municipality does not incur any expenses on behalf of the Provincial Department. No significant risks are noted to arise from the arrangement as the municipality merely collects monies on behalf of the department as part of its existing service offering at the traffic department and municipal cashier collection points. No resources are held on behalf of the Provincial Department (other than the receipts).

Compensation received for agency activities

Agency Fees	176,004	172,972
Total Compensation received	**176,004**	**172,972**

Hantam Municipality was paid 12% commission by the Provincial Departement of Transport for acting as an agent on its behalf during the financial year.

Reconciliation of Agency Funds and Disbursements

Principal name	Total Agency funds received	Amount remitted to the principal	Variance between amounts received and amounts remitted	Explanation of Variance
Provincial Department of Transport	176,004	176,004	-	None
	176,004	**176,004**	**-**	

58. FINANCIAL SUSTAINABILITY

Management is of the opinion that will municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.

The indicators or conditions that may, individually or collectively, cast doubt about the going concern assumption are as follows:

Financial Indicators

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the vast distances between several settlements coupled with the social-economic profile (high unemployment rate) of Hantam communities resulted in a serous risk for Hantam Municipality's going concern.

Unless sustainable job creation is achieved, Hantam Municipality will not be able to function as a going concern without Government Grants and Subsidies.

The municipality is experience difficultly to settle its current liabilities as its net current asset position is insufficient. The current liabilities exceeds the current assets with R5 893 112 (2020 Restated: R17 111 289).

COVID-19 - Background

The coronavirus outbreak has been international news since December 2019, but the South African National Institute for Communicable Diseases only confirmed the first positive case of COVID-19 in South Africa on 5 March 2020. On the 23rd of March 2020 President Cyril Ramaphosa announced a National State of Disaster in terms of section 27(5)(c) of the Disaster Management Act, 2002 (Act No. 57 of 2002) followed by a subsequent nationwide lockdown. The National State of Disaster has been extended on numerous occasions and is presently ongoing (currently extended to 15 Septmber 2021), as are sporadic lockdown restrictions implemented as and when infection rates increase beyond controlable measures.

COVID-19 - Impact on Municipality

Due to the national state of disaster, various regulatory requirements were instituted in order to ensure that the impact of the spread of the virus is limited. The impact has been devastating to the most vulnerable in our community. As a results of the robust financial model applied by the municipality however, the overall going concern and financial position remains relatively unchanged due to continued support by those members of the community who can afford to do so.

The below illustrates how these regulations had impacted the current year financial results of the municipality.

Current Assets: Hantam municipality's collection rate decreased .

Service Charges and Rates: During the lock down period the municipality opened all households water even the debtors that defaulted on their accounts.

Grants Received: The municipality received special allocations in order to assist communities in need to the value of R3 525 000 from National Treasury.

Expenses: Reprioritising of expenses for Equitable share in the 2021-2022 financial year

The summary below indicates the total Covid-19 response expenditure for the period ending 30 June 2021.

Type of expenditure	Nature of expenditure	Supplier	2021 R	2020 R
Protective clothing	Operational costs	Caprichem Saccs (Pty) Ltd	-	32,659
Protective clothing and materials	Operational costs	Caprichem Saccs (Pty) Ltd	37,541	-
Protective clothing	Operational costs	Blue Petroleum (Pty) Ltd	5,000	49,703
Protective clothing and materials	Operational costs	Blue Petroleum (Pty) Ltd	1,996	-
Protective clothing and materials	Operational costs	KLK Landbou Ltd	1,981	1,233
Wood	Operational costs	Dawid Johannes Rossow	-	400
Protective clothing	Operational costs	Sulizest (Pty) Ltd	-	18,446
Protective clothing	Operational costs	Basson Workwear	-	8,818
Protective clothing and materials	Operational costs	Waltons Stationery	19,344	45,363
Protective clothing and materials	Operational costs	KLK Kooperasie beperk	15,857	26,740
Protective clothing and materials	Operational costs	Introstat (Pty) Ltd	1,635	-
Protective clothing	Operational costs	Safety Protective Clothing	-	1,955
Protective clothing	Operational costs	Sonetties	6,680	7,400
Protective clothing	Operational costs	Feffs Construction BK	3,000	-
Protective clothing	Operational costs	Azeema Moonisa Cassim	2,275	-
Protective clothing	Operational costs	Bokveld Providers (Pty) Ltd	1,300	-
Protective clothing	Operational costs	Elzamien Eldoret Alicia Leukes	800	2,000
Supplies	Operational costs	OK Grocer Franchise Divison	160	2,117
Supplies	Operational costs	Kaap Agri Bedryf Limited	-	288
Protective clothing	Operational costs	F F Matthys T/A Filda Knit and Sew Enterprise	1,500	1,250
Protective clothing	Operational costs	Fire stuff 365 T/A Fire 24/7	-	5,450
Repairs	Operational costs	Diesel en Daisies (Pty) Ltd	-	4,213
Repairs	Operational costs	Vredendal Build IT	11,530	-
Protective clothing	Operational costs	E A Nel T/A Jannel's	-	5,789
Wood	Operational costs	Jacobus Johannes Mathys	-	500
Sanitation	Property, plant and equipment	Enjayh Properties	174,015	137,728
Sanitation	Property, plant and equipment	JVZ Construction	1,324,181	-
Sanitation	Property, plant and equipment	UDS Africa	1,543,416	-
Sanitation	Property, plant and equipment	Honesta	64,840	-
Sanitation	Property, plant and equipment	IMVUSA Trading 1188	133,594	-
Overtime	Employee related costs	Hantam Municipality	-	361,828
Danager pay	Employee related costs	Hantam Municipality	395,411	718,341
			3,746,056	**1,432,221**

The Covid-19 response expenditure is funded from the following sources:

	2021 R	2020 R
Own Revenue	221,056	1,265,221
Grant Funding	3,525,000	167,000
	3,746,056	**1,432,221**

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

59. EVENTS AFTER REPORTING PERIOD

MFMA Disclosure - Unauthorised expenditure

Unauthorised expenditure relating to 2020 and amounting to R9,899,011 was written off by council. Upon review of the decision, it was found that the unauthorised expenditure was not sufficiently investigated prior to council recommended write-off. The write-off per council decision was rescinded and a new council resolution was made to refer the unauthorised expenditure to MPAC (Municipal Public Accounts Committee) for investigation and subsequent recommendation to council.

No other adjusting events which may have financial implications for the municipality and warrants disclosure in the financial statements occurred after to 30 June 2021.

60. ADDITIONAL DISCLOSURES IN TERMS OF BROAD-BASED BALCK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

APPENDIX A
HANTAM MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2021

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2020	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2021
LEASE LIABILITY								
Printer Nashua IMC4500	14.90%	Various	2023	-	-	96,059	(24,969)	71,090
Printer Nashua IM430F	14.90%	Various	2023	-	-	21,829	(5,674)	16,155
Printer Nashua IM430F	14.90%	Various	2023	-	-	21,829	(5,674)	16,155
Printer Nashua IM430F	14.90%	Various	2023	-	-	21,829	(5,674)	16,155
Printer Nashua IM430F	14.90%	Various	2023	-	-	21,829	(5,674)	16,155
Printer Nashua IM430F	14.90%	Various	2023	-	-	21,829	(5,674)	16,155
Printer Nashua IM430F	14.90%	Various	2023	-	-	21,829	(5,674)	16,155
Printer Nashua IM430F	7.00%	Various	2023	-	-	19,573	(5,552)	14,021
Printer Nashua IM2702	14.90%	Various	2023	-	-	24,995	(6,497)	18,498
Printer Nashua IM550F	14.90%	Various	2023	-	-	40,067	(10,415)	29,652
Printer Nashua IMC2000	14.90%	Various	2023	-	-	54,912	(14,274)	40,639
Printer Nashua IMC2000	14.90%	Various	2023	-	-	54,912	(14,274)	40,639
Printer Nashua IMC2000	14.90%	Various	2023	-	-	54,912	(14,274)	40,639
Printer Nashua IMC2000	14.90%	Various	2023	-	-	54,912	(14,274)	40,639
Printer Nashua MP4055SP	14.90%	Various	2023	-	-	124,545	(32,374)	92,171
Total Lease Liabilities				-	-	655,863	(170,947)	484,916
TOTAL EXTERNAL LOANS				-	-	655,863	(170,947)	484,916

APPENDIX B
HANTAM MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R		2021 Actual Income R	2021 Actual Expenditure R	2021 Surplus/ (Deficit) R
			Governance and Administration			
4,492,733	(13,190,691)	(8,697,958)	Executive and council	2,275,472	(13,547,221)	(11,271,750)
33,038,671	(16,545,847)	16,492,824	Finance and administration	38,409,260	(25,304,006)	13,105,254
-	(2,079,779)	(2,079,779)	Internal audit	-	(1,751,299)	(1,751,299)
			Community and Public Safety			
1,316,841	(2,985,883)	(1,669,042)	Community and social services	1,279,036	(2,328,612)	(1,049,576)
11,686,066	(1,239,561)	10,446,505	Sport and recreation	6,324,133	(359,282)	5,964,851
-	-	-	Public safety	-	-	-
-	-	-	Housing	-	-	-
-	-	-	Health	-	-	-
			Economic and Environmental Services			
-	(1,743,740)	(1,743,740)	Planning and development	-	(1,896,585)	(1,896,585)
2,450,325	(8,277,261)	(5,826,936)	Road transport	5,830,031	(8,774,675)	(2,944,645)
62,191	(8,051)	54,141	Environmental protection	266,283	(17,995)	248,288
			Trading Services			
26,938,481	(32,210,469)	(5,271,988)	Energy sources	30,694,404	(28,753,008)	1,941,396
91,002,159	(14,806,358)	76,195,802	Water management	76,250,832	(13,024,512)	63,226,320
7,083,944	(6,030,165)	1,053,778	Waste water management	13,689,427	(5,403,307)	8,286,121
9,056,665	(12,560,762)	(3,504,098)	Waste management	8,796,759	(10,821,848)	(2,025,090)
-	(47,383)	(47,383)	**Other**	-	(77,714)	(77,714)
187,128,076	(111,725,950)	75,402,126	Sub Total	183,815,637	(112,060,065)	71,755,572
-	-	-	Less Inter-Departmental Charges	-	-	-
187,128,076	(111,725,950)	75,402,126	**Total**	183,815,637	(112,060,065)	71,755,572

APPENDIX C
HANTAM MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021
MUNICIPAL VOTES CLASSIFICATIONS

2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R		2021 Actual Income R	2021 Actual Expenditure R	2021 Surplus/ (Deficit) R
			Executive and Council			
-	(3,437,289)	(3,437,289)	Municipal Manager	-	(3,219,628)	(3,219,628)
4,492,733	(11,833,180)	(7,340,447)	Mayor and Council	2,275,472	(12,078,892)	(9,803,421)
			Budget and Treasury Office			
16,278,389	(9,198,894)	7,079,495	Finance General	19,268,689	(12,201,132)	7,067,557
139,267	(2,921,995)	(2,782,728)	Accountant Revenue	1,790,953	(3,686,141)	(1,895,188)
-	-	-	Accountant Expenditure	-	-	-
-	(718,990)	(718,990)	Supply Chain Management	-	(795,964)	(795,964)
			Corporate Services			
16,621,016	(3,634,736)	12,986,279	Administration	17,349,618	(8,617,946)	8,731,673
-	(71,232)	(71,232)	Human Resources	-	(2,823)	(2,823)
-	(1,151,688)	(1,151,688)	Property Services	-	(1,242,849)	(1,242,849)
			Community and Social Services			
58,884	(648,941)	(590,057)	Cemeteries	125,261	(161,880)	(36,618)
1,090,957	(1,998,653)	(907,696)	Libraries	1,153,775	(2,019,747)	(865,972)
-	-	-	Sport and Recreation	-	-	-
-	-	-	Public Safety	-	-	-
-	-	-	Housing	-	-	-
-	-	-	Health	-	-	-
167,000	(338,289)	(171,289)	Disaster Mangement	-	(146,986)	(146,986)
			Sport and Recreation			
-	(8,051)	(8,051)	Nature Reserves	-	(17,995)	(17,995)
11,665,057	(1,222,393)	10,442,665	Sport Ground	6,324,133	(345,540)	5,978,593
21,009	(17,168)	3,840	Swimming Pool	-	(13,742)	(13,742)
-	-	-	Caravan Park	-	-	-
			Public Safety			
-	-	-	Civil Defence	-	-	-
			Planning and Development			
-	(592,053)	(592,053)	IDP Department	-	(653,736)	(653,736)
			Road Transport			
2,247,377	(6,512,407)	(4,265,030)	Roads	5,630,002	(7,169,172)	(1,539,169)
202,947	(1,764,853)	(1,561,906)	Traffic Services	200,029	(1,605,504)	(1,405,475)
			Electricity			
26,938,481	(32,210,469)	(5,271,988)	Electricity Distribution	30,694,404	(28,753,008)	1,941,396
			Water			
91,002,159	(14,806,358)	76,195,802	Water Distribution	76,250,832	(13,024,512)	63,226,320
			Waste Water Management			
7,083,944	(6,030,165)	1,053,778	Waste Water Management	13,689,427	(5,403,307)	8,286,121
			Solid Waste			
9,056,665	(12,560,762)	(3,504,098)	Waste Removal	8,796,759	(10,821,848)	(2,025,090)
			Other			
-	(47,383)	(47,383)	Aerodrome	-	(77,714)	(77,714)
-	-	-	Vehicle Account	-	-	-
			Environmental Health			
62,191	-	62,191	Environmental Health	266,283	-	266,283
182,635,343	(96,455,481)	75,402,126	Sub Total	183,815,637	(112,060,065)	71,755,572
-	-	-	Less Inter-Departmental Charges	-	-	-
182,635,343	(96,455,481)	75,402,126	**Total**	183,815,637	(112,060,065)	71,755,572

APPENDIX D
HANTAM MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2020	Correction of Error	Restated Balance 30 June 2020	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2021	Unspent 30 June 2021 (Creditor)	Unpaid 30 June 2021 (Debtor)
National Government Grants											
Equitable Share	-	-	-	29,896,000	-	-	(29,896,000)	-	-	-	-
Local Government Financial Management Grant	-	-	-	1,900,000	-	-	(1,900,000)	-	-	-	-
Municipal Infrastructure Grant	-	-	-	13,607,000	-	-	-	(11,180,728)	2,426,272	2,426,272	-
Integrated National Electrification Programme Grant	-	-	-	1,500,000	-	-	-	(1,500,000)	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	31,100,000	-	-	-	(31,100,000)	-	-	-
Expanded Public Works Programme	-	-	-	1,704,000	-	-	(1,704,000)	-	-	-	-
Municipal Water Infrastructure Grant	-	-	-	33,000,000	-	-	-	(33,000,000)	-	-	-
Total National Government Grants	**-**	**-**	**-**	**112,707,000**	**-**	**-**	**(33,500,000)**	**(76,780,728)**	**2,426,272**	**2,426,272**	**-**
Provincial Government Grants											
Libraries, Archives and Museums	-	-	-	1,150,000	-	-	(1,150,000)	-	-	-	-
Capacity Bulding	-	-	-	45,031	-	-	(45,031)	-	-	-	-
Total Provincial Government Grants	**-**	**-**	**-**	**1,195,031**	**-**	**-**	**(1,195,031)**	**-**	**-**	**-**	**-**
Total Grants	-	-	-	113,902,031	-	-	(34,695,031)	(76,780,728)	2,426,272	2,426,272	-

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

HANTAM MUNICIPALITY - Reconciliation of Table A1 Budget Summary

Description	2020/21								2019/20			
R thousands	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Financial Performance												
Property rates	15,967	–	15,967	14,942		1,025	93.6%	93.6%				13,209
Service charges	58,267	(5,466)	52,801	39,044		13,758	73.9%	67.0%				36,157
Investment revenue	–	–	–	594		(594)	0.0%	0.0%				383
Transfers recognised - operational	3	0	3	176		(173)	5866.8%	6769.4%				173
Other own revenue	33,000	(1,198)	31,802	47,731		(15,928)	150.1%	144.6%				46,910
Total Revenue (excluding capital transfers and contributions)	**–**	**–**	**–**	**–**		**–**	**0.0%**	**0.0%**				**–**
Employee costs	41,914	(1,842)	40,072	39,148	–	924	97.7%	93.4%	–	–	–	–
Remuneration of councillors	3,356	–	3,356	3,137	–	219	93.5%	93.5%	–	–	–	39,288
Debt Impairment	9,512	–	9,512	4,940	–	4,572	51.9%	51.9%	–	–	–	3,216
Depreciation & asset impairment	9,144	–	9,144	12,982	–	(3,839)	142.0%	142.0%	–	–	–	3,216
Finance charges	2,241	–	2,241	3,181	–	(940)	142.0%	142.0%	–	–	–	2,378
Materials and bulk purchases	31,472	(3,247)	28,225	23,039	–	5,187	81.6%	73.2%	–	–	–	11,806
Transfers and grants	12,101	1,020	13,121	–	–	13,121	0.0%	0.0%	–	–	–	24,461
Other expenditure	11,455	(1,678)	9,777	23,985	–	(14,208)			–	–	–	–
Total Expenditure	**121,195**	**(5,747)**	**115,448**	**110,412**	**–**	**5,037**	**95.6%**	**91.1%**	**–**	**–**	**–**	**34,087**
Surplus/(Deficit)	**–**	**–**	**–**	**–**		**–**	**0.0%**	**0.0%**				**–**
Transfers recognised - capital	–	–	–	–		–	0.0%	0.0%				–
Contributions recognised - capital & contributed assets	51,963	–	88,130	76,781		11,349	87.1%	147.8%				88,130
Surplus/(Deficit) after capital transfers & contributions	**–**	**–**	**–**	**–**		**–**	-	-				**–**
Share of surplus/ (deficit) of associate	–	–	–	–		–	0.0%	0.0%				–
Surplus/(Deficit) for the year	**–**	**–**	**–**	**–**		**–**	-	-				**–**
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital												
Public contributions & donations	51,963	36,000	87,963	68,998		18,965	78.4%	132.8%				90,935
Borrowing	–	–	–	–		–	0.0%	0.0%				–
Internally generated funds	–	–	–	–		–	0.0%	0.0%				–
Total sources of capital funds	**3,473**	**(1,412)**	**2,061**	**3,115**		**(1,054)**	**151.1%**	**89.7%**				**1,834**
Cash flows												
Net cash from (used) operating												
Net cash from (used) investing	62,367	26,089	88,456	85,788		2,668	97.0%	137.6%				93,751
Net cash from (used) financing	(67,207)	(21,740)	(88,947)	(77,447)		(11,500)	87.1%	115.2%				(90,099)
Cash/cash equivalents at the year end	**(3,166)**	**(104)**	**(104)**	**(79)**		**(26)**	**75.2%**	**2.5%**				**991**

HANTAM MUNICIPALITY - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description R thousand	2020/21								2019/20			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	**38,765**	**(2,416)**	**36,349**	**40,685**		**(4,336)**	**0.0%**	**0.0%**				**37,531**
Executive and council	2,066	–	2,066	2,275		(209)	0.0%	0.0%				4,493
Finance and administration	36,699	(2,416)	34,283	38,409		(4,126)	0.0%	0.0%				33,039
Internal audit	–	–	–	–		–	0.0%	0.0%				–
Community and public safety	**1,487**	**0**	**1,487**	**7,603**		(6,116)	**0.0%**	**0.0%**				**13,003**
Community and social services	1,167	0	1,167	1,279		(112)	0.0%	0.0%				1,317
Sport and recreation	320	–	320	6,324		(6,004)	0.0%	0.0%				11,686
Public safety	–	–	–	–		–	0.0%	0.0%				–
Housing	–	–	–	–		–	0.0%	0.0%				–
Health	–	–	–	–		–	0.0%	0.0%				–
Economic and environmental services	**10,565**	**(230)**	**10,335**	**6,096**		4,239	**0.0%**	**0.0%**				**2,513**
Planning and development	–	–	–	–		–	0.0%	0.0%				–
Road transport	10,565	(230)	10,335	5,830		4,505	0.0%	0.0%				2,450
Environmental protection	–	–	–	266		(266)	0.0%	0.0%				62
Trading services	**110,993**	**30,697**	**141,691**	**129,431**		12,259	**0.0%**	**0.0%**				**134,081**
Electricity	33,899	(5,259)	28,640	30,694		(2,054)	0.0%	0.0%				26,938
Water	56,809	36,169	92,977	76,251		16,726	0.0%	0.0%				91,002
Waste water management	8,728	(209)	8,520	13,689		(5,170)	0.0%	0.0%				7,084
Waste management	11,557	(4)	11,553	8,797		2,757	0.0%	0.0%				9,057
Other	**–**	**–**	**–**	**–**		–	**0.0%**	**0.0%**				**–**
Total Revenue - Standard	**161,811**	**28,051**	**189,862**	**183,816**		**6,046**	**0.0%**	**0.0%**				**187,128**

HANTAM MUNICIPALITY - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2020/21								2019/20			
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Expenditure - Standard												
Governance and administration	**38,067**	**(148)**	**37,918**	**40,603**	**–**	**(2,684)**	**0.0%**	**0.0%**	**–**	**–**	**–**	**37,491**
Executive and council	12,763	(176)	12,587	13,547	–	(960)	0.0%	0.0%	–	–	–	13,191
Finance and administration	23,299	28	23,327	25,304	–	(1,977)	0.0%	0.0%	–	–	–	22,220
Internal audit	2,005	–	2,005	1,751	–	254	0.0%	0.0%	–	–	–	2,080
Community and public safety	**6,947**	**(1,279)**	**5,668**	**2,688**	**–**	**2,980**	**0.0%**	**0.0%**	**–**	**–**	**–**	**4,225**
Community and social services	2,493	371	2,864	2,329	–	536	0.0%	0.0%	–	–	–	2,986
Sport and recreation	1,623	(612)	1,011	359	–	652	0.0%	0.0%	–	–	–	1,240
Public safety	2,831	(1,038)	1,793	–	–	1,793	0.0%	0.0%	–	–	–	–
Housing	–	–	–	–	–	–	0.0%	0.0%	–	–	–	–
Health	–	–	–	–	–	–	0.0%	0.0%	–	–	–	–
Economic and environmental services	**6,784**	**1,005**	**7,789**	**10,689**	**–**	**(2,901)**	**0.0%**	**0.0%**	**–**	**–**	**–**	**10,029**
Planning and development	2,029	(35)	1,994	1,897	–	97	0.0%	0.0%	–	–	–	1,744
Road transport	4,685	1,060	5,746	8,775	–	(3,029)	0.0%	0.0%	–	–	–	8,277
Environmental protection	69	(20)	49	18	–	31	0.0%	0.0%	–	–	–	8
Trading services	**69,277**	**(5,325)**	**63,952**	**58,003**	**–**	**5,950**	**0.0%**	**0.0%**	**–**	**–**	**–**	**65,608**
Electricity	37,108	(3,938)	33,170	28,753	–	4,417	0.0%	0.0%	–	–	–	32,210
Water	13,426	(1,129)	12,297	13,025	–	(728)	0.0%	0.0%	–	–	–	14,806
Waste water management	6,899	(1,487)	5,413	5,403	–	9	0.0%	0.0%	–	–	–	6,030
Waste management	11,844	1,229	13,074	10,822	–	2,252	0.0%	0.0%	–	–	–	12,561
Other	**120**	1	**120**	**78**	**–**	43	**0.0%**	**0.0%**	**–**	**–**	**–**	**47**
Total Expenditure - Standard	**121,195**	**(5,747)**	**115,448**	**112,060**	**–**	**3,388**	**0.0%**	**0.0%**	**–**	**–**	**–**	**117,401**
Surplus/(Deficit) for the year	**40,615**	**33,798**	**74,414**	**71,756**	**–**	**2,658**	**0.0%**	**0.0%**	**–**	**–**	**–**	**69,727**

HANTAM MUNICIPALITY - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2020/21								2019/20			
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - Executive and Council	2,066	–	2,066	2,275		–	0.0%	0.0%				4,493
Vote 2 - Budget and Treasury Office	19,036	(1,099)	17,937	21,060		–	0.0%	0.0%				16,418
Vote 3 - Corporate Services	17,579	(1,268)	16,312	17,350		–	0.0%	0.0%				16,621
Vote 4 - Community and Social Services	1,167	0	1,167	1,279		–	0.0%	0.0%				1,317
Vote 5 - Sport and Recreation	320	–	320	6,324		–	0.0%	0.0%				11,686
Vote 6 - Public Safety	–	–	–	–		–	0.0%	0.0%				–
Vote 7 - Planning and Development	–	–	–	–		–	0.0%	0.0%				–
Vote 8 - Road Transport	10,565	(230)	10,335	5,830		–	0.0%	0.0%				2,450
Vote 9 - Electricity	33,899	(5,259)	28,640	30,694		–	0.0%	0.0%				26,938
Vote 10 - Water	56,809	36,169	92,977	76,251		–	0.0%	0.0%				91,002
Vote 11 - Waste Water Management	8,728	(209)	8,520	13,689		–	0.0%	0.0%				7,084
Vote 12 - Solid Waste	11,557	(4)	11,553	8,797		–	0.0%	0.0%				9,057
Vote 13 - Other	–	–	–	–		–	0.0%	0.0%				–
Vote 14 - Environmental Health	84	(49)	35	266		–	0.0%	0.0%				62
Total Revenue by Vote	**161,811**	**28,051**	**189,862**	**183,816**		**–**	**0.0%**	**0.0%**				**187,128**
Expenditure by Vote ***to be appropriated***												
Vote 1 - Executive and Council	13,666	(492)	13,174	15,299	–	–	0.0%	0.0%	–	–	–	15,270
Vote 2 - Budget and Treasury Office	14,704	1,828	16,533	16,683	–	–	0.0%	0.0%	–	–	–	18,515
Vote 3 - Corporate Services	10,927	(1,506)	9,421	9,864	–	–	0.0%	0.0%	–	–	–	4,858
Vote 4 - Community and Social Services	2,372	167	2,539	2,329	–	–	0.0%	0.0%	–	–	–	2,986
Vote 5 - Sport and Recreation	1,693	(632)	1,061	377	–	–	0.0%	0.0%	–	–	–	1,248
Vote 6 - Public Safety	122	204	325	–	–	–	0.0%	0.0%	–	–	–	–
Vote 7 - Planning and Development	798	(15)	784	654	–	–	0.0%	0.0%	–	–	–	592
Vote 8 - Road Transport	7,516	22	7,538	8,775	–	–	0.0%	0.0%	–	–	–	8,277
Vote 9 - Electricity	37,108	(3,938)	33,170	28,753	–	–	0.0%	0.0%	–	–	–	32,210
Vote 10 - Water	13,426	(1,129)	12,297	13,025	–	–	0.0%	0.0%	–	–	–	14,806
Vote 11 - Waste Water Management	5,672	(259)	5,413	5,403	–	–	0.0%	0.0%	–	–	–	6,030
Vote 12 - Solid Waste	11,844	1,229	13,074	10,822	–	–	0.0%	0.0%	–	–	–	12,561
Vote 13 - Other	1,347	(1,227)	120	78	–	–	0.0%	0.0%	–	–	–	47
Vote 14 - Environmental Health	–	–	–	–	–	–	0.0%	0.0%	–	–	–	–
Total Expenditure by Vote	**121,195**	**(5,747)**	**115,448**	**112,060**	**–**	**–**	**0.0%**	**0.0%**	**–**	**–**	**–**	**117,401**
Surplus/(Deficit) for the year	**40,615**	**33,798**	**74,414**	**71,756**		**–**	**0.0%**	**0.0%**				**69,727**

HANTAM MUNICIPALITY - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2020/21								2019/20			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	15,967	–	15,967	14,942		**1,025**	93.6%	**93.6%**				13,209
Service charges - electricity revenue	31,209	(5,259)	25,949	26,783		**(834)**	103.2%	**85.8%**				22,213
Service charges - water revenue	12,169	169	12,338	1,863		**10,475**	15.1%	**15.3%**				3,978
Service charges - sanitation revenue	7,187	(376)	6,812	4,964		**1,847**	72.9%	**69.1%**				4,748
Service charges - refuse revenue	7,702	–	7,702	5,433		**2,269**	70.5%	**70.5%**				5,217
Rental of facilities and equipment	–	–	–	594		**(594)**	#DIV/0!	**#DIV/0!**				383
Interest earned - external investments	1,103	(968)	135	772		**(637)**	572.1%	**70.0%**				1,092
Interest earned - outstanding debtors	–	–	–	2,072		**(2,072)**	#DIV/0!	**#DIV/0!**				2,014
Dividends received	1,993	–	1,993	–		**1,993**	0.0%	**0.0%**				–
Fines, penalties and forfeits	–	–	–	25		**(25)**	#DIV/0!	**#DIV/0!**				34
Licences and permits	13	20	33	3		**30**	9.9%	**25.2%**				2
Agency services	3	0	3	176		**(173)**	5866.8%	**6769.4%**				173
Transfers and subsidies	500	(250)	250	34,695		**(34,445)**	13878.0%	**6939.0%**				29,391
Other revenue	29,391	–	29,391	10,164		**19,227**	34.6%	**34.6%**				14,377
Gains on disposal of PPE	2,611	(1,452)	1,159	–		**1,159**	0.0%	**0.0%**				–
Total Revenue (excluding capital transfers and contributions)	**109,848**	**(8,116)**	**101,732**	**102,486.380**		**(755)**	**100.7%**	**93.3%**				**96,833**
Expenditure By Type			–				-	-				
Employee related costs	41,914	(1,842)	40,072	39,148	–	924	97.7%	93.4%	–	–	–	39,288
Remuneration of councillors	3,356	–	3,356	3,137	–	219	93.5%	93.5%	–	–	–	3,216
Debt impairment	9,512	–	9,512	4,940	–	4,572	51.9%	51.9%	–	–	–	2,378
Depreciation & asset impairment	9,144	–	9,144	12,982	–	(3,839)	142.0%	142.0%	–	–	–	11,806
Finance charges	2,241	–	2,241	3,181	–	(940)	142.0%	142.0%	–	–	–	3,044
Bulk purchases	29,024	(3,434)	25,590	21,954	–	3,636	85.8%	75.6%	–	–	–	21,416
Inventoy Consumed	2,448	187	2,635	1,085	–	1,551	41.2%	44.3%	–	–	–	1,752
Contracted services	12,101	1,020	13,121	–	–	13,121	0.0%	0.0%	–	–	–	–
Transfers and grants	60	–	60	148	–	(88)	246.9%	246.9%	–	–	–	274
Other expenditure	11,395	(1,678)	9,717	23,837	–	(14,120)	245.3%	209.2%	–	–	–	32,061
Loss on disposal of PPE	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Total Expenditure	**121,195**	**(5,747)**	**115,448**	**110,411.624**	**–**	**5,037**	**95.6%**	**91.1%**	**–**	**–**	**–**	**115,236**

HANTAM MUNICIPALITY - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2020/21								2019/20			
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Surplus/(Deficit)	**(11,348)**	**(2,369)**	**(13,716)**	**(7,925)**		**–**	**0.0%**	**0.0%**				**(18,403)**
Transfers recognised - capital	51,963	36,167	88,130	76,781		–	0.0%	0.0%				88,130
Contributions recognised - capital	–	–	–	–		–	0.0%	0.0%				–
Contributed assets	–	–	–	2,900		–	0.0%	0.0%				–
Surplus/(Deficit) after capital transfers & contributions	**40,615**	**33,798**	**74,414**	**71,756**		**–**	**0.0%**	**0.0%**				**69,727**
Taxation	–	–	–	–		–	0.0%	0.0%				–
Surplus/(Deficit) after taxation	**40,615**	**33,798**	**74,414**	**71,756**		**–**	**0.0%**	**0.0%**				**69,727**
Attributable to minorities	–	–	–	–		–	0.0%	0.0%				–
Surplus/(Deficit) attributable to municipality	**40,615**	**33,798**	**74,414**	**71,756**		**–**	**0.0%**	**0.0%**				**69,727**
Share of surplus/ (deficit) of associate	–	–	–	–		–	0.0%	0.0%				–
Surplus/(Deficit) for the year	**40,615**	**33,798**	**74,414**	**71,756**		**–**	**0.0%**	**0.0%**				**69,727**

HANTAM MUNICIPALITY - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2020/21								2019/20			
R thousand	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
<u>**Capital expenditure - Vote**</u>												
<u>**Multi-year expenditure**</u>												
Vote 1 - Executive and Council	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 2 - Budget and Treasury Office	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 3 - Corporate Services	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 4 - Community and Social Services	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 5 - Sport and Recreation	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 6 - Public Safety	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 7 - Planning and Development	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 8 - Road Transport	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 9 - Electricity	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 10 - Water	41,503	36,000	77,503	58,072		–	0%	0%	–	–	–	77,682
Vote 11 - Waste Water Management	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 12 - Solid Waste	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 13 - Other	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 14 - Environmental Health	–	–	–	–	–	–	0%	0%	–	–	–	–
Capital multi-year expenditure	**41,503**	**36,000**	**77,503**	**58,072**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**77,682**
<u>**Single-year expenditure**</u>												
Vote 1 - Executive and Council	600	(20)	580	237		–	0%	0%	–	–	–	580
Vote 2 - Budget and Treasury Office	80	(80)	–	–	–	–	0%	0%	–	–	–	–
Vote 3 - Corporate Services	886	(336)	550	–		–	0%	0%	–	–	–	452
Vote 4 - Community and Social Services	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 5 - Sport and Recreation	8,460	(627)	7,833	5,458		–	0%	0%	–	–	–	10,774
Vote 6 - Public Safety	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 7 - Planning and Development	7	(7)	–	–	–	–	0%	0%	–	–	–	–
Vote 8 - Road Transport	1,900	27	1,927	4,264		–	0%	0%	–	–	–	1,597
Vote 9 - Electricity	700	–	700	1,204		–	0%	0%	–	–	–	881
Vote 10 - Water	100	(100)	–	–	–	–	0%	0%	–	–	–	–
Vote 11 - Waste Water Management	–	167	167	2,878		–	0%	0%	–	–	–	138
Vote 12 - Solid Waste	1,200	(436)	764	–		–	0%	0%	–	–	–	664
Vote 13 - Other	–	–	–	–	–	–	0%	0%	–	–	–	–
Vote 14 - Environmental Health	–	–	–	–	–	–	0%	0%	–	–	–	–
Capital single-year expenditure	13,933	(1,412)	12,521	14,041	–	–	0%	0%	–	–	–	15,087
Total Capital Expenditure - Vote	**55,436**	**34,588**	**90,024**	**72,113**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**92,769**

HANTAM MUNICIPALITY - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2020/21								2019/20			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Standard												
Governance and administration	**1,566**	**(436)**	**1,130**	**237**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**1,032**
Executive and council	600	(20)	580	237	–	–	0%	0%	–	–	–	580
Finance and administration	966	(416)	550	–	–	–	0%	0%	–	–	–	452
Internal audit	–	–	–	–	–	–	0%	0%	–	–	–	–
Community and public safety	**8,460**	**(627)**	**7,833**	**5,458**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**10,774**
Community and social services	–	–	–	–	–	–	0%	0%	–	–	–	–
Sport and recreation	8,460	(627)	7,833	5,458	–	–	0%	0%	–	–	–	10,774
Public safety	–	–	–	–	–	–	0%	0%	–	–	–	–
Housing	–	–	–	–	–	–	0%	0%	–	–	–	–
Health	–	–	–	–	–	–	0%	0%	–	–	–	–
Economic and environmental services	**1,907**	**20**	**1,927**	**4,264**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**1,597**
Planning and development	7	(7)	–	–	–	–	0%	0%	–	–	–	–
Road transport	1,900	27	1,927	4,264	–	–	0%	0%	–	–	–	1,597
Environmental protection	–	–	–	–	–	–	0%	0%	–	–	–	–
Trading services	**43,503**	**35,631**	**79,134**	**62,154**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**79,365**
Electricity	700	–	700	1,204	–	–	0%	0%	–	–	–	881
Water	41,603	35,900	77,503	58,072	–	–	0%	0%	–	–	–	77,682
Waste water management	–	167	167	2,878	–	–	0%	0%	–	–	–	138
Waste management	1,200	(436)	764	–	–	–	0%	0%	–	–	–	664
Other	**–**	**–**	**–**	**–**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Standard	**55,436**	**34,588**	**90,024**	**72,113**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**92,769**
Funded by:												
National Government	51,963	36,000	87,963	68,998	–	–	0%	0%	–	–	–	90,935
Provincial Government	–	–	–	–	–	–	0%	0%	–	–	–	–
District Municipality	–	–	–	–	–	–	0%	0%	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	0%	0%	–	–	–	–
Transfers recognised - capital	**51,963**	**36,000**	**87,963**	**68,998**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**90,935**
Public contributions & donations	**–**	**–**	**–**	**–**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**–**
Borrowing	**–**	**–**	**–**	**–**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**–**
Internally generated funds	**3,473**	**(1,412)**	**2,061**	**3,115**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**1,834**
Total Capital Funding	**55,436**	**34,588**	**90,024**	**72,113**	**–**	**–**	**0%**	**0%**	**–**	**–**	**–**	**92,769**

HANTAM MUNICIPALITY - Reconciliation of Table A7 Budgeted Cash Flows

Description	2020/21							2019/20
R thousand	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, peanalties and collection charges	13,185	307	13,492	11,302	–	0.0%	0.0%	9,385
Service charges	47,995	(3,381)	44,614	39,021	–	0.0%	0.0%	36,458
Other revenue	1,247	2,206	3,452	3,897	–	0.0%	0.0%	2,119
Government - operating	31,175	(1,784)	29,391	34,695	–	0.0%	0.0%	29,391
Government - capital	66,326	21,804	88,130	79,207	–	0.0%	0.0%	88,130
Interest	1,750	51	1,801	772	–	0.0%	0.0%	1,092
Dividends	–	–	–	–	–	0.0%	0.0%	–
Payments								
Suppliers and employees	(99,310)	6,887	(92,423)	(83,025)	–	0.0%	0.0%	(72,774)
Finance charges	–	–	–	(82)	–	0.0%	0.0%	(50)
Transfers and Grants	–	–	–	–	–	0.0%	0.0%	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**62,367**	**26,089**	**88,456**	**85,788**	**–**	**0.0%**	**0.0%**	**93,751**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	–	–	0.0%	0.0%	–
Decrease (Increase) in non-current debtors	–	–	–	(101)	–	0.0%	0.0%	196
Decrease (increase) other non-current receivables	–	–	–	–	–	0.0%	0.0%	–
Decrease (increase) in non-current investments	–	–	–	–	–	0.0%	0.0%	–
Payments								
Capital assets	(67,207)	(21,740)	(88,947)	(77,346)	–	0.0%	0.0%	(90,295)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(67,207)**	**(21,740)**	**(88,947)**	**(77,447)**	**–**	**0.0%**	**0.0%**	**(90,099)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	0.0%	0.0%	–
Borrowing long term/refinancing	–	–	–	–	–	0.0%	0.0%	–
Increase (decrease) in consumer deposits	–	60	60	92	–	0.0%	0.0%	106
Payments								
Repayment of borrowing	–	(164)	(164)	(171)	–	0.0%	0.0%	(164)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**(104)**	**(104)**	**(79)**	**–**	**0.0%**	**0.0%**	**(58)**
NET INCREASE/ (DECREASE) IN CASH HELD	(4,840)	4,245	(595)	8,263				3,594
Cash/cash equivalents at the year begin:	1,674	(683)	991	991				(2,603)
Cash/cash equivalents at the year end:	(3,166)	3,562	396	9,254	–	0.0%	0.0%	991

Report of the auditor-general to the Northern Cape Provincial Legislature and the council on Hantam Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Hantam Local Municipality set out on pages X to X, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Hantam Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2020 (Act No. 4 of 2020) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Impairments – receivables from exchange and non-exchange transactions

7. As disclosed in note 10 to the financial statements, a provision for debt impairment of R31 064 131 (2020: R28 835 054) was provided for as a result of the municipality's assessment of the recoverability of receivables from exchange transactions.

8. As disclosed in note 11 to the financial statements, a provision for debt impairment of R24 643 701 (2020: R21 707 689) was provided for as a result of the municipality's assessment of the recoverability of receivables from non-exchange transactions.

Bad Debts Written Off

9. As disclosed in the statement of financial performance, material losses of R4 939 658 (2020: R2 377 937) was incurred as a result of a write-off of irrecoverable trade debtors.

Material losses - electricity

10. As disclosed in note 50.8 to the financial statements, material electricity disctribution losses of R3 116 716 (2020: R3 658 653) was incurred, which represents 14.2 % (2020: 17.1%) of total electricity purchased.

Unauthorised expenditure

11. As disclosed in note 49.1 to the financial statements. The municipality incurred unauthorised expenditure of R2 248 077 (2020: R8 767 014), as they overspent on votes.

Irregular expenditure

12. As disclosed in note 49.3 to the financial statements, the municipality incurred irregular expenditure of R45 734 634 (2020: R59 867 690), as in prior years the bid adjudication committee was not constituted in accordance with SCM Regulation 29(2) and tender requirements did not include a condition for mandatory subcontracting to advance designated groups in terms of PPR 9(1).

Events after the reporting period

13. We draw attention to note 59 in the financial statements, which deals with subsequent events and specifically the review of the Council's decision to write-off unauthorised expenditure incurred in the 2020 financial year. It was found that the unauthorised expenditure was not sufficiently investigated prior to Council recommended write-off. The write-off per Council decision was rescinded and a new council resolution was made to refer the unauthorised expenditure to MPAC (Municipal Public Accounts Committee) for investigation and subsequent recommendation to Council.

Restatement of corresponding figures

14. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2020 have been restated as a result of an errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.

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 on them.

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 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 the selected objective 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 objective presented in the municipality's annual performance report for the year ended 30 June 2021:

Objective	Pages in the annual performance report
Objective 1- Infrastructure development and 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. I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective

- Objective 1 - Infrastructure development and basic service delivery

Other matters

27. I draw attention to the matters below.

Achievement of planned targets

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

Adjustment of material misstatements

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

Report on the audit of compliance with legislation

Introduction and scope

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. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

32. 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 objectives presented in the annual performance report that have been specifically reported in this auditor's report.

33. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

34. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

35. I did not receive the other information prior to the date of this auditor's report. 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

36. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor General

Kimberley

29 March 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 objective 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 Hantam 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.