

KhâI-Ma Municipality



ANNUAL REPORT 2021/2022 Draft

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

It is my privileged to look into the past year’s success and challenges experience with regards to service delivery to communities considering budget constraints and cash flow problems hampering

Basic services was rendered to the biggest number of households in communities. Water was supplied to households and other consumers with two projects being implemented at Pofadder and Pella in order to upgrade the supplying systems. The Mining Town Project funded and managed by Department of COGHSTA at Pofadder was completed, while Pella Storage and Reticulation at Pella, which had commenced in the 2019/2020 financial year is still in process being delayed by poor performance of two contractors appointed for construction. Another WSIG- project for upgrading the internal reticulation system at Pofadder was almost completed by the end of the financial year.

The situation with regards to sanitation did not changed yet. More than 350 households at Blyvooruitsig, Pofadder have access to a sewerage system. More than 50% of all households have access to sewer tanks. At the end of the financial year only two sewer trucks were utilized to remove waste water from consumers at all towns except Witbank which is an expensive exercise in the long term considering its maintenance. The extension of the existing sewerage system will enable the Municipality to save costs. Oxidations pounds must be upgraded during the Council’s term and toilet structures provided to those households, less than twenty percent which do not have access to sanitation.

Domestic waste was removed from all households except the case of Witbank, due to the shortage of suitable vehicles. Waste management is a big challenges for KhâI-Ma Municipality, especially with landfill sites and illegal dumps. Licenses of the sites expired and the sites are not fenced. A Clean and Campaign Project (EPWP) by Department of Fishery, Forestry and Environment over a period of two years, ending December 2021 did not made an impact since inhabitants are still dumping waste illegally. The rehabilitation of landfill sites remains a need and will be a priority on Council’s integrated development plan.

Electricity was supplied to consumers at Pofadder, while ESCOM supplied directly to the communities of Onseepkans, Pella and Witbank. A few households at Pofadder could be connected to the electricity reticulation network before the maximum demand was reached. The approval of an application for increase is pending due to the need for upgrading the substation.

Applicants for housing subsidies was assisted with the housing pipeline up to date. No houses, however, were constructed during the year.

Internal roads were not be upgraded, while existing tar roads at Pofadder are damaged by heavy loads of transport.

It is necessary for all stakeholders to get on board and contribute to the development of our

communities. We need all resources available to make the difference.

Together, I believe, we can create and maintain a sound environment to the advantage of its citizens.

Councillor Estelle Cloete

MAYOR: KhâI-MA MUNICIPALITY

T 1.0.1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

Another financial year was completed with basic services rendered to all communities except Witbank who did not received waste water and waste removal due to limited resources, especially cashflow.

An organogram could be revised successfully and all positions of senior management was filled for the full period of the financial year. A law enforcement officer in Corporate Services Department could not be appointed to assist with revenue enhancement and the implementation of our by-laws. The position of a budget and treasurer officer is crucial to assist the chief financial officer with financial management and the implementation of finance related policies.

Other vacancies occurred during the financial year after, sadly the passing on of Gertruida Beukes, a service point clerk at Sending, Onseepkans and Mr Wilfred Magerman, a driver in the Technical Services Department. Job evaluations is a big need in order to ensure the appointed staff members are placed correctly to ensure they contribute to successfully implementation of development plans.

Planning was done as required by the legislation applicable. Council adopted its five year Integrated Development Plan and medium term budget and related policies. A Service Delivery and Budget Implementation Plan was also approved by the Mayor.

The plans mentioned above was implemented but not progressively as one should expected due to limited financial resources. Revenue resources and a low payment culture were the main contributing factors. Though debt collection, credit control, and indigent policies were implemented Services vehicles and equipment could not be maintained properly which cause that all services could not delivered in time.

Capital projects could not be completed in time due to the delay of the Construction of Water Storage internal Reticulation project at Pella when some inhabitants rejected the installation of pre-paid water meters as a measure for improved cashflow. Poor performance by the two contractors being appointed for the construction of the projects contribute to slow development and loss of trenches of allocations.

Performance agreements were is signed with all senior managers accountable to the municipal manager. More efforts will assist with the timeous submission of report and assessment per quarter. However, An electronic system will assisted to improve performance management.

I realise hard work lies ahead and success can be reached with all teams committed to make ensure improvement. Management has to consolidate especially with regards to planning and reporting together with middle management towards a clean audit.

T1.1.1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Khâ- Ma Municipality is a category B- Municipality with a plenary ward system, established in terms of the Local Government: Municipal Structures Act, 1998, Act no. 117 of 1998 with the following functions:

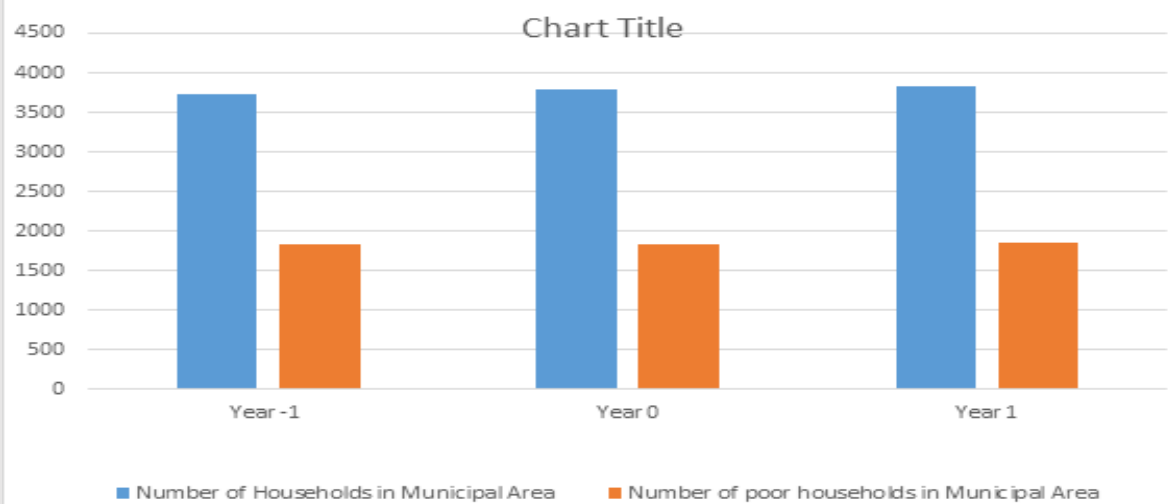
- Rendering basic service delivery (water supply, sanitation services, waste management, waste water management, electricity, and roads), land use development, commonage management, and community services.
- Maintenance of the existing infrastructure (networks, reservoirs, roads, community facilities, amenities)
- Infrastructure development (new networks)
- Local economic development (smme development, job creation).
- Assist with human settlements matters (housing pipeline and national needs register)
- Shared functions with the district municipality include disaster management and environmental management and nature conservation. .

T 1.2.1

	1996			2001			2011			2016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
00 - 04	545	518	1063	577	499	1076	567	537	1104	571	460	1031
05 - 09	563	562	1125	596	546	1143	583	494	1078	406	630	1036
10 - 14	562	551	1113	560	544	1104	544	496	1041	674	513	1187
15 - 19	405	373	778	460	441	900	521	492	1013	609	345	955
20 - 24	410	337	748	625	515	1139	691	595	1285	356	372	728
25 - 29	397	353	750	592	524	1116	657	557	1214	429	667	1096
30 - 34	388	413	801	560	482	1043	602	474	1075	475	424	899
35 - 39	332	337	669	455	433	887	515	402	917	491	361	852
40 - 44	314	285	599	383	362	745	470	413	883	544	448	992
45 - 49	214	201	415	307	300	607	378	352	729	419	577	995
50 - 54	195	198	393	221	213	434	323	307	630	315	288	603
55 - 59	141	162	304	192	205	397	263	224	487	218	315	533
60 - 64	122	120	241	129	155	284	163	156	319	366	316	682
65 - 69	70	101	171	102	111	212	110	155	265	337	251	588
70 - 74	64	63	127	67	85	152	77	98	176	188	289	478
75 - 79	43	65	108	48	59	107	56	63	120	22	67	89
80 - 84	21	42	62	23	44	67	18	45	63	50	70	120
85+	21	33	54	17	38	55	21	44	65	88	118	206
Unspecified	19	10	29	-	-	-	-	-	-	-	-	-
Total	4826	4724	9550	5914	5556	11468	6559	5904	12464	6558	6511	13070

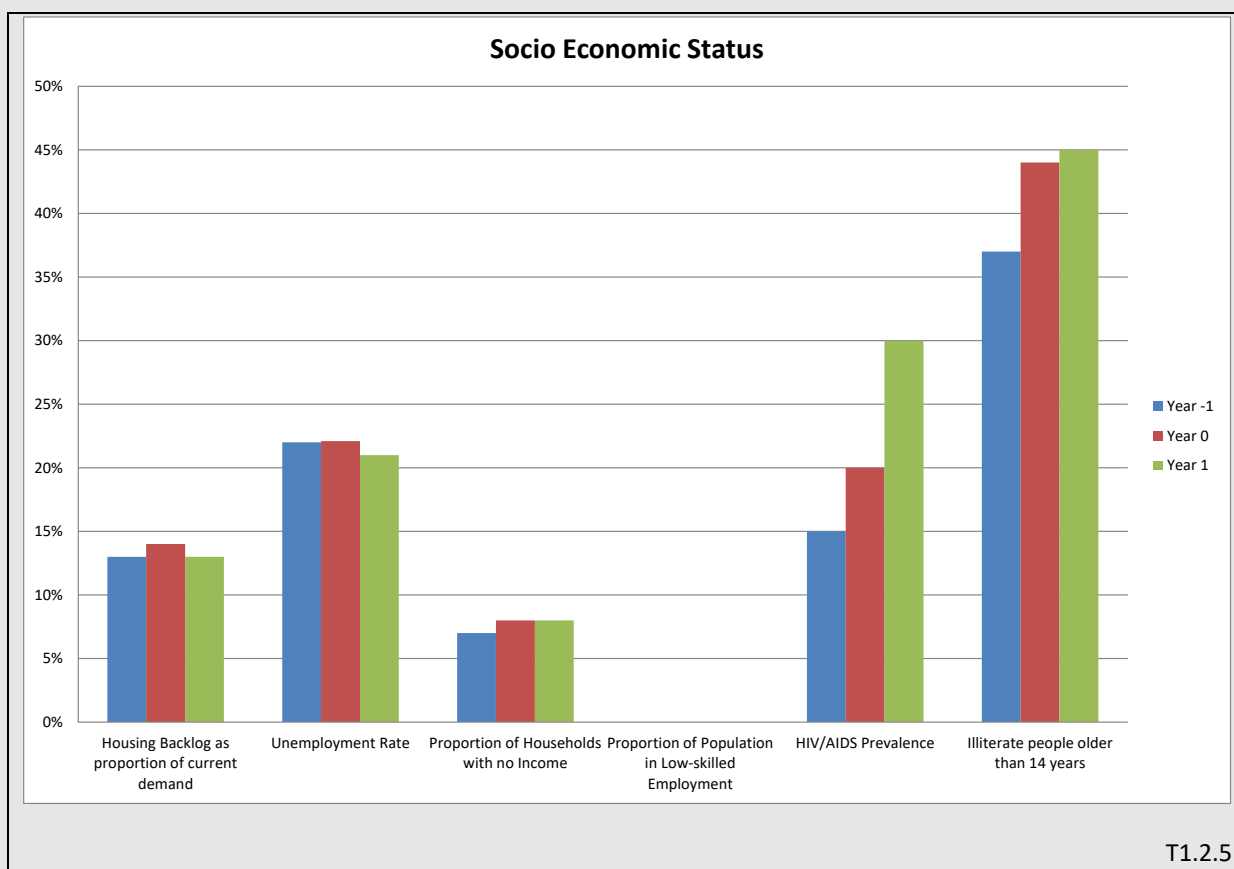
Data sourced from sheet SA9

Description of economic indicator	Basis of calculation	2007 Census	2011	2016 Survey	Year -1	Year 0	Year 1
Demographics							
Population 0-4		685	1104	1031	1092	1104	1116
Females aged 5 - 14		95	990	1143	983	990	1002
Males aged 5 - 14		112	1044	1128	1114	1080	1139
Females aged 15 - 34		169	2065	2121	2103	1808	2142
Males aged 15 - 34		204	2157	2472	2447	1869	2495
Unemployment			1304	1302	1302	1356	1289
Number of households in municipal area				3 736	3736	3 736	3792
Number of poor households in municipal area				1 822	1822	1931	1848



T1.2.3

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year -1	20%	23%	26%	48%	15%	37%
Year 0	21%	24%	26%	52%	20%	44%
Year 1	19%	22%	8%	49%	21%	45%
T1.2.4						



Overview of Neighbourhoods within 'Name of Municipality'		
Settlement Type	Households	Population
Towns		
Pofadder	1012	3 663
Pella	814	2 541
Aggeneys	573	2 262
Sub-Total	2399	8 466
Townships		
Sub-Total		
Rural settlements		
Onseepkans	576	2151
Witbank	78	249
Khâ- Ma NU	990	2148
Sub-Total	1 613	4 548
Informal settlements		
Sub-Total		
Total	3796	13070
		T1.2.6

Natural Resources	
Major Natural Resource	Relevance to Community
Water (Orange River, Groundwater)	Land use (Living conditions, Live stock irrigation)
Land	Mining
Minerals	Tourism (SMME's)
Fauna and Flora	Fishing and Irrigation
	T1.2.7

COMMENT ON BACKGROUND DATA:

The municipality is characterized by vast tracts of land, pristine natural environment, unique mountains and its limited cell phone reception, which can be regarded as a unique attraction by some urban dwellers who wish to escape the rush of the cities. This inherent potential for eco-tourism needs to be exploited and managed in a sustainable manner in order to retain this unique setting. In addition, Orange River (at some point turning at the east forming the Richie water Falls and flowering season in Namaqualand attracts tourist from across the country and abroad. Khaki-Ma offers numerous tourism attractions like 4X4 trails, the cathedral at Pella, a “Quiver” forest at Onseepkans and cultural heritage such as the Nama Dancers and Tradition including the language.

T1.2.8

1.3. SERVICE DELIVERY OVERVIEW

• 1. Water

- The majority of households (98%) within the municipal jurisdiction has access to water (inside yard)
- The existing solar plants and Gamsberg development in the area caused a significant impact on the consumption of water by the new consumers. A project through the MIG- programme will assist to decrease water losses, since water consumption at Pella is still high in comparison with Pofadder with more households. Further, the revenue collection can be improved if the pre- paid water meters are installed.
- Water balance/water losses must be managed properly with immediate repair of leakages and faulty water meters.
- Drinking Water from the Sedibeng Water is of high quality.
- Water losses during 2021/22 was 71.46% and in Rand value R5,035,359
- The Municipality must introduce sustainable interventions to ensure improvement in the status of Blue Drop system.

2. Sanitation

- Consumers are not satisfied with the dry pit systems and they indicated during public participation they government to replace it with a water born system. However, consumers should be aware of the importance of saving water;
- Many households still do not have access to toilet facilities. The allocation of R1 million by Department of Public Works and Roads earmarked for the construction of a number toilets structures with minimum success and has to continue in the next financial year with another allocation of R1 m.
- Oxidation pounds have to be upgraded including fencing (since all fences are removed a long time ago) and treated properly. The fence of Pofadder's pounds was removed illegally during the year of reporting.

Two sewer trucks were utilized for the removal of waste water from households. The other two trucks were out of order and the Municipality's cash flow was not sufficient for repairs. The increasing number of conservancy tanks and high cost of maintenance of those tankers is a challenge for the Municipality to remove sewerage timeously.

3. Waste Management

- Compliance with relevant legislation for waste Disposal Sites remains is a lack and of a great concern- Chapter 3 of the National Environmental Management Act (Act 107 of 1998) and Chapter 4 of the National Environmental Management Waste Act (Act 59 of 2008) – Non- compliance with permit conditions i.e. fencing; signage, display of permit numbers at landfill sites; Another type of fence at all the landfill sites has to be considered;
- Illegal dumping of waste (outside and away from the landfill sites), at all communities and the Municipality's financial position is a growing concern;
- Dumping of hazardous waste by construction companies at the Pofadder landfill site is also of concern;
- Only one (1) truck- was available to removal of refuse at all communities once a week and hamper service delivery. Every community must have its own refuse truck.
- Business plans for the rehabilitation of landfill sites have to be prepared to obtain funding;

4. Electricity

No connections were done during the financial year. The maximum demand is exceeded and needs to be upgraded before new connections can be done.

5. Roads and Streets

The Municipality has a grader to keep the gravel roads, but did not utilize it regularly due to the breakdowns. Tar roads are damaged due to heavy load of extra heavy vehicles which was not catered for in the past.

A storm water plan has to be developed as it is a big challenge during heavy rain falls;

An application for street lighting in the N14 (Skool Street) was not approved by SANRAL.

T1.3.1

Proportion of Households with minimum level of Basic services				
	Year -2	Year -1	Year 0	Year 1
Electricity service connections	80%	90%	89%	79%
Water - available within 200 m from dwelling	65%	100%	100%	97%
Sanitation - Households with at least VIP service	58%	63%	83%	84%
Waste collection - kerbside collection once a week	35%	80%	93%	100%

Proportion of Households with minimum level of Basic services				
	Year -2	Year -1	Year 0	Year 1
Electricity service connections	80%	90%	89%	79%
Water - available within 200 m from dwelling	65%	100%	100%	97%
Sanitation - Households with at least VIP service	58%	63%	83%	84%
Waste collection - kerbside collection once a week	35%	80%	93%	100%

T1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

The number of households every financial year having access to basic services did not change much. Replacements of water meters need attention for reducing loss.

T1.3.3

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

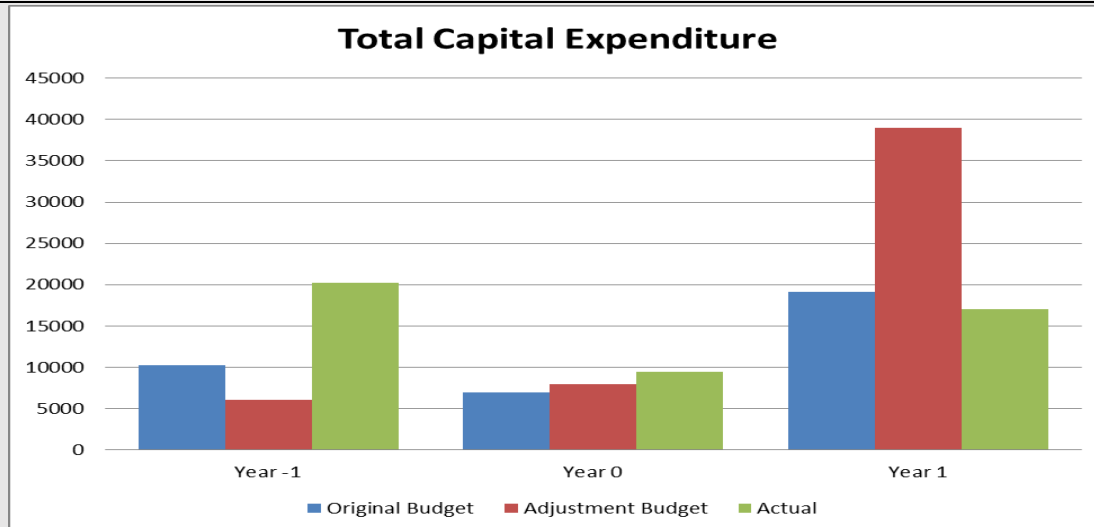
The Municipality experienced severe cashflow problems in the past financial years due lack of revenue resources and low income caused by the high percentage of indigents as a result of severe number of unemployed households within the region. As a result the Municipality relied on grant funding. The drought has a devastating effect not only in the municipal area but also in the entire Namaqua region. The equitable share has to be increased substantially in the future to avoid troubles with cash flow.

T1.4.1

Financial Overview - Year 1			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	45 098	53 148	40 461
Taxes, Levies and tariffs	34 969	25 522	30 210
Other	5 392	10 084	12 091
Sub Total	85 459	88 754	82 762
Less Expenditure	77 477	80 113	81 356
Net Total*	7 982	8 641	1 406
* Note: surplus/(defecit)			T1.4.2

Operating Ratios	
Detail	%
Employee Cost	43.33
Repairs & Maintenance	2.02
Finance Charges & Depreciation	15.44
	T1.4.3
COMMENT ON OPERATING RATIOS:	
Norm:	
Employee cost 25%-40%	
Repairs 8%	

Total Capital Expenditure: Year -1 to Year 1			
			R'000
Detail	Year -1	Year 0	Year 1
Original Budget	10279	6942	19106
Adjustment Budget	6056	7942	38993
Actual	20233	9409	17025
			T1.4.4



T1.4.5

COMMENT ON CAPITAL EXPENDITURE:

T 1.4.5.1

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

- The municipality was politically driven by seven councillors (4 ward and 3 proportional councillors with the ANC in the majority; The number of councillors increased to 11 (6 ward and 5 party representatives) with the local elections on 1 November 2021.
- The positions of municipal manager, CFO, Corporate Services and Technical Services were filled during the financial year.
- A position for local economic development officer was vacant, but not filled yet.
- The position of foreman became was filled.
- Provision was made for capacity building of councillors and staff through a workplace skills plan; Training programme did not realise according to workplace skills plan except for MFMP training to financial staff fund through FMG (finance management grant).
- Ill- discipline has to be addressed since it affects service delivery.
- LLF meetings were held during the year.
- A revision of the organogram was accepted to be implemented in 2021/2022.

-T1.5.1

1.6 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 1

Unqualified opinion with 'other matters' The report was received by the municipality. The meeting between the Office to the auditor general and this Municipality for presenting and discussing the content.

T 1.6.1

1.6 STATUTORY ANNUAL REPORT PROCESS

N o	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
7	Mayor tables the unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	Sept - Oct
11	Municipalities receive and start to address the Auditor General's comments	November
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
13	Audited Annual Report is made public and representation is invited	
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight report	December
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	
18	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January
T1.7.1		

COMMENT ON THE ANNUAL REPORT PROCESS:

See

T1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Khâ- Ma Municipality has to deliver basic services to its inhabitants- individually and/ or in groups with funds generated from rates and taxes, avail by the public and private sector which require a local authority to:

- Take resolutions following all legislation made on national, provincial and local level;
- Khâ- Ma Municipality has a council for its political governance, managers and productive employees for implementation of its resolutions taken at general and special meetings.
- Appoint an accountable person for staff establishment and the execution of its resolutions
- Engage with the public and stakeholders to obtain their inputs during planning and evaluation;
- Account to the public and relevant stakeholders on the implementation of such resolutions;
- Prepare performance information for audit purposes;

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

1. The Mayor is the political head of the Municipality leading the local council in taking resolutions on matters concerning the communities within the Municipality's jurisdiction.
2. Key committees are finance/LED/ IDP, corporate services, infrastructure and economic development and MPAC.
3. Khâ-Ma Municipality had to share the services of Namakwa District Municipality's audit committee was through a memorandum of Understanding.
4. An oversight committee consist of three councillors.

Note: MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

T2.1.1

POLITICAL STRUCTURE		
Photos		Function
	MAYOR/ SPEAKER	
	Councillor Pasqueline Van Heerden (Before 1 November 2021)	Political head Chair council meetings
	Mayor	
	Councillor Estelle Cloete (from 1 November 2021)	
	CHIEF WHIP	
	(Name)	
	Councillor Estelle Cloete (Before 1 November 2021)	
	Councillor Edgar James Mowers (from 1 November 2021)	

COUNCILLORS
<p>Prior to the local elections held on 1 November 2021, Khâi- Ma Municipality had seven (7) Councillors- three (3) Proportional Representation (PR) and four (4) Ward Councillors. Four (two male and two female) Ward Councillors represent the ANC as the majority, one (female) represent COPE and two (1 male and one female) represent DA. The Mayor is also the Speaker of Council. Council has the follow committees:</p> <p>Finance, Infrastructure Development, Human Development and Corporate Services, Local economic Development and MPAC. The MPAC committee has to be trained for effective services.</p> <p>Since 9 November 2021 the Council consists of 11 (eleven) councilors- 6 (six) wards and 5 (five) party representatives.</p>
T2.1.2

POLITICAL DECISION-TAKING
<p>Council resolutions are taken at ordinary and special meetings. Ordinary meetings are informed by recommendations made by its (working committees) committees. Council held only one ordinary meeting during the financial year. (Municipal Structures Act, nr 117 Of 1998, section 18(2)).</p> <p>5 (five) special meetings were held during the financial year.</p>
T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager was appointed by council with the approval of the MEC for Cooperative Governance, Human Settlements and Traditional Affairs in the Northern Cape Province. As head of the administration he has to guide and account to council on administrative governance. He was assisted by Chief financial officer is assisting him managing the finance of the Municipality. The technical and corporate services managers were appointed in the second quarter of the year of reporting.

Performance agreements are signed between with all of them, but not evaluations were done.

T2.2.1

TOP ADMINISTRATIVE STRUCTURE

Photo

TIER 1

MUNICIPAL MANAGER

Mr. Obakeng Isaacs

Function

Accounting Officer

Executive Directors

Directors Optional

CHIEF FINANCIAL OFFICER:

Mr. Pieter Jacobus Van der Merwe

Date of Appointment: November 2004 (permanent)

Assist accounting officer with financial management

SENIOR MANAGER: Corporate Services

Director: Mr

(Name) Jan Liebenberg

Date of Appointment: 16 October 2019

Assist accounting officer with managing land use, commonage, housing, community services, human resources and support services.

SENIOR MANAGER: Infrastructure Development

Director: Mr

(Name) Hendry Christians

Date of Appointment: 1 December 2019

Assist accounting officer with managing basic service delivery, infrastructure development, operations and maintenance.

T2.2.2

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Khâ-Ma Municipality is represented at national intergovernmental structure by Northern Cape Provincial Government's delegates.

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Khâ- Ma Municipality is represented at provincial intergovernmental relationship structure through Namakwa District Municipality's delegates.

T2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Khâ- Ma Municipality does not have entities.

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

Municipality is represented on district intergovernmental structures such as the district IGR, District Infrastructure Forum, War on Poverty (Dept. Social Development), disaster management forum, local economic development forum and waste management forum by different delegates.

T2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Council meets the People-(once off), ward councillors conducting ward meetings, notices on notices boards, website. A 'whatsapp' group were also established, but not all role players were engaged, since not all contact details of representatives were available. The draft IDP and Budget was also made available at the service points of Pella, Onseepkans and Witbank. However, participants did not respond to posts.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Communications between the municipality and its citizens should be in the form of qualitative engagement. This entails the identification of needs and subsequent implementation of programmes and projects that address such needs. The strategy shall amongst other things recommend that media and other means of communication be utilized by the municipality to achieve its strategic communicative goals.

T2.4.1

WARD COMMITTEES

Ward committees are functional dealing with the needs for basic services by the inhabitants of each ward. Each ward has a committee consist out of ten members with the ward councilors as chairpersons.

Khâ- MA Municipality has a number 4 wards which increased to 6 with the local elections in November 2021.

Ward operational plans were develop and submitted to COGHSTA.

Each ward committees held a meeting per month during the financial year and submitted their minutes/ reports to the municipality;

Each member of a ward committee was paid a stipend of R500.00 per month.

T2.4.2

Public Meetings					
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
Sending (IDP Projects and Budget)	9-Feb-2022	1	1		
Aggeneys (IDP Needs)	18-Feb-2022	1	1	17	
Aggeneys (IDP Needs)	22-Feb-2022	1	1	8	
Pella (IDP Projects and Budget)	14-Mar-2022	1	2	22	
Pofadder (IDP Projects and Budget)	15-Mar-2022	1	1	9	
Pofadder (IDP Projects and Budget)	24-Mar-2022	1	2	28	
Witbank (IDP Projects and Budget)	13-Jun-2022	0	2	15	
Pella (IDP Projects and Budget)	15-Jun-2022	1	1	20	
Pofadder (IDP Projects and Budget)	17-Jun-2022	1	1	0	
Melkbosrand (IDP Projects and Budget)	20-Jun-2022	1	1	19	

T2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Public meetings were still not attendant well, though proper notices are given by billboards, loudhailing in some communities, announcements at churches, whatsapp groups.

Ward committees has to play a prominent roll to engage inhabitants in participating in the development of their communities.

Street or block meetings is another option to get more inhabitants participating.

T2.4.4

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
* Section 26 Municipal Systems Act 2000	T2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Functions are Land use management, Human Resources Management, Community services (service points, library services, availability of sport facilities, cemeteries) and Support Services (switchboard, record management and cleaning services), Commonage Management and Disaster Management.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Note: MFMA S62 (i)(c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

The management of risk is the process by which the Accounting Officer, Chief Financial Officer and the other senior management of a Municipality will pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

Risk is often created by:

- Changes that takes place within the Municipality (i.e. people, systems, processes, technology, legislation and regulations);
- External influences (i.e. economics, availability of human resources and damages);
- Operations and complexity of processes;
- Volume of activities within a Municipality; and
- The nature of the control environment.

Note: MFMA S62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

T2.6.1

FRAUD AND ANTI-CORRUPTION STRATEGY

Notes: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T4.3.6). MSA 2000 S83(c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

This strategy subscribes to the principles of good corporate governance, which requires the conducting business in an honest and transparent fashion. Consequently is committed to fighting fraudulent behavior at all levels within the organization. The Fraud Prevention Plan is premised on the organizations core ethical values driving the business of , the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing the organization. This means that in practice all departments and other business units of and even external stakeholders must be guided by the Plan as the point of reference for their conduct in relation to Khâl-Ma Municipality.

In addition to promoting ethical conduct within, the Plan is also intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption.

This dynamic document details the steps, which have been, and will continually be taken by to promote ethical conduct and address fraud and corruption.

The policy of is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of Khâl- Ma Municipality.

The efficient application of instructions contained in the policies and procedures of, is one of the most important duties to be applied by every employee in the execution of their daily tasks.

Human Resources – Employment Practices

Khâl- Ma Municipality is committed to develop human resources systems, policies and procedures, which incorporate fraud and corruption prevention practices. There is a risk of poor implementation of its human resource systems, policies and procedures and undertakes testing thereof during internal audits in which control shortcomings are subsequently addressed.

Discipline

Khâl- Ma Municipality will be consistent and efficient in its application of the disciplinary measures. Additional measures, which will be considered include:

- Communication of specific disciplinary standards and forbidden conduct;
- Introducing a system where the application of disciplinary measures is applied consistently;
- Steps for on-going training of managers in the application of disciplinary measures;
- Where managers are found to be inconsistent and/or inefficient in the application of discipline, will consider firm action; and
- Publication (within the permissible legal framework) of the outcomes and sanctions of
- Disciplinary actions, including lessons learned. The successful achievement of these initiatives, together with their communication is expected to have a deterrent effect.

Financial Systems and Control

Appropriate finance policies and procedures are also necessary to ensure appropriate internal control over finance management and to limit fraud and corruption risks. The effectiveness of the existing finance policies and procedures will also be tested during the course of internal audits and shortcomings are addressed.

The Council of must approve an annual budget for before the start of the financial year. Khai-Ma Municipality may only incur expenditure in terms of an approved budget and within limits of the amounts appropriated for the different votes in an approved budget.

Procurement

Further, the MFMA stipulates that the procurement policy of must at least address the following aspects:

The barring of persons from participating in tendering or other bidding processes that have
Been convicted of fraud or corruption during the past five years;
Wilfully neglected, reneged on or failed to comply with government contract;
During the past five years; and
Whose tax matters are not cleared by SARS.

In order to fulfil its housing role, must carry out the following functions:

- Health and Safety: ensure that conditions not conducive to health and safety of the inhabitants of its areas of jurisdiction are prevented or removed;
- Efficient Services: ensure that services in respect of water, sanitation, electricity, roads, storm water drainage and transport are provided in a manner that is economically efficient;
- Housing Delivery Goals: set housing delivery goals in respect of its area of jurisdiction;
- Land for Housing: identify and designate land for housing development;

- Public Environment: create and maintain a public environment conducive to housing development which is financially and socially viable;
- Conflict Resolution: promote the resolution of conflicts arising in the housing development process;
- Bulk and Revenue Generating Services: provide bulk engineering services, and Revenue generating services in so far as specialist utility suppliers do not provide such services;
- Land Use: plan and manage land use and development; and
- Housing Development: initiate, plan, co-ordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction

Risk Management and Assessment

In order to identify and address risks facing, a risk assessment will be performed on an annual basis. This process will be complimented by the specific identification of existing controls to mitigate risks identified. Additional actions to further mitigate these risks will culminate in a risk management plan. Presentations to employees of will be conducted in order to ensure that they have a more detailed understanding of the fraud and corruption risks facing and the areas wherein these risks exist, thus enhancing the prospect of detecting irregularities earlier.

Internal and External Audit

The MFMA stipulates that a Municipality must maintain a system of internal audit under the control and direction of an audit committee. Furthermore, the internal audit function is required to report on matters relating to Khâi-Ma Municipality:

- Internal Control;
- Accounting procedures and practices
- Risk and risk management;
- Loss control; and
- Compliance with applicable legislation.

Khâi- Ma created an Internal Audit Unit that only consists of one (1) official, which include anti-corruption capacity under the guidance of an Audit Committee. This Municipality does not have an Audit Committee due the financial implications and lack of capacity.

Physical and Information Security

Physical Security

Khâ- Ma Municipality's main physical security threat arises in the area of control over its physical assets, facilities and employees. Security personnel and access systems are deployed to mitigate this threat. However, control over security personnel and access systems should continuously be reviewed for adequacy.

Furthermore, the Municipality will continue to pursue steps to ensure adequate security over its people, confidential information and information systems.

The Municipality will ensure that all employees are sensitised on a regular basis to the fraud and corruption risks associated with information security and the utilisation of computer resources, in particular – access control, and ensure that systems are developed to limit the risk of manipulation of computerised data.

Regular communiqués will be forwarded to employees pointing out security policies, with a particular emphasis on e-mail and Internet usage and the implications (e.g. disciplinary action) of abusing these and other computer related facilities. Where employees are found to have infringed on prevailing policy in this regard, disciplinary action will be taken.

Reporting and Monitoring of fraud and corruption

Reporting Channels

The reporting channels for unethical conduct, fraud and corruption impacting are the following:

- All allegations of fraud and corruption should be reported by employees to their immediate managers;
- If there is a concern that the immediate manager is involved, the report must be made to any other member of management, the Municipal Manager and/or the Chairperson of the Audit Committee;
- All managers should report all allegations to the Municipal Manager who will initiate an investigation; and
- Should an employee wish to make a report anonymously, such a report may be made to any member of management, the Municipal Manager, the Chairperson of the Audit Committee and/ or the Mayor.

Implementation structure

Khâ- Ma Municipality will consider the establishment of a Fraud Prevention Committee whose responsibility will include the implementation of the Plan. This Committee will include champions from all faculties and other business units. The terms of reference of this team will include the following in relation to the Plan:

- Securing buy-in from all stakeholders;

- Information sharing;
- On going identification of weaknesses in systems and solutions;
- Creating awareness and ensuring adequate training and education to promote the Plan; and
- Assessing progress and on-going maintenance and review.

Notes: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T4.3.6). MSA 2000 S83(c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The municipality's supply chain processes are guided by the MFMA, Supply Chain Regulations and Supply Chain Policy requiring:

- (1) Formal written price quotations from at least three different providers preferably from, but not limited to, providers who are registered on the Central SD.
- (2) Competitive bids where goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process. A Committee system for competitive bids, consisting of a Bid evaluation committee (four members), and Bid adjudication committee (four members) were appointed by the Municipal Manager. A Bid specification committee could not be appointed due to the lack of key staff.

T2.8.1

2.9 BY-LAWS

Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Nil	Nil	Nil	N/a	No	N/a

Note: See MSA section 13. T2.9.1

COMMENT ON BY-LAWS:

The by- laws as listed below were adopted by Council on and promulgated in the Provincial Gazette Extra-ordinary nr No. 2008 dated, 28 APRIL 2016: on Law enforcement are not fully implemented due to the absence of an incumbent in the position of law enforcement office.

1. Advertisements Signs
2. Antenna Systems
3. Building Controls
4. Caravan Parks
5. Cemetery
6. Control over Animals, Poultry and Bees
7. Control over dogs
8. Debt Collection
9. Electricity
10. Fire Brigade
11. Fireworks
12. Law Enforcement
13. Municipal Commonage
14. Rules of Order
15. Street Trading
16. Taxi Ranks
17. Waste
18. Water Supply

2.9.1.

2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	No	n/a
All current budget-related policies	No	n/a
The previous annual report (Year 0)	No	n/a
The annual report (Year 1) published/to be published	No	n/a
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 1) and resulting scorecards	No	n/a
All service delivery agreements (Year 1)	No	n/a
All long-term borrowing contracts (Year 1)	n/a	n/a
All supply chain management contracts above a prescribed value (give value) for Year 1	No	n/a
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	n/a
Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	n/a
Public-private partnership agreements referred to in section 120 made in Year 1	n/a	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during Year 1	No	n/a
<i>Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		T2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Website will be utilise more effectively hence and relevant documents will be published on it within the next financial year.

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

No survey was done during the financial year.

T2.11.1

Satisfaction Surveys Undertaken during: Year 0 and Year 1				
Subject matter of survey	Survey method	Survey date	No of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality	Not done	N/A	N/A	N/A
(b) Municipal Service Delivery	Not done	N/A	N/A	N/A
(c) Mayor	Not done	N/A	N/A	N/A
Satisfaction with:		N/A	N/A	N/A
(a) Refuse Collection	Not done	N/A	N/A	N/A
(b) Road Maintenance	Not done	N/A	N/A	N/A
(c) Electricity Supply	Not done	N/A	N/A	N/A
(d) Water Supply	Not done	N/A	N/A	N/A
(e) Information supplied by municipality to the public	Not done	N/A	N/A	N/A
(f) Opportunities for consultation on municipal affairs	Not done	N/A	N/A	N/A
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T2.11.2

T2.11.2.1

COMMENT ON SATISFACTION LEVELS:

See above

T2.11.2.2

INTRODUCTION

VISION

Improve the living standards and circumstances of communities with limited resources.

MISSION

Build a healthy, safe and economy sustainable society within the Municipality's jurisdiction to the benefits of its citizens through education, economic and infrastructure development and Governance.

STRATEGIC OBJECTIVES

Main objectives

- Eradicate backlogs in order to improve access to services and assure proper operations and maintenance.
- Promote a culture of participatory and good governance
- Create an environment that promotes development of the local economy and facilitate job creation.
- To improve overall financial management in municipalities by developing and implementing appropriate financial management policies, procedures and systems.
- Improved organisational cohesion and effectiveness

Priorities

- Services Delivery
- Good Governance and Public Participation
- Local Economic Development[LED]
- Financial management and Viability
- Institutional Development and Transformation

T3.0.1

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

Khâ- Ma Municipality rendered all basic services to its inhabitants except for electricity supply to inhabitants of Pella, Onseepkans and Witbank which is supplied by ESCOM while Black Mountain Complex rendered services at Aggeneys.

The Municipality did not use entities for rendering service

T3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Khâ- Ma Municipality is a water service authority supplying water to the inhabitants of Onseepkans and Witbank. In the case of Pofadder and Pella Sedibeng Water Board supplies water to the Municipality for reticulation. In future, Bloem Water Water Board will render the services.

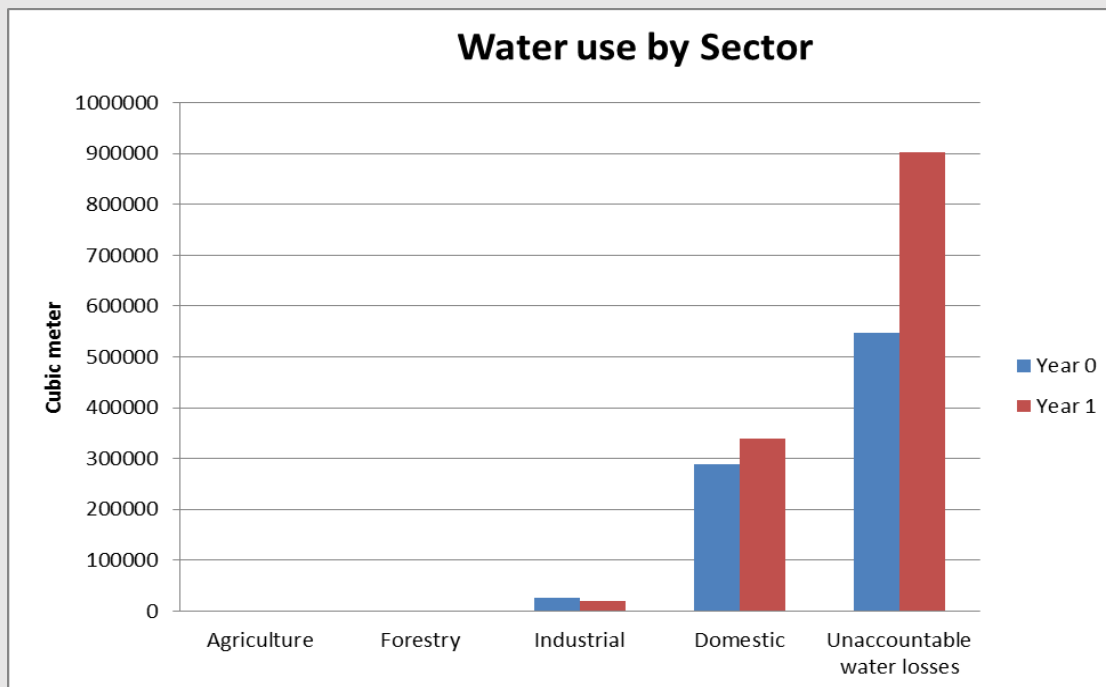
- Water supply for the higher situated households especially at Pella and Onseepkans is a concern, since some households had not had access to water every day.

The implementation of the multi- year project, Pella Construction of Bulk Water Reticulation with a value of more than R24 million could not be completed due to poor contractor's performance.

The total number of households which had access to water is equal to 2567.

T3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year 0	0	0	26 240	289 008	546 384
Year 1	0	0	20 156	340 253	902 394
					T3.1.2



T3.1.2.1

COMMENT ON WATER USE BY SECTOR:

The household demand decreased from the previous year.

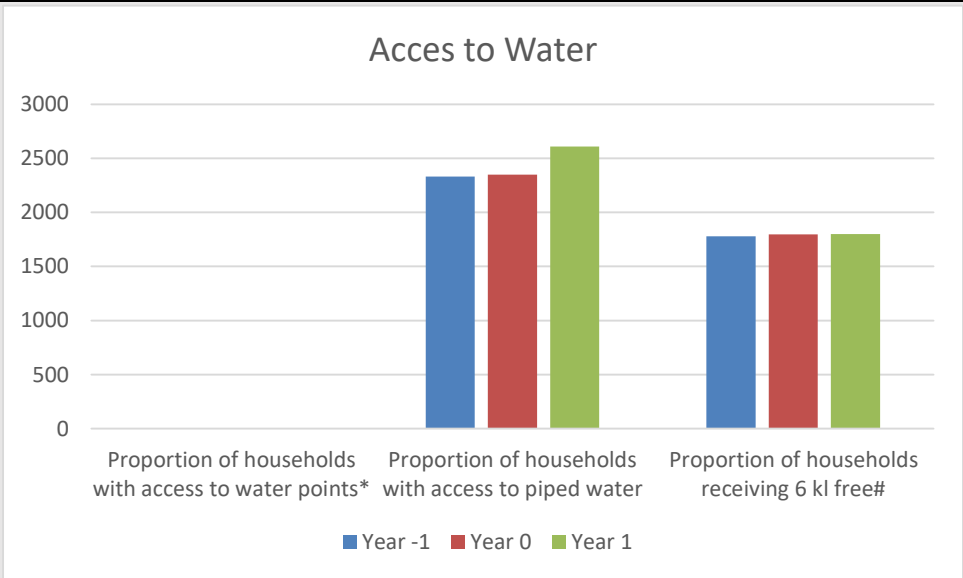
The losses is a challenge.

Water leakages occurred which had been caused by broken pipes and defective toilet systems. The replacement of faulty water meters is also a challenge.

T3.1.2.2

Water Service Delivery Levels				
Description	Year -2	Year -1	Year 0	Households Year 1
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)				
Piped water inside dwelling	965	965	975	975
Piped water inside yard (but not in dwelling)	1 593	1 645	1576	1 592
Using public tap (within 200m from dwelling)	0	0	0	0
Other water supply (within 200m)				
<i>Minimum Service Level and Above sub-total</i>	2 588	2 610	2551	2 567
<i>Minimum Service Level and Above Percentage</i>	96%	97%	94%	95%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	0	0	0	0
Other water supply (more than 200m from dwelling)	0	0	0	0
No water supply	103	81	140	124
<i>Below Minimum Service Level sub-total</i>	103	81	140	124
<i>Below Minimum Service Level Percentage</i>	4%	3%	6%	5%
Total number of households*	2 691	2 691	2691	2 691
* - To include informal settlements				T3.1.3

Households - Water Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Households Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	2 691	2 691	2 691	2 691	2 691	2 691
Households below minimum service level	103	81	140	124	124	124
Proportion of households below minimum service level	4%	3%	5%	5%	5%	5%
Informal Settlements						
Total households	0	0	0	0	0	0
Households ts below minimum service level	0	0	0	0	0	0
Proportion of households ts below minimum service level	0%	4%	4%	2%	5%	0%
						T3.1.4



* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute

6,000 liters of potable water supplied per formal connection per month

T3.1.5

Water Service Policy Objectives Taken From IDP									
Service Objectives <div>Service Indicators (i)</div>	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Connect households without minimum water supply	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	0 additional HHs (140 HHs outstanding)	xxxxxxxx additional HHs (81 HHs outstanding)	81 additional HHs (140 HHs outstanding)	140 additional HHs (124 HHs outstanding)	128 additional HHs (124 HHs outstanding)	60 additional HHs (64 HHs outstanding)	64 additional HHs (0 HHs outstanding)	xxxxxxxx additional HHs (xxxxxx HHs outstanding)
	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of Year 0 (xxx interruptions of one hour or more during the yr)	T0% (xxxxxx Ints)	A0% (xxxxxx Ints)	T1% (xxxxxx Ints)	T1% (xxxxxx Ints)	A1% (xxxxxx Ints)	T2% (xxxxxx Ints)	T5% (xxxxxx Ints)	T5% (xxxxxx Ints)
	Reduce unaccountable water levels compared to the baseline of Year 0 (xxx kilolitres (KLs) unaccounted for during the yr)	T0% (200 KLs)	A0% (KLs)	T1% (xxxxxx KLs)	T1% (xxxxxx KLs)	A1% (xxxxxx KLs)	T2% (xxxxxx KLs)	T5% (xxxxxx KLs)	T5% (xxxxxx KLs)
<div>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</div>									

T3.1.6

Employees: Water Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3- 5	8	8	8	0	0%
6- 8	7	7	6	1	0%
9- 12	0	0	0	0	#DIV/0!
10 - 12	0	0	0	0	#DIV/0!
	0	0	0	0	0%
	0	0	0	0	0%
	0	0	0	0	0%
Total	15	15	14	1	7%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.1.7

Financial Performance Year 1: Water Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	17760	22490	29798	24369	8%
Expenditure:					
Employees	3436	3168	4095	3531	10%
Repairs and Maintenance	40	343	380	304	-13%
Other	15445	10575	10711	17047	38%
Total Operational Expenditure	18921	14086	15186	20882	33%
Net Operational Expenditure	-1161	8404	14612	3487	-141%
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.1.8

New Capital Programme by Project: Year 2021/22					
R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
KHAI-MA: PELLA BULK WATER INFRASTRUCTURE	6 106	17	6 642	100%	8%
UPGRADING OF INTERNAL RETICULATION	10 000	5 000	3 354	-49%	-198%
Roads/Stormwater					
	-	-	-	#DIV/0!	#DIV/0!
	-	-	-	#DIV/0!	#DIV/0!
Electricity					
EEDMS-HIGH MAST LIGHTS	2 000	500	500	0%	-300%
	-	-	-	#DIV/0!	#DIV/0!
Sewerage					
	-	-	-	#DIV/0!	#DIV/0!
	-	-	-	#DIV/0!	#DIV/0!
Community					
	-	-	-	#DIV/0!	#DIV/0!
	-	-	-	#DIV/0!	#DIV/0!
Parks and Recreation					
	-	-	-	#DIV/0!	#DIV/0!

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

Construction of Pella Bulk Water Reticulation network is still in process. The Upgrading of Internal reticulation Pofadder was completed during August 2022.

T3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

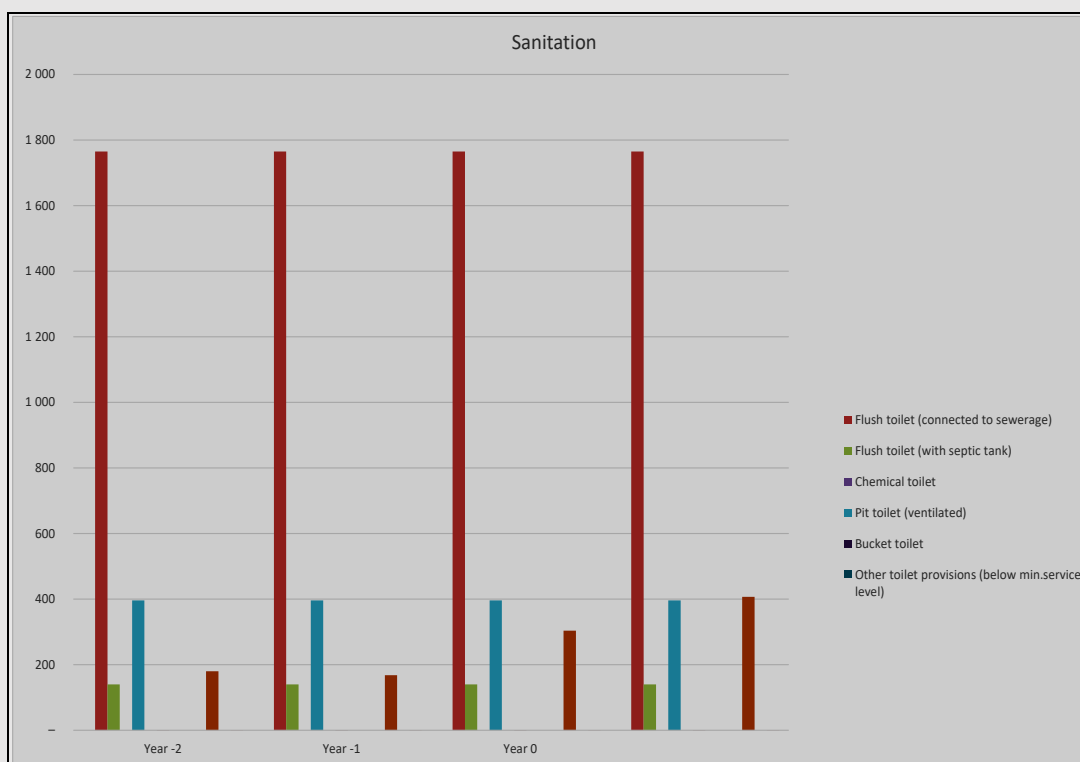
Services are rendered in all towns except at Aggeneys. Consumers make use of septic tanks in case where a sewerage system is not available. Statistics provided by STATSSA about sewerage connections and septic tanks are incorrect because there are more septic tanks than sewerage connections. Municipality has 4 (four) sewer truck available for rendering such services, but only 1 is utilised, since the other are out of order. Oxidation pounds need to be upgraded. Business Plans and applications were submitted to the relevant departments for funding with the assistance of MISA.

Only Pofadder has a sewerage system with about 377 households connected.

Dry pit systems are still in utilization at Pofadder, Pella, Onseepkans and Witbank, but consumers are not satisfied with such system.

Many households does not have access to toilet facilities.

T3.2.1



3.2.2

Sanitation Service Delivery Levels				
*Households				
Description	Year -2	Year -1	Year 0	Year 1
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	377	377	377	377
Flush toilet (with septic tank)	140	140	1 254	1560
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	396	396	396	396
Other toilet provisions (above min.service level)				
Minimum Service Level and Above sub-total	2 284	2 284	2 284	2333
Minimum Service Level and Above Percentage	97,0%	85,0%	85,0%	87%
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet	0	0	0	0
Other toilet provisions (below min.service level)	0	0	0	0
No toilet provisions	180	407	407	358
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level Percentage	3,0%	15,0%	15,0%	13%
Total households	2691	2691	2691	2691
*Total number of households including informal settlements				T3.2.3

Households - Sanitation Service Delivery Levels below the minimum						
Households						
Description	Year -2	Year -1	Year 0	Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	2330	2691	2 691	2691	2 691	2691
Households below minimum service level	265	407	407	358	358	358
Proportion of households below minimum service level	11%	15%	15%	13%	13%	13%
Informal Settlements						
Total households	0	0	0	0	0	0
Households ts below minimum service level	0	0	0	0	0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%
Note: No informal settlements, but informal structures in formal settler						T3.2.4

Access To Sanitation

Access to Sanitation	
	Proportion of households with access to sanitation
Year -1	2284
Year 0	2284
Year 1	2333

3.2.5

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Provision of toilets within service standard	Additional Households (HHs) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end)	additional HHs (HHs remaining)	additional HHs (180 HHs remaining)	0 additional HHs (407 HHs remaining)	0 additional HHs (664 HHs remaining)	0 additional HHs (358 HHs remaining)	50 additional HHs (308 HHs remaining)	50 additional HHs (258 HHs remaining)	50 additional HHs (208 HHs remaining)
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *Current Year' refers to the targets set in the Year 1 Budget/IDP round. *Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									

T3.2.2

Employees: Sanitation Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 2	0	0	0	0	0%
3 - 5	6	6	0	0	0%
6 - 8	3	3	3	1	33%
9 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	9	9	3	1	11%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					3.2.7

Financial Performance Year 1: Sanitation Services						R'000
Details	Year 0	Year 1				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	1538	1288	1630	1668	23%	
Expenditure:						
Employees	1172	2298	1695	1252	-84%	
Repairs and Maintenance	16	52	57	36	-44%	
Other	1493	1836	2053	1300	-41%	
Total Operational Expenditure	2681	4186	3805	2588	-62%	
Net Operational Expenditure	-1143	-2898	-2175	-920	-215%	
						T3.2.8

Capital Expenditure Year 1: Sanitation Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The supply of toilet facilities is a need which has to be addressed with urgency, since toilet facilities were supplied to consumers during year.

Challenges with overflowing manholes, especially in Skeiding Street, Pofadder has to be address through an campaign amongst the inhabitants, educate them not to throw other material into the system.

More households have to be connected to the sewerage system to cut costs on the long term since maintenance on vehicles are expensive.

Oxidation pounds at all communities have to be upgraded including fencing.

T3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

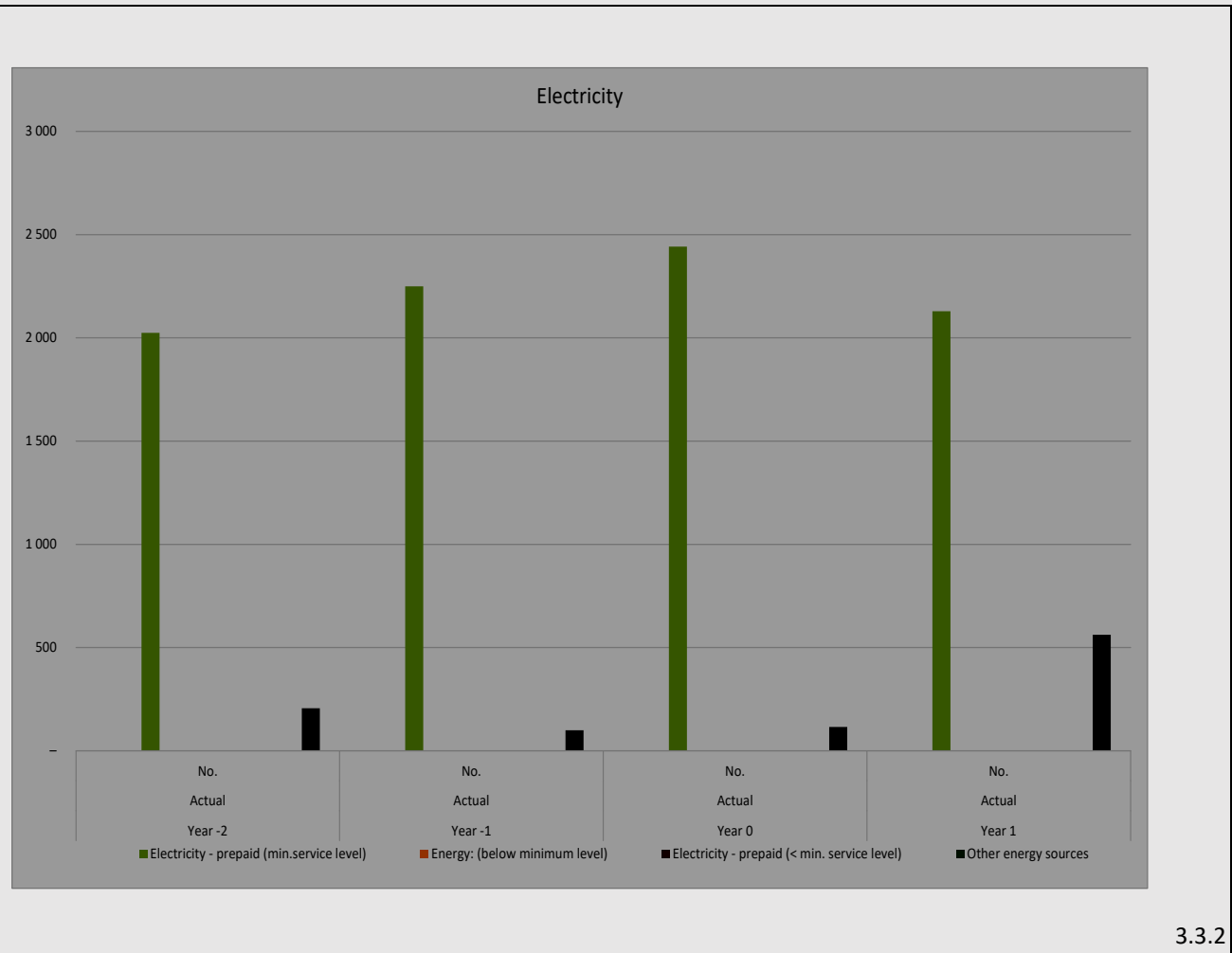
ESKOM provides services to the inhabitants of Aggeneys, Pella, Witbank and Onseepkans with the exception of Pofadder.

The electricity infrastructure in Pofadder is obsolete and have to be upgraded.

The municipality experience difficulties with regards to electricity distribution in Pofadder due the capacity of Midway substation. New household connections require an increase of the maximum demand from 1,5 KVa to 3,5 KVa which will only occurred in the next financial year.

Figures) which are given in this section are only applicable to Pofadder.

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006. T3.3.1.



Electricity Service Delivery Levels				
Description	Year -2	Year -1	Year 0	Households Year 1
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Energy: (above minimum level)				
Electricity (at least min.service level)				
Electricity - prepaid (min.service level)			1 470	1 310
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above Percentage</i>	87%	96%	82%	79%
Energy: (below minimum level)				
Electricity (< min.service level)	0	0	0	0
Electricity - prepaid (< min. service level)	0	0	0	0
Other energy sources	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	206	100	116	562
<i>Below Minimum Service Level Percentage</i>	9%	4%	18%	46%
Total number of households	1 221	1 221	1 221	1 221
				T3.3.3

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Households Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households		1221	1221	1221	1221	1221
Households below minimum service level						
Proportion of households below minimum service level		0%	0%	0%	0%	0%
Informal Settlements						
Total households		0	0	0	0	0
Households ts below minimum service level		0	0	0	0	0
Proportion of households ts below minimum service level		0%	0%	0%	0%	0%
Note: No informal settlements, but informal structures within formal settlements					T3.3.4	

Electricity Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	0 additional HHs (HHs below minimum)	0 additional HHs (xxxxxx HHs below minimum)	0 additional HHs (xxxxxx HHs below minimum)	100 additional HHs (100 HHs below minimum)	0 additional HHs (100 HHs below minimum)	100 additional HHs (100 HHs below minimum)	100 additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									T3.3.5

T3.3.5

Financial Performance Year 1: Electricity Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	8923	13165	13165	11313	-16%
Expenditure:					
Employees	935	807	1045	980	18%
Repairs and Maintenance	51	222	293	70	-217%
Other	11426	12048	14026	15064	20%
Total Operational Expenditure	12412	13077	15364	16114	19%
Net Operational Expenditure	-3489	88	-2199	-4801	102%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.3.7

Employees: Electricity Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					
T3.3.6					

Capital Expenditure Year 1: Electricity Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2000	500	500	-300%	500
EEDSM- UPGRADING OF HIGHMAST LIGHTS	2000	500	500	-300%	500
	0	0	0	#DIV/0!	
	0	0	0	#DIV/0!	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

EEDSM- UPGRADING OF HIGHMAST LIGHTS

R2 million were allocated to the municipality. R1.5 million were withheld. The project condition were not followed from the beginning.

T3.3.9

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Refuse removal services are rendered in all towns except Aggeneys since the mine renders the services itself, once a week. Only one (1) truck is still utilised for removal of waste once a week at Pofadder, Pella and Onseepkans. The Municipality does not have the means to purchase trucks.

No record of the volumes of the waste being dumped at the landfill sites are kept at all. The Municipality does not have weigh bridges for waste. Dumping at the sites are not managed.

No services are rendered at Witbank.

The licenses of the landfill sites expired and application for new licenses are due.

All the landfill sites needs to be rehabilitated. A new site for Pofadder is necessary, since the existing one is obsolete and has to be closed. All sites do not have fences.

Recycling is not in fully operational. Inhabitants do waste picking and sell the waste; The Pofadder Recycling project did not started yet, but it is still on its way. Recycling is also taking place at Pella. No record of waste removed from landfill site is kept.

Illegal dumping of waste everywhere in and around the communities but mostly at Pofadder is a big concern. The municipality did not have the means to remove the illegal dumps.

Waste bins, awareness signs, warning signs and law enforcement can be options to keep towns clean.

T3.4.1

Solid Waste Service Delivery Levels				
Description	Households			
	Year -2	Year -1	Year 0	Year 1
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	2 201	2 295	2 394	2442
Minimum Service Level and Above sub-total	2 201	2 295	2 394	2442
Minimum Service Level and Above percentage	92%	92%	90%	91%
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week				0
Using communal refuse dump	24	24	24	0
Using own refuse dump	81	81	81	249
Other rubbish disposal		42	81	0
No rubbish disposal	78	48	78	0
Below Minimum Service Level sub-total	183	195	264	249
Below Minimum Service Level percentage	8%	8%	10%	9%
Total number of households	2330	2350	2588	2691
				T3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Households					
	Year -2	Year -1	Year 0	Year 1		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	2330	2 350	2588	2691	2691	2691
Households below minimum service level	183	195	264	249	249	249
Proportion of households below minimum service level	8%	8%	10%	9%	9%	9%
Informal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0	0%	0%	0%
Note: No informal settlements exist, but informal structure in formal settlements						T3.4.3

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	2 330	2 350	2550	2691	2691	2691
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	0	0	0	0	0	0
Households ts below minimum service level	0	0	0		0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%
Note: No informal settlements exist, but informal structure in formal settlements						T3.4.3

Employees: Solid Waste Magement Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	8	8	4	50%
4 - 6	0	0	0	0	0%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18					
19 - 20					
Total	10	10	10	4	50%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.4.5

Employees: Waste Disposal and Other Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.4.6

Financial Performance Year 1: Solid Waste Management Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1734	1386	1674	1942	29%
Expenditure:					
Employees	1691	2614	2162	1821	-44%
Repairs and Maintenance	44	441	441	80	-451%
Other	4849	2196	2201	3688	40%
Total Operational Expenditure	6584	5251	4804	5589	6%
Net Operational Expenditure	-4850	-3865	-3130	-3647	-6%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.4.7

Financial Performance Year 1: Waste Disposal and Other Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.4.8

Capital Expenditure Year 1: Waste Management Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Rehabilitation of land fill sites	0	0		#DIV/0!	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)</i>					T3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Waste management is a big challenge, especially with littering, illegal dumping, non- compliance with landfill site requirements, theft and vandalism. Upgrading of landfill sites is also a challenge.

T3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

The function of supplying low cost housing is vested in the provincial department of COGHSTA. This Municipality kept a need register which contains the details of those inhabitants in need and availing of stands for the erection of the houses and maintain the housing pipeline.

No houses were built by provincial government during the financial year except

Abengoa Solar supported by the Municipality and COGHSTA with NHBRC started with a project erecting 52 houses.

T3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -2	2330	2116	90,8%
Year -1	2350	2116	90,0%
Year 0	2588	2116	81,8%
Year 1	2691	2116	78,6%
			T3.5.2

Employees: Housing Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.5.4

Financial Performance Year 1: Housing Services					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees	0	0	0	0	#DIV/0!
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	0	0	0	0	#DIV/0!
Total Operational Expenditure	0	0	0	0	#DIV/0!
Net Operational Expenditure	0	0	0	0	#DIV/0!
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.5.5

Capital Expenditure Year 1: Housing Services					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0	
Project B	0	0	0	0	
Project C	0	0	0	0	
Project D	0	0	0	0	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.5.6

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Construction of houses is managed by Department of COGHSTA. Municipality updated housing pipeline and feeds needs register. Provision of stands for the construction of the houses is a big need. .

T3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Total households which received indigent support are as follows:

Free basic water @ 6 kl per household per month: 1967

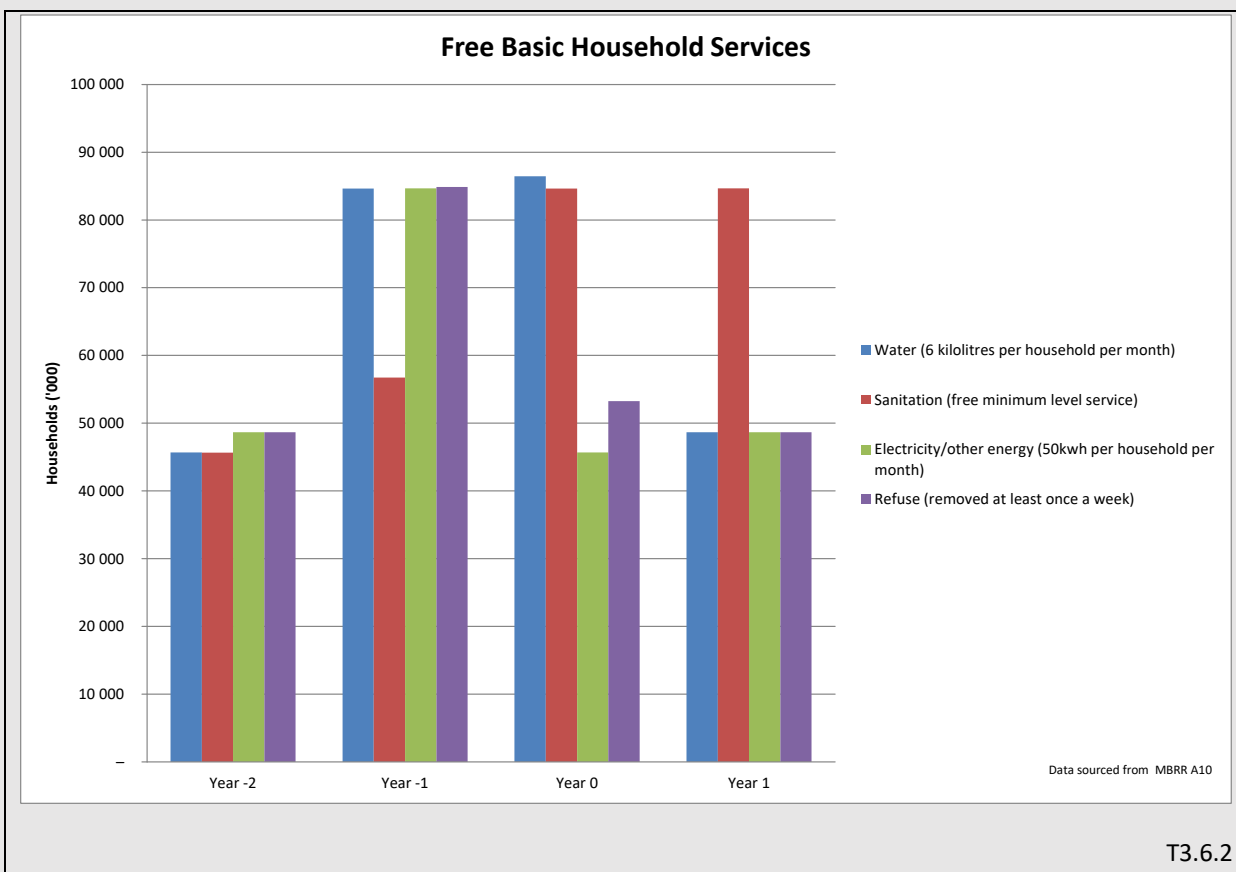
Free basic electricity @ 50 KWa per household per month: 1641

Free basic sanitation:1479

Free basic refuse:1964

Amount of Subsidy paid per month per = R675.30

T3.6.1



Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R3.500 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -1	8 345	6 732	1 899	30%	1 407	21%	1 531	23%	1 895	28%
Year 0	8 592	6 958	1 951	28%	1 465	21%	1 591	23%	1 951	28%
Year 1	9 237	7 051	1 967	28%	1 479	21%	1 641	23%	1 964	28%

T3.6.3

Financial Performance Year 1: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year 0	Year 1			
	Actual	Budget	Adjustment	Actual	Variance to
Water	5723	15548	15548	6170	-152%
Waste Water (Sanitation)	2585	4972	4972	2766	-80%
Electricity	7554	8163	8163	946	-763%
Waste Management (Solid Waste)	3251	6902	6902	2766	-150%
Total	19113	35585	35585	12648	-181%
					T3.6.4

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Revised Indigence policy 2020/2021 financial year

Based on the level of poverty, the number of households that qualify for basic free services and the amount to be appropriated for the purpose of indigence policy is as follows:

- a. Households classified as indigent/ needy where the total gross income of the residents of a household over the age of 18 years and parent's income is less than or equal than the income that two social grants together earned (monthly social grants paid by the Department of Welfare, etc..) qualify for 100% subsidy on basic services viz. Garbage, Sanitation, Water plus 6kl water free and 50 kwh electricity as prescribed nationally.
- b. Households who believe that they qualify must register with the local Municipal Office or the nearest office of the Municipal Council area. A list of the connections are available at the office.
- c. Free 6 kl of water will be provided to each poor household. If the 6 kl limit is exceeded the difference must be paid by the consumer. If a household continue not to pay the difference in the Council shall have the right to limit the flow of water.
- d. Traps will not be installed at public taps.
- e. Poor households owning more than one (1) property, will only be subsidized for one (1) property.

MUNICIPAL MANAGER

COUNCIL RESOLUTION 31/03/2020

Lack of implementing credit control caused that consumers utilised more than the free basic water of 6 kl without paying for the additional consumption. Leakages of toilet systems and pipes

During the IDP participation process communities indicated their acceptance of the installation of pre- paid water meters.

T3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

INTRODUCTION TO ROAD TRANSPORT

A transport policy lacks.

T3.7.0

3.7 ROADS

INTRODUCTION TO ROADS

Khâl- Ma municipality has tar roads (9,127 km), paved roads (1,867 km), and gravel roads (36, 484 km) with limited storm water drainage.

The tar roads situated in town is damaged due a heavy transport, the gravel roads are not graded and rocky areas have. Speed bumps will assisted with speed control. The roads are currently not been maintained due to budget constraints. Khâl-Ma Municipality has one (1) grader which need to be repaired. Potholes are repaired at Loop, Breë and Main Streets at Blyvooruitsig during February 2020.

The installation of streets lights have to be erected in Skool Street (portion of the N14- 1,25 km) for promoting safety of pedestrians. Road signs have also to be upgraded.

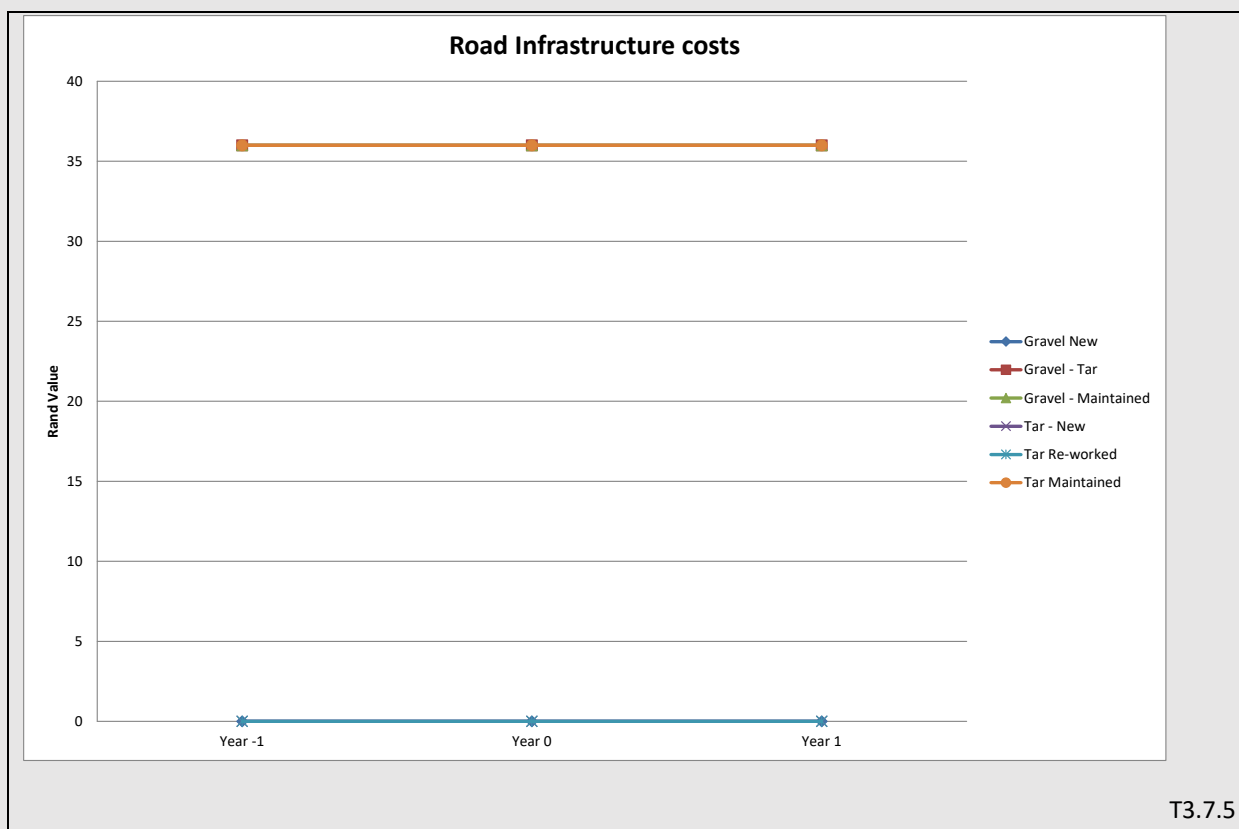
Khâl- Ma does not have a road strategy

T3.7.1

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to paved	Kilometers Gravel roads graded/maintained
Year -1	36, 484	0	1.867	0
Year 0	36.484	0	1.867	0
Year 1	36.484	0	1.867	0
				T3.7.2

Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -1	9,127	0	0	0	0
Year 0	9,127	0	0	0	0
Year 1	9,127	0	0	0	0
					T3.7.3

Cost of Construction/Maintenance						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -1	0	36	36	0	0	36
Year 0	0	36	36	0	0	36
Year 1	0	36	36	0	0	36
						T3.7.4



Road Service Policy Objectives Taken From IDP									
Road Service Policy Objectives Taken From IDP	Outline Service Targets	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Elimination of gravel roads in townships	Kilometers of gravel roads paved (Kilometers of gravel road remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	0 kms gravel roads tarred (36,5 kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	0 kms gravel roads tarred (36,5 kms gravel roads remaining)	Baseline (xxx kms gravel roads remaining)	3 kms gravel roads tarred (33,5 kms gravel roads remaining)	2 kms gravel roads tarred (31,5 kms gravel roads remaining)
Development of municipal roads as required	xxx kms of municipal roads developed	xxx kms	xxx kms	xxx kms	0 kms	0 kms	xxx kms	xxx kms	xxx kms
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (iii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

T3.7.6

T3.7.6

Employees: Road Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	#DIV/0!

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.7.7

Financial Performance Year 1: Road Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-309	-543	-543	-355	-53%
Expenditure:					
Employees	567	963	963	605	-59%
Repairs and Maintenance		30	295	85	65%
Other	794	1075	861	0	#DIV/0!
Total Operational Expenditure	1361	2068	2119	1554	-33%
Net Operational Expenditure	-1670	-2611	-2662	-1909	-37%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.7.8

Capital Expenditure Year 1: Road Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The roads in the Municipal area are in a very poor state. Vedanta donated a second hand grader to the municipality but is not in very good condition.

T3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

Khâi- Ma Municipality does not render such service. All transport services are rendered by private companies.

T3.8.1

Municipal Bus Service Data					
Details	Year 0		Year 1		Year 2
	Actual No.	Estimate No.	Actual No.	Estimate No.	
1 Passenger journeys	N/a	N/a	N/a	N/a	N/a
2 Seats available for all journeys	N/a	N/a	N/a	N/a	N/a
3 Average Unused Bus Capacity for all journeys	N/a	N/a	N/a	N/a	N/a
4 Size of bus fleet at year end	N/a	N/a	N/a	N/a	N/a
5 Average number of Buses off the road at any one time	N/a	N/a	N/a	N/a	N/a
6 Proportion of the fleet off road road at any one time	N/a	N/a	N/a	N/a	N/a
7 No. of Bus journeys scheduled	N/a	N/a	N/a	N/a	N/a
8 No. of journeys cancelled	N/a	N/a	N/a	N/a	N/a
9 Proportion of journeys cancelled	N/a	N/a	N/a	N/a	N/a

T3.8.2

Concerning T3.8.2

T3.8.2.1

Transport Service Policy Objectives Taken From IDP									
Service Objectives <div>Service Indicators (i)</div>	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
NOT APPLICABLE									
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									
T3.8.									

Employees: Transport Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	N/A	N/A	N/A	N/A	N/A
4 - 6	N/A	N/A	N/A	N/A	N/A
7 - 9	N/A	N/A	N/A	N/A	N/A
10 - 12	N/A	N/A	N/A	N/A	N/A
13 - 15	N/A	N/A	N/A	N/A	N/A
16 - 18	N/A	N/A	N/A	N/A	N/A
19 - 20	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.8.4

Financial Performance Year 1: Transport Services					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	N/A	N/A	N/A	N/A	N/A
Expenditure:	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs and Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total Operational Expenditure	N/A	N/A	N/A	N/A	N/A
Net Operational Expenditure	N/A	N/A	N/A	N/A	N/A
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.8.5

Capital Expenditure Year 1: Transport Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	N/A	N/A	N/A	N/A	N/A
		N/A	N/A	N/A	N/A
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)</i>					T3.8.6

COMMENT ON THE T PERFORMANCE OF TRANSPORT OVERALL:

No transport policy has been developed yet.

Roads are not maintained properly.

One Taxi rank is situated at Blyvooruitsig, Pofadder.

T3.8.7

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Only Pofadder has one shallow storm water canal (1,1 km) which starts at the corner of Springbok and Kampher Street along with Plein Street and Mission Street, north of Skool Street (N14) which has to be upgraded in the future. It is currently not maintained.

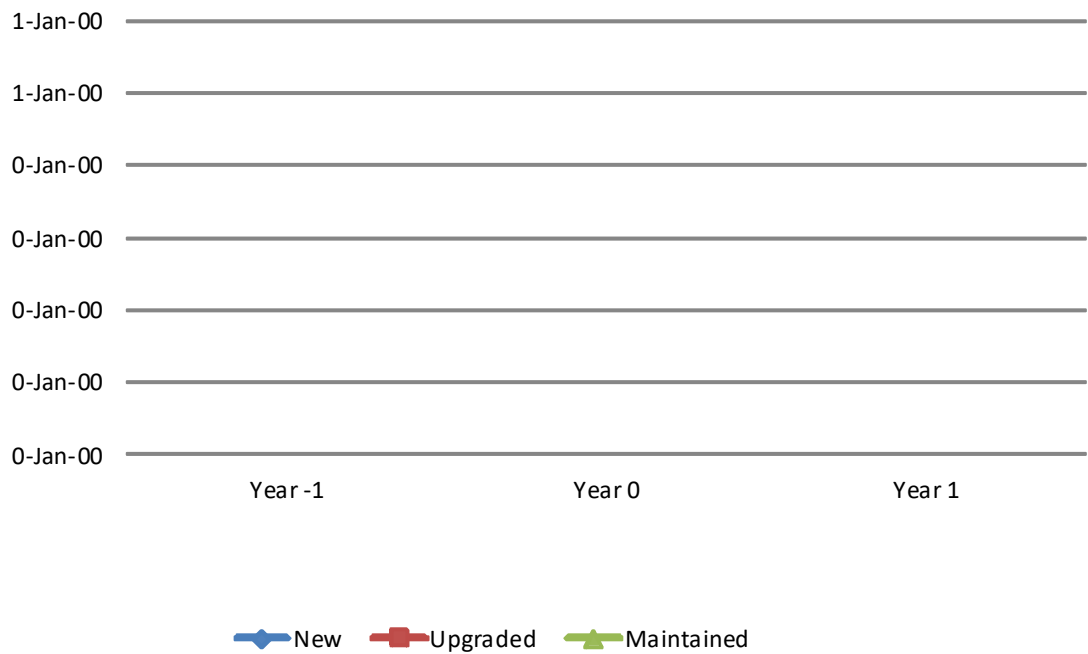
A storm water management plan does not exist.

T3.9.1

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -1	1,10	0	0	0
Year 0	1,10	0	0	0
Year 1	1,10	0	0	0
				T3.9.2

Cost of Construction/Maintenance			
			R' 000
	Stormwater Measures		
	New	Upgraded	Maintained
Year -1	0	0	0
Year 0	0	0	0
Year 1	0	0	0
			T3.9.3

Stormwater infrastructure costs



T3.9.4

Service Objective xxx									
Development of fully integrated stormwater management systems including wetlands and natural water courses	Phasing in of systems	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); x yrs remaining	Completion (Yes/No); x yrs remaining	Completion (Yes/No); x yrs remaining
		No	No	No	Yes	No	Yes		
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (iii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									T3.9.5

Employees: Stormwater Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					
T3.9.6					

Financial Performance Year 1: Stormwater Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.9.7

Capital Expenditure Year 1: Stormwater Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	280
Project B				#DIV/0!	150
Project C				#DIV/0!	320
Project D				#DIV/0!	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)</i>					T3.9.8

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Storm water drainage needs attention when gravel roads are paved. The municipality does not have only with the paving of roads.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Municipal manager, supported by an IDP and LED Officer is responsible for planning and development. The position of IDP officer was filled with effect from 1 October 2016, but LED was not functional.

Public participation took place as prescribed by legislation, though not to satisfaction.

The Municipality's IDP, in terms of legislation for the period, 2017/2018- 2021/2022 was revised during the financial year.

T3.10.0

3.10 PLANNING

INTRODUCTION TO PLANNING

The Municipality's spatial development is in revision to be completed in the next financial year. A LUMS is also in the process to be developed.

No registers were kept.

T3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year 0	Year 1	Year 0	Year 1	Year 0	Year 1
Planning application received	0	0	0	0	0	0
Determination made in year of receipt	0	0	0	0	0	0
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	0
						T3.10.2

Planning Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Determine planning application within a reasonable timescale	Approval or rejection of all build enviroment applications within a x weeks	Determination within x weeeeks	Determination within x weeeeks	Determination within 12 weeeeks	Determination within 12 weeeeks	Determination within x weeeeks	Determination within 11 weeeeks	Determination within 8 weeeeks	Determination within 8 weeeeks
	Reduction in planning decisions overturned	X planning decisions overturned	X planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	X planning decisions overturned	4% planning decisions overturned	No planning decisions overturned	No planning decisions overturned
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									
T3.10.3									

Employees: Planning Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	0	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T3.10.4</p>					

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

T3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

A draft local economic development (LED) Strategy has been developed by Department of Economic Development and Tourism and council has to adopt it. A LED forum does not exist.

A LED officer has to be add to the IDP and LED unit to give effect to the content of the economic development strategy.

The existing tourism plan needs to be revised.

T3.11.1

Economic Activity by Sector			
			R '000
Sector	Year -1	Year 0	Year 1
Agric, forestry and fishing			
Mining and quarrying			
Manufacturing			
Wholesale and retail trade			
Finance, property, etc.			
Govt, community and social services			
Infrastructure services			
Total			
			T3.11.2

Economic Employment by Sector			
			Jobs
Sector	Year -1 No.	Year 0 No.	Year 1 No.
Agric, forestry and fishing			
Mining and quarrying			
Manufacturing			
Wholesale and retail trade			
Finance, property, etc.			
Govt, community and social services			
Infrastructure services			
Total			
			T3.11.3

COMMENT ON LOCAL JOB OPPORTUNITIES:

More permanent jobs has to be created since the unemployed rate remains unchanged.

T3.11.4

Jobs Created during Year 1 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -1				
Year 0				
Year 1				
Initiative A (Year 1)				
Initiative B (Year 1)				
Initiative C (Year 1)				
				T3.11.5

Job creation through EPWP* projects		
Details	No of EPWP Projects	No of Jobs created through EPWP projects
Year -1	1	0
Year 0	1	61
Year 1	1	45
* - Extended Public Works Programme		T3.11.6

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives <div>Service Indicators (i)</div>	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Training of people in essential skills: x, y, z	Number of people trained (including retrained upskilled)	0 people trained	0 people trained	0 people trained	0 people trained	0 people trained	x people trained	x people trained	x people trained
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									T3.11.7

Employees: Local Economic Development Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	0	0%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

Financial Performance Year 1: Local Economic Development Services					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees	972	8	1073	1056	99%
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	50	208	208	33	-530%
Total Operational Expenditure	1022	216	1281	1089	80%
Net Operational Expenditure	-1022	-216	-1281	-1089	80%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.11.9

Capital Expenditure Year 1: Economic Development Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.11.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The appointment of a full LED officer is crucial for undivided attention to this function. Such appointment will enable the Municipality to keep an updated database of unemployment people, monitor appointments in different projects, assists inhabitants to established companies to boost SMME development and assist management to give full reports to council.

T3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Khâ-Ma Municipality has one (1) library in all communities. The library at Sending, Onseepkans is a container, while Pofadder, Pella and Witbank have a brick structure each.

Each community has a community hall except Witbank. In the case of Onseepkans all three settlements have a community hall each.

T3.52.0

3.52 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Libraries is functional at Pofadder, Aggeneys, Pella, Onseepkans and Witbank being funded by Department of Sport, Arts and Culture. The available funds are to be made available for the following purposes:
Improving staff capacity (Library Transformation Programme) at the community libraries in the municipalities;
Funding for Library Current Awareness;
Funding for Library Usage and Promotion;
Funding for Library Development.

The transfer of funds for the Library Development program is dependent on the approval of a submitted business plan, in line with the Funding criteria and on the formats as prescribed.

Onseepkans needs a new library since a mobile unit is too small to accommodate more than 10 person at a time.

The incumbents of Onseepkans and Witbank is part of the Department's payroll. 3 library assistants and 2 cleaners are employed through this programme.

Community halls at Pofadder, Pella, Sending, Viljoensdraai and Sending has to be maintained to ensure readiness for use by the communities. Witbank does not have a community hall.

Sport stadiums was upgraded in the previous financial year but vandalised during the year of reporting.

T3.52.1

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

See T3.52.3 Not applicable to museums, galleries, and other (Theatres, zoos, etc.)

T3.52.2

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0%
4 - 6	3	3	3	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	8	8	8	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.52.4

Financial Performance Year 1: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1054	1100	1100	1100	0%
Expenditure:					
Employees	1540	2182	1680	1614	-35%
Repairs and Maintenance					#DIV/0!
Other	1329	1447	1447	1319	-10%
Total Operational Expenditure	2869	3629	3127	2933	-24%
Net Operational Expenditure	-1815	-2529	-2027	-1833	-38%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference					T3.52.5

Capital Expenditure Year 1: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
				#DIV/0!	0
				#DIV/0!	0
				#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.52.6

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Community halls at Pofadder (floors), Sending (ceiling, windows, fencing), Viljoensdraai (windows) and Melkbosrand (water supply) have to be maintained to ensure it is ready for utilization by the communities.

T3.52.7

3.55 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

The Municipality own no crematoriums, but have to develop new cemeteries for Pella, since the existing one is exhausted. A temporary cemetery at Pella with the approval of Department of Environmental Affairs are utilised by the community for burying the beloved ones. A private company, Lebogang Funeral services, manages a mortuaries at Pofadder. A mortuary is also managed by the community health centre at Pofadder.

Onseepkans does not have a mortuary and bodies are kept at mortuaries away from the community.

T3.55.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

See introduction

T3.55.2

Cemeteries and Crematoriums Policy Objectives Taken From IDP									
Service Objectives <div>Service Indicators (i)</div>	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Development of Cemeterie for Pella	1	1		1	1	0	1		
Fencing of Cemeteries at Pofadder and Onseepkans	0	0	0	1	1	0	1		
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									T3.55.

Employees: Cemeteries and Crematoriums					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	#DIV/O!

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.55.4

Financial Performance Year 1: Cemeteries and Crematoriums					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	66	136	-1000	85	-60%
Expenditure:					
Employees	164	186	193	129	-44%
Repairs and Maintenance		84	103	1	-8300%
Other	0	11	12	1	-1000%
Total Operational Expenditure	164	281	308	131	-115%
Net Operational Expenditure	230	417	-692	216	-93%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.55.5

Capital Expenditure Year 1: Cemeteries and Crematoriums					R' 000
Capital Projects	Year 1				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	0	0	0	#DIV/O!	
Project A	0	0	0	#DIV/O!	0
Project B	0	0	0	#DIV/O!	0
Project C	0	0	0	#DIV/O!	0
Project D	0	0	0	#DIV/O!	0

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T3.55.6

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIALS OVERALL:

Only the cemetery in Pofadder- reserved for the previous advantage community is the property of council. All the other cemeteries is the property of and are maintained by Local Churches for many years.

Pofadder's and Pella's communities needs a new cemetery each.

T3.55.7

3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Not applicable to this Municipality. This functions is managed by Dept. Social Services.

T3.56.1

SERVICE STATISTICS FOR CHILD CARE

See Introduction (T3.56.1)

T3.56.2

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	 (iv)	*Previous Year (v)	*Current Year (vi)	 (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Not applicable to this Municipality- services rendered by Dept. Social Services and Development									
<i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *Current Year' refers to the targets set in the Year 1 Budget/IDP round. *Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i>									
T3.56.3									

Employees: Child Care; Aged Care; Social Programmes : Not Applicable					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6					#DIV/0!
7 - 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	0	0	0	0	#DIV/0!
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.56.4

Financial Performance Year 1: Child Care; Aged Care; Social Programmes: Not applicable					
R' 000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure	0	0	0	0	#DIV/0!
Net Operational Expenditure	0	0	0	0	#DIV/0!
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.56.5

Capital Expenditure Year 1: Child Care; Aged Care; Social Programmes					
Not Applicable					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All: Not applicable					
Project A					
Project B					
Project C					
Project D					
<p>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</p>					T3.56.6

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

Not applicable to this Municipality. Service are rendered by provincial government.

T3.56.7

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

An Integrated Environmental management plan for Namakwa District exist.

Share function with Namakwa District Municipality. Environment Health Inspectors submit reports with recommendation to Municipality. Reports are submitted regularly.

By- laws exists, but a law enforcement unit for the execution of the relevant duties lacks at this Municipality.

Provincial government plays also a role executing such function.

T3.59.0

3.59 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

See 3.59.0

SERVICE STATISTICS FOR POLLUTION CONTROL

T3.59.2

Pollution Control Policy Objectives Taken From IDP									
Service Objectives <div>Service Indicators</div> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Water and air purity	Water: x% of all readings taken throughout the year on at least weekly to be found acceptable (clean) by National Standards	To% clean	Ao% clean	T1% clean	T1% clean	A1% clean	T2% acceptable	T5% acceptable	T5% acceptable
	Air: x% of all readings taken throughout the year on at least weekly to be found acceptable by National standard	To% clean	Ao% clean	T1% clean	T1% clean	A1% clean	T2% acceptable	T5% acceptable	T5% acceptable
<div>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</div>									T3.59.3

Employees: Pollution Control					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	#DIV/0!
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.59.4

Financial Performance Year 1: Pollution Control					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure	0	0	0	0	#DIV/0!
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.59.5

Capital Expenditure Year 1: Pollution Control					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A					0
Project B					0
Project C					0
Project D	0	0	0	0%	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.59.6

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

This filed needs urgent attention.

T3.59.7

3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

Dedicate officer has to be appointed to work unto this function together with sector department.

T3.60.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

T3.60.2

Employees: Bio-Diversity; Landscape and Other					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.60.4

Financial Performance 2021/22: Bio-Diversity; Landscape and Other					
R' 000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.60.5

Capital Expenditure Year 1: Bio-Diversity; Landscape and Other					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

T3.60.6

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:
Dedicated official must be appointed.

T3.60.7

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

Not applicable to this Municipality. Services rendered by Department of Health on National and Provincial level.

T.62.0

3.62 CLINICS

INTRODUCTION TO CLINICS

Services rendered by Department of Health. Lease buildings at Pofadder and Onseepkans (Melkbosrand) to Department of Health.

T3.62.1

Service Data for Clinics					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Average number of Patient visits on an average day				
2	Total Medical Staff available on an average day				
3	Average Pateint waiting time	mins	mins	mins	mins
4	Number of HIV/AIDS tests undertaken in the year				
5	Number of tests in 4 above that proved positive				
6	Number of children that are immunised at under 1 year of age				
7	Child immunisation s above compared with the child population under 1 year of age	%	%	%	%
T3.62.2					

Concerning T3.62.2-

Services rendered by Department of Health.

T3.62.2.1

Clinics Policy Objectives Taken From IDP									
Service Objectives <div>Service Indicators</div> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Proportion of population visiting public health clinics	% of children under 1 year that are immunised.	T0% immunised	A0% immunised	T1% immunised	T1% immunised	A1% immunised	T2% immunised	T5% immunised	T5% immunised
Proportion of population visiting public health clinics	% of those tested for HIV/AIDS that proved positive; (number of those tested)	T0% tested positive; (xxxxxx tested)	A0% tested positive; (xxxxx tested)	T1% tested positive; (xxxxxx tested)	T1% tested positive; (xxxxxx tested)	A1% tested positive; (xxxxxx tested)	T2% tested positive; (xxxxxx tested)	T5% tested positive; (xxxxxx tested)	T5% tested positive; (xxxxxx tested)
<div>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</div>									

T3.62.3

Employees: Clinics- Not applicable to this Municipality					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					
					T3.62.4

Financial Performance 2021/22: Clinics- Not applicable to this Municipality					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.62.5

Capital Expenditure : Clinics					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.62.6

COMMENT ON THE PERFORMANCE OF CLINICS OVERALL:

T3.62.7

3.63 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

Not applicable for this Municipality. Services are rendered by Department of Health.

T3.63.1

Ambulance Service Data- Not applicable to this Municipality					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of patients taken to medical facilities during the year				
2	Average time from emergency call to arrival at the patient - in urban areas				
3	Average time from emergency call to arrival at the patient - in rural areas				
4	Average time from emergency call to the transportation of patient to a medical facility - in urban areas				
5	Average time from emergency call to the transportation of patient to a medical facility - in rural areas				
6	No. ambulance				
7	No. paramedics				
					T3.63.2

Concerning T3.63.2

Not applicable to Municipality

T3.63.2.1

Ambulances Policy Objectives Taken From IDP- Not applicable to this Municipality									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Ambulance turnaround time (Timeout to patients and back to medical facility)	Average turnaround time in rural areas	T ₀ min on average	A ₀ min on average	T ₁ min on average	T ₁ min on average	A ₁ min on average	T ₂ min on average	T ₅ min on average	T ₅ min on average
	Average turnaround time in urban areas	T ₀ min on average	A ₀ min on average	T ₁ min on average	T ₁ min on average	A ₁ min on average	T ₂ min on average	T ₅ min on average	T ₅ min on average
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									T3.63.3

Employees: Ambulances- Not applicable to this Municipality					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	0	0	0	0	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T3.63.4</p>					

Financial Performance Year 1: Ambulances- Not applicable to this Municipality					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i></p> <p style="text-align: right;">T3.63.5</p>					

COMMENT ON THE PERFORMANCE OF AMBULANCE SERVICES OVERALL:

Not applicable to this Municipality

T3.63.7

3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABBATOIR LICENSING AND INSPECTIONS, ETC

This is a shared function between Khâl-Ma Municipality and Namakwa District Municipality. A qualified official appointed by Namakwa District Municipality renders the services and submit monthly reports to Khâl- Ma Municipality.

T3.64.1

SERVICE STATISTICS FOR HEALTH INSPECTION, Etc

T3.64.2

Health Inspection, Etc Policy Objectives Taken From IDP									
Service Objectives <div>Service Indicators</div> (i)	Outline Service Targets (ii)	Year 0		Year 1		Year 2	Year 4		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<div>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *Current Year' refers to the targets set in the Year 1 Budget/IDP round. *Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</div>									T3.64.3

Capital Expenditure Year 1: Ambulances- Not applicable to this Municipality					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.63.6

Financial Performance Year 1: Health Inspection, Etc					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.64.5

Capital Expenditure Year 1: Health Inspection, Etc					R' 000
Capital Projects	Year 1				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All				#DIV/0!	
Project A				#DIV/0!	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.64.6

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, Etc OVERALL:

T3.64.7

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

The services mentioned in this component is not applicable to this Municipality since this Municipality does have such departments in its hierarchy though it deals with fires and have by- laws available for licensing and control of animals and public nuisance as well.

Controlling of animals is a concern. The SAPS assisted in controlling of public nuisances.

T3.65.0

3.65 POLICE

Services are rendered by South African Polices Services (national)

INTRODUCTION TO POLICE

Not applicable to this Municipality. Services are rendered by SAPS.

T3.65.1

Metropolitan Police Service Data- Not applicable

	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year				
2	Number of by-law infringements attended				
3	Number of police officers in the field on an average day				
4	Number of police officers on duty on an average day				
T3.65.2					

Concerning T3.65.2

Not applicable.

T3.65.2.1

Police Policy Objectives Taken From IDP- Not applicable to this Municipality									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Reduction in road accidents	x% reduction in road accidents over the target for the previous year	To% reduction in 2008/09	Ao% reduction in 2008/10	T1% reduction in 2008/11	T1% reduction in 2008/11	A1% reduction in 2008/12	T2% reduction in 2008/12	T5% reduction in 2008/13	T5% reduction in 2008/13
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round.</p> <p>*'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									T3.65.3

Employees: Police Officers- Not applicable to this Municipality					
Job Level	Year 0	Year 1			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
 *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.65.4

Capital Expenditure Year 1: - Not applicable to this Municipality					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.65.6

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

Not applicable to this Municipality

T.3.65.7

3.66 FIRE

INTRODUCTION TO FIRE SERVICES

This function are shared with Namakwa District Municipality. This Municipality does not have a special firefighting department/ division or unit. Staff of technical services assist with fire fighting. Equipment are kept at service points. No fire hydrants are installed on water reticulation network.

Fires put out by this Municipality: 1

Expenditure forms part of disaster management budget.

T3.66.1

Metropolitan Fire Service Data- Not applicable to this Municipality					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year				
2	Total of other incidents attended in the year				
3	Average turnout time - urban areas				
4	Average turnout time - rural areas				
5	Fire fighters in post at year end				
6	Total fire appliances at year end				
7	Average number of appliance off the road during the year				
					T3.66.2

Concerning T3.66.2

See T3.66.1

T3.66.2.1

Fire Service Policy Objectives Taken From IDP- See T3.66.1									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	 (iv)	*Previous Year (v)	*Current Year (vi)	 (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Turnout time compared to National guidelines	% turn out within guidelines (total number of turn outs)	T0% within guidelines	A0% within guidelines or x if x is larger	T1% within guidelines or A0% if that is larger	70% within guidelines or A0% if that is larger	A1% within guidelines	75% within guidelines or A1 if that is larger; (xxxxx emergency turn outs in year)	95% within guidelines or A4 if that is larger; (xxxxx emergency turn outs in year)	95% within guidelines or A4 if that is larger; (xxxxx emergency turn outs in year)
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									
T3.66.3									

Employees: Fire Services- Not applicable to this Municipality					
Job Level	Year 0	Year 1			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.66.4

Financial Performance Year 1: Fire Services- See 3.66.1					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Fire fighters					
Other employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.66.5

Capital Expenditure Year 1: Fire Services- No budget					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
Project C					
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.66.6

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

This equipment is not prepared for immediate usage. Onseepkans and Witbank do not have fire equipment.

The Municipality needs adequate vehicles for quicker response to fires.

T3.66.7

3.67 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Disaster management are managed from district municipal level with the Municipality playing a supportive roll. A disaster management plan is in place. However, the municipality is not really prepared to deal with disasters and some employees and members of the communities should be trained.

The appointment of a law enforcement officer is necessary for the implementation of the municipalities by-laws.

3.67.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

T3.67.2

Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.67.4

Financial Performance Year 1: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees	0	0	0	0	#DIV/0!
Repairs and Maintenance	10	48	48	4	-1100%
Other	32	107	107	40	-168%
Total Operational Expenditure	42	155	155	44	-252%
Net Operational Expenditure	-42	-155	-155	-44	-252%
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.67.5

Capital Expenditure Year 1: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.67.6

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

T3.67.7

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

The Municipality own one (1) community park, Dr. O.T. van Schalkwyk Park which is a historical site and tourism attraction. One (1) sport stadium, the Dennis Nel Stadium is the property of the Council and one (1) is owned by Boesmanland High School.

The social and labour plan of Black Mountain Mine funded the project in building a swimming pool for the municipality. No campsites is the property of council.

One swimming pool is situated at Dennis Nel Sport Stadium, Pofadder. The pool was operational with interruptions caused by breakdowns of water pumps.

T3.68.0

3.68 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

Sport stadiums have to be guarded to prevent vandalism and further damages as it is the case.

The swimming pool at Pofadder is closed due to financial constraints to maintain it and also the absence of proper caretaking or guarding.

Community halls at Pofadder (floors), Sending (ceiling, windows, fencing), Viljoensdraai (windows) and Melkbosrand (water supply) have to be maintained to ensure it is ready for utilization by the communities.

Vedanta assist with the upgrading of O.T. Van Schalkwyk park while the park in Blyvooruitsig is vandalised. The wire of the fence are removed.

T3.68.1

Sport and Recreation									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Upgrading of Sport Facilities at Pofadder, Pella and Onseepkans	3	3	3	3	3	3	0	0	0
<i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i>									
T3.68.2									

Employees: Sport and Recreation					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	0	0%
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	1	1	1	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.68.3

Financial Performance : Sport and Recreation					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-107	-279	-279	-96	-191%
Expenditure:					
Employees	235	246	251	248	1%
Repairs and Maintenance	1	95	85		#DIV/0!
Other	10	493	493	14	-3421%
Total Operational Expenditure	246	824	829	262	-215%
Net Operational Expenditure	-353	-1103	-1108	-358	-208%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.68.4

Capital Expenditure Year 1: Sport and Recreation					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	0
Project A				#DIV/0!	0
Project B				#DIV/0!	0
Project C				#DIV/0!	0
Project D				#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.68.5

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

T3.68.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

T3.69.0

3.69 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

T3.69.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

T3.69.2

The Executive and Council Policy Objectives Taken From IDP									
Service Objectives <div>Service Indicators</div> (i)	Outline Service Targets (ii)	Year 0		Year 1		Year 2	Year 4		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
General Council Meeting per quarter	4	4		4	4	2	4	4	4
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									

T3.69.3

Employees: The Executive and Council					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0,5	17%
7 - 9	6	6	6	1,5	25%
10 - 12	7	7	7	1	14%
13 - 15	9	9	9	2,2	24%
16 - 18	11	11	11	0,9	8%
19 - 20	18	18	18	1	6%
Total	55	55	55	7,1	13%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
					T3.69.4

Financial Performance : The Executive and Council					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	21806	21156	22206	22206	5%
Expenditure:					
Employees	3880	5076	4212	4139	-23%
Repairs and Maintenance		6	6	4	-50%
Other	3310	5129	5353	4852	-6%
Total Operational Expenditure	7190	10211	9571	8995	-14%
Net Operational Expenditure	14616	10945	12635	13211	17%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.69.5

Capital Expenditure : The Executive and Council					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	150	201	99	-52%	
Project A- Other	150	201	99	-52%	201
Project B	0	0	0	#DIV/0!	0
Project C	0	0	0	#DIV/0!	0
Project D	0	0	0	#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.69.6

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

See annual report

T3.69.7

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

Management is responsible for the sound and sustainable management of the affairs of the municipality and to implement an efficient, effective and transparent financial management system for the purpose, as regulated by the MFMA.

T3.70.1

Debt Recovery								
R' 000								
Details of the types of account raised and recovered	Year 0		Year 1			Year 2		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates								
Electricity - B								
Electricity - C								
Water - B								
Water - C								
Sanitation								
Refuse								
Other								
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.								T3.70.2

Concerning T3.70.2

Delete Directive note once table is complete – The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

T3.70.2.1

Employees: Financial Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	3	3	3	0	0%
10 - 12	5	5	5	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	9	9	9	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.70.4

Financial Performance : Financial Services					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	13812	15400	15475	16124	4%
Expenditure:					
Employees	4584	6078	4584	4602	-32%
Repairs and Maintenance	468	1448	1478	758	-91%
Other	5765	6669	7974	6715	1%
Total Operational Expenditure	10817	14195	14036	12075	-18%
Net Operational Expenditure	2995	1205	1439	4049	70%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.70.5

Capital Expenditure Year 1: Financial Services					
					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T3.70.6

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

T3.70.7

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resource officer assist management with lead, direct and control of staff administering Recruitment, Personnel Administration and Labour Relations, Skills development and occupation health and safety.

A payroll clerk assist management with remuneration of staff, third party contributions (provident and pension funds, medical schemes, garnish orders).

Measurements are done per SDBIP for filling of vacancies, employment contracts, job descriptions, work place skills plan, local labour forum, employment equity reports and personnel records.

T3.71.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

T3.71.2

Employees: Human Resource Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.71.4

Financial Performance Year 1: Human Resource Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	436	227	151	554	59%
Expenditure:					
Employees	7730	7355	7785	7418	1%
Repairs and Maintenance		26	26		#DIV/0!
Other	2182	2095	2243	1655	-27%
Total Operational Expenditure	9912	9476	10054	9073	-4%
Net Operational Expenditure	9476	9249	9903	8519	-9%
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					

T3.71.5

Capital Expenditure Year 1: Human Resource Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	280
Project B				#DIV/0!	150
Project C				#DIV/0!	320
Project D				#DIV/0!	90
<p>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</p>					

T3.71.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

T3.71.7

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Municipality utilises a service provider for this services. A IT policy is not yet developed and an unit is not part of its organogram.

T3.72.1

SERVICE STATISTICS FOR ICT SERVICES

T3.72.2

Employees: ICT Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
					T3.72.4

Financial Performance Year 1: ICT Services					
R' 000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.72.5

Capital Expenditure Year 1: ICT Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.72.6

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

T3.72.7

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

T3.73.1

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

T3.73.2

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.73.4

Financial Performance Year 1: Property; Legal; Risk Management; and Procurement Services					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.73.5

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

T3.73.7

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The Performance Management System is not in place. The municipality appointed an official in May 2013 and is in process of appointing a service provider to assist the implementation of the system.

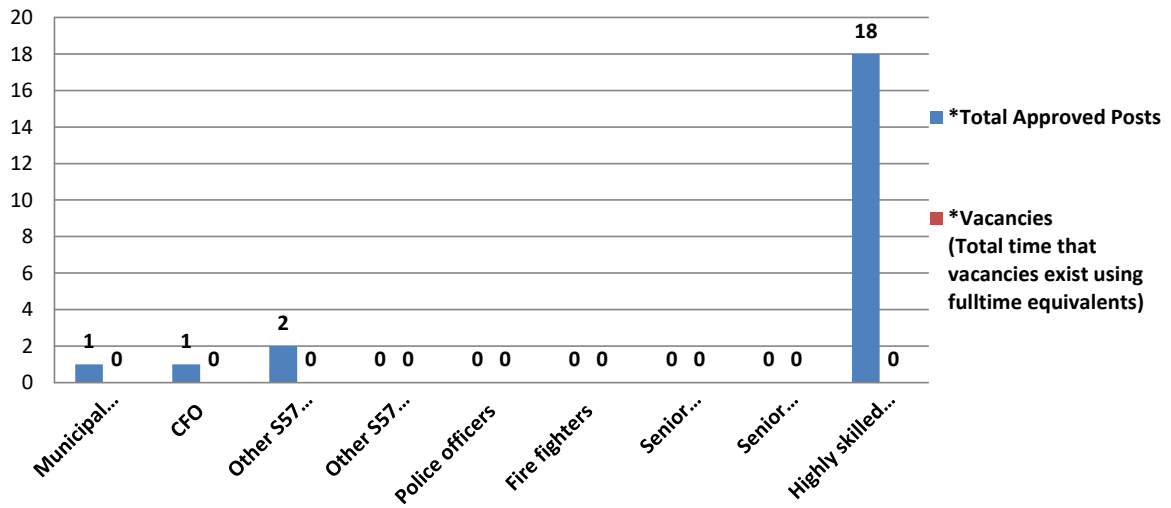
T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year 0	Year 1			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	10	8	8	0	0%
Waste Water (Sanitation)	8	7	7	0	0%
Electricity	2	2	2	0	0%
Waste Management	10	11	9	2	18%
Housing	1	1	1	0	0%
Waste Water (Stormwater Drainage)	0	0	0	0	0%
Roads	2	2	2	0	0%
Transport	1	1	1	0	0%
Planning	1	2	2	0	0%
Local Economic Development	0	1	0	1	100%
Planning (Strategic & Regulatory)	0	0	0	0	0%
Community & Social Services	6	19	19	0	0%
Environmental Protection	0	0	0	0	0%
Health	0	0	0	0	0%
Security and Safety	3	2	2	0	0%
Sport and Recreation	8	8	8	1	17%
Corporate Policy Offices and Other	15	20	20	0	0%
Totals	67	84	81	4	14%
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June.					T4.1.1

Vacancy Rate



Vacancy Rate: Year 1			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	2	0	0
Other S57 Managers (Finance posts)	0	0	0
Police officers	0	0	0
Fire fighters	0	0	0
Senior management: Levels 13-15 (excluding Finance Posts)	0	0	0
Senior management: Levels 13-15 (Finance posts)	0	0	0
Highly skilled supervision: levels 9-12 (excluding Finance posts)	18	0	0
Highly skilled supervision: levels 9-12 (Finance posts)	2	0	0
Total	24	0	0,00
<p>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>			

T4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2018/19	0	0	0%
2020/21	77	1	0%
2021/22	77	2	1%
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			T4.1.3

COMMENT ON VACANCIES AND TURNOVER:

The positions of Technical manager corporate service manager which had been vacant for a long time is filled in the second quarter of the year. The Chief Financial Officer was appointed in 2004.

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

1. The Municipality was not successful in reviewing the existing organogram. New positions must be established to execute all functions and powers assigned to this entity following a job evaluation process.
2. The corporate services and technical managers has been appointed and the incumbents assumed duties during October and December 2020 respectively. Thus, management will be fully appointment. This action will result into improvement of service delivery and discipline.
3. The position of human resources vacated during the annum was filled during February 2020.
4. Employment Equity- all senior managers are male while no employee is classified as a disabled person.
5. A workplace skills plan was development but could not be implemented fully due to financial constraints.
6. Performance Management was not implemented as required.
7. Not all employees have employment contracts.

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

T4.2.0

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	0%		Legislation
2	Attraction and Retention	0%		In progress
3	Code of Conduct for employees	0%	0%	Legislation MSA
4	Delegations, Authorisation & Responsibility	0%	0%	In progress
5	Disciplinary Code and Procedures	0%		Collective Agreement
6	Essential Services	0%		Collective Agreement
7	Employee Assistance / Wellness	0%		In progress
8	Employment Equity	0%		Legislation
9	Exit Management	0%		In progress
10	Grievance Procedures	0%	0%	Collective Agreement
11	HIV/Aids	0%	0%	In progress
12	Human Resource and Development	0%		In progress
13	Information Technology	0%		In progress
14	Job Evaluation	0%		Collective Agreement
15	Leave	0%		Conditions of Services Agreement
16	Occupational Health and Safety	0%		Legislation
17	Official Housing	0%		Condition of Services
18	Official Journeys	100%	0%	Subsistence and Travelling
19	Official transport to attend Funerals	0%	0%	Officials travel privately
20	Official Working Hours and Overtime	0%		LRA- Code of Good Practice
21	Organisational Rights	100%		Collective Agreement
22	Payroll Deductions	0%		In progress
23	Performance Management and Development	100%		In draft
24	Recruitment, Selection and Appointments	100%	0%	2012/2013-
25	Remuneration Scales and Allowances	0%		Collective Agreement
26	Resettlement	0%		Review in progress
27	Sexual Harassment	0%		In progress
28	Skills Development	0%		In progress
29	Smoking	0%		In progress
30	Special Skills	0%		
31	Work Organisation	0%		
32	Uniforms and Protective Clothing	0%		In progress
33	Other:			
Use name of local policies if different from above and at any other HR policies not listed.				T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	0	0	0%	0	60
Temporary total disablement	0	0	0%	0	
Permanent disablement	0	0	0%	0	
Fatal	0	0	0%	0	
Total	0	0	0%	0	60

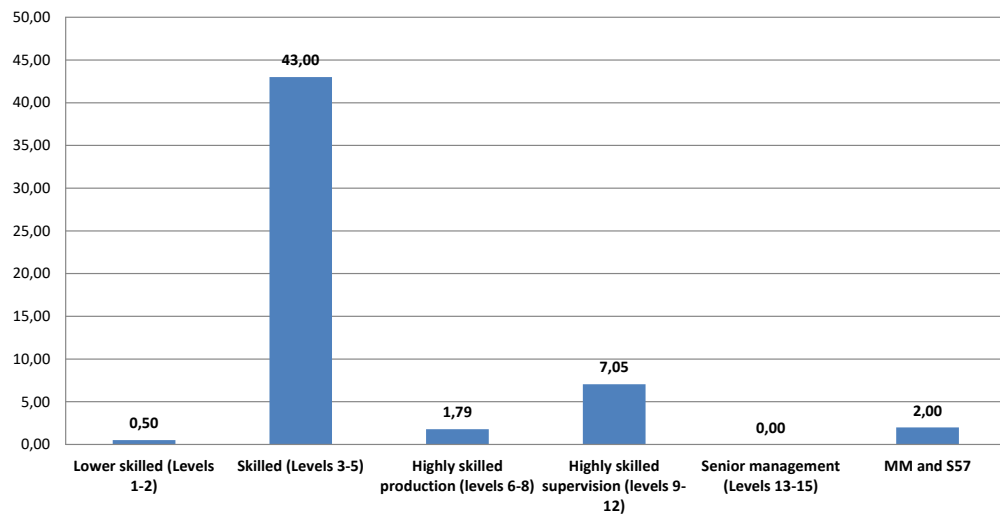
T4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	4	0%	8	8	0,50	
Skilled (Levels 3-5)	86	2%	22	22	43,00	
Highly skilled production (levels 6-8)	43	7%	24	24	1,79	
Highly skilled supervision (levels 9-12)	134	14%	20	19	7,05	
Senior management (Levels 13-15)	0	0%	0	0	0,00	
MM and S57	4	100%	2	2	2,00	
Total	271	4%	76	75		

* - Number of employees in post at the beginning of the year
 *Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T4.3.2

Average Number of Days Sick Leave (excl IOD)



T4.3.3

COMMENT ON INJURY AND SICK LEAVE:

T4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Nil	n/a	n/a	n/a	n/a
				T4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Nil	Nil	Nil	n/a
			T4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

No suspensions

T4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	No performance awards had been issued due to the absence of a performance management			
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male				
Total					
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
<i>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i>					T4.4.1

The Municipality's performance management system is not fully functional. Measurements on performance are not done during the financial year

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

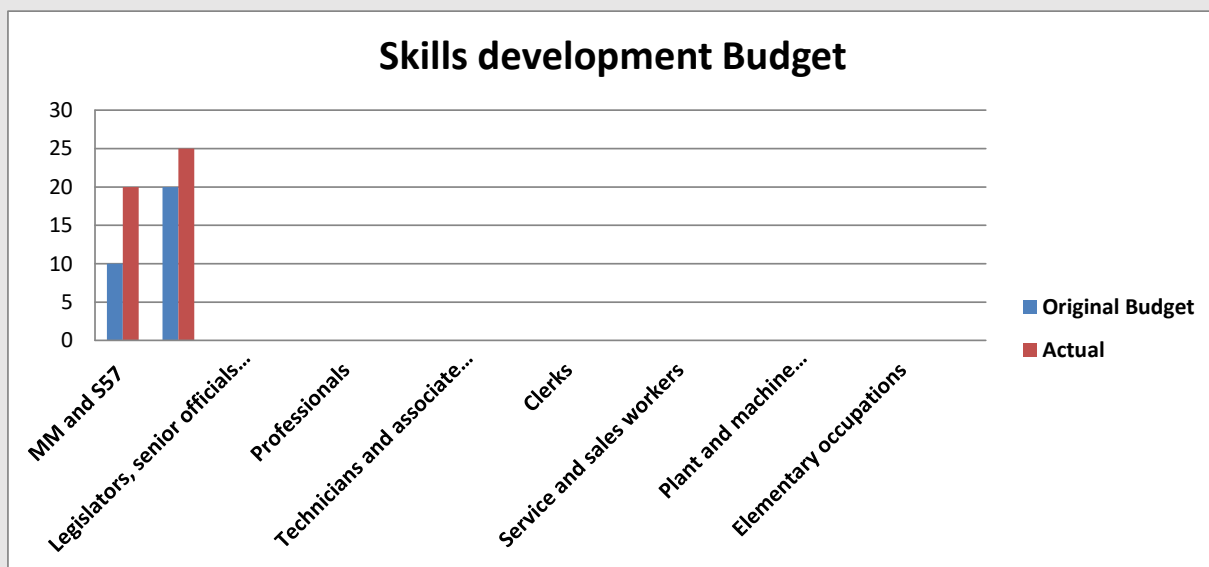
T4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 1	Number of skilled employees required and actual as at 30 June Year 1											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	2	0	0	0	0	0	1	0	0	0	1	1	1
Councillors, senior officials and managers	Female	3	0	0	0	3	0	3	0	0	0	3	3	3
	Male	4	0	0	0	4	0	4	0	0	0	4	4	4
Technicians and associate professionals*	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	1	0	0	0	0	0	1	0	0	0	0	1	1
Professionals	Female	0	0	0	0	0	1	0	0	0	0	0	1	9
	Male	0	0	0	0	0	1	0	0	0	0	0	5	0
Sub total	Female	3	0	0	0	3	1	3	0	0	0	4	4	8
	Male	8	0	0	0	6	1	6	0	0	0	11	11	22
Total		11	0	0	0	0	2	9	0	0	0	15	15	30
T4.5.1														

T4.5.1

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	0	1	0
Chief financial officer	1	0	1	0	1	1
Senior managers	2	0	2	2	0	0
Any other financial officials	2	0	2	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	0	0	0	0	0	1
TOTAL	6	0	6	2	2	2
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T4.5.2



COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

T4.5.4

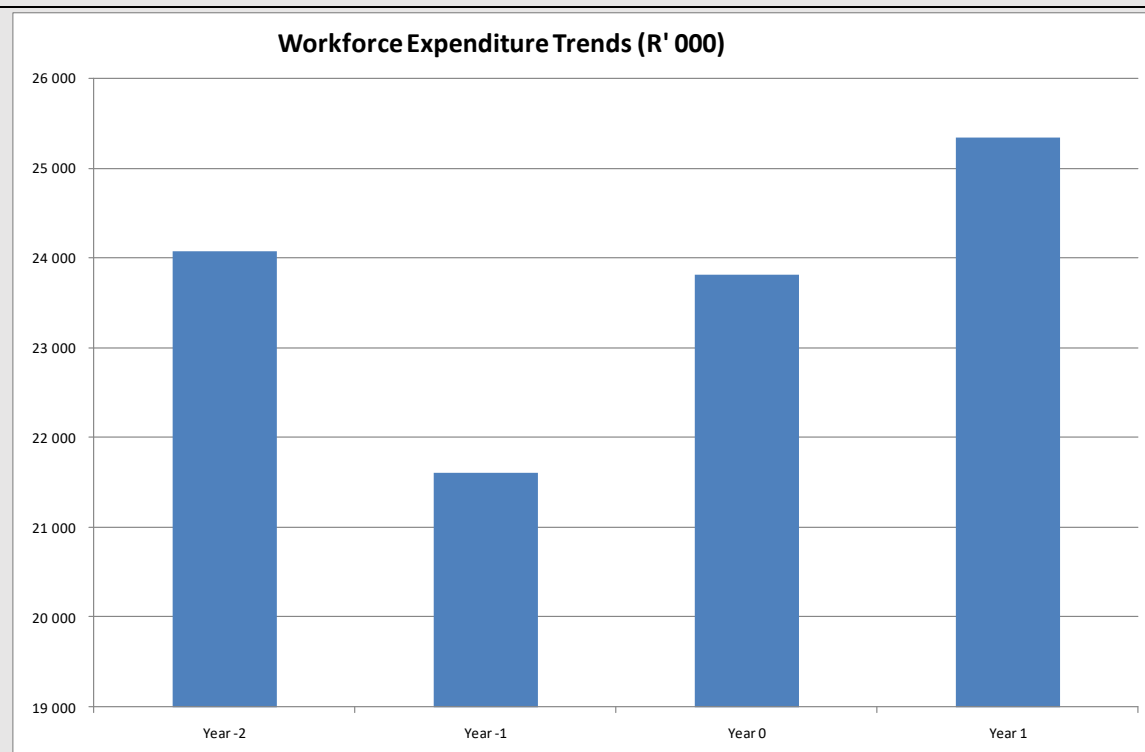
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

This field is still a challenge. The personnel expenditure was above the norm of -35% of the total expenditure being influenced by the low payment culture. The expenditure should be higher if the vacant positions of corporate services and technical manager had been filled.

T4.6.0

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

T4.6.1

COMMENT ON WORKFORCE EXPENDITURE:

Revenue enhancement could help the Municipality to reduce the personnel expenditure as a portion/percentage of the total expenditure.

T4.6.1.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).		T4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Library Officer	2	T6	T11	Error with job description
Service Point Clerks	1	T5	T5	Remuneration before evaluation
				T4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
NIL	N/a	N/a	N/a	N/a
				T4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No comment

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

T4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

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

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

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

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.

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.

T5.1

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

**KHAI-MA
MUNICIPALITY**



FINANCIAL STATEMENTS

30 JUNE 2022

KHAI-MA MUNICIPALITY

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KHAI-MA MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

GENERAL INFORMATION

NATURE OF BUSINESS

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

GRADING OF MUNICIPALITY

GRADE 1

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 Khai-Ma Municipality includes the areas of Pofadder, Aggeneys, Pella, Witbank and Onseepkans.

MAYOR

E Cloete

SPEAKER

BJ Bock

CHIEF WHIP

EJ Mowers

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor

E Cloete

Speaker

BJ Bock

Executive Councillor

NC Masebeni

Executive Councillor

DL Jano

ACTING MUNICIPAL MANAGER

H Christian

CHIEF FINANCIAL OFFICER

PJ van der Merwe

REGISTERED OFFICE

P.O. Box 108

POFADDER

8890

AUDITORS

Office of the Auditor-General (Northern Cape)

PRINCIPLE BANKERS

The Standard Bank of S.A. Ltd

ATTORNEYS

Van der Merwe/Miller Ing.

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 KHAI-MA MUNICIPALITY

WARD

1
2
3
4
5
6
Proportional
Proportional
Proportional
Proportional
Proportional

COUNCILLOR

BJ Bock
E Cloete
CA Waterboer
NC Masebeni
EJ Mowers
SM Baker
DL Jano
O Adams
SS Brandt
T Wagae
HD Nel

KHAI-MA MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2022, which are set out on pages 01 to 104 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 of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

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 2023 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.

H Christian
Acting Municipal Manager

Date

KHAI-MA MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

	Notes	2022 R	2021 R
ASSETS			
Non-Current Assets		160 747 885	147 762 357
Property, Plant and Equipment	2	156 547 251	143 524 067
Investment Property	3	4 168 288	4 174 384
Intangible Assets	4	32 346	63 906
Current Assets		21 450 195	15 370 429
Inventory	6	1 879 318	1 939 754
Receivables from Exchange Transactions	7	4 005 877	3 590 295
Receivables from Non-exchange Transactions	8	935 911	2 355 000
Operating Lease Asset	5	40 792	888
Taxes	17	10 164 843	7 470 177
Cash and Cash Equivalents	9	4 423 455	14 314
Total Assets		182 198 080	163 132 785
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		28 276 829	27 152 017
Long-term Borrowings	10	21 519	16 021
Non-current Provisions	11	20 379 309	19 692 996
Non-current Employee Benefits	12	7 876 001	7 443 001
Current Liabilities		93 288 057	76 753 133
Consumer Deposits	13	244 464	209 615
Provisions	11	16 850 647	15 571 897
Current Employee Benefits	14	4 113 077	3 687 641
Trade and Other Payables from Exchange Transactions	15	65 345 322	54 591 107
Unspent Transfers and Subsidies	16	6 707 813	2 663 128
Current Portion of Long-term Borrowings	10	26 734	29 744
Total Liabilities		121 564 886	103 905 150
Net Assets		60 633 194	59 227 635
Revaluation Reserve	19	44 605 285	46 216 101
Accumulated Surplus/(Deficit)		16 027 909	13 011 534
Total Net Assets and Liabilities		182 198 080	163 132 785

Chapter 5

KHAI-MA MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022			
	Notes	2022 R	2021 R
REVENUE			
Revenue from Non-exchange Transactions		57 632 256	47 260 943
Taxation Revenue		9 643 905	9 138 916
Property Rates	20	9 614 005	9 108 660
Surcharges and Taxes		29 900	30 255
Transfer Revenue		44 660 468	34 156 280
Government Grants and Subsidies	21	40 460 468	34 156 280
Contributed Property, Plant and Equipment		4 200 000	-
Other Revenue		3 327 883	3 965 748
Actuarial Gains	12	250 178	-
Availability Charges	22	53 490	46 680
Fines, Penalties and Forfeits		23 850	28 150
Interest Earned - Non-exchange Transactions		506 715	364 209
Operational Revenue	29	2 493 651	3 526 709
Revenue from Exchange Transactions		25 129 580	22 254 717
Service Charges	24	20 205 972	18 492 081
Sales of Goods and Rendering of Services	25	68 261	80 501
Rental from Fixed Assets	26	389 791	252 445
Interest Earned - External Investments	27	214 102	47 087
Interest Earned - Exchange Transactions	28	4 207 467	3 311 773
Licences and Permits	23	40 289	36 857
Agency Services		-	31 085
Operational Revenue	29	3 698	2 888
Total Revenue		82 761 836	69 515 661
EXPENDITURE			
Employee related costs	30	(27 970 760)	(27 472 308)
Remuneration of Councillors	31	(3 722 007)	(2 534 604)
Contracted Services	32	(2 180 628)	(2 720 301)
Depreciation and Amortisation	33	(5 189 330)	(6 158 657)
Actuarial Losses	12	-	(513 181)
Finance Costs	34	(4 777 849)	(3 395 749)
Bulk Purchases	35	(6 618 739)	(6 577 312)
Inventory Consumed	6	(6 132 933)	(4 889 717)
Operational Costs	36	(7 952 339)	(7 182 727)
Total Expenditure		(64 544 584)	(61 444 555)
Operating Surplus/(Deficit) for the Year		18 217 252	8 071 105
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	6	-	(38 400)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	37	(11 724 424)	(10 701 485)
Gains/(Loss) on Sale of Fixed Assets	38	(51 910)	(124 899)
Water Losses	39	(5 035 359)	(2 873 980)
NET SURPLUS/(DEFICIT) FOR THE YEAR		1 405 559	(5 667 659)

Chapter 5

KHA-MA MUNICIPALITY			
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022			
	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R
Balance at 1 July 2020	47 658 792	18 242 028	65 900 821
Correction of Error - note 41.6	-	(1 005 527)	(1 005 527)
Restated balance	47 658 792	17 236 502	64 895 294
Net Surplus/(Deficit) for the year	-	(5 667 659)	(5 667 659)
Net Surplus/(Deficit) previously reported	-	(7 561 663)	(7 561 663)
Effects of Correction of Errors - note 41.7		1 894 004	1 894 004
Revaluation	-	-	-
Offsetting of depreciation	(1 442 691)	1 442 691	-
Restated balance	46 216 101	13 011 534	59 227 635
Net Surplus/(Deficit) for the year	-	1 405 559	1 405 559
Revaluation	-	-	-
Offsetting of depreciation	(1 610 816)	1 610 816	-
Balance at 30 June 2022	44 605 285	16 027 909	60 633 194

KHAI-MA MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 R	2021 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		8 662 799	7 996 080
Service Charges		14 063 472	11 527 583
Other Revenue		4 184 846	1 729 764
Government - Operating		30 706 634	27 472 805
Government - Capital		13 798 519	5 658 000
Interest		214 102	47 087
Cash payments			
Suppliers of goods and services		(19 800 006)	(16 022 685)
Employee related cost		(31 344 152)	(29 365 958)
Finance Charges		(1 541 765)	(805 570)
Transfers and Grants		-	-
Net Cash from Operating Activities	42	18 944 448	8 237 106
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(14 499 920)	(9 482 604)
Purchase of Intangible Assets		(3 120)	(7 839)
Net Cash from Investing Activities		(14 503 040)	(9 490 443)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Borrowing		(32 260)	(26 925)
Net Cash from Financing Activities		(32 260)	(26 925)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4 409 147	(1 280 261)
Cash and Cash Equivalents at the beginning of the year		14 314	1 294 575
Cash and Cash Equivalents at the end of the year	43	4 423 455	14 314
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4 409 142	(1 280 261)

Chapter 5

KHAI-MA MUNICIPALITY								
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS								
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022								
National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Original Budget	Adjustments	Final Budget	Actual Outcome 2022	Difference between Final Budget and Actual Outcome	Variance (Actual Outcome as % of Final Budget)
			R	R	R	R	R	%
ASSETS								
Current Assets		46.2.1						
Cash			15 433 715	(9 226 654)	6 207 061	170 849		-97.25%
	Cash and Cash Equivalents		15 433 715	(9 226 654)	6 207 061	4 423 455		
	Less:							
	Call Investment Deposits		(400 000)	-	(400 000)	(4 252 607)		
Call Investment Deposits			400 000	-	400 000	4 252 607		963.15%
	Short-term Investments		-	-	-	-		
	Add:							
	Cash and Cash Equivalents: Call Investment Deposits		400 000	-	400 000	4 252 607		
Consumer Debtors			3 408 118	-	3 408 118	4 553 501		33.61%
	Receivables from Exchange Transactions		3 278 605	-	3 278 605	4 005 877		
	Add:							
	Receivables from Non-exchange Transactions: Rates		129 513	-	129 513	547 624		
Other Debtors			371 635	-	371 635	10 593 922		2750.63%
	Receivables from Non-exchange Transactions		501 148	-	501 148	935 911		
	Less:							
	Receivables from Non-exchange Transactions: Rates		(129 513)	-	(129 513)	(547 624)		
	Add:							
	Operating Lease Asset		-	-	-	40 792		
	Taxes		-	-	-	10 164 843		
Current Portion of long-term receivables	Current Portion of Non-Current Receivables		-	-	-	-		-
Inventory	Inventory		1 450 000	-	1 450 000	1 879 318		29.61%
Total Current Assets			21 063 468	(9 226 654)	11 836 814	21 450 195		81.22%
Non-Current Assets		46.2.2						
Long-term Receivables			-	-	-	-		-
	Non-Current Receivables from Exchange Transactions		-	-	-	-		
	Non-Current Receivables from Non-Exchange Transactions		-	-	-	-		
Investment Property	Investment Property		4 174 385	-	4 174 385	4 168 288		-0.15%
Property, Plant and Equipment	Property, Plant and Equipment		155 912 908	9 886 957	165 799 865	156 547 251		-5.58%
Intangible Assets	Intangible Assets		51 645	-	51 645	32 346		-37.37%
Total Non-Current Assets			160 138 938	9 886 957	170 025 895	160 747 885		-5.46%
TOTAL ASSETS			181 202 406	660 303	181 862 709	182 198 080		0.18%

LIABILITIES								
Current Liabilities		46.2.3						
Bank Overdraft	Cash and Cash Equivalents (Current Liability)		-	-	-	-	-	-
Borrowing			-	-	-	26 734	-	-
	Current Portion of Long-term Borrowings		-	-	-	26 734		
	Short-term Borrowings		-	-	-	-		
Consumer Deposits	Consumer Deposits		205 267	-	205 267	244 464		19.10%
Trade and Other Payables			51 295 468	-	51 295 468	72 053 135		40.47%
	Trade and Other Payables from Exchange Transactions		57 964 405	-	57 964 405	65 345 322		
	Unspent Transfers and Subsidies		-	-	-	6 707 813		
	Taxes		(6 668 937)	-	(6 668 937)	-		
Provisions			2 799 695	-	2 799 695	20 963 724		648.79%
	Provisions		-	-	-	16 850 647		
	Current Employee Benefits		2 799 695	-	2 799 695	4 113 077		
Total Current Liabilities			54 300 430	-	54 300 430	93 288 057		71.80%
Non-Current Liabilities		46.2.4						
Borrowing			-	-	-	21 519		-
	Long-term Borrowings		-	-	-	21 519		
	Operating Lease Liability		-	-	-	-		
Provisions			34 787 517	-	34 787 517	28 255 310		-18.78%
	Non-current Provisions		26 933 754	-	26 933 754	20 379 309		
	Non-current Employee Benefits		7 853 763	-	7 853 763	7 876 001		
Total Non-Current Liabilities			34 787 517	-	34 787 517	28 276 829		-18.72%
TOTAL LIABILITIES			89 087 947	-	89 087 947	121 564 886		36.45%
NET ASSETS		46.2.5						
Accumulated Surplus/(Deficit)			59 740 088	660 303	60 400 391	16 027 909		-73.46%
Reserves			27 424 371	-	27 424 371	44 605 285		62.65%
	Capital Replacement Reserve		-	-	-	-		
	Revaluation Reserve		27 424 371	-	27 424 371	44 605 285		
	Valuation Roll Reserve		-	-	-	-		
TOTAL NET ASSETS			87 164 459	660 303	87 824 762	60 633 194		-30.96%

KHAI-MA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Original Budget	Adjustments	Final Budget	Actual Outcome 2022	Difference between Final Budget and Actual Outcome
			R		R	R	R
REVENUE		46.2.6					
Property Rates	Property Rates		9 578 109	33 491	9 611 600	9 614 005	0.03%
Service Charges			25 174 259	(9 586 472)	15 587 787	20 259 462	29.97%
Service Charges - Electricity Revenue	Service Charges		10 450 269	-	10 450 269	10 231 554	
Service Charges - Water Revenue			11 219 423	(9 691 921)	1 527 502	6 390 685	
Service Charges - Sanitation Revenue			2 074 811	(185 544)	1 889 267	1 842 987	
Service Charges - Refuse Revenue			1 429 756	290 993	1 720 749	1 740 746	
	Availability Charges		-	-	-	53 490	
Rental of Facilities and Equipment			216 518	106 482	323 000	389 791	20.68%
	Rent on Land		-	-	-	-	
	Rental from Fixed Assets		216 518	106 482	323 000	389 791	
Interest Earned - External Investments			222 183	(92 183)	130 000	214 102	64.69%
Interest Earned - Outstanding Debtors			4 926 532	(3 610)	4 922 922	4 714 181	-4.24%
	Interest Earned - Exchange Transactions		4 415 493	(3 610)	4 411 883	4 207 467	
	Interest Earned - Non-exchange Transactions		511 039	-	511 039	506 715	
Dividends Received			-	-	-	-	-
Fines, Penalties and Forfeits			91 095	(64 745)	26 350	23 850	-9.49%
Licences and Permits			118 761	(555)	118 206	40 289	-65.92%
Agency Services			-	-	-	-	-
Transfers and subsidies	Government Grants and Subsidies - Operating		26 191 913	1 963 043	28 154 956	26 661 949	-5.30%
Other Revenue			33 454	1 153 286	1 186 740	2 595 510	118.71%
	Surcharges and Taxes		-	-	-	29 900	
	Operational Revenue		18 590	1 136 662	1 155 252	2 497 349	
	Public Contributions and Donations		-	-	-	-	
	Sales of Goods and Rendering of Services		14 864	16 624	31 488	68 261	
Gains			-	-	-	250 178	-
	Actuarial Gains		-	-	-	250 178	
	Profit/(Loss) from Discontinued Operations		-	-	-	-	
Total Revenue (excluding capital transfers and contributions)			66 552 824	(6 491 263)	60 061 561	64 763 317	7.83%
EXPENDITURE		46.2.7					
Employee Related Costs			31 570 813	(265 716)	31 305 097	27 970 760	-10.65%
Remuneration of Councillors			3 536 578	62 971	3 599 549	3 722 007	3.40%
Debt Impairment			4 999 111	-	4 999 111	11 724 424	134.53%
	Reversal of Impairment Loss/(Impairment Loss) on Receivables		4 999 111	-	4 999 111	11 724 424	
	Bad Debts Written Off		-	-	-	-	

Depreciation and Amortisation	Depreciation and Amortisation	5 225 828	-	5 225 828	5 189 330	-0.70%
Finance Costs	Finance Costs	2 212 671	953 995	3 166 666	4 777 849	50.88%
Bulk Purchases - electricity	Bulk Purchases (Electricity only)	9 960 656	1 276 120	11 236 776	11 654 098	3.71%
Inventory consumed		12 798 336	26 146	12 824 482	1 097 574	-91.44%
	Inventory Consumed	7 848 336	26 146	7 874 482	6 132 933	
	Bulk Purchases (Water only)	4 950 000	-	4 950 000	(5 035 359)	
Contracted Services		3 299 203	175 365	3 474 568	2 180 628	-37.24%
Transfers and Subsidies		-	-	-	-	
Other Expenditure		7 913 271	406 510	8 319 781	7 952 339	-4.42%
	Operational Costs	7 913 271	406 510	8 319 781	7 952 339	
	Operating leases	-	-	-	-	
Losses		911 000	-	911 000	5 087 269	458.43%
	Gains/(Loss) on Sale of Fixed Assets	-	-	-	51 910	
	Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	900 000	-	900 000	-	
	Inventories:(Write-down)/Reversal of Write-down to Net Realisable Value	11 000	-	11 000	-	
	Water Losses	-	-	-	5 035 359	
Total Expenditure		82 427 467	2 635 391	85 062 858	81 356 277	-4.36%
Surplus/(Deficit)						
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	Government Grants and Subsidies - Capital	18 906 187	6 086 957	24 993 144	13 798 519	-44.79%
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	
Transfers and subsidies - capital (in-kind - all)	Contributed Property, Plant and Equipment	-	3 700 000	3 700 000	4 200 000	13.51%
Surplus/(Deficit) after Capital Transfers & Contributions		3 031 544	660 303	3 691 847	1 405 559	
Taxation		-	-	-	-	
Surplus/(Deficit) after Taxation		3 031 544	660 303	3 691 847	1 405 559	
Attributable to Minorities		-	-	-	-	
Surplus/(Deficit) Attributable to Municipality		3 031 544	660 303	3 691 847	1 405 559	
Share of Surplus/(Deficit) of Associate		-	-	-	-	
Surplus/(Deficit) for the year		3 031 544	660 303	3 691 847	1 405 559	

KHAI-MA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Original Budget	Adjustments	Final Budget	Actual Outcome 2022	Difference between Final Budget and Actual Outcome
			R	R	R	R	R
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	Taxation		7 662 487	33 492	7 695 979	8 662 799	12.56%
Service Charges			25 320 367	(9 483 600)	15 836 767	14 063 472	-11.20%
	Service charges		25 304 434	(9 483 600)	15 820 834	14 063 472	
	Less:						
	Increase/(Decrease) in Consumer Deposits		15 933	-	15 933	-	
Other Revenue			243 310	1 087 986	1 331 296	4 184 846	214.34%
Transfers and Subsidies - Operational	Government - Operating		26 191 913	1 963 044	28 154 957	30 706 634	9.06%
Transfers and Subsidies - Capital	Government - Capital		18 906 187	6 086 956	24 993 143	13 798 519	-44.79%
Interest			222 183	(92 183)	130 000	214 102	64.69%
Dividends			-	-	-	-	-
Payments							
Suppliers and Employees			(56 900 660)	(2 635 393)	(59 536 053)	(51 144 159)	-14.10%
	Suppliers of goods and services		(56 900 660)	(2 635 393)	(59 536 053)	(19 800 006)	
	Employee related cost		-	-	-	(31 344 152)	
Finance charges			-	-	-	(1 541 765)	-
Transfers and Grants			-	-	-	-	-
Net Cash from/(used) Operating Activities		46.2.8	21 645 787	(3 039 698)	18 606 089	18 944 448	

CASH FLOW FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE			-	-	-	-
Decrease (increase) in Non-Current Receivables			-	-	-	-
Decrease/(Increase) in Non-Current Investments			-	-	-	-
Payments						
Capital Assets			(19 106 187)	(6 186 956)	(25 293 143)	(14 503 040) -42.66%
	Purchase of Property, Plant and Equipment		(19 106 187)	(6 186 956)	(25 293 143)	(14 499 920)
	Purchase of Investment Properties		-	-	-	-
	Purchase of Intangible Assets		-	-	-	(3 120)
	Purchase of Heritage Assets		-	-	-	-
	Purchase of Agricultural Assets		-	-	-	-
Net Cash from/(used) Investing Activities		46.2.9	(19 106 187) ✓	(6 186 956)	(25 293 143)	(14 503 040) -
CASH FLOW FROM FINANCING ACTIVITIES						
Receipts						
Short Term Loans			-	-	-	-
Borrowing long term/refinancing			-	-	-	-
Increase (decrease) in consumer deposits			-	-	-	-
Payments						
Repayment of Borrowing			-	-	-	(32 260) -
	Repayment of Borrowing		-	-	-	-
	Repayment of Finance leases		-	-	-	-
Net Cash from/(used) Financing Activities		46.2.10 ✓	-	-	-	(32 260)
NET INCREASE/(DECREASE) IN CASH HELD			2 539 600 ✓	(9 226 654)	(6 687 054)	4 409 147 -
Cash and Cash Equivalents at the year begin:			13 294 115	-	13 294 115	14 314 -
Cash and Cash Equivalents at the year end:			15 833 715 ✓	(9 226 654)	6 607 061	4 423 461 -

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2022

	Cost/Revaluation						Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Revaluation	Disposals	Closing Balance	Opening Balance	Correction of Error	Depreciation	Disposals	Impairment	Closing Balance	
Infrastructure													
Roads and Storm Water	22 402 735	-	-	-	-	22 402 735	12 008 789	-	602 137	-	-	12 610 926	9 791 809
Electricity	12 648 767	-	512 163	-	-	13 160 930	5 759 612	-	186 721	-	-	5 946 332	7 214 597
Water Supply	56 436 392	-	13 052 944	-	-	69 489 336	13 889 654	-	1 201 097	-	-	15 090 751	54 398 585
Sanitation	10 196 560	-	-	-	-	10 196 560	5 771 444	-	183 378	-	-	5 954 822	4 241 738
Solid Waste	18 930 987	-	(511 021)	-	-	18 419 966	13 772 734	-	693 054	-	-	14 465 788	3 954 178
Other	740 551	-	-	-	-	740 551	516 870	-	25 229	-	-	542 099	198 451
	121 355 992	-	13 054 086	-	-	134 410 078	51 719 104	-	2 891 616	-	-	54 610 719	79 799 359
Community Assets													
Community Facilities													
Halls	15 507 743	-	-	-	-	15 507 743	8 066 677	-	677 962	-	-	8 744 638	6 763 105
Fire/Ambulance Stations	28 734	-	-	-	-	28 734	27 889	-	845	-	-	28 734	0
Libraries	3 359 967	-	-	-	-	3 359 967	519 074	-	151 832	-	-	670 906	2 689 062
Sport and Recreation Facilities													
Outdoor Facilities	11 066 829	-	-	-	-	11 066 829	3 724 875	-	477 889	-	-	4 202 764	6 864 065
	29 963 274	-	-	-	-	29 963 274	12 338 514	-	1 308 528	-	-	13 647 042	16 316 232
Other Assets													
Other Land	52 655 990	-	-	-	-	52 655 990	286 350	-	-	-	-	286 350	52 369 641
Operational Buildings													
Municipal Offices	1 299 181	-	5 074 300	-	-	6 373 481	420 316	-	58 351	-	-	478 667	5 894 814
Workshops	4 620	-	-	-	-	4 620	3 664	-	143	-	-	3 808	812
Computer Equipment	833 128	-	48 101	-	(137 549)	743 681	633 988	-	98 849	(116 152)	-	616 684	126 996
Furniture and Office Equipment	1 177 303	-	28 054	-	(144 541)	1 060 816	812 770	-	121 321	(125 998)	-	808 093	252 722
Machinery and Equipment	1 190 156	-	19 107	-	(107 894)	1 101 368	706 730	-	143 363	(102 493)	-	747 599	353 769
Transport Assets	6 643 859	-	-	-	(865 141)	5 778 717	4 739 725	-	532 953	(865 141)	-	4 407 536	1 371 181
	63 804 237	-	5 169 562	-	(1 255 126)	67 718 673	7 603 542	-	954 980	(1 209 785)	-	7 348 737	60 369 936
Leases													
Furniture and Office Equipment	74 069	-	-	-	-	74 069	12 345	-	-	-	-	12 345	61 724
	74 069	-	-	-	-	74 069	12 345	-	-	-	-	12 345	61 724
Total	215 197 572	-	18 223 648	-	(1 255 126)	232 166 095	71 673 505	-	5 155 123	(1 209 785)	-	75 618 843	156 547 251

2.2 30 JUNE 2021

	Cost/Revaluation						Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Correction of Error	Depreciation	Disposals	Impairment	Closing Balance	
Infrastructure													
Roads and Storm Water	22 402 735	-	-	-	-	22 402 735	11 406 651	-	602 138	-	-	12 008 789	10 393 946
Electricity	12 306 549	-	342 218	-	-	12 648 767	5 578 793	-	180 818	-	-	5 759 612	6 889 155
Water Supply	47 569 089	(197 083)	9 064 386	-	-	56 436 392	12 848 685	-	1 040 970	-	-	13 889 654	42 546 738
Sanitation	10 196 560	-	-	-	-	10 196 560	5 588 065	-	183 378	-	-	5 771 444	4 425 116
Solid Waste	18 082 427	485 985	362 575	-	-	18 930 987	11 907 106	-	1 865 628	-	-	13 772 734	5 158 253
Other	1 120 831	-	-	-	(380 280)	740 551	772 595	-	26 315	(282 039)	-	516 870	223 681
	111 678 191	288 902	9 769 179	-	(380 280)	121 355 992	48 101 896	-	3 899 248	(282 039)	-	51 719 104	69 636 888
Community Assets													
Community Facilities													
Halls	15 507 743	-	-	-	-	15 507 743	7 388 015	-	678 662	-	-	8 066 677	7 441 067
Fire/Ambulance Stations	28 734	-	-	-	-	28 734	27 043	-	846	-	-	27 889	845
Libraries	3 359 967	-	-	-	-	3 359 967	367 242	-	151 832	-	-	519 074	2 840 894
Sport and Recreation Facilities													
Outdoor Facilities	11 130 172	-	-	-	(63 343)	11 066 829	3 283 671	-	477 888	(36 684)	-	3 724 875	7 341 954
	30 026 617	-	-	-	(63 343)	29 963 274	11 065 971	-	1 309 227	(36 684)	-	12 338 514	17 624 760
Other Assets													
Other Land	52 655 990	-	-	-	-	52 655 990	286 350	-	-	-	-	286 350	52 369 641
Operational Buildings													
Municipal Offices	1 299 181	-	-	-	-	1 299 181	361 965	-	58 351	-	-	420 316	878 865
Workshops	4 620	-	-	-	-	4 620	3 521	-	143	-	-	3 664	956
Computer Equipment	755 418	64 241	13 469	-	-	833 128	536 339	1 092	96 556	-	-	633 988	199 140
Furniture and Office Equipment	1 056 363	120 940	-	-	-	1 177 303	697 019	15 433	100 319	-	-	812 770	364 533
Machinery and Equipment	1 056 852	70 774	62 531	-	-	1 190 156	558 110	20 855	127 765	-	-	706 730	483 427
Transport Assets	6 643 859	-	-	-	-	6 643 859	4 206 771	-	532 953	-	-	4 739 725	1 904 134
	63 472 283	255 955	76 000	-	-	63 804 237	6 650 076	37 380	916 087	-	-	7 603 542	56 200 695
Leases													
Furniture and Office Equipment	74 069	-	-	-	-	74 069	12 345	-	-	-	-	12 345	61 724
	74 069	-	-	-	-	74 069	12 345	-	-	-	-	12 345	61 724
Total	205 251 160	544 857	9 845 178	-	(443 623)	215 197 572	65 830 287	37 380	6 124 562	(318 724)	-	71 673 505	143 524 067

Chapter 5

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 are 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 the National Treasury. The municipality has realigned items in the financial statements with the Item Segment of mSCOA Version 6.5, on which the municipality was required to transacted for periods after 1 July 2021. The result of this process was a reclassification and naming of items in the annual financial statements. The reclassification of 2021 audited amounts are set out in note 40 of 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. For the financial year, no new standards became effective.

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 based on 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.

1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by the National Treasury. The comparisons of budget and actual amounts are 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.

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 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 25	<p><u>Employee benefits</u></p> <p>The objective of this Standard is to prescribe the accounting and disclosure for employee benefits.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p> <p>OR</p> <p>The municipality might need to revise the recognition and measurement of employee benefits.</p>	Unknown
GRAP 104	<p><u>Financial Instruments</u></p> <p>The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p> <p>OR</p>	Unknown

REFERENCE	TOPIC	EFFECTIVE DATE
	The Municipality might need to revise the categories of financial instruments and the impairment model.	
iGRAP 7	<p><u>The limit on a defined benefit asset, minimum funding requirement and their interaction</u></p> <p>This Interpretation applies to all post-employment defined benefits and other long-term employee defined benefits.</p> <p>No significant impact is expected as the Municipality does not hold any plan assets.</p> <p>OR</p> <p>The municipality might need to revise the recognition and measurement of employee benefits.</p>	Unknown
iGRAP 21	<p><u>The Effect of Past Decisions on Materiality</u></p> <p>This interpretation explains the implications of adopting accounting policies for material items based on GRAP standards as well as alternative accounting treatments for immaterial items. Therefore it is a guide on materiality.</p> <p>No significant impact expected as the Municipality's current treatment is already in line with the Interpretation.</p> <p>OR</p> <p>The municipality might need to revise its application of materiality.</p>	1 April 2023
Guideline	<p><u>Landfill sites</u></p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p> <p>OR</p> <p>The municipality may have to revise their currently policy</p>	Unknown

REFERENCE	TOPIC	EFFECTIVE DATE
	on the treatment of such transactions.	
Guideline	<p><u>Application of Materiality of Financial Statements</u> The guideline is not authoritative but only encourage.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p> <p>OR</p> <p>The municipality may have to revise their currently policy on materiality to include additional factors.</p>	Unknown

These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

1.9. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act (Act No 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund.

Housing selling schemes both complete and in progress, as at 1 April 1998 were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.10. RESERVES

1.10.1. Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, funds are transferred from the accumulated surplus / (deficit) to the CRR. The cash funds in the CRR can only be utilized for the purpose of purchasing/ construction of items of property, plant and equipment and may not be used for the maintenance of these items. The CRR is reduced, and the accumulated surplus / (Deficit) is credited by a corresponding amount when the amounts in the CRR are utilized.

1.10.2. 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.

1.11. LEASES

1.11.1. 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.

1.11.2. 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.

1.12. BORROWING COST

The Municipality recognises all borrowing costs as an expense in the period in which they are incurred.

1.13. 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.

1.14. 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 the 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.

1.15. UNSPENT PUBLIC CONTRIBUTIONS

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent 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 public contributions 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 as individual investment or part of the general investments of the municipality until it is utilised.
- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder, it is recorded as part of the creditor. If it is the municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

1.16. 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 the 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.

1.17. 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 60% as a contribution, and the remaining 40% is 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) 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.

1.18. PROPERTY, PLANT AND EQUIPMENT

1.18.1. 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 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 the 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 are 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.

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 is recognised as part of the cost of the asset.

1.18.2. Subsequent Measurement – Revaluation Model

Subsequent to initial recognition, Land and Buildings is carried at a revalued 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.

1.18.3. 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.

1.18.4. 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:

Land and Buildings

Years

Land	Indefinite
Buildings	10-50

Infrastructure

Roads and Streets	3-50
Electricity Mains	12-50
Water Mains and Purification	4-60
Sewerage Mains & Purification	15-60
Security measures	14-20

Community

Recreation Grounds	7-30
Fire, Safety and Emergency	4-10
Libraries	30
Clinics and Hospitals	10-50

Finance lease assets

Office equipment	3
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Other

Motor Vehicles	3-15
Office equipment	3-10
Furniture and fittings	2-32
Bins and containers	7
Plant and Equipment	3-30
Landfill sites	1-20
Emergency equipment	3-4
Computer equipment	3-7

The depreciation 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.

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.

1.18.5. 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.

1.18.6. 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 2008. For Other Assets, the depreciation cost method was used to establish the deemed cost as on 1 July 2008.

1.19. INTANGIBLE ASSETS

1.19.1. 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 the expenditure attributable to the intangible asset reliably 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, its deemed cost is the carrying amount of the asset(s) given up.

1.19.2. 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.

1.19.3. 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:

<u>Intangible Assets</u>	Years
Computer Software	3-12

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.

1.19.4. 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.

1.19.5. 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. For Intangible Assets, the depreciation cost method was used to establish the deemed cost as on 1 July 2008.

1.20. INVESTMENT PROPERTY

1.20.1. 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. Property with a currently undetermined use is also classified 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 is 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.

1.20.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property 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.

1.20.3. Depreciation and Impairment – Cost Model

Depreciation 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 estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	<u>Years</u>
Buildings	10-50

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.

1.20.4. 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.

1.20.5. 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 2008.

1.21. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.21.1. *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 a 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 assets 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 assets 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.

1.21.2. 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.

1.22. CONSTRUCTION CONTRACTS

Construction contracts are those contracts entered between the municipality and a customer (or third party) whereby the municipality delivers a constructed asset in terms of an agreement with such party. The construction can be done by the municipality or through the use of a sub-contractor. The benefit of the constructed item (or group of items) must be received by such party and not the municipality.

Revenue from such contracts shall comprise the agreed value in terms of the contract plus any agreed variations to such contract on the conditions that these variations will result in an inflow of economic resources that can be measured reliably.

Contract costs are costs that directly relate to the contract as well as costs that are attributable to the execution of the construction work and any additional costs as agreed between the municipality and the party obtaining the final goods. Attributable costs are only assigned to the contract costs if these can be assigned on a systematic and rational basis.

The municipality assessed all of the contracts in place and found that only those contracts pertaining to Housing Arrangements as those described in ASB's Accounting for Arrangements Undertaken in terms of the National Housing Programme would meet the definition on Construction Contracts.

All of these contracts for the municipality are fixed-price contracts. Revenue and costs are therefore recognised with reference to the stage of completion provided that the conditions for contract revenue and contract costs are met and the stage of contract completion can be measured.

In exceptional cases, if any, for a cost-plus or cost-based contract, the outcome of a construction contract can be estimated reliably when it is probable that the economic benefits or service potential associated with the contract will flow to the entity and the contract costs can be clearly identified and measured reliably.

An expected deficit on a construction contract shall be recognised as an expense immediately based on the stage of completion. Future losses are only accounted for when these losses are incurred in terms of the stage of completion. This implies that only the proportional loss of a contract would be recognised based on the percentage of completion.

As the percentage or stage of completion is an estimate at year-end, any subsequent changes to the estimate would be accounted for as a change in estimate in terms of the relevant municipal accounting policy.

1.23. NON-CURRENT INVESTMENTS

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.24. INVENTORIES

1.24.1. 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 kilolitre 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.

1.24.2. 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.

1.25. 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.

1.25.1. 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.

1.25.2. 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.

1.25.2.1. 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.

1.25.2.2. *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.

1.25.2.3. *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.

1.25.2.4. *Non-Current Investments*

Investments which include fixed deposits invested in registered commercial banks are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.25.3. *De-recognition*

1.25.3.1. *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.

1.25.3.2. *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.

1.25.4. *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.

1.26. 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.

1.26.1. Initial Recognition

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition and recognition criteria of asset is met.

1.26.2. 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.

The municipality considers the following as indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied)

- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns

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.

1.26.3. 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.

1.26.4. Transitional Provisions

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 be utilised until the period ending 30 June 2022.

1.27. REVENUE

1.27.1. 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.

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 qualify 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 qualify for recognition and become available for use by the Municipality.

All unclaimed deposits are initially recognised as a liability until 12 months expires when all unclaimed deposits into the Municipality's bank account will be treated as revenue as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore, the substance of these transactions indicates that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months.

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.

1.27.2. 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.

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. It is estimated that pre-paid electricity is consumed within 5 to 7 days after the date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. In the case of residential property, a fixed monthly tariff is levied, and in the case of commercial property, a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

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.

1.28. ACCOUNTING BY PRINCIPALS 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.

1.29. 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 accounts 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

Where 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.

1.30. TRANSFER OF FUNCTIONS (Municipality as the 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.

1.31. 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.

1.32. 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.

1.33. 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.

1.34. 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.

1.35. 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 measured 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 and assets.

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.

1.36. 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 has 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 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 12 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 historical 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 an 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 valuers to support the useful life of buildings.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an 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 are 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 the 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 the reporting date. This provision will be realised as employees take leave or when employment is terminated.

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. The average pre-paid electricity sold per day during the year

under review is used, and the estimate is calculated using between 5 and 10 days' worth of unused electricity.

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.

1.37. 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.

1.38. CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represent the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date

1.39. 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.

1.40. 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.

Chapter 5

	2022 R	2021 R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	18 126 738	13 726 230
Electricity	500 000	-
Water Supply	17 626 738	13 726 230
Community Assets	87 613	87 613
Other Assets	5 074 300	-
Total Property, Plant and Equipment under construction	23 288 651	13 813 843
The movements for the year can be reconciled as follows:		
Balance at beginning of year	13 813 843	4 749 457
Expenditure during the year	18 639 407	9 406 604
Assets unbundled during the year	(8 967 516)	(342 218)
Correction of error - Note 41.1	(197 083)	-
Balance at end of year	23 288 651	13 813 843
2.4 Property, Plant and Equipment where construction or development has been halted:		
Community Assets	87 613	87 613
Total	87 613	87 613
The municipality requires land from to Witbank Community Trust to continue with the project.		
2.5 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Other materials	359 728	134 364
Contracted Services	944 599	471 329
Total Repairs and Maintenance	1 304 328	605 693
2.6 Assets pledged as security:		
Leased Property, Plant and Equipment of R 48 253.54 is secured for leases as set out in Note 10.		
2.7 Details of Valuation		
Land and Buildings were revalued on 1 July 2019 by an independent valuer, DDP Valuations. Fair values were determined by reference to observable prices in the active market or recent market transactions on arm's length transactions. Land and Buildings are revalued every 5 years.		
Reconciliation of Revaluation Surplus:		
Opening balance	46 216 101	47 658 792
Offsetting of depreciation	(1 610 816)	(1 442 691)
Closing balance	44 605 285	46 216 101
2.8 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	7 514 008	19 805 917
Infrastructure	7 514 008	19 770 141
Community	-	35 776
Total	7 514 008	19 805 917
This expenditure will be financed from:		
Government Grants	7 514 008	19 805 917
Total	7 514 008	19 805 917
2.9 Retention incurred on Property, Plant and Equipment:		
Opening Balance	1 411 096	-
	-	797 504
Infrastructure	-	797 504
Deposits	-	685 007
Infrastructure	-	685 007
Withdrawals	(1 411 096)	(71 414)
Infrastructure	(1 411 096)	(71 414)
Total	-	1 411 096

		2022 R	2021 R
3. INVESTMENT PROPERTY			
3.1 Net Carrying amount at 1 July		4 174 384	4 180 480
Cost		4 369 622	4 369 622
Accumulated Depreciation		(195 238)	(189 142)
Depreciation for the year		(6 096)	(6 096)
Net Carrying amount at 30 June		4 168 288	4 174 384
Cost		4 369 622	4 369 622
Accumulated Depreciation		(195 238)	(195 238)
3.2 Revenue from Investment Property			
Revenue derived from the rental of Investment Property		52 200	79 800
The Municipality has no Investment Property which is in the process of being constructed or developed.			
The Municipality has 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.			
4. INTANGIBLE ASSETS			
4.1 Net Carrying amount at 1 July		63 906	84 066
Cost		558 536	550 697
Accumulated Amortisation		(494 630)	(466 631)
Additions		3 120	7 839
Amortisation		(28 110)	(27 999)
Disposals		(7 839)	-
Amortisation written back on disposal		1 269	-
Net Carrying amount at 30 June		32 346	63 906
Cost		550 697	558 536
Accumulated Amortisation		(521 471)	(494 630)
The Municipality has no Intangible Assets which is in the process of being constructed or developed.			
The Municipality has no Intangible Assets that is taking a significantly longer period of time to complete than expected.			
The Municipality has no Intangible Assets where construction or development has been halted.			
No intangible asset were assessed 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 are no intangible assets pledged as security for liabilities.			
There are no contractual commitments for the acquisition of intangible assets.			
5. OPERATING LEASE ARRANGEMENTS			
5.1 The Municipality as Lessor			
Operating Leases		40 792	(5 051)
Correction of Error - Note 41.5		-	5 938
Total		40 792	888
<u>Disclosed as follows:</u>			
Current Operating Lease Asset		40 792	888
		40 792	888
<u>Reconciliation</u>			
Balance at the beginning of the year		888	(16 736)
Correction of Error - Note 41.5		-	5 938
Movement during the year		39 904	11 685
Balance at the end of the year		40 792	888

	2022 R	2021 R
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	275 745	88 405
1 to 5 Years	417 877	26 391
More than 5 Years	-	-
Total Operating Lease Arrangements	693 622	114 796
This operating lease income determined from contracts that have a specific condition income and does not include leases which has a undetermined conditional income.		
6. INVENTORY		
Consumables	543 162	618 581
Housing Stock	1 272 846	1 272 846
Water	63 310	48 327
Total Inventory	1 879 318	1 939 754
The municipality recognised only purification costs in respect of non-purchased purified water inventory.		
6.1 Inventories recognise as an expense during the year:		
Consumables	442 357	314 761
Finished Goods	-	-
Housing Stock	-	-
Land	-	-
Materials and Supplies	935 210	127 563
Water	4 755 365	4 447 393
Total	6 132 933	4 889 717
No inventories were pledged as security for liabilities.		
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	2 294 507	2 164 865
Water	63 671 320	55 414 682
Property Rentals	584 973	340 533
Waste Management	8 803 315	7 150 661
Waste Water Management	9 058 333	7 399 994
Other Arrears	203 628	203 628
Department of Transport	750 554	-
Correction of error - Note 41.1	-	750 554
Total: Receivables from exchange transactions (before provision)	85 366 630	73 424 916
Less: Provision for Debt Impairment	(81 360 753)	(69 834 621)
Total: Receivables from exchange transactions (after provision)	4 005 877	3 590 295
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.		
No Receivables have been pledged as security.		
(Electricity): Ageing		
Current (0 - 30 days)	691 238	699 867
31 - 60 Days	177 025	177 266
61 - 90 Days	136 770	141 722
+ 90 Days	1 289 474	1 146 010
Total	2 294 507	2 164 865
(Water): Ageing		
Current (0 - 30 days)	1 643 402	1 555 704
31 - 60 Days	737 909	856 250
61 - 90 Days	794 485	814 149
+ 90 Days	60 495 524	52 188 579
Total	63 671 320	55 414 682

						2022 R	2021 R
<u>(Property Rentals): Ageing</u>							
Current (0 - 30 days)						77 760	49 987
31 - 60 Days						60 112	7 090
61 - 90 Days						23 117	6 567
+ 90 Days						423 985	276 890
Total						584 973	340 533
<u>(Waste Management): Ageing</u>							
Current (0 - 30 days)						387 783	338 372
31 - 60 Days						173 327	149 552
61 - 90 Days						168 794	145 287
+ 90 Days						8 073 411	6 517 450
Total						8 803 315	7 150 661
<u>(Waste Water Management): Ageing</u>							
Current (0 - 30 days)						409 905	358 196
31 - 60 Days						174 380	149 339
61 - 90 Days						167 457	144 097
+ 90 Days						8 306 592	6 748 362
Total						9 058 333	7 399 994
<u>(Other): Ageing</u>							
Current (0 - 30 days)						-	-
31 - 60 Days						-	-
61 - 90 Days						-	-
+ 90 Days						203 628	203 628
Total						203 628	203 628
<u>(Total): Ageing</u>							
Current (0 - 30 days)						3 210 088	3 002 127
31 - 60 Days						1 322 752	1 339 496
61 - 90 Days						1 290 623	1 251 822
+ 90 Days						78 792 614	67 080 917
Total						84 616 076	72 674 362
<u>Summary of Debtors by Customer Classification</u>							
		<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>			<u>Total</u>
30 June 2022							
Current (0 - 30 days)		2 425 599	726 989	65 345			3 217 933
31 - 60 Days		1 059 201	242 907	28 643			1 330 752
61 - 90 Days		1 102 298	164 882	23 443			1 290 623
+ 90 Days		76 622 338	1 937 902	216 529			78 776 769
Sub-total		81 209 436	3 072 681	333 960			84 616 076
Less: Provision for Debt Impairment							(81 360 753)
Total debtors by customer classification							3 255 323
<u>Summary of Debtors by Customer Classification</u>							
		<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>			<u>Total</u>
30 June 2021							
Current (0 - 30 days)		2 380 932	542 900	78 295			3 002 127
31 - 60 Days		1 138 069	169 451	31 975			1 339 496
61 - 90 Days		1 077 381	146 608	27 833			1 251 822
+ 90 Days		65 475 083	1 379 293	226 541			67 080 917
Sub-total		70 071 466	2 238 253	364 643			72 674 362
Less: Provision for Debt Impairment							(69 834 621)
Total debtors by customer classification							2 839 742

	2022 R	2021 R		
<u>Reconciliation of Provision for Debt Impairment</u>				
Balance at beginning of year	69 834 621	58 792 063		
Contribution to provision	10 022 724	9 602 224		
VAT on provision	1 503 409	1 440 334		
Balance at end of year	81 360 753	69 834 621		
The total amount of this provision is R 81 360 753 and consist of:				
Services	81 360 753	69 834 621		
Other Debtors	-			
Total Provision for Debt Impairment on Receivables from exchange transactions	81 360 753	69 834 621		
<u>Ageing of amounts past due but not impaired:</u>				
1 month past due	1 322 752	1 339 496		
2+ months past due	2 683 125	2 250 799		
	4 005 877	3 590 295		
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.				
8. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS				
Taxes - Rates	8 426 036	6 938 215		
Other Receivables	388 287	1 194 051		
Correction of error - Note 41.2	-	1 150 000		
Correction of error - Note 41.2	-	(750 554)		
	8 814 323	8 531 713		
<u>Less:</u> Provision for Debt Impairment	(7 878 413)	(6 176 712)		
Total Receivables from non-exchange transactions	935 911	2 355 000		
The fair value of other receivables approximate their carrying value.				
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.				
<u>(Rates): Ageing</u>				
Current (0 - 30 days)	123 168	294 891		
31 - 60 Days	116 601	104 105		
61 - 90 Days	113 991	98 493		
+ 90 Days	8 072 277	6 440 726		
Total	8 426 036	6 938 215		
<u>Summary of Debtors (Rates) by Customer Classification</u>				
	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2022				
Current (0 - 30 days)	259 018	52 318	13 187	324 523
31 - 60 Days	99 186	14 530	2 885	116 601
61 - 90 Days	95 794	15 373	2 823	113 991
+ 90 Days	7 420 728	359 055	91 138	7 870 921
Sub-total	7 874 727	441 276	110 034	8 426 036
<u>Less:</u> Provision for Debt Impairment				(7 878 413)
Total debtors by customer classification				547 624

Summary of Debtors (Rates) by Customer Classification									
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[illegible][illegible][illegible]

The total amount of this provision is R 7 878 413 and consist of:

Taxes	7 878 413	6 176 712
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	7 878 413	6 176 712

Ageing of amounts past due but not impaired:

1 month past due	116 601	104 105
2+ months past due	431 023	657 398
	547 624	761 503

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.

[illegible][illegible][illegible]

The municipality has the following bank accounts:

Current Accounts

Standard Bank Limited – Account Number 04 185 0173 (Primary Bank Account)	170 749	4 869
	170 749	4 869

[illegible]

Standard Bank Limited - (FMG (248425757010)):	795 995	1 104
Standard Bank Limited - (Build of 184 Houses (018425757017)):	173	173
Standard Bank Limited - (Municipal Infrastructure Grant (248425757015)):	2 494 736	6 783
Standard Bank Limited - (Water Service Infrastructure (248425757006)):	961 703	1 285
	4 252 607	9 345

Details of current accounts are as follow:

Standard Bank Limited – Account Number 04 185 0173 (Primary Bank Account)

Cash book balance at beginning of year	4 869	180 510
Cash book balance at end of year	170 749	4 869

Bank statement balance at beginning of year	10 019	153 413
Bank statement balance at end of year	170 849	10 019

Details of call investment accounts are as follow:				2022	2021
				R	R
Standard Bank Limited - (FMG (248425757010)):					
Cash book balance at beginning of year				1 104	423 415
Cash book balance at end of year				795 995	1 104
Bank statement balance at beginning of year				1 104	423 415
Bank statement balance at end of year				795 995	1 104
Standard Bank Limited - (Build of 184 Houses (018425757017)):					
Cash book balance at beginning of year				173	173
Cash book balance at end of year				173	173
Bank statement balance at beginning of year				173	173
Bank statement balance at end of year				173	173
Standard Bank Limited - (Municipal Infrastructure Grant (248425757015)):					
Cash book balance at beginning of year				6 783	549 092
Cash book balance at end of year				2 494 736	6 783
Bank statement balance at beginning of year				6 783	549 092
Bank statement balance at end of year				2 494 736	6 783
Standard Bank Limited - (Water Service Infrastructure (248425757006)):					
Cash book balance at beginning of year				1 285	141 285
Cash book balance at end of year				961 703	1 285
Bank statement balance at beginning of year				1 285	141 285
Bank statement balance at end of year				961 703	1 285
10.	LONG-TERM BORROWINGS				
Capitalised Lease Liability - At amortised cost				48 254	45 765
				48 254	45 765
Less: Current Portion transferred to Current Liabilities				(26 734)	(29 744)
Capitalised Lease Liability - At amortised cost				(26 734)	(29 744)
Total Long-term Borrowings				21 519	16 021
10.1	The obligations under finance leases are scheduled below:			Minimum payments	
Amounts payable under finance leases:					
Payable within one year				29 946	32 982
Payable within two to five years				23 546	16 491
Payable after five years				-	-
				53 492	49 473
Less: Future finance obligations				(5 239)	(3 708)
Present value of finance lease obligations				48 254	45 765
The capitalised lease liability consist out of the following contracts:					
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		2022 Rm	2021 Rm
Experience adjustments were calculated as follows:			
Liabilities: (Gain) / loss		0.168	0.032
Assets: Gain / (loss)		-	-
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:			
	2020 Rm	2019 Rm	2018 Rm
Liabilities: (Gain) / loss	0.388	0.102	0.155
Assets: Gain / (loss)		-	-
12.2 Provision for Long Service Bonuses			
The Long Service Bonus plans are defined benefit plans. As at year end, 76 employees were eligible for Long Service Bonuses.			
The Current-service Cost for the ensuing year is estimated to be R138 000 whereas the Interest Cost for the next year is estimated to be R121 000.			
Key actuarial assumptions used:		%	%
i) Rate of interest			
Discount rate		10.98%	9.20%
General Salary Inflation (long-term)		7.33%	5.78%
Net Effective Discount Rate applied to salary-related Long Service Bonuses		3.40%	3.23%
The amounts recognised in the Statement of Financial Position are as follows:			
Present value of fund obligations		1 278 001	1 108 001
Fair value of plan assets		-	-
		1 278 001	1 108 001
Unrecognised past service cost		-	-
Unrecognised actuarial gains/(losses)		-	-
Present value of unfunded obligations		-	-
Net liability/(asset)		1 278 001	1 108 001
Reconciliation of present value of fund obligation:			
Present value of fund obligation at the beginning of the year		1 108 001	1 039 000
Total expenses		135 595	129 472
Current service cost		131 000	121 000
Interest Cost		98 000	70 000
Benefits Paid		(93 405)	(61 529)
Actuarial (gains)/losses		34 405	(60 471)
Present value of fund obligation at the end of the year		1 278 001	1 108 001
Reconciliation of fair value of plan assets:			
Fair value of plan assets at the beginning of the year		-	-
Contributions		-	-
Actuarial (gains)/losses		-	-
Fair value of plan assets at the end of the year		-	-
Sensitivity Analysis on the Accrued Liability on 30 June 2022			
	Change	Liability (Rm)	% change
Assumption			
Central assumptions		1 278.000	
General earnings inflation rate	1%	1 346.000	5%
General earnings inflation rate	-1%	1 215.000	-5%
Discount rate	1%	1 212.000	-5%
Discount rate	-1%	1 351.000	6%
Average retirement age	-2 yrs	1 395.000	9%
Average retirement age	2 yrs	1 101.000	-14%
Withdrawal rates	x200%	1 042.000	-18%
Withdrawal rates	x50%	1 441.000	13%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2023						
Assumption		Current Service Cost (R)	Interest Cost (R)	Total (R)		
Central Assumptions		138 000	121 000	259 000		
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%	148 000	129 000	277 000	7%	
General earnings inflation rate	-1%	129 000	115 000	244 000	-6%	
Discount rate	1%	130 000	125 000	255 000	-2%	
Discount rate	-1%	147 000	118 000	265 000	2%	
Average retirement age	+2 year	150 000	134 000	284 000	10%	
Average retirement age	-2 year	120 000	105 000	225 000	-13%	
Withdrawal rates	x200%	104 000	96 000	200 000	-23%	
Withdrawal rates	x50%	162 000	139 000	301 000	16%	
				2022 Rm	2021 Rm	
Experience adjustments were calculated as follows:						
Liabilities: (Gain) / loss				1.278	1.108	
Assets: Gain / (loss)				-	-	
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:						
		2020 Rm	2019 Rm	2018 Rm		
Liabilities: (Gain) / loss		1.039	1.047	0.706		
Assets: Gain / (loss)			-	-		
The municipality performed their first actuarial valuation on 30 June 2015. Thus there are no experience adjustment figures available on or before 30 June 2015 to fully comply with GRAP 25.						
12.3 Retirement funds						
The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.						
As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.						
Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.						
<u>LA RETIREMENT FUND (PREVIOUSLY CAPE JOINT PENSION FUND)</u>						
The contribution rate payable is 9%, by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2020 revealed that the fund has a funding level of 100,0% (30 June 2019 - 100,7%).						
Contributions paid recognised in the Statement of Financial Performance				1 697 352	1 785 258	
<u>DEFINED CONTRIBUTION FUNDS</u>						
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						
National fund for Municipal Workers				80 608	69 718	
SAMWU National Provident Fund				683 950	712 836	
				764 557	782 554	

		2022 R	2021 R
13. CONSUMER DEPOSITS			
Electricity		201 704	185 205
Rental Properties		10 410	9 360
Water		17 300	1 000
Tenders		15 050	14 050
Total Consumer Deposits		244 464	209 615
Consumer deposits are paid by consumers on application for new and electricity connections. The deposits are repaid when the electricity connections are terminated. In cases where consumers default on their accounts, Council utilizes the deposit as payment for the outstanding account.			
14. CURRENT EMPLOYEE BENEFITS			
Staff Bonuses		648 919	607 805
Staff Leave		2 912 159	2 749 837
Current Portion of Non-Current Provisions		552 000	330 000
Current Portion of Post Retirement Benefits - Note 12		200 000	237 000
Current Portion of Long-Service Provisions - Note 12		352 000	93 000
Total Provisions		4 113 077	3 687 641
The movement in current provisions are reconciled as follows:			
14.1 Staff Bonuses			
Balance at beginning of year		607 805	521 889
Contribution to current portion		1 338 165	1 351 852
Expenditure incurred		(1 297 051)	(1 265 937)
Balance at end of year		648 919	607 805
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.			
14.2 Staff Leave			
Balance at beginning of year		2 749 837	2 278 950
Contribution to current portion		273 629	555 778
Expenditure incurred		(111 307)	(84 892)
Balance at end of year		2 912 159	2 749 837
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.			
15. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS			
Trade Payables		58 170 185	47 497 535
Advance Payments		258 361	211 143
Control, Clearing and Interface Accounts		1 073 003	1 002 723
Other Payables		422 326	370 423
Department of Transport		5 421 446	5 139 559
Retentions		-	1 411 096
Correction of error - Note 41.4		-	(1 041 371)
Total Trade Payables		65 345 322	54 591 107
Payables are being recognised net of any discounts.			
The carrying value of trade and other payables approximates its fair value.			
All payables are unsecured.			
16. UNSPENT TRANSFERS AND SUBSIDIES			
Unspent Transfers and Subsidies		6 707 813	2 663 128
National Government Grants		6 399 697	2 407 165
Provincial Government Grants		-	-
District Municipality		-	-
Other Sources		308 116	255 963
Less: Unpaid Transfers and Subsidies		-	-
National Government Grants		-	-
Provincial Government Grants		-	-
District Municipality		-	-
Other Sources		-	-
Total Unspent Transfers and Subsidies		6 707 813	2 663 128

See appendix "E" 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.

		2022 R	2021 R
17. TAXES			
17.1	VAT Payable	497 029	-
	VAT Output in Suspense	(7 446 708)	(6 574 425)
	Less: Contribution to Provision for Doubtful Debt Impairment	9 401 797	7 898 388
	Total VAT Payable	2 452 118	1 323 963
17.2	VAT Receivable	251 950	(183 381)
	VAT Input in Suspense	7 460 775	6 329 595
	Total VAT Receivable	7 712 726	6 146 214
17.3	Net VAT (Payable)/Receivable	10 164 843	7 470 177
	VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		
18. SHORT-TERM BORROWINGS			
	The Municipality has no short term borrowings.		
19. NET ASSET RESERVES			
	RESERVES	44 605 285	46 216 101
	Revaluation Reserve	44 605 285	46 216 101
	Total Net Asset Reserve and Liabilities	44 605 285	46 216 101
19.1	The Revaluation Reserve is created by surplus arising from the revaluation of property, plant and equipment.		
20. PROPERTY RATES			
	Actual		
	Rateable Land and Buildings	21 489 722	20 364 436
	Business and Commercial Property	1 610 323	1 525 857
	Industrial Property	41 838	39 644
	Mining Properties	3 743 400	3 547 050
	Municipal Properties	120 412	114 110
	Public Benefit Organisations	216 866	205 516
	Public Service Infrastructure Properties	9 452	8 970
	Residential Properties	3 997 489	3 788 280
	State-owned Properties	357 063	338 376
	Agricultural Property	11 371 771	10 776 630
	Other Categories	21 110	20 003
	Less: Revenue Forgone	(11 875 717)	(11 255 775)
	Total Property Rates	9 614 005	9 108 660
	Valuations - 1 July 2020		
	Rateable Land and Buildings	1 655 397 500	1 655 397 500
	Business and Commercial Property	111 133 000	111 133 000
	Industrial Property	2 850 000	2 850 000
	Mining Properties	255 000 000	255 000 000
	Private roads	4 977 000	4 977 000
	Public Benefit Organisations	17 461 000	17 461 000
	Public Open spaces	4 417 000	4 417 000
	Public Service Infrastructure Properties	3 049 000	3 049 000
	Residential Properties	312 465 000	312 465 000
	State-owned Properties	28 444 000	28 444 000
	Agricultural Property	915 601 500	915 601 500
	Less: Revenue Forgone	(958 996 574)	(959 105 780)
	Total Assessment Rates	696 400 926	696 291 720
	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				
Residential			0.01242c/R	0.01177c/R
Commercial			0.0146c/R	0.01391c/R
Industrial, Agricultural and Casino			0.0009933c/R	0.0009416c/R
Rates are levied annually and monthly. Monthly rates are payable by the 20th of the following month. 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 R25 000 on the valuation is exempted.			
State -	Nil %			
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.				
			2022	2021
			R	R
21. GOVERNMENT GRANTS AND SUBSIDIES				
Government Grants and Subsidies - Operating			26 661 949	25 805 086
Equitable Share			22 206 047	21 805 810
Expanded Public Works Programme Integrated Grant			-	880 715
Local Government Financial Management Grant			1 839 387	1 774 238
Municipal Infrastructure Grant			1 516 515	-
Libraries, Archives and Museums			1 100 000	1 054 214
LG SETA			-	290 109
Government Grants and Subsidies - Capital			13 798 519	8 351 194
Municipal Infrastructure Grant			10 110 104	8 351 194
Energy Efficiency and Demand Side Management			500 000	-
Water Services Infrastructure Grant			3 188 415	-
Total Government Grants and Subsidies			40 460 468	34 156 280
Included in above are the following grants and subsidies received:				
Unconditional			22 206 047	21 805 810
Equitable Share			22 206 047	21 805 810
Conditional			18 254 421	12 350 470
Energy Efficiency and Demand Side Management			500 000	-
Expanded Public Works Programme Integrated Grant			-	880 715
Local Government Financial Management Grant			1 839 387	1 774 238
Libraries, Archives and Museums			1 100 000	1 054 214
LG SETA			-	290 109
Municipal Infrastructure Grant			11 626 619	8 351 194
Water Services Infrastructure Grant			3 188 415	-
Total Government Grants and Subsidies			40 460 468	34 156 280
Revenue recognised per vote as required by Section 123 (c) of the MFMA:				
Equitable share			22 206 047	21 805 810
Finance and Administration			1 839 387	2 064 347
Community and Social Services			1 100 000	1 054 214
Energy Sources			500 000	-
Water Management			14 815 034	8 351 194
Waste Water Management			-	880 715
Total Government Grants and Subsidies			40 460 468	34 156 280
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.				
21.1 Equitable Share				
Opening balance			1 050 000	-
Grants received			21 156 047	22 855 810
Interest received			-	-
Repaid to National Revenue Fund			-	-
Conditions met - Operating			(22 206 047)	(21 805 810)
Conditions met - Capital			-	-
Conditions met - Capital Retention			-	-
Conditions still to be met			-	1 050 000
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.				

		2022 R	2021 R
21.2	<u>Local Government Financial Management Grant (FMG)</u>		
	Opening balance	1 025 762	-
	Grants received	2 900 000	2 800 000
	Interest received	-	-
	Repaid to National Revenue Fund	(1 025 762)	-
	Conditions met - Operating	(1 839 387)	(1 774 238)
	Conditions met - Capital	-	-
	Conditions met - Capital Retention	-	-
	Conditions met - Own revenue	-	-
	Conditions still to be met	<u>1 060 613</u>	<u>1 025 762</u>
	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).		
21.3	<u>Municipal Systems Improvement Grant (MSIG)</u>		
	Opening balance	212 118	212 118
	Grants received	-	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions met - Capital Retention	-	-
	Conditions met - Own revenue	-	-
	Conditions still to be met	<u>212 118</u>	<u>212 118</u>
	The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
21.4	<u>Municipal Infrastructure Grant (MIG)</u>		
	Opening balance	-	2 758 034
	Grants received	14 942 000	5 658 000
	Interest received	-	-
	Repaid to National Revenue Fund	-	(64 839)
	Conditions met - Operating	-	-
	Conditions met - Capital	(10 110 104)	(8 351 194)
	Conditions met - Capital Retention	-	-
	Vat transferred to revenue	(1 516 515)	-
	Conditions still to be met	<u>3 315 381</u>	<u>(0)</u>
	The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
21.5	<u>Library Grant</u>		
	Opening balance	-	54 214
	Grants received	1 100 000	1 000 000
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(1 100 000)	(1 054 214)
	Conditions met - Capital	-	-
	Conditions met - Capital Retention	-	-
	Conditions met - Own revenue	-	-
	Conditions still to be met	<u>-</u>	<u>-</u>
	The grant was used to provide Library services to the community.		
21.6	<u>Expanded Public Works Programme</u>		
	Opening balance	119 285	83 092
	Correction of Error	-	-
	Grants received	-	1 000 000
	Interest received	-	-
	Repaid to National Revenue Fund	(119 285)	(83 092)
	Conditions met - Operating	-	(880 715)
	Conditions met - Capital	-	-
	Conditions met - Capital Retention	-	-
	Conditions met - Own revenue	-	-
	Conditions still to be met	<u>(0)</u>	<u>119 285</u>
	The grant was used for job creation.		

		2022 R	2021 R
21.7	<u>Water Services Infrastructure Grant</u>		
	Opening balance	-	445 879
	Correction of Error	-	-
	Grants received	5 000 000	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	(445 879)
	Conditions met - Operating	-	-
	Conditions met - Capital	(3 188 415)	-
	Conditions met - Capital Retention	-	-
	Conditions met - Own revenue	-	-
	Conditions still to be met	<u>1 811 585</u>	<u>-</u>
	The grant was used for water infrastructure projects.		
21.8	<u>LG SETA</u>		
	Opening balance	255 963	135 267
	Correction of Error	-	-
	Grants received	52 153	410 805
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	(290 109)
	Conditions met - Capital	-	-
	Conditions met - Capital Retention	-	-
	Conditions met - Own revenue	-	-
	Conditions still to be met	<u>308 116</u>	<u>255 963</u>
	The grant was used to provide training to employees.		
21.9	<u>Total Grants</u>		
	Opening balance	2 663 128	3 688 603
	Correction of Error	-	-
	Grants received	45 650 200	33 724 616
	Interest received	-	-
	Repaid to National Revenue Fund	(1 145 047)	(593 810)
	Conditions met - Operating	(25 145 434)	(25 805 086)
	Conditions met - Capital	(13 798 519)	(8 351 194)
	Conditions met - Capital Retention	-	-
	Vat transferred to revenue	(1 516 515)	-
	Conditions still to be met/(Grant expenditure to be recovered)	<u>6 707 813</u>	<u>2 663 128</u>
	<u>Disclosed as follows:</u>		
	Unspent Conditional Government Grants and Receipts	6 707 813	2 663 128
	Unpaid Conditional Government Grants and Receipts	-	-
	Total	<u>6 707 813</u>	<u>2 663 128</u>
22.	<u>AVAILABILITY CHARGES</u>		
	Electricity	53 490	46 680
	Water	-	-
	Total Availability Charges	<u>53 490</u>	<u>46 680</u>
23.	<u>LICENCES AND PERMITS</u>		
	Trading	2 300	1 492
	Road and Transport	37 989	35 365
	Total Licences and Permits	<u>40 289</u>	<u>36 857</u>
	<u>Disclosed as follows:</u>		
	Revenue from Non-Exchange Transactions	-	-
	Revenue from Exchange Transactions	40 289	36 857
	Total Licences and Permits	<u>40 289</u>	<u>36 857</u>

		2022 R	2021 R
24.	SERVICE CHARGES		
	Electricity	10 231 554	8 389 574
	Service Charges	11 178 119	9 189 503
	<u>Less:</u> Revenue Forgone	(946 565)	(799 929)
	Water	6 390 685	6 843 401
	Service Charges	11 070 149	11 400 473
	<u>Less:</u> Revenue Forgone	(4 679 464)	(4 557 072)
	Waste Management	1 740 746	1 587 517
	Service Charges	4 815 159	4 499 895
	<u>Less:</u> Revenue Forgone	(3 074 413)	(2 912 378)
	Waste Water Management	1 842 987	1 671 589
	Service Charges	4 711 157	4 410 636
	<u>Less:</u> Revenue Forgone	(2 868 170)	(2 739 047)
	Total Service Charges	20 205 972	18 492 081
	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.		
25.	SALES OF GOODS AND RENDERING OF SERVICES		
	Application Fees for Land Usage	36 483	55 750
	Building Plan Approval	21 894	11 046
	Clearance Certificates	2 995	2 429
	Photocopies and Faxes	972	622
	Scrap, Waste & Other Goods	5 059	9 724
	Valuation Services	859	930
	Total Sales of Goods and Rendering of Services	68 261	80 501
26.	RENTAL FROM FIXED ASSETS		
	Property, Plant and Equipment	389 791	246 507
	Correction of error - Note 41.5	-	5 938
	Total Rental from Fixed Assets	389 791	252 445
27.	INTEREST EARNED - EXTERNAL INVESTMENTS		
	Bank	214 102	47 087
	Total Interest Earned - External Investments	214 102	47 087
28.	INTEREST EARNED - EXCHANGE TRANSACTIONS		
	Trade Receivables	4 207 467	3 311 773
	Total Interest Earned - Outstanding Receivables	4 207 467	3 311 773
29.	OPERATIONAL REVENUE		
	Merchandising, Jobbing and Contracts	-	-
	Registration Fees	3 698	2 888
	Settlement by National Treasury	2 493 651	1 322 004
	Correction of Error - Note 41.4	-	2 204 705
	Total Operational Revenue	2 497 349	3 529 596
	<u>Disclosed as follows:</u>		
	Revenue from Exchange Transactions	3 698	2 888
	Revenue from Non-Exchange Transactions	2 493 651	3 526 709
	Total Operational Revenue	2 497 349	3 529 596

	2022 R	2021 R
30. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	20 089 183	19 353 591
Pension and UIF Contributions	2 575 572	2 469 759
Medical Aid Contributions	519 619	541 643
Overtime	1 670 580	1 677 557
Bonuses	1 338 165	1 351 852
Motor Vehicle Allowance	316 886	324 265
Cell Phone Allowance	46 103	17 683
Housing Allowances	34 722	34 722
Other benefits and allowances	559 938	605 893
Payments in lieu of leave	273 629	555 778
Workmen's Compensation Fund	122 361	164 230
Correction of Error - Note 41.4	-	13 333
Post-retirement Benefit Obligations	424 000	362 000
Medical - Note 12.1	293 000	241 000
Long Service Awards - Note 12.2	131 000	121 000
	27 970 760	27 472 308
Less: Employee Costs allocated elsewhere	-	-
Cost Capitalised to PPE	-	-
Cost allocated to Inventory	-	-
Total Employee Related Costs	27 970 760	27 472 308
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.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager - Mr OJ Isaacs		
Basic Salary	1 087 143	1 116 754
Cell Phone Allowance	12 000	12 000
Other benefits and allowances	76 100	88 323
Total	1 175 243	1 217 077
Remuneration of the Chief Financial Officer - Mr PJ van der Merwe		
Basic Salary	594 691	429 887
Pension and UIF Contributions	109 170	79 164
Medical Aid Contributions	57 277	55 593
Annual Bonus	-	35 824
Motor Vehicle Allowance	136 622	121 435
Cell Phone Allowance	10 421	5 683
Total	908 181	727 586
Remuneration of Director : Corporate Services - Mr JJ Liebenberg		
Basic Salary	815 063	840 265
Acting Municipal Manager	-	19 564
Pension and UIF Contributions	2 125	-
Cell Phone Allowance	9 000	-
Other benefits and allowances	57 054	60 318
Total	883 243	920 147
Remuneration of Director : Technical Services - Mr H Christians		
Basic Salary	815 063	834 665
Pension and UIF Contributions	2 125	-
Cell Phone Allowance	9 000	-
Other benefits and allowances	57 054	68 376
Total	883 243	903 041
Total Key Management Remuneration		
Basic Salary	3 311 960	3 221 571
Acting Municipal Manager	-	19 564
Pension and UIF Contributions	113 421	79 164
Medical Aid Contributions	57 277	55 593
Annual Bonus	-	35 824
Motor Vehicle Allowance	136 622	121 435
Cell Phone Allowance	40 421	17 683
Other benefits and allowances	190 209	217 018
	3 849 909	3 767 851

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		2022 R	2021 R
33.	DEPRECIATION AND AMORTISATION		
	Property, Plant and Equipment	5 155 123	6 124 562
	Intangible Assets	28 110	27 999
	Investment Property carried at cost	6 096	6 096
	Total Depreciation and Amortisation	5 189 330	6 158 657
34.	FINANCE COSTS		
	Long-term Borrowings	4 086	6 057
	Non-current Provisions	2 476 084	1 850 957
	Non-current Employee Benefits	760 000	633 000
	Payables	1 537 679	799 513
	Correction of error - Note 41.3	-	106 223
	Total Finance Costs	4 777 849	3 395 749
35.	BULK PURCHASES		
	Electricity	11 654 098	9 451 292
	Water	(5 035 359)	(2 873 980)
	Total Bulk Purchases	6 618 739	6 577 312
36.	OPERATIONAL COSTS		
	Advertising, Publicity and Marketing	88 461	70 947
	Audit Fees	3 042 410	2 450 835
	Bank Charges, Facility and Card Fees	211 714	199 163
	Commission	564 426	449 091
	Communication	287 836	295 412
	Entertainment	32 026	6 966
	Insurance Underwriting	357 800	393 430
	Licences	86 233	118 788
	Municipal Services	749 365	1 220 304
	Printing, Publications and Books	494	2 680
	Professional Bodies, Membership and Subscription	512 327	525 010
	Remuneration to Ward Committees	172 000	186 500
	Skills Development Fund Levy	251 410	192 468
	Travel and Subsistence	753 268	418 726
	Uniform and Protective Clothing	83 600	95 446
	Wet Fuel	758 971	556 961
	Total Operational Costs	7 952 339	7 182 727
37.	REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON RECEIVABLES		
	Receivables from Exchange Transactions - Note 7	(10 022 724)	9 602 224
	Receivables from Non-exchange Revenue - Note 8	(1 701 700)	1 099 261
	Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	(11 724 424)	10 701 485
38.	GAINS/(LOSS) ON SALE OF FIXED ASSETS		
	Intangible Assets	(6 570)	-
	Property, Plant and Equipment	(45 341)	(124 899)
	Total Gains/ (Loss) on Sale of Fixed Assets	(51 910)	(124 899)
39.	WATER LOSSES		
	Real Losses	5 035 359	2 873 980
	Total Water Losses	5 035 359	2 873 980
40.	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 has realigned items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the financial statements. New mSCOA Charts are issued annually, resulting into an annual reclassification of items in the financial statements. The reclassification of 2020 audited amounts can be summarised as follows:		

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Position			
Revaluation Reserve	46 216 101	-	46 216 101
Accumulated Surplus/(Deficit)	12 123 057	-	12 123 057
Long-term Borrowings	16 021	-	16 021
Non-current Provisions	17 876 686	-	17 876 686
Non-current Employee Benefits	7 443 001	-	7 443 001
Consumer Deposits	209 615	-	209 615
Provisions	15 571 897	-	15 571 897
Current Employee Benefits	3 687 641	-	3 687 641
Trade and Other Payables from Exchange Transactions	55 632 479	-	55 632 479
Unspent Transfers and Subsidies	2 663 128	-	2 663 128
Taxes	7 470 177	-	7 470 177
Operating Lease Liability	5 051	(5 051)	-
Cash and Cash Equivalents	14 314	-	14 314
Current Portion of Long-term Borrowings	29 744	-	29 744
Property, Plant and Equipment	143 016 590	-	143 016 590
Investment Property	4 174 384	-	4 174 384
Intangible Assets	63 906	-	63 906
Inventory	1 939 754	-	1 939 754
Receivables from exchange transactions	2 839 742	-	2 839 742
Receivables from non-exchange transactions	1 955 554	-	1 955 554
		(5 051)	
Statement of Financial Performance			
Property Rates	9 108 660	-	9 108 660
Surcharges and Taxes	30 255	-	30 255
Government Grants and Subsidies	34 156 280	-	34 156 280
Fines, Penalties and Forfeits	28 150	-	28 150
Availability Charges	46 680	-	46 680
Interest Earned - Non-exchange Transactions	364 209	-	364 209
Operational Revenue	1 322 004	-	1 322 004
Service Charges	18 492 081	-	18 492 081
Sales of Goods and Rendering of Services	80 501	-	80 501
Rental from Fixed Assets	246 507	-	246 507
Interest Earned - external investments	47 087	-	47 087
Interest Earned - Exchange Transactions	3 311 773	-	3 311 773
Licences and Permits	36 857	-	36 857
Agency Services	31 085	-	31 085
Operational Revenue	2 888	-	2 888
Employee related costs	(27 458 975)	-	(27 458 975)
Remuneration of Councillors	(2 534 604)	-	(2 534 604)
Contracted Services	(2 523 217)	-	(2 523 217)
Depreciation and Amortisation	(6 158 657)	-	(6 158 657)
Actuarial Losses	(513 181)	-	(513 181)
Finance Costs	(3 289 527)	-	(3 289 527)
Bulk Purchases	(11 024 705)	4 447 393	(6 577 312)
Inventory Consumed	(442 324)	(4 447 393)	(4 889 717)
Operational Costs	(7 182 727)	-	(7 182 727)
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	(38 400)	-	(38 400)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	(10 701 485)	-	(10 701 485)
Gains/(Loss) on Sale of Fixed Assets	(124 899)	-	(124 899)
Water Losses	(2 873 980)	-	(2 873 980)
Net Surplus/(Deficit) for the year	(7 561 663)	(0)	(7 561 663)
41. 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 the implementation of GRAP:			

		2022 R	2021 R
41.1	Property, Plant and Equipment		
	Balance previously reported	-	143 016 590
	Cost	-	544 857
	Correction of IGRAP2 adjustment in 2020/21 - Note 2	-	485 985
	Correction WIP adjustment in 2020/21 - Note 2	-	(197 083)
	Correction of first time recognition Computer Equipment in periods before 1 July 2020 - Note 2	-	64 241
	Correction of first time recognition Furniture and Office Equipment in periods before 1 July 2020 - Note 2	-	120 940
	Correction of first time recognition Machinery and Equipment in periods before 1 July 2020 - Note 2	-	70 774
	Accumulated Depreciation	-	(37 380)
	Correction of Depreciation on Computer Equipment in periods before 1 July 2020 - Note 2	-	(1 092)
	Correction of Depreciation on Furniture and Office Equipment in periods before 1 July 2020 - Note 2	-	(15 433)
	Correction of Depreciation on Machinery and Equipment in periods before 1 July 2020 - Note 2	-	(20 855)
	Restated Balance	-	143 524 067
	Assets recognised incorrectly in prior years.		
41.7	Non-Current Receivables from Exchange Transactions		
	Balance previously reported		2 839 742
	Correction of Other Receivables - reclassification of Department of Transport to Exchange Receivables - Note 7		750 554
	Restated Balance	-	3 590 295
	Reclassification of Other Receivables.		
41.2	Non-Current Receivables from Non-Exchange Transactions		
	Balance previously reported		1 955 554
	Correction of Other Receivable not recognise in 2020/2021 - Note 8		1 150 000
	Correction of Other Receivables - reclassification of Department of Transport to Exchange Receivables - Note 8		(750 554)
	Restated Balance	-	2 355 000
	Capital contribution from Black Mountain Mining not recognise in 2020/2021		
41.3	Non-Current Provisions		
	Balance previously reported	-	33 448 584
	Correction of provision for rehabilitation cost in periods before 1 July 2020 - Note 11	-	1 224 102
	Correction of finance cost in 2020/2021 - Note 34	-	106 223
	Correction of IGRAP2 adjustment in 2020/21 - Note 2	-	485 985
	Restated Balance	-	35 264 893
	Correction of provision for rehabilitation of landfill-sites.		
41.4	Trade and Other Payables from Exchange Transactions		
	Balance previously reported	-	55 632 479
	Correction of Retentions in 2020/2021 - Note 15	-	(1 054 705)
	Correction of Sundry Creditors in 2020/2021 - Note 15	-	13 333
	Restated Balance	-	54 591 107
	Correction of prior year payable accounts.		
41.5	Operating Lease Liability		
	Balance previously reported	-	(5 051)
	Correction of operating lease transactions in 2020/2021 - Note 12	-	5 938
	Restated Balance	-	888
	Correction of prior year accounts.		
41.6	Accumulated Surplus/(Deficit) - 1 July 2020		
	Correction of provision for rehabilitation cost in periods before 1 July 2020 - Note 41.3	-	(1 224 102)
	Correction of first time recognition Computer Equipment in periods before 1 July 2020 - Note 2	-	64 241
	Correction of first time recognition Furniture and Office Equipment in periods before 1 July 2020 - Note 2	-	120 940
	Correction of first time recognition Machinery and Equipment in periods before 1 July 2020 - Note 2	-	70 774
	Correction of Depreciation on Computer Equipment in periods before 1 July 2020 - Note 2	-	(1 092)
	Correction of Depreciation on Furniture and Office Equipment in periods before 1 July 2020 - Note 2	-	(15 433)
	Correction of Depreciation on Machinery and Equipment in periods before 1 July 2020 - Note 2	-	(20 855)
	Total	-	(1 005 527)

41.7 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		9 108 660	-	9 108 660
Surcharges and Taxes		30 255	-	30 255
Government Grants and Subsidies		34 156 280	-	34 156 280
Availability Charges		46 680	-	46 680
Fines, Penalties and Forfeits		28 150	-	28 150
Interest Earned - Non-exchange Transactions		364 209	-	364 209
Service Charges		18 492 081	-	18 492 081
Sales of Goods and Rendering of Services		80 501	-	80 501
Rental from Fixed Assets	41.5	246 507	5 938	252 445
Interest Earned - External Investments		47 087	-	47 087
Interest Earned - Exchange Transactions		3 311 773	-	3 311 773
Licences and Permits from Exchange Transactions		36 857	-	36 857
Agency Services		31 085	-	31 085
Operational Revenue	41.4	1 324 892	2 204 705	3 529 596
Total		67 305 018	2 210 643	69 515 661
Expenditure				
Employee related costs	41.4	(27 458 975)	(13 333)	(27 472 308)
Remuneration of Councillors		(2 534 604)	-	(2 534 604)
Contracted Services	41.2	(2 523 217)	(197 083)	(2 720 301)
Depreciation and Amortisation		(6 158 657)	-	(6 158 657)
Actuarial Losses		(513 181)	-	(513 181)
Finance Costs	41.2	(3 289 527)	(106 223)	(3 395 749)
Bulk Purchases		(6 577 312)	-	(6 577 312)
Inventory Consumed		(4 889 717)	-	(4 889 717)
Operational Costs		(7 182 727)	-	(7 182 727)
Total		(61 127 916)	(316 639)	(61 444 555)
Gains and Losses				
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value		(38 400)	-	(38 400)
Reversal of Impairment Loss/(Impairment Loss) on Receivables		(10 701 485)	-	(10 701 485)
Gains/(Loss) on Sale of Fixed Assets		(124 899)	-	(124 899)
Water Losses		(2 873 980)	-	(2 873 980)
Total		(13 738 764)	-	(13 738 764)
Net Surplus/(Deficit) for the year		(7 561 663)	1 894 004	(5 667 659)
			2022	2021
			R	R
42. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS				
Surplus/(Deficit) for the year			1 405 559	(5 667 659)
Adjustments for:				
Depreciation and Amortisation			5 189 335	6 158 657
Loss/(Gain) on Sale of Fixed Assets			51 910	124 899
Impairment Loss/(Reversal of Impairment Loss)			-	33 724 616
Contributed Property, Plant and Equipment			(4 200 000)	-
Government Grants and Subsidies received			45 650 200	(34 156 280)
Government Grants and Subsidies recognised as revenue			(41 605 515)	(593 810)
Contribution to provisions – Non-Current Provisions			2 476 084	1 957 179
Contribution from/to provisions - Non-Current Employee Benefits			918 511	556 802
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses			-	513 181
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains			(250 178)	-
Contribution from/to - Current Employee Benefits			190 103	703 820
Contribution to provisions – Bad Debt			11 724 424	10 701 485
Operating lease income accrued			(39 904)	-
Operating lease expenses accrued			-	(11 685)
Operating Surplus/(Deficit) before changes in working capital			21 510 530	14 011 204
Changes in working capital			(2 566 082)	(5 774 098)
Increase/(Decrease) in Trade and Other Payables			10 754 215	6 872 617
Increase/(Decrease) in Taxes			(2 694 666)	(801 240)
(Increase)/Decrease in Inventory			60 437	(2 997)
(Increase)/Decrease in Trade Receivables from Exchange Transactions			(10 438 305)	(10 322 952)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions			(282 611)	(1 519 526)
(Increase)/Decrease in Consumer Deposits			34 849	-
Cash generated/(absorbed) by operations			18 944 448	8 237 106

	2022 R	2021 R
43. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 9	170 749	4 869
Call Deposits and Investments - Note 9	4 252 607	9 345
Cash Floats - Note 9	100	100
Total cash and cash equivalents	4 423 455	14 314
44. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 43	4 423 455	14 314
Less:	(7 204 842)	(2 663 128)
Unspent Transfers and Subsidies - Note 16	(6 707 813)	(2 663 128)
VAT - Note 17	(497 029)	-
Net cash resources available for internal distribution	(2 781 387)	(2 648 815)
Resources available for working capital requirements	(2 781 387)	(2 648 815)
45. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 10	48 254	45 765
Used to finance property, plant and equipment - at cost	(48 254)	(45 765)
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.		
46. BUDGET INFORMATION		
The Annual Budget of the Municipality is prepared for a 2021/22 MTREF period and is applicable from 1 July 2021 until 30 June 2022.		
A reconciliation is provided on the face of the Statement of comparison of budget and actual amounts for the classification disclosure differences resulting between the Budget and the Annual financial		
46.1 Explanation of variances between approved and final budget amounts		
The reasons for the variances between the approved and final budgets are mainly due to virements, and the continued negative effect of the Covid-19 pandemic on revenue collection, cashflow limitations, reprioritising of operating and capital projects.		
Final Budget and Actual Amounts: Explanation for variances greater than 10% and in excess of R600,000 (1% of operating expenses).		
46.2 Statement of Financial Position		
46.2.1 Current Assets		
Cash		
<i>Lower cash levels due to cash flow constraints.</i>		
Call Investment Deposits		
<i>Unspent grants projects work in progress.</i>		
Consumer Debtors		
<i>Non payment of services.</i>		
Other Debtors		
<i>Non payment of rates.</i>		
Inventory		
<i>It is due to the increase in the purchase of chemicals to purify the water for the communities supply by the municipality.</i>		
46.2.2 Non-Current Assets		
Intangible Assets		
<i>Laptops disposed - obsolete.</i>		
46.2.3 Current Liabilities		
Consumer Deposits		
<i>More consumers apply for services.</i>		

	Trade and Other Payables	
	<i>Municipality experiencing difficulty to pay trade creditors due to cash flow limitations.</i>	
	Provisions	
	<i>Increase in short-term portion of rehabilitation cost of landfill-sites based on expert report.</i>	
46.2.4	Net Assets	
	Accumulated Surplus/(Deficit)	
	<i>Nett effect of reasons documented above.</i>	
	Reserves	
	<i>Decrease due to cash flow limitations.</i>	
	Statement of Financial Performance	
46.2.5	Revenue	
	Service Charges - Electricity Revenue	
	<i>Due to increase in consumption and tariffs</i>	
	Rental of Facilities and Equipment	
	<i>More municipal properties for rent</i>	
	Interest Earned - External Investments	
	<i>More grants where invested during the financial year.</i>	
	Licences and Permits	
	<i>Less motor vehicle registrations.</i>	
	Other Revenue	
	<i>Increase due to debt relief by National Treasury.</i>	
46.2.6	Expenditure	
	Employee Related Costs	
	<i>Vacancies not filled.</i>	
	Debt Impairment	
	<i>Due to the non-payment of services and rates.</i>	
	Finance Costs	
	<i>Due to interest paid to financial instruments - LSB and PEMA. Interest levied by ESKOM for non-payment of account.</i>	
	Inventory consumed	
	<i>Due to pipe burst on water bulk lines. Infrastructure is obsolete.</i>	
	Contracted Services	
	<i>Unable to incur expenditure due to cash flow constraints.</i>	
	Losses	
	<i>Due to pipe burst on water bulk lines. Infrastructure is obsolete.</i>	
	Cash Flow Statement	
46.2.7	Net Cash from Operating Activities	
	Property rates	
	<i>Non payment of rates.</i>	
	Service Charges	
	<i>Non payment of services.</i>	
	Interest	
	<i>More grants where invested during the financial year.</i>	
	Suppliers and Employees	
	<i>Vacancies not filled.</i>	
	Finance charges	
	<i>Due to interest paid to financial instruments - LSB and PEMA. Interest levied by ESKOM for non-payment of account.</i>	
	Transfers and Grants	
	<i>Grants was with held.</i>	

46.2.8 Net Cash from Investing Activities					
Capital Assets					
Due to the with held of capital grants.					
				2022	2021
				R	R
47. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED					
47.1 Unauthorised expenditure					
Reconciliation of unauthorised expenditure:					
Opening balance				28 484 209	23 728 801
Correction of prior period error					
Restated opening balance				28 484 209	23 728 801
Unauthorised expenditure current year - operational				5 430 197	2 108 243
Unauthorised expenditure current year - capital				962 090	2 647 166
Written off by Council				-	-
Current				-	-
Prior Period				-	-
Transfer to receivables for recovery				-	-
Current				-	-
Prior Period				-	-
Unauthorised expenditure awaiting authorisation				34 876 496	28 484 209
Unauthorised expenditure can be summarised as follow:					
Incident	Disciplinary steps/criminal proceedings				
Over expenditure of operational budget - 2017	Under Investigation			10 140 323	10 140 323
Over expenditure of approved operating budget - 2018	Under Investigation			6 556 075	6 556 075
Over expenditure of approved capital budget - 2018	Under Investigation			20 254	20 254
Over expenditure of approved operating budget - 2019	None			2 806 682	2 806 682
Over expenditure of approved operating budget - 2020	None			4 205 467	4 205 467
Over expenditure of approved operating budget - 2021	None			2 108 243	2 108 243
Over expenditure of approved capital budget - 2021	None			2 647 166	2 647 166
Over expenditure of approved operating budget - 2022	None			5 430 197	-
Over expenditure of approved capital budget - 2022	None			962 090	-
				34 876 496	28 484 209
The over expenditure incurred by municipal departments on their operating budgets during the year is attributable to the following categories:					
Non-cash				5 430 197	2 108 243
Cash				-	-
				5 430 197	2 108 243
Analysed as follows: Non-cash					
Impairment Loss on Receivables				5 430 197	2 108 243
				5 430 197	2 108 243
The overspending of the Budget per municipal vote can be summarised as follows:					
	2022	2022	2022	2022	
	Actual	Final Budget	Variance	Unauthorised	
	R	R	R	R	
Unauthorised expenditure current year - operating					
Municipal Manager	8 994 593	9 571 864	(577 271)	-	
Finance	9 768 201	11 232 899	(1 464 698)	-	
Corporate Services	14 449 139	16 401 320	(1 952 181)	-	
Infrastructure Development	47 055 116	41 624 919	5 430 197	5 430 197	
Economic Development	1 089 229	1 281 856	(192 627)	-	
	81 356 277	80 112 858	1 243 419	5 430 197	
	2022	2022	2022	2022	
	Actual	Final Budget	Variance	Unauthorised	
	R	R	R	R	
Unauthorised expenditure current year - capital					
Municipal Manager	4 962 090	4 000 000	962 090	962 090	
Chief Financial Officer	(907 580)	-	(907 580)	-	
Director: Administration	(27 986)	-	(27 986)	-	
Director: Community Services	12 995 492	34 993 143	(21 997 651)	-	
Director: Technical Services	-	-	-	-	
	17 022 015	38 993 143	(21 971 128)	962 090	

		2022 R	2021 R
47.2 Fruitless and wasteful expenditure			
Reconciliation of fruitless and wasteful expenditure:			
Opening balance		6 861 586	6 861 586
Correction of prior period error		-	-
Restated opening balance		6 861 586	6 861 586
Fruitless and wasteful expenditure current year		-	-
Written off by Council		1 537 679	-
Current		1 537 679	-
Prior Period		-	-
Transfer to receivables for recovery - not written off		-	-
Current		-	-
Prior Period		-	-
Fruitless and wasteful expenditure awaiting further action		8 399 264	6 861 586
Fruitless and wasteful expenditure can be summarised as follow:			
Incident	Disciplinary steps/criminal proceedings		
Interest on overdue accounts - 2017	Under Investigation	1 348 088	1 348 088
Interest on overdue accounts - 2018	Under Investigation	1 657 840	1 657 840
Interest on overdue accounts - 2019	None	1 482 055	1 482 055
Interest on overdue accounts - 2020	None	2 373 602	2 373 602
Interest on overdue accounts - 2022	None	1 537 679	-
		8 399 264	6 861 586
47.3 Irregular expenditure			
Reconciliation of irregular expenditure:			
Opening balance		19 817 950	17 969 627
Correction of prior period error		-	-
Restated opening balance		19 817 950	17 969 627
Irregular expenditure current year		-	1 848 323
Expenditure authorised i.t.o. Section 32 of MFMA		-	-
Current		-	-
Prior Period		-	-
Written off as supported by council		-	-
Current		-	-
Prior Period		-	-
Transfer to receivables for recovery - not written off		-	-
Current		-	-
Prior Period		-	-
Irregular expenditure awaiting further action		19 817 950	19 817 950
Irregular expenditure can be summarised as follow:			
Incident	Disciplinary steps/criminal proceedings		
Non compliance with SCM Policy - Quotations was not for the same type of goods.	To be investigated	68 286	68 286
Non compliance with SCM Policy - 3 Quotations was not obtained.	To be investigated	32 250	32 250
Non compliance with SCM Policy - No tax Clearance certificate.	To be investigated	80 000	80 000
Non compliance with SCM Policy - No Bid Specification Committee.	To be investigated	15 068 650	15 068 650
Irregular Expenditure identified by Auditor-General without communicating with the municipality, raising an audit finding or included in audit report.	To be investigated	2 436 026	2 436 026
Non compliance with SCM Policy - SCM processes avoided.	To be investigated	284 416	284 416
Conditional grants use to fund operating expenditure (Employee related cost)	To be investigated	1 025 762	1 025 762
Non compliance with SCM Policy - 3 Quotations was not obtained.	None	822 561	822 561
		19 817 950	19 817 950

47.3.1 Further instances of Irregular Expenditure that might have resulted from non-compliance with the supply chain management processes are under investigation to determine the full extent of the amount. These expenditure can be summarised as follows:			
		2022 R	2021 R
Incident	Disciplinary steps/criminal proceedings		
Quiver Tree Trading	To be investigated	23 700	-
Aqua Plus Trading	To be investigated	17 250	-
Aqua Plus Trading	To be investigated	25 875	-
EMC Electrical Reticulation	To be investigated	460 000	-
Jorian Construction	To be investigated	7 653 637	-
MZC Associates and Builders	To be investigated	11 627 428	-
LITD Engineering	To be investigated	3 354 554	-
Namakwa General Trading	To be investigated	1 249 800	-
EMC Electrical Reticulation	To be investigated	84 433	-
Lateral Unison	To be investigated	411 469	-
Contour	To be investigated	518 985	-
TGIS	To be investigated	292 464	-
		25 719 595	-
Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.			
48. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT			
48.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)			
Opening balance		2 250 000	1 750 000
Council subscriptions		500 000	500 000
Amount paid - current year		-	-
Amount paid - previous years		-	-
Balance unpaid (included in creditors)		2 750 000	2 250 000
48.2 Audit fees - [MFMA 125 (1)(c)]			
Opening balance		5 511 482	3 958 285
Correction of prior period error			
Restated opening balance		5 511 482	3 958 285
Current year audit fee		3 888 043	3 073 502
External Audit - Auditor-General		3 888 043	3 073 502
Internal Audit		-	-
Audit Committee		-	-
Amount paid - current year		(3 443 040)	(1 520 305)
Amount paid - previous year		-	-
Balance unpaid (included in creditors)		5 956 485	5 511 482
48.3 VAT - [MFMA 125 (1)(c)]			
Opening balance		(183 381)	276 703
Correction of prior period error		-	-
Restated opening balance		(183 381)	276 703
Transfers		2 136 022	1 869 850
Amounts received - previous year		-	(276 703)
Amounts received - current year		(1 586 129)	(2 264 967)
Amount paid - current year		-	211 736
Amount paid - previous year		-	-
Closing balance		366 511	(183 381)
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.			
48.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]			
Opening balance		369 220	356 339
Correction of prior period error		-	-
Restated opening balance		369 220	356 339
Current year payroll deductions		4 693 273	4 499 290
Amount paid - current year		(4 629 211)	(4 486 409)
Amount paid - previous year		(369 221)	(339 071)
Balance unpaid (included in creditors)		433 282	369 220

		2022 R	2021 R
Water distribution losses			
Units purchased (kl)		1 262 803	861 632
Units lost during distribution (kl)		902 394	546 384
Percentage lost during distribution		71.46%	63.41%
Distribution loss (Rand Value)		5 035 359	2 873 980
<i>Normal pipe bursts and field leakages are responsible for water losses.</i>			
48.9 Non-compliance with the Municipal Finance Management Act and other Legislation [MFMA 125 (2)(e)]			
Non-compliance with MFMA Section 126 (1) (a)			
The municipality did not comply with MFMA section 126 (1) (a) as they did not submit their financial statements by the legislated due date.			
Non-compliance with MFMA Section 65 (2) (e)			
Money owing by the municipality was not paid within 30 days of receiving the relevant invoice or statement from the supplier, due to cashflow challenges caused by low revenue collection rates.			
Non-compliance with MFMA Section 9 (b)			
Section 9(b) of the MFMA requires that annually before the start of a financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account should be submitted to the relevant provincial treasury and the Auditor-General in writing. The municipality did not adhere to this section in the current year.			
Non-compliance with MFMA Section 71			
The monthly report for July 2019 was not timeously submitted to provincial treasury.			
Non-compliance with MFMA Section 75 (2)			
The municipality did not update their website with all relevant documentation as required by Section 75(2) of the MFMA.			
Non-compliance with the Municipal systems Act, Section 96 (b)			
A credit control and debt collection policy was not fully implemented, as required by section 96(b) of the MSA.			
49. 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.			
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:			
1% (2021: 1%) Increase in interest rates		43 751	(316)
1% (2021: 1%) Decrease in interest rates		(43 751)	316

(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

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.

	2022 %	2022 R	2021 %	2021 R
<u>Non-exchange Receivables</u>				
Rates	100.00%	-	100.00%	-
<u>Exchange Receivables</u>				
Electricity	2.69%	2 294 507	2.95%	2 164 865
Water	74.59%	63 671 320	75.47%	55 414 682
Property Rentals	0.69%	584 973	0.46%	340 533
Waste Management	10.31%	8 803 315	9.74%	7 150 661
Waste Water Management	10.61%	9 058 333	10.08%	7 399 994
Other	0.24%	203 628	0.28%	203 628
	100.00%	85 366 630	100.00%	73 424 916

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 7 and 8 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:

	2022 %	2022 R	2021 %	2021 R
<u>Non-exchange Receivables</u>				
Rates	8.83%	7 878 413	8.13%	6 176 712
<u>Exchange Receivables</u>				
Services	91.17%	81 360 753	91.87%	69 834 621
	91.17%	89 239 166	91.87%	76 011 333

Ageing of amounts past due but not impaired are as follow:

	Exchange Receivables	Non- exchange Receivables
2022		
1 month past due	1 322 752	116 601
2+ months past due	2 683 125	431 023
	4 005 877	547 624
2021		
1 month past due	1 339 496	104 105
2+ months past due	2 250 799	657 398
	3 590 295	761 503

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 Limited). 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.

	2022 R	2021 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	85 366 630	73 424 916
Receivables from non-exchange transactions	8 814 323	8 531 713
Cash and Cash Equivalents	4 423 355	14 214
	<u>98 604 309</u>	<u>81 970 842</u>

(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.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2022				
Long-term Liabilities	29 946	23 546	-	-
Trade and Other Payables from Exchange Transactions	65 345 322	-	-	-
	<u>65 375 268</u>	<u>23 546</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2021				
Long-term Liabilities	32 982	16 491	-	-
Trade and Other Payables from Exchange Transactions	54 591 107	-	-	-
	<u>54 624 089</u>	<u>16 491</u>	<u>-</u>	<u>-</u>
			2022 R	2021 R

50. FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

50.1 Financial Assets	Classification		
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	2 294 507	2 164 865
Water	Financial Instruments at amortised cost	63 671 320	55 414 682
Property Rentals	Financial Instruments at amortised cost	584 973	340 533
Waste Management	Financial Instruments at amortised cost	8 803 315	7 150 661
Waste Water Management	Financial Instruments at amortised cost	9 058 333	7 399 994
Department of Transport	Financial Instruments at amortised cost	750 554	750 554
Other Arrears	Financial Instruments at amortised cost	203 628	203 628
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	170 749	4 869
Call Deposits	Financial Instruments at amortised cost	4 252 607	9 345
Total Financial Assets		<u>90 540 539</u>	<u>74 189 684</u>

		2022	2021
		R	R
Financial Instruments at amortised cost:			
Receivables from Exchange Transactions	Electricity	2 294 507	2 164 865
Receivables from Exchange Transactions	Water	63 671 320	55 414 682
Receivables from Exchange Transactions	Property Rentals	584 973	340 533
Receivables from Exchange Transactions	Waste Management	8 803 315	7 150 661
Receivables from Exchange Transactions	Waste Water Management	9 058 333	7 399 994
Receivables from Exchange Transactions	Department of Transport	750 554	750 554
Receivables from Exchange Transactions	Other Arrears	203 628	203 628
Cash and Cash Equivalents	Bank Balances	170 749	4 869
Cash and Cash Equivalents	Call Deposits	4 252 607	9 345
		90 540 539	74 189 684
Total Financial Assets		90 540 539	74 189 684
50.2 Financial Liabilities	Classification		
Long-term Liabilities			
Capitalised Lease Liability	Financial Instruments at amortised cost	48 254	45 765
Trade and Other Payables			
Trade Payables	Financial Instruments at amortised cost	58 170 185	47 497 535
Advance Payments	Financial Instruments at amortised cost	258 361	211 143
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	1 073 003	1 002 723
Other Payables	Financial Instruments at amortised cost	422 326	370 423
Retentions	Financial Instruments at amortised cost	-	1 411 096
		59 972 129	50 538 685
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Capitalised Lease Liability	48 254	45 765
Trade and Other Payables	Trade Payables	58 170 185	47 497 535
Trade and Other Payables	Advance Payments	258 361	211 143
Trade and Other Payables	Control, Clearing and Interface Accounts	1 073 003	1 002 723
Trade and Other Payables	Other Payables	422 326	370 423
Trade and Other Payables	Retentions	-	1 411 096
		59 972 129	50 538 685
51. STATUTORY RECEIVABLES			
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:			
Taxes			
VAT Receivable		251 950	(183 381)
Receivables from Non-Exchange Transactions		8 426 036	6 938 215
Rates		8 426 036	6 938 215
Total Statutory Receivables (before provision)		8 677 987	6 754 834
Less: Provision for Debt Impairment		(8 143 982)	(6 442 282)
Total Statutory Receivables (after provision)		534 005	312 553
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)		
Statutory receivables are initially measured at transaction value, and subsequently at cost.			
(Rates): Ageing			
Current (0 - 30 days)		123 168	294 891
31 - 60 Days		116 601	104 105
61 - 90 Days		113 991	98 493
+ 90 Days		8 072 277	6 440 726
Total		8 426 036	6 938 215
Reconciliation of Provision for Debt Impairment			
Balance at beginning of year		6 442 282	5 343 020
Contribution to provision		1 701 700	1 099 261
Reversal of provision		-	-
Balance at end of year		8 143 982	6 442 282

	2022 R	2021 R
<u>Ageing of amounts past due but not impaired:</u>		
1 month past due	116 601	104 105
2+ months past due	431 023	657 398
	547 624	761 503
<u>Interest Received from Statutory Receivables</u>		
Taxes	506 715	364 209
	506 715	364 209
Interest is levied at a rate determined by the council on outstanding rates amounts.		
52. IN-KIND DONATIONS AND ASSISTANCE		
The municipality did not receive any in-kind donations or assistance during the year under review.		
53. PRIVATE PUBLIC PARTNERSHIPS		
Council has not entered into any private public partnerships during the financial year.		
54. PRINCIPAL - AGENT ARRANGEMENTS		
54.1 <u>Principal in other Principal-Agent Arrangements (non-material)</u>		
Khai Ma 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		
Commission	564 426	449 091
Total Compensation	564 426	449 091
There are no resources under the custodianship of the agents, nor have they been recognised as such.		
54.2 <u>Agent in arrangement</u>		
Khai Ma 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	-	31 085
Total Compensation received	-	31 085
Khai-Ma Municipality was paid 12% commission by the Provincial Departement of Transport for acting as an agent on its behalf during the financial year.		
55. CONTINGENT LIABILITY		
The Municipality has the following claims against them in terms of the Fencing Act:		
AMJ Roux	135 000	135 000
The municipality offered a settlement to Mr AMJ Roux, but Mr AMJ Roux rejected the settlement. The case is still pending.		
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									
				Rates	Service Charges	Other	Interest	Outstanding Balance	Travelling
Year ended 30 June 2022									
Councillors									
	BJ Bock			435	11 177	-	4 063	85 683	8 030
	SS Brandt			6 024	15 090	-	725	14 222	5 627
	OE Adams			-	5 568	-	797	13 983	11 629
	C Waterboer			-	-	-	-	-	6 883
	E Mowers			-	-	-	-	-	71 687
	EP Cloete			-	-	-	-	-	8 856
	H Nel			-	-	-	-	-	12 785
				6 458	31 835	-	5 586	113 888	125 497
Municipal Manager and Senior Management									
	OJ Isaacs			-	-	-	-	-	141 989
	PJ van der Merwe			7 141.50	11 485.37	-	-	11	-
	J.J. Liebenberg			-	-	-	-	-	29 841
	H. Christians			-	5 869.49	-	-	116	66 504
				7 142	17 355	-	-	127	238 334
Year ended 30 June 2021				Rates	Service Charges	Other	Interest	Outstanding Balance	Travelling
Councillors									
	SS Brandt			5 708	12 184	-	758	14 283	-
	AA van Wyk			71	9 709	-	598	14 876	-
	S April			412	10 524	-	2	1 733	-
	PA van Heerden			-	7 964	-	5	(3 166)	66 599
	B Josop			-	8 528	-	382	11 368	1 383
	EP Cloete			-	-	-	-	-	5 976
				6 191	48 909	-	1 745	39 094	73 958
Municipal Manager and Senior Management									
	OJ Isaacs			-	-	-	-	-	52 787
	PJ van der Merwe			6 767	11 761	-	16	4 471	-
	J.J. Liebenberg			-	-	-	-	-	4 318
	H. Christians			-	-	-	-	-	43 240
				6 767	11 761	-	16	4 471	100 344
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.									
56.2 Related Party Loans									
Since 1 July 2004 loans to councillors and senior management employees are not permitted.									
56.3 Compensation of key management personnel									
The compensation of key management personnel is set out in note 30 to the Annual Financial Statements.									
56.4 Current Employee Benefits									
The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2022:									
	Name		Position			Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid	
	O.J. Isaacs		Municipal Manager			160 897	-	141 898	
	P.J. van der Merwe		Chief Financial Officer			114 181	-	-	
	H. Christians		Head: Technical Services			145 081	-	66 504	
	J.J. Liebenberg		Head: Corporate Services			156 492	-	297 841	
						576 651	-	506 243	

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2021:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
O.J. Isaacs	Municipal Manager	-	-	52 787
P.J. van der Merwe	Chief Financial Officer	-	35 824	-
H. Christians	Head: Technical Services	-	-	4 318
J.J. Liebenberg	Head: Corporate Services	-	-	43 240
		-	35 824	100 344

57. 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 significant 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 Khai-Ma communities resulted in a serous risk for Khai-Ma Municipality's going concern.

Unless sustainable job creation is achieved, Khai-Ma Municipality will not be able to function as a going concern without Government Grants and Subsidies.

The municipality is experiencing difficulty to settle its current liabilities as its net current asset position is insufficient. The current liabilities exceeds the current assets with R71 846 619 (2021: R62 531 248).

The municipality have budgeted for a operating deficit of R11 024 643 for the 2022/2023 financial year, and R11 895 215 and R12 912 850 for the 2023/2024 and 2023/2025 years respectively. The municipality has also budgeting for positive cash flows of R2 439 598 and R2 378 918 for 2022/2023 and 2024/2025 respectively. The municipality budgeted for a negative cash flow of R746 449 for the 2023/2024 financial year.

The National Treasury assisted the municipality with R2 493 651 (2021: R1 322 004) to repay outstanding audit fees.

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

58. EVENTS AFTER REPORTING PERIOD

Covid-19

Within the municipal space, the effects of COVID-19 is likely to be a current period event which will require ongoing evaluation to determine the extent to which developments after the reporting date, should be recognised in the current reporting period.

No events after the reporting date were identified by management that will effect the operations of the municipality or the results of those operations significantly.

59. 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.

Chapter 5

60 REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 - Municipal Manager	1.1 - Council and General	Aggregated	Governance and Administration	Supporting service departments
	1.2 - Municipal Manager	Aggregated	Governance and Administration	Supporting service departments
Vote 2 - Finance	2.1 - Assessment Rates	Aggregated	Governance and Administration	Supporting service departments
	2.2 - Chief Financial Officer	Aggregated	Governance and Administration	Supporting service departments
	2.3 - Internal Auditor	Aggregated	Governance and Administration	Supporting service departments
	2.4 - Other Subsidies	Aggregated	Governance and Administration	Supporting service departments
	2.5 - Property Services	Aggregated	Governance and Administration	Supporting service departments
	2.6 - Vehicle Licencing and Testing	Aggregated	Governance and Administration	Supporting service departments
	3.1 - Cemetery	Aggregated	Governance and Administration	Supporting service departments
Vote 3 - Corporate Services	3.2 - Corporate Services	Aggregated	Governance and Administration	Supporting service departments
	3.3 - Disaster Management	Aggregated	Governance and Administration	Supporting service departments
	3.4 - Health	Aggregated	Governance and Administration	Supporting service departments
	3.5 - Library	Aggregated	Governance and Administration	Supporting service departments
	3.6 - Municipal and Public Buildings	Aggregated	Governance and Administration	Supporting service departments
	3.7 - Fleet Management	Aggregated	Governance and Administration	Supporting service departments
	3.8 - Traffic	Aggregated	Governance and Administration	Supporting service departments
	4.1 - Electricity	Aggregated	Technical Services	Water management, Electricity services and waste water management. Recreation centers.
Vote 4 - Infrastructure Development	4.2 - Parks and Recreation	Aggregated	Technical Services	
	4.3 - Refuse	Aggregated	Technical Services	
	4.4 - Roads	Aggregated	Technical Services	
	4.5 - Sewerage	Aggregated	Technical Services	
	4.6 - Media	Aggregated	Technical Services	
	4.7 - Water	Aggregated	Technical Services	
Vote 5 - Economic Development	5.1 - Housing	Aggregated	Governance and Administration	Supporting service departments
	5.2 - IDP/LED	Aggregated	Governance and Administration	Supporting service departments
	5.3 - Tourism	Aggregated	Other	Tourism
	5.4 - Town Planning	Individually Reported	Town Planning	Building plans

SECONDARY SEGMENTS

Mascoa 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, Community halls rentals and recreation centers
	Sport and recreation	Aggregated	Community and public safety	Supporting service departments
	Public safety	Aggregated	Governance and Administration	Supporting service departments
	Health services	Aggregated	Governance and Administration	Supporting service departments
	Housing services	Aggregated	Governance and Administration	Supporting service departments
	Planning and development	Individually Reported	Economic and environmental services	Building plans
• Economic and environmental services	Road transport	Aggregated	Governance and Administration	Supporting service departments
	Environmental protection services	Aggregated	Governance and Administration	Supporting service departments
	Energy sources	Individually Reported	Energy sources	Electricity services
• Trading 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 service
	Abattoirs	Aggregated	Governance and Administration	Supporting service departments
• Other	Air Transport	Aggregated	Other	Airfield Rental
	Forestry	Aggregated	Governance and Administration	Supporting service departments
	Licensing and Regulation	Aggregated	Other	Licensing
	Markets	Aggregated	Governance and Administration	Supporting service departments
	Tourism	Aggregated	Other	Tourism

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).

Khai-Ma Municipality has the following wards situated in different geographical areas:

Ward 1 - Onseepkans, R.K.Sending, Melkbosrand and Viljoensdraai

Ward 2 - Blyvooruitsig

Ward 3 - Pella

Ward 4 - Pofadder, Aggeneys and Witbank

Management does monitor performance geographically but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

KHAi-MA MUNICIPALITY						
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022						
	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services	Other	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	1 453 888	-	43 987	24 471 988	-	25 969 862
Service Charges - Electricity Revenue	-	-	-	10 285 043	-	10 285 043
Service Charges - Water Revenue	-	-	-	6 390 685	-	6 390 685
Service Charges - Sanitation Revenue	-	-	-	1 842 987	-	1 842 987
Service Charges - Refuse Revenue	-	-	-	1 740 746	-	1 740 746
Rental of Facilities and Equipment	389 791	-	-	-	-	389 791
Interest Earned - External Investments	214 102	-	-	-	-	214 102
Interest Earned - Outstanding Debtors	506 715	-	-	4 207 467	-	4 714 181
Licences and Permits	-	-	40 289	-	-	40 289
Other Revenue	343 280	-	3 698	5 059	-	352 038
External revenue from non-exchange transactions	36 153 090	1 100 000	23 850	1 516 515	-	38 793 455
Property Rates	9 614 005	-	-	-	-	9 614 005
Fines	-	-	23 850	-	-	23 850
Licences and Permits	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-
Transfers Recognised - Operational	26 539 085	1 100 000	-	1 516 515	-	29 155 600
Gains on Disposal of PPE	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
Revenue from transactions with other segments	1 220 461	(191 988)	(355 349)	(673 124)	-	(0)
Internal Revenue	1 220 461	(191 988)	(355 349)	(673 124)	-	(0)
contributions)	38 827 439	908 012	(287 512)	25 315 379	-	64 763 317
SEGMENT EXPENDITURE						
Employee Related Costs	16 159 104	1 990 626	1 661 650	8 159 380	-	27 970 760
Remuneration of Councillors	3 722 007	-	-	-	-	3 722 007
Debt Impairment	1 701 700	-	-	10 022 724	-	11 724 424
Depreciation and Asset Impairment	850 536	1 308 528	766 017	2 264 249	-	5 189 330
Finance Charges	1 156 335	189	-	3 621 325	-	4 777 849
Bulk Purchases	-	-	-	11 374 104	-	11 374 104
Other Materials	156 189	18 016	86 871	1 116 493	-	1 377 567
Contracted Services	1 792 671	41 738	9 565	336 654	-	2 180 628
Transfers and Grants	-	-	-	-	-	-
Other Expenditure	3 970 752	49 349	149 192	3 783 047	-	7 952 339
Gains/(Loss) on Sale of Fixed Assets	51 910	-	-	-	-	51 910
Water Losses	-	-	-	5 035 359	-	5 035 359
Total Segment Expenditure	29 561 203	3 408 445	2 673 294	45 713 334	-	81 356 277
Surplus/(Deficit)	9 266 235	(2 500 434)	(2 960 806)	(20 397 955)	-	(16 592 960)
Transfers Recognised - Capital	-	-	-	13 798 519	-	13 798 519
Contributions Recognised - Capital	-	-	-	-	-	-
Contributed Assets	4 200 000	-	-	-	-	4 200 000

Surplus/(Deficit) after Capital Transfers & Contributions	13 466 235	(2 500 434)	(2 960 806)	(6 599 437)	-	1 405 559
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	13 466 235	(2 500 434)	(2 960 806)	(6 599 437)	-	1 405 559
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	13 466 235	(2 500 434)	(2 960 806)	(6 599 437)	-	1 405 559
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	13 466 235	(2 500 434)	(2 960 806)	(6 599 437)	-	1 405 559

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services	Other	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	182 198 079.89	182 198 079.89
Segment liabilities	-	-	-	-	121 564 886.04	121 564 886.04
Additions to non-current assets	5 169 561.62	-	-	13 054 086.29	-	18 223 647.91
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-
Impairment losses recognised in Suplus/(Deficit)	-	-	-	-	-	-
Reversal of Impairment losses recognised in Suplus/(Deficit)	-	-	-	-	-	-
Segment assets materially impaired	-	-	-	-	-	-
Cash flows from operating activities	-	-	-	-	18 944 447.80	18 944 447.80
Cash flows from investing activities	-	-	-	-	-14 503 040.46	-14 503 040.46
Cash flows from financing activities	-	-	-	-	-32 260.17	-32 260.17

KHAI-MA MUNICIPALITY										
SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022										
		Trading services								
Community and public safety	Economic and environmental services	Energy Sources	Water Management	Waste water management	Waste management services	Other	Governance and Administration	Unallocated	Total	
R	R	R				R	R	R	R	
SEGMENT REVENUE										
External revenue from exchange transactions	-	43 987	10 389 059	9 581 367	2 307 918	2 193 644	-	1 110 607	-	25 626 582
Service Charges - Electricity Revenue	-	-	10 285 043	-	-	-	-	-	-	10 285 043
Service Charges - Water Revenue	-	-	-	6 390 685	-	-	-	-	-	6 390 685
Service Charges - Sanitation Revenue	-	-	-	-	1 842 987	-	-	-	-	1 842 987
Service Charges - Refuse Revenue	-	-	-	-	-	1 740 746	-	-	-	1 740 746
Rental of Facilities and Equipment	-	-	-	-	-	-	389 791	-	-	389 791
Interest Earned - External Investments	-	-	-	-	-	-	214 102	-	-	214 102
Interest Earned - Outstanding Debtors	-	-	98 956	3 190 681	464 930	452 899	-	506 715	-	4 714 181
Licences and Permits	-	40 289	-	-	-	-	-	-	-	40 289
Other Revenue	-	3 698	5 059	-	-	-	-	-	-	8 758
External revenue from non-exchange transactions	1 100 000	23 850	-	1 516 515	-	-	36 496 370	-	-	39 136 735
Property Rates	-	-	-	-	-	-	9 614 005	-	-	9 614 005
Fines	-	23 850	-	-	-	-	-	-	-	23 850
Licences and Permits	-	-	-	-	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-	-	-	-	-
Transfers Recognised - Operational	1 100 000	-	-	1 516 515	-	-	26 539 085	-	-	29 155 600
Other Revenue	-	-	-	-	-	-	343 280	-	-	343 280
Gains on Disposal of PPE	-	-	-	-	-	-	-	-	-	-
Revenue from transactions with other segments	(191 988)	(355 349)	423 622	(27 712)	(817 485)	(251 550)	-	1 220 461	-	(0)
Internal Revenue	(191 988)	(355 349)	423 622	(27 712)	(817 485)	(251 550)	-	1 220 461	-	(0)

contributions)	908 012	(287 512)	10 812 681	11 070 171	1 490 433	1 942 095	-	38 827 439	-	64 763 317
SEGMENT EXPENDITURE										
Employee Related Costs	1 990 626	1 661 650	980 401	3 531 292	1 826 322	1 821 365	-	16 159 104	-	27 970 760
Remuneration of Councillors	-	-	-	-	-	-	-	3 722 007	-	3 722 007
Debt Impairment	-	-	900 000	8 566 200	290 219	266 305	-	1 701 700	-	11 724 424
Depreciation and Asset Impairment	1 308 528	766 017	186 721	1 201 097	183 378	693 054	-	850 536	-	5 189 330
Finance Charges	189	-	1 138 792	6 449	-	2 476 084	-	1 156 335	-	4 777 849
Bulk Purchases	-	-	11 654 098	4 755 365	-	-	-	-	-	16 409 463
Other Materials	18 016	86 871	104 646	931 827	-	80 020	-	156 189	-	1 377 567
Contracted Services	41 738	9 565	70 229	266 425	-	-	-	1 792 671	-	2 180 628
Transfers and Grants	-	-	-	-	-	-	-	-	-	-
Other Expenditure	49 349	149 192	1 591 971	1 623 033	315 416	252 627	-	3 970 752	-	7 952 339
Loss on Disposal of PPE	-	-	-	-	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	3 408 445	2 673 294	16 626 857	20 881 687	2 615 335	5 589 455	-	29 509 293	-	81 304 367
Surplus/(Deficit)	(2 500 434)	(2 960 806)	(5 814 176)	(9 811 516)	(1 124 903)	(3 647 360)	-	9 318 146	(16 541 050)	
Transfers Recognised - Capital	-	-	500 000	13 298 519	-	-	-	-	-	13 798 519
Contributions Recognised - Capital	-	-	-	-	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-	-	4 200 000	-	4 200 000
Surplus/(Deficit) after Capital Transfers & Contributions	(2 500 434)	(2 960 806)	(5 314 176)	3 487 002	(1 124 903)	(3 647 360)	-	13 518 146	-	1 457 469
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(2 500 434)	(2 960 806)	(5 314 176)	3 487 002	(1 124 903)	(3 647 360)	-	13 518 146	-	1 457 469
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(2 500 434)	(2 960 806)	(5 314 176)	3 487 002	(1 124 903)	(3 647 360)	-	13 518 146	-	1 457 469
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2 500 434)	(2 960 806)	(5 314 176)	3 487 002	(1 124 903)	(3 647 360)	-	13 518 146	-	1 457 469

	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	R	R	R
OTHER INFORMATION										
Segment Assets	-	-	-	-	-	-	-	-	182 198 079.89	182 198 079.89
Segment liabilities	-	-	-	-	-	-	-	-	121 564 886.04	121 564 886.04
Additions to non-current assets	-	-	512 163.07	13 052 944.22	-	-	-	5 169 561.62	-	18 734 668.91
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in Suplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
Reversal of Impairment losses recognised in Suplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
Segment assets materially impaired	-	-	-	-	-	-	-	-	-	-
Cash flows from operating activities	-	-	-	-	-	-	-	-	18 944 447.80	18 944 447.80
Cash flows from investing activities	-	-	-	-	-	-	-	-	-14 503 040.46	-14 503 040.46
Cash flows from financing activities	-	-	-	-	-	-	-	-	-32 260.17	-32 260.17

Reconciliation of Segment Revenue to Total Revenue as per the Annual Financial Statements for the year ended 30 June 2022

Total Segment Revenue (including capital transfers and contributions)	82 761 835.81
Total Revenue as per Statement of Financial Performance	82 761 835.81

Difference -

Reconciling items

<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-

Reconciliation of Segment Expenses to Total Expenses as per the Annual Financial Statements for the year ended 30 June 2022

Total Segment Expenditure	81 356 277.17
Total Expenditure as per Statement of Financial Performance	81 356 277.17

Difference -

Reconciling items

<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-

Reconciliation of the Statement of Financial Performance as at 30 June 2022 as per the Annual Financial Statements vs the Surplus of the Segment report

Surplus/(Deficit) for the year as per Segments	1 405 558.64
Surplus/(Deficit) for the year as per Statement of Financial Performance	1 405 558.64

Difference - as explained above -

See the explanations for differences above under Revenue and Expenses.

Reconciliation of Segment Assets to Total Assets as per the Annual Financial Statements for the year ended 30 June 2022

Total Segment Assets	182 198 079.89
Total Assets as per Statement of Financial Position	182 198 079.89

Difference -

Reconciling items

<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-

Reconciliation of Segment Liabilities to Total Liabilities as per the Annual Financial Statements for the year ended 30 June 2022

Total Segment Liabilities	121 564 886.04
Total Liabilities as per Statement of Financial Position	121 564 886.04

Difference -

Reconciling items

<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-

KHAI-MA MUNICIPALITY
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services	Other	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	2 969 477	-	39 745	21 860 259	-	24 869 481
Service Charges - Electricity Revenue	-	-	-	8 436 254	-	8 436 254
Service Charges - Water Revenue	-	-	-	6 843 401	-	6 843 401
Service Charges - Sanitation Revenue	-	-	-	1 671 589	-	1 671 589
Service Charges - Refuse Revenue	-	-	-	1 587 517	-	1 587 517
Rental of Facilities and Equipment	252 445	-	-	-	-	252 445
Interest Earned - External Investments	47 087	-	-	-	-	47 087
Interest Earned - Outstanding Debtors	364 209	-	-	3 311 773	-	3 675 981
Licences and Permits	-	-	36 857	-	-	36 857
Other Revenue	2 305 736	-	2 888	9 724	-	2 318 348
External revenue from non-exchange transactions	34 300 822	1 054 214	59 235	2 021 918	-	37 436 189
Property Rates	9 108 660	-	-	-	-	9 108 660
Fines	-	-	28 150	-	-	28 150
Licences and Permits	-	-	-	-	-	-
Agency Services	-	-	31 085	-	-	31 085
Transfers Recognised - Operational	25 192 162	1 054 214	-	2 021 918	-	28 268 294
Other Revenue	-	-	-	-	-	-
Gains on Disposal of PPE	-	-	-	-	-	-
Revenue from transactions with other segments	904 834	(183 005)	(309 207)	(412 622)	-	(0)
Internal Revenue	904 834	(183 005)	(309 207)	(412 622)	-	(0)
contributions)	38 175 133	871 208	(210 227)	23 469 555	-	62 305 670
SEGMENT EXPENDITURE						
Employee Related Costs	16 207 912	1 938 307	1 538 038	7 788 050	-	27 472 308
Remuneration of Councillors	2 534 604	-	-	-	-	2 534 604
Debt Impairment	1 099 261	-	-	9 602 224	-	10 701 485
Depreciation and Asset Impairment	822 417	1 309 227	729 903	3 297 109	-	6 158 657
Finance Charges	1 059 540	-	-	2 336 209	-	3 395 749
Bulk Purchases	-	-	-	13 898 685	-	13 898 685
Other Materials	164 310	11 072	-	1 186 057	-	1 361 438
Contracted Services	1 473 934	31 937	25 000	308 715	-	1 839 586
Transfers and Grants	-	-	-	-	-	-
Other Expenditure	3 845 805	37 366	126 636	3 686 102	-	7 695 908
Gains/(Loss) on Sale of Fixed Assets	124 899	-	-	-	-	124 899
Internal charges	-	-	-	-	-	-
Total Segment Expenditure	27 332 683	3 327 909	2 419 577	42 103 151	-	75 183 319
Surplus/(Deficit)	10 842 451	(2 456 701)	(2 629 804)	(18 633 596)	-	(12 877 649)
Transfers Recognised - Capital	-	-	-	7 209 991	-	7 209 991
Contributions Recognised - Capital	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	10 842 451	(2 456 701)	(2 629 804)	(11 423 605)	-	(5 667 659)
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	10 842 451	(2 456 701)	(2 629 804)	(11 423 605)	-	(5 667 659)
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	10 842 451	(2 456 701)	(2 629 804)	(11 423 605)	-	(5 667 659)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	10 842 451	(2 456 701)	(2 629 804)	(11 423 605)	-	(5 667 659)

	Governance and Administration	Community and Public Safety	Technical Services	Town Planning	Unallocated	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	163 132 785.43	163 132 785.43
Segment liabilities	-	-	-	-	103 905 150.22	103 905 150.22
Additions to non-current assets	12 656.67	-	9 388 898.53	-	-	9 401 555.20
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-
Impairment losses recognised in Suplus/(Deficit)	-	-	-	-	-	-
Reversal of Impairment losses recognised in Suplus/(Deficit)	-	-	-	-	-	-
Segment assets materially impaired	-	-	-	-	-	-
Cash flows from operating activities	-	-	-	-	8 237 106.10	8 237 106.10
Cash flows from investing activities	-	-	-	-	-9 490 442.60	-9 490 442.60
Cash flows from financing activities	-	-	-	-	-26 924.90	-26 924.90

KHAI-MA MUNICIPALITY										
SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021										
		Trading services								Total
Community and public safety	Economic and environmental services	Energy Sources	Water Management	Waste water management	Waste management services	Other	Governance and Administration	Unallocated		
R	R	R				R	R	R	R	
SEGMENT REVENUE										
External revenue from exchange transactions	-	39 745	8 511 146	9 407 838	2 018 758	1 922 517	-	2 868 445	-	24 768 450
Service Charges - Electricity Revenue	-	-	8 436 254	-	-	-	-	-	-	8 436 254
Service Charges - Water Revenue	-	-	-	6 843 401	-	-	-	-	-	6 843 401
Service Charges - Sanitation Revenue	-	-	-	-	1 671 589	-	-	-	-	1 671 589
Service Charges - Refuse Revenue	-	-	-	-	-	1 587 517	-	-	-	1 587 517
Rental of Facilities and Equipment	-	-	-	-	-	-	-	252 445	-	252 445
Interest Earned - External Investments	-	-	-	-	-	-	-	47 087	-	47 087
Interest Earned - Outstanding Debtors	-	-	65 167	2 564 437	347 169	335 000	-	364 209	-	3 675 981
Licences and Permits	-	36 857	-	-	-	-	-	-	-	36 857
Other Revenue	-	2 888	9 724	-	-	-	-	2 204 705	-	2 217 317
External revenue from non-exchange transactions	1 054 214	59 235	-	1 141 204	880 715	-	-	34 401 854	-	37 537 221
Property Rates	-	-	-	-	-	-	-	9 108 660	-	9 108 660
Fines	-	28 150	-	-	-	-	-	-	-	28 150
Licences and Permits	-	-	-	-	-	-	-	-	-	-
Agency Services	-	31 085	-	-	-	-	-	-	-	31 085
Transfers Recognised - Operational	1 054 214	-	-	1 141 204	880 715	-	-	25 192 162	-	28 268 294
Other Revenue	-	-	-	-	-	-	-	101 032	-	101 032
Gains on Disposal of PPE	-	-	-	-	-	-	-	-	-	-
Revenue from transactions with other segments	(183 005)	(309 207)	411 957	604	(636 292)	(188 891)	-	904 834	-	-
Internal Revenue	(183 005)	(309 207)	411 957	604	(636 292)	(188 891)	-	904 834	-	-
contributions)	871 208	(210 227)	8 923 103	10 549 646	2 263 180	1 733 626	-	38 175 133	-	62 305 670

SEGMENT EXPENDITURE

Employee Related Costs	1 951 640	1 538 038	935 387	3 435 668	1 725 050	1 691 945	-	16 194 579	-	27 472 308
Remuneration of Councillors	-	-	-	-	-	-	-	2 534 604	-	2 534 604
Debt Impairment	-	-	780 000	7 618 768	277 456	926 000	-	1 099 261	-	10 701 485
Depreciation and Asset Impairment	1 309 227	729 903	180 818	1 040 970	183 378	1 891 943	-	822 417	-	6 158 657
Finance Charges	-	-	485 253	-	-	1 850 957	-	1 059 540	-	3 395 749
Bulk Purchases	-	-	9 451 292	4 447 393	-	-	-	-	-	13 898 685
Other Materials	11 072	-	94 657	182 673	883 770	24 957	-	164 310	-	1 361 438
Contracted Services	31 937	25 000	51 423	41 435	-	18 774	-	1 671 018	-	1 839 586
Transfers and Grants	-	-	-	-	-	-	-	-	-	-
Other Expenditure	37 366	126 636	1 097 615	2 153 797	254 921	179 769	-	3 845 805	-	7 695 908
Gains/(Loss) on Sale of Fixed Assets	-	-	-	-	-	-	-	124 899	-	124 899
Internal charges	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	3 341 242	2 419 577	13 076 445	18 920 703	3 324 575	6 584 344	-	27 516 433	-	75 183 319
Surplus/(Deficit)	(2 470 034)	(2 629 804)	(4 153 342)	(8 371 057)	(1 061 394)	(4 850 719)	-	10 658 700	-	(12 877 649)
Transfers Recognised - Capital	-	-	-	7 209 991	-	-	-	-	-	7 209 991
Contributions Recognised - Capital	-	-	-	-	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	(2 470 034)	(2 629 804)	(4 153 342)	(1 161 067)	(1 061 394)	(4 850 719)	-	10 658 700	-	(5 667 659)
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(2 470 034)	(2 629 804)	(4 153 342)	(1 161 067)	(1 061 394)	(4 850 719)	-	10 658 700	-	(5 667 659)
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(2 470 034)	(2 629 804)	(4 153 342)	(1 161 067)	(1 061 394)	(4 850 719)	-	10 658 700	-	(5 667 659)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2 470 034)	(2 629 804)	(4 153 342)	(1 161 067)	(1 061 394)	(4 850 719)	-	10 658 700	-	(5 667 659)

	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	R	R	R
OTHER INFORMATION										
Segment Assets	-	-	-	-	-	-	-	-	163 132 785.43	163 132 785.43
Segment liabilities	-	-	-	-	-	-	-	-	103 905 150.22	103 905 150.22
Additions to non-current assets	-	-	342 217.73	9 064 386.32	-	362 574.50	-380 280.02	12 656.67	-	9 401 555.20
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in Suplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
Reversal of Impairment losses recognised in Suplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
Segment assets materially impaired	-	-	-	-	-	-	-	-	-	-
Cash flows from operating activities	-	-	-	-	-	-	-	-	8 237 106.10	8 237 106.10
Cash flows from investing activities	-	-	-	-	-	-	-	-	-9 490 442.60	-9 490 442.60
Cash flows from financing activities	-	-	-	-	-	-	-	-	-26 924.90	-26 924.90

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)	69 515 660.58
Total Revenue as per Statement of Financial Performance	69 515 660.58
Difference	-
Reconciling items	
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-

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

Total Segment Expenditure	75 183 319.31
Total Expenditure as per Statement of Financial Performance	75 183 319.31

Difference	-
-------------------	----------

Reconciling items

<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-

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/(Deficit) for the year as per Segments	-5 667 658.73
Surplus/(Deficit) for the year as per Statement of Financial Performance	-5 667 658.73

Difference - as explained above	-
--	----------

See the explanations for differences above under Revenue and Expenses.

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

Total Segment Assets	163 132 785.43
Total Assets as per Statement of Financial Position	163 132 785.43

Difference	-
-------------------	----------

Reconciling items

<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-

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

Total Segment Liabilities	103 905 150.22
Total Liabilities as per Statement of Financial Position	103 905 150.22

Difference	-
-------------------	----------

Reconciling items

<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-
<i>Insert reconciling item details</i>	-

APPENDIX A
KHAI-MA MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2022

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2021	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2022
LEASE LIABILITY								
Office Equipment	10.000%	Various	31/12/2022	45 765	-	34 749	(32 260)	48 254
Total Lease Liabilities				45 765	-	34 749	(32 260)	48 254
TOTAL EXTERNAL LOANS				45 765	-	34 749	(32 260)	48 254

Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
-	-
-	-
-	-

Chapter 5

APPENDIX B						
KHAJ-MA MUNICIPALITY						
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022						
GENERAL FINANCE STATISTIC CLASSIFICATIONS						
2021 Actual Income R	2021 Actual Expenditure R	2021 Surplus/ (Deficit) R		2022 Actual Income R	2022 Actual Expenditure R	2022 Surplus/ (Deficit) R
			Governance and Administration			
21 805 810	(7 189 788)	14 616 022	Executive and council	26 406 047	(8 994 593)	17 411 454
15 308 680	(20 023 339)	(4 714 659)	Finance and administration	16 621 391	(20 566 610)	(3 945 219)
-	-	-	Internal audit	-	-	-
			Community and Public Safety			
978 105	(3 081 541)	(2 103 437)	Community and social services	1 003 636	(3 146 158)	(2 142 522)
(106 896)	(246 368)	(353 264)	Sport and recreation	(95 624)	(262 287)	(357 911)
-	-	-	Public safety	-	-	-
-	-	-	Housing	-	-	-
-	-	-	Health	-	-	-
			Economic and Environmental Services			
-	(1 022 245)	(1 022 245)	Planning and development	-	(1 089 229)	(1 089 229)
(210 227)	(1 397 332)	(1 607 559)	Road transport	(287 512)	(1 584 066)	(1 871 578)
-	-	-	Environmental protection	-	-	-
			Trading Services			
8 923 103	(13 076 445)	(4 153 342)	Energy sources	11 312 681	(16 626 857)	(5 314 176)
17 759 636	(18 599 152)	(839 516)	Water management	24 368 689	(20 881 687)	3 487 002
2 263 180	(3 324 575)	(1 061 394)	Waste water management	1 490 433	(2 615 335)	(1 124 903)
1 733 626	(6 161 891)	(4 428 266)	Waste management	1 942 095	(5 589 455)	(3 647 360)
-	-	-	Other	-	-	-
68 455 018	(74 122 676)	(5 667 659)	Sub Total	82 761 836	(81 356 277)	1 405 559
-	-	-	Less Inter-Departmental Charges	-	-	-
68 455 018	(74 122 676)	(5 667 659)	Total	82 761 836	(81 356 277)	1 405 559

Chapter 5

APPENDIX C						
KHAI-MA MUNICIPALITY						
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022						
MUNICIPAL VOTES CLASSIFICATIONS						
2021 Actual Income R	2021 Actual Expenditure R	2021 Surplus/ (Deficit) R		2022 Actual Income R	2022 Actual Expenditure R	2022 Surplus/ (Deficit) R
			Municipal Manager			
1 614 000	(3 542 791)	(1 928 791)	Council and General	5 879 000	(5 111 722)	767 278
20 191 810	(3 646 997)	16 544 813	Municipal Manager	20 527 047	(3 882 871)	16 644 176
			Finance			
4 246 242	(7 002 567)	(2 756 325)	Chief Financial Officer	4 333 037	(7 515 240)	(3 182 202)
9 472 869	(1 117 753)	8 355 116	Assessment Rates	10 120 720	(1 701 700)	8 419 020
-	-	-	Internal Auditor	-	-	-
-	(664 066)	(664 066)	Other Subsidies	-	(512 704)	(512 704)
248 936	(18 205)	230 731	Property Services	392 786	(8 811)	383 975
98 980	(36 564)	62 416	Vehicle Licencing and Testing	67 837	(29 746)	38 091
			Corporate Services			
(65 947)	(164 894)	(230 841)	Cemetery	(85 301)	(131 583)	(216 884)
435 799	(9 912 516)	(9 476 717)	Corporate Services	554 387	(9 072 956)	(8 518 569)
-	(41 662)	(41 662)	Disaster Management	-	(44 033)	(44 033)
-	-	-	Health	-	-	-
1 054 214	(2 869 283)	(1 815 069)	Library	1 100 000	(2 932 664)	(1 832 664)
(194 275)	(213 846)	(408 122)	Municipal and Public Buildings	(201 220)	(184 713)	(385 933)
1 099 109	(1 758 453)	(659 343)	Public Works	1 421 681	(2 083 190)	(661 509)
-	-	-	Fleet Management	-	-	-
-	-	-	Traffic	-	-	-
			Infrastructure Development			
8 923 103	(12 412 380)	(3 489 276)	Electricity	11 312 681	(16 114 153)	(4 801 472)
(106 896)	(246 368)	(353 264)	Parks and Recreation	(95 624)	(262 287)	(357 911)
1 733 626	(6 161 891)	(4 428 266)	Refuse	1 942 095	(5 589 455)	(3 647 360)
(309 207)	(1 360 769)	(1 669 975)	Roads	(355 349)	(1 554 320)	(1 909 669)
2 263 180	(3 324 575)	(1 061 394)	Sewerage	1 490 433	(2 615 335)	(1 124 903)
(10 162)	(5 702)	(15 865)	Television	(11 064)	(37 878)	(48 942)
-	-	-	Media	-	-	-
17 759 636	(18 599 152)	(839 516)	Water	24 368 689	(20 881 687)	3 487 002
			Economic Development			
-	-	-	Housing	-	-	-
-	(1 022 245)	(1 022 245)	IDP/LED	-	(1 089 229)	(1 089 229)
-	-	-	Tourism	-	-	-
-	-	-	Town Planning	-	-	-
68 455 018	(74 122 676)	(5 667 659)	Sub Total	82 761 836	(81 356 277)	1 405 559
-	-	-	Less Inter-Departmental Charges	-	-	-
68 455 018	(74 122 676)	(5 667 659)	Total	82 761 836	(81 356 277)	1 405 559

Chapter 5

APPENDIX D

KHAI-MA MUNICIPALITY

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, INTANGIBLE ASSETS, BIOLOGICAL ASSETS AND HERITAGE ASSETS AS AT 30 JUNE 2022

GENERAL FINANCE STATISTICS CLASSIFICATION

	Cost/Revaluation						Accumulated Depreciation					Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Disposals/ Impairment	Closing Balance	
Executive and council	3 702 619	197 828	5 230 893	-	(268 804)	8 862 536	2 244 420	37 459	393 133	(222 893)	2 452 119	6 410 417
Finance and administration	80 311 787	-	-	-	(907 580)	79 404 207	13 768 620	-	1 235 983	(907 580)	14 097 022	65 307 185
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services	3 384 841	-	-	-	(26 911)	3 357 930	748 618	-	177 895	(22 637)	903 876	2 454 055
Sport and recreation	11 248 463	-	-	-	(1 075)	11 247 388	3 841 657	-	483 907	(1 075)	4 324 489	6 922 899
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	22 514 409	-	-	-	(34 513)	22 479 896	12 368 465	-	597 648	(32 788)	12 933 325	9 546 570
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources	-	-	-	-	-	-	-	-	-	-	-	-
Water management	57 079 001	(197 083)	13 052 944	-	-	69 934 862	14 013 738	-	1 234 859	-	15 248 597	54 686 265
Waste water management	10 236 241	-	-	-	(17 501)	10 218 740	5 799 301	-	185 227	(17 501)	5 967 026	4 251 714
Waste management	18 448 510	485 985	(511 021)	-	(3 509)	18 419 966	13 775 775	-	693 522	(3 509)	14 465 788	3 954 178
Electricity	12 655 003	-	512 163	-	(3 072)	13 164 095	5 765 409	-	187 156	(3 072)	5 949 493	7 214 601
	219 580 875	486 730	18 284 980	-	(1 262 965)	237 089 620	72 326 002	37 459	5 189 330	(1 211 054)	76 341 736	160 747 884

APPENDIX E
KHAI-MA MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2021	Correction of Error	Restated Balance 30 June 2021	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	Vat transferred to revenue	Retention	Balance 30 June 2022	Unspent 30 June 2022 (Creditor)	Unpaid 30 June 2022 (Debtor)
National Government Grants													
Equitable Share	1 050 000	-	1 050 000	21 156 047	-	-	(22 206 047)	-	-	-	-	-	-
Finance Management Grant	1 025 762	-	1 025 762	2 900 000	-	(1 025 762)	(1 839 387)	-	-	-	1 060 613	1 060 613	-
Municipal System Improvement Grant	212 118	-	212 118	-	-	-	-	-	-	-	212 118	212 118	-
Municipal Infrastructure Grant	-	-	-	14 942 000	-	-	-	(10 110 104)	(1 516 515)	-	3 315 381	3 315 381	-
Energy Efficiency and Demand Side Ma	-	-	-	500 000	-	-	-	(500 000)	-	-	-	-	-
Expanded Public Works Programme	119 285	-	119 285	-	-	(119 285)	-	-	-	-	(0)	-	(0)
Water Services Infrastructure Grant	-	-	-	5 000 000	-	-	-	(3 188 415)	-	-	1 811 585	1 811 585	-
Total National Government Grants	2 407 165	-	2 407 165	44 498 047	-	(1 145 047)	(24 045 434)	(13 798 519)	(1 516 515)	-	6 399 697	6 399 697	(0)
Provincial Government Grants													
Library	-	-	-	1 100 000	-	-	(1 100 000)	-	-	-	-	-	-
Total Provincial Government Grants	-	-	-	1 100 000	-	-	(1 100 000)	-	-	-	-	-	-
Other Grant Providers													
LG SETA	255 963	-	255 963	52 153	-	-	-	-	-	-	308 116	308 116	-
Total Other Grant Providers	255 963	-	255 963	52 153	-	-	-	-	-	-	308 116	308 116	-
Total Grants	2 663 128	-	2 663 128	45 650 200	-	(1 145 047)	(25 145 434)	(13 798 519)	(1 516 515)	-	6 707 813	6 707 813	(0)

The municipality complied with the conditions attached to all grants received.

KHAI-MA MUN - Reconciliation of Table A1 Budget Summary

Description	2021/2022								2020/21			
	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
R thousands												
Financial Performance												
Property rates	9 578	33	9 612	9 614		(2)	0.0%	0.4%				9 109
Service charges	25 174	(9 586)	15 588	20 206		(4 618)	29.6%	-19.7%				18 492
Investment revenue	217	106	323	390		(67)	20.7%	80.0%				252
Transfers recognised - operational	26 192	1 963	28 155	26 662		1 493	-5.3%	1.8%				20 358
Other own revenue	5 392	992	6 384	7 641		(1 257)	19.7%	41.7%				7 506
Total Revenue (excluding capital transfers and contributions)	66 553	(6 491)	60 062	64 513		(4 452)	7.4%	-3.1%				55 717
Employee costs	31 963	(169)	31 794	27 971	-	3 823	-12.0%	-12.5%	-	-	-	27 472
Remuneration of councillors	3 537	63	3 600	3 722	-	(122)	3.4%	5.2%	-	-	-	2 535
Depreciation & asset impairment	5 226	-	5 226	5 189	-	36	-0.7%	-0.7%	-	-	-	6 159
Finance charges	1 612	793	2 406	4 778	-	(2 372)	98.6%	196.4%	-	-	-	3 396
Inventory consumed and bulk purchases	18 085	1 324	19 408	12 752	-	6 657	-34.3%	-29.5%	-	-	-	11 505
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	17 056	624	17 679	26 945	-	(9 265)	52.4%	58.0%	-	-	-	24 117
Total Expenditure	77 477	2 635	80 113	81 356	-	(1 244)	1.6%	5.0%	-	-	-	75 183
Surplus/(Deficit)	(10 925)	(9 126)	(20 051)	(16 843)		(3 208)	-16.0%	54.2%				(19 466)
Transfers and subsidies - capital (monetary allocations) (National / Prov	18 906	6 087	24 993	13 799		11 195	-44.8%	-27.0%				13 799
Transfers and subsidies - capital (monetary allocations) (National / Prov	-	-	-	-		-	-	-				-
Transfers and subsidies - capital (in-kind - all)	-	3 700	3 700	4 200		(500)	13.5%	100.0%				-
Surplus/(Deficit) after capital transfers & contributions	7 982	660	8 642	1 155		7 487	-86.6%	-85.5%				(5 668)
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-				-
Surplus/(Deficit) for the year	7 982	660	8 642	1 155		7 487	-86.6%	-85.5%				(5 668)
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	-	-	-	-		-	-	-				-
Public contributions & donations	-	-	-	-		-	-	-				-
Borrowing	200	1 349	4 000	3 227		773	-19.3%	1513.3%				-
Internally generated funds	19 106	19 887	38 993	17 025		21 968	-56.3%	-10.9%				-
Total sources of capital funds	19 306	21 236	42 993	20 252	-	22 741	-52.9%	4.9%				-
Cash flows												
Net cash from (used) operating	-	-	-	-		-	-	-				-
Net cash from (used) investing	-	-	-	-		-	-	-				(27)
Net cash from (used) financing	-	-	-	-		-	-	-				-
Cash/cash equivalents at the year end	-	-	-	-		-	-	-				-

KHAI-MA MUN - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2021/22								2020/21			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	36 602	4 814	41 416	43 027		(1 611)	3.9%	17.6%				37 114
Executive and council	21 156	4 750	25 906	26 406		(500)	1.9%	24.8%				21 806
Finance and administration	15 446	64	15 510	16 621		(1 111)	7.2%	7.6%				15 309
Internal audit	-	-	-	-		-	-	-				-
Community and public safety	652	1 137	1 789	908		881	-49.2%	39.2%				871
Community and social services	932	1 137	2 068	1 004		1 065	-51.5%	7.7%				978
Sport and recreation	(279)	-	(279)	(96)		(184)	-65.8%	-65.8%				(107)
Public safety	-	-	-	-		-	-	-				-
Housing	-	-	-	-		-	-	-				-
Health	-	-	-	-		-	-	-				-
Economic and environmental services	(329)	(65)	(395)	(288)		(107)	-27.2%	-12.7%				(210)
Planning and development	-	-	-	-		-	-	-				-
Road transport	(329)	(65)	(395)	(288)		(107)	-27.2%	-12.7%				(210)
Environmental protection	-	-	-	-		-	-	-				-
Trading services	48 534	(2 590)	45 944	39 114		6 830	-14.9%	-19.4%				30 680
Electricity	13 165	-	13 165	11 313		1 853	-14.1%	-14.1%				8 923
Water	22 490	7 308	29 798	24 369		5 429	-18.2%	8.4%				17 760
Waste water management	11 493	(10 186)	1 307	1 490		(183)	14.0%	-87.0%				2 263
Waste management	1 386	287	1 674	1 942		(268)	16.0%	40.1%				1 734
Other	-	-	-	-		-	-	-				-
Total Revenue - Standard	85 459	3 296	88 755	82 762		5 993	93.2%	96.8%				68 455

Expenditure - Standard												
Governance and administration	33 034	(221)	32 814	29 561	-	-	-9.9%	-10.5%	-	-	-	27 213
Executive and council	10 211	(639)	9 572	8 995	(577)	577	-6.0%	-11.9%	-	-	-	7 190
Finance and administration	22 823	419	23 242	20 567	(2 675)	2 675	-11.5%	-9.9%	-	-	-	20 023
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	4 933	(470)	4 463	3 408	-	-	-23.6%	-30.9%	-	-	-	3 328
Community and social services	4 109	(475)	3 634	3 146	(488)	488	-13.4%	-23.4%	-	-	-	3 082
Sport and recreation	824	5	829	262	(566)	566	-68.3%	-68.2%	-	-	-	246
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	2 428	1 115	3 543	2 673	-	-	-24.6%	10.1%	-	-	-	2 420
Planning and development	216	1 065	1 282	1 089	(193)	193	-15.0%	403.2%	-	-	-	1 022
Road transport	2 211	50	2 261	1 584	(677)	677	-29.9%	-28.4%	-	-	-	1 397
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	37 083	2 211	39 293	45 713	-	-	16.3%	23.3%	-	-	-	41 162
Electricity	13 737	2 288	16 025	16 627	602	(602)	3.8%	21.0%	-	-	-	13 076
Water	14 087	1 099	15 186	20 882	5 696	(5 696)	37.5%	48.2%	-	-	-	18 599
Waste water management	4 008	(729)	3 279	2 615	(663)	663	-20.2%	-34.7%	-	-	-	3 325
Waste management	5 251	(447)	4 804	5 589	786	(786)	16.4%	6.4%	-	-	-	6 162
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	77 477	2 635	80 113	81 356	-	(1 243)	1.6%	5.0%	-	-	-	74 123
Surplus/(Deficit) for the year	7 982	660	8 642	1 406	-	7 236	-83.7%	-82.4%	-	-	-	(5 668)

KHAI-MA MUN - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2021/22								2020/21			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - Municipal Manager	21 156	4 750	25 906	26 406		(500)	1.9%	24.8%				21 806
Vote 2 - Finance	13 423	75	13 498	14 914		(1 417)	10.5%	11.1%				14 067
Vote 3 - Corporate Services	3 201	1 061	4 262	2 790		1 472	-34.5%	-12.8%				2 329
Vote 4 - Infrastructure Development	47 679	(2 590)	45 089	38 652		6 438	-14.3%	-18.9%				30 253
Vote 5 - Economic Development	-	-	-	-		-	-	-				-
Total Revenue by Vote	85 459	3 296	88 755	82 762		5 993	93.2%	96.8%				68 455
Expenditure by Vote to be appropriated												
Vote 1 - Municipal Manager	10 211	(639)	9 572	8 995	(577)	577	-6.0%	-11.9%	-	-	-	7 190
Vote 2 - Finance	11 425	(192)	11 233	9 768	(1 465)	1 465	-13.0%	-14.5%	-	-	-	8 839
Vote 3 - Corporate Services	16 265	136	16 401	14 449	(1 952)	1 952	-11.9%	-11.2%	-	-	-	14 961
Vote 4 - Infrastructure Development	39 359	2 266	41 625	47 055	5 430	(5 430)	13.0%	19.6%	-	-	-	42 111
Vote 5 - Economic Development	216	1 065	1 282	1 089	(193)	193	-15.0%	403.2%	-	-	-	1 022
Total Expenditure by Vote	77 477	2 635	80 113	81 356	-	(1 243)	101.6%	105.0%	-	-	-	74 123
Surplus/(Deficit) for the year	7 982	660	8 642	1 406		7 236	16.3%	17.6%				(5 668)

KHAI-MA MUN - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2021/22								2020/21			
	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	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	9 578	33	9 612	9 614		(2)	0.0%	0.4%				9 109
Service charges - electricity revenue	10 450	–	10 450	10 232		219	-2.1%	-2.1%				8 390
Service charges - water revenue	11 219	(9 692)	1 528	6 391		(4 863)	318.4%	-43.0%				6 843
Service charges - sanitation revenue	2 075	(186)	1 889	1 843		46	-2.4%	-11.2%				1 672
Service charges - refuse revenue	1 430	291	1 721	1 741		(20)	1.2%	21.8%				1 588
Rental of facilities and equipment	217	106	323	390		(67)	20.7%	80.0%				252
Interest earned - external investments	222	(92)	130	214		(84)	64.7%	-3.6%				47
Interest earned - outstanding debtors	4 927	(4)	4 923	4 714		209	-4.2%	-4.3%				3 676
Dividends received	–	–	–	–		–	–	–				–
Fines, penalties and forfeits	91	(65)	26	24		3	-9.5%	-73.8%				28
Licences and permits	119	(1)	118	40		78	-65.9%	-66.1%				37
Agency services	–	–	–	–		–	–	–				31
Transfers and subsidies	26 192	1 963	28 155	26 662		1 493	-5.3%	1.8%				20 358
Other revenue	33	1 153	1 187	2 649		(1 462)	123.2%	7818.3%				3 687
Gains	–	–	–	250		(250)	100.0%	100.0%				–
Total Revenue (excluding capital transfers and contributions)	66 553	(6 491)	60 062	64 763		(4 702)	107.8%	97.3%				55 717
Expenditure By Type												
Employee related costs	31 963	(169)	31 794	27 971	–	3 823	-12.0%	-12.5%	–	–	–	27 472
Remuneration of councillors	3 537	63	3 600	3 722	–	(122)	3.4%	5.2%	–	–	–	2 535
Debt impairment	5 899	–	5 899	11 724	–	(5 825)	98.7%	98.7%	–	–	–	10 701
Depreciation & asset impairment	5 226	–	5 226	5 189	–	36	-0.7%	-0.7%	–	–	–	6 159
Finance charges	1 612	793	2 406	4 778	–	(2 372)	98.6%	196.4%	–	–	–	3 396
Bulk purchases - electricity	9 961	1 276	11 237	11 654	–	(417)	3.7%	17.0%	–	–	–	6 577
Inventory consumed	8 124	48	8 172	1 098	–	7 074	-86.6%	-86.5%	–	–	–	4 928
Contracted services	3 306	19	3 326	2 181	–	1 145	-34.4%	-34.0%	–	–	–	2 720
Transfers and grants	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	7 850	604	8 454	7 952	–	502	-5.9%	1.3%	–	–	–	10 570
Losses	–	–	–	5 087	–	(5 087)	100.0%	100.0%	–	–	–	125
Total Expenditure	77 477	2 635	80 113	81 356	–	(1 244)	101.6%	105.0%	–	–	–	75 183

Surplus/(Deficit)	(10 925)	(9 126)	(20 051)	(16 593)		(3 458)	82.8%	151.9%				(19 466)
Transfers recognised - capital	18 906	6 087	24 993	13 799		11 195	-44.8%	-27.0%				13 799
Contributions recognised - capital	-	-	-	-		-	-	-				-
Contributed assets	-	3 700	3 700	4 200		(500)	13.5%	100.0%				-
Surplus/(Deficit) after capital transfers & contributions	7 982	660	8 642	1 406		7 236	16.3%	17.6%				(5 668)
Taxation	-	-	-	-		-	-	-				-
Surplus/(Deficit) after taxation	7 982	660	8 642	1 406		7 236	16.3%	17.6%				(5 668)
Attributable to minorities	-	-	-	-		-	-	-				-
Surplus/(Deficit) attributable to municipality	7 982	660	8 642	1 406		7 236	16.3%	17.6%				(5 668)
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-				-
Surplus/(Deficit) for the year	7 982	660	8 642	1 406		7 236	16.3%	17.6%				(5 668)

KHAI-MA MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding												
Vote Description	2021/2022								2020/21			
	Original Budget	Total Budget Adjustments (i.e. 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	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Economic Development	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure												
Vote 1 - Municipal Manager	200	3 800	4 000	4 962	962	(962)	24.1%	2381.0%	-	-	-	-
Vote 2 - Finance	-	-	-	(908)	-	908	-100%	-100%	-	-	-	-
Vote 3 - Corporate Services	-	-	-	(28)	-	28	-100%	-100%	-	-	-	-
Vote 4 - Infrastructure Development	18 906	16 087	34 993	12 995	-	21 998	-63%	-31%	-	-	-	-
Vote 5 - Economic Development	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure	19 106	19 887	38 993	17 022	962	21 971	-239%	2150%	-	-	-	-
Total Capital Expenditure - Vote	19 106	19 887	38 993	17 022	962	21 971	-239%	2150%	-	-	-	-
Capital Expenditure - Standard												
Governance and administration	200	3 800	4 000	4 055	-	(55)	-76%	2281%	-	-	-	-
Executive and council	200	3 800	4 000	4 962	-	(962)	24%	2381%	-	-	-	-
Finance and administration	-	-	-	(908)	-	908	-100%	-100%	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	-	(28)	-	28	-200%	-200%	-	-	-	-
Community and social services	-	-	-	(27)	-	27	-100%	-100%	-	-	-	-
Sport and recreation	-	-	-	(1)	-	1	-100%	-100%	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	-	-	-	(35)	-	35	-100%	-100%	-	-	-	-
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	-	-	-	(35)	-	35	-100%	-100%	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	18 906	16 087	34 993	13 033	-	21 960	-318%	-186%	-	-	-	-
Electricity	2 000	-	2 000	512	-	1 488	-74%	-74%	-	-	-	-
Water	6 906	16 087	22 993	13 053	-	9 940	-43%	89%	-	-	-	-
Waste water management	10 000	-	10 000	(18)	-	10 018	-100%	-100%	-	-	-	-
Waste management	-	-	-	(515)	-	515	-100%	-100%	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	19 106	19 887	38 993	17 025	-	21 968	-694%	1795%	-	-	-	-
Funded by:												
National Government	18 906	16 087	34 993	13 799	-	21 195	-61%	-27%	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	18 906	16 087	34 993	13 799	-	21 195	-61%	-27%	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	200	1 349	4 000	3 227	-	773	81%	1613%	-	-	-	-
Total Capital Funding	19 106	19 887	38 993	17 025	-	21 968	20%	1586%	-	-	-	-

KHAI-MA MUN - Reconciliation of Table A7 Budgeted Cash Flows

Description	2021/22							2020/21
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final	Actual Outcome as % of Original	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	7 662	33	7 696	8 663	(7 662)	12.6%	13.1%	7 996
Service charges	25 304	(9 484)	15 821	14 063	(25 304)	-11.1%	-44.4%	11 528
Other revenue	243	1 088	1 331	4 185	(243)	214.3%	1620.0%	1 730
Transfers and Subsidies - Operational	26 192	1 963	28 155	30 707	(26 192)	9.1%	17.2%	27 473
Transfers and Subsidies - Capital	18 906	6 087	24 993	13 799	(18 906)	-44.8%	-27.0%	5 658
Interest	222	(92)	130	214	(222)	64.7%	-3.6%	47
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(56 901)	(2 635)	(59 536)	(51 144)	56 901	-14.1%	-10.1%	(16 023)
Finance charges	-	-	-	(1 542)	-	-100.0%	-100.0%	(29 366)
Transfers and Grants	-	-	-	-	-	-	-	(806)
NET CASH FROM/(USED) OPERATING ACTIVITIES	21 630	(3 040)	18 590	18 944	(21 630)	130.7%	1465.1%	8 237
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments								
Capital assets	(19 106)	(6 087)	(25 293)	(14 503)	19 206	-42.7%	-24.1%	(9 490)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(19 106)	(6 187)	(25 293)	(14 503)	19 206	-42.7%	-24.1%	(9 490)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	16	-	16	-	(16)	-100.0%	-100.0%	-
Payments								
Repayment of borrowing	-	-	-	-	-	-	-	(27)
NET CASH FROM/(USED) FINANCING ACTIVITIES	16	-	16	-	(16)	-100.0%	-100.0%	(27)
NET INCREASE/ (DECREASE) IN CASH HELD	2 540	(9 227)	(6 687)	4 441				(1 280)
Cash/cash equivalents at the year begin:	13 294	-	13 294	14				1 295
Cash/cash equivalents at the year end:	15 834	(9 227)	6 607	4 456	(15 834)	-32.6%	-71.9%	14

Financial Performance 2021/2022 R' 000						
Description	Year 2020/2021	Current Year: 2021/2022			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	9 109	9 578	9 612	9 614	100.37%	100.03%
Service charges	18 492	25 174	15 588	20 206	80.26%	129.63%
Investment revenue	47	222	130	214	96.36%	164.69%
Transfers recognised - operational	25 805	26 192	28 155	26 662	101.79%	94.70%
Other own revenue	16 063	5 386	6 577	8 067	149.77%	122.66%
Total Revenue (excluding capital transfers and contributions)	69 516	66 553	60 062	64 763	97.31%	107.83%
Employee costs	27 472	31 963	31 794	27 971	87.51%	87.97%
Remuneration of councillors	2 535	3 537	3 600	3 722	105.24%	103.40%
Debt impairment	2 720	5 899	5 899	11 724	198.75%	198.75%
Depreciation & asset impairment	6 159	5 226	5 226	5 189	99.30%	99.30%
Finance charges	3 396	1 612	2 406	4 778	296.35%	198.61%
Materials and bulk purchases	6 577	997	11 237	11 654	1169.32%	103.71%
Transfers and grants	–	–	–	–	#DIV/0!	#DIV/0!
Other expenditure	21 026	26 446	19 952	16 318	61.70%	81.79%
Total Expenditure	69 885	75 679	80 113	81 356	107.50%	101.55%
Surplus/(Deficit)	(370)	(9 126)	(20 051)	(16 593)	181.81%	82.75%
Transfers recognised - capital	8 351	6 087	24 993	13 799	226.69%	55.21%
Contributions recognised - capital & contributed assets	–	3 700	3 700	4 200	113.51%	113.51%
contributions	7 982	660	8 642	1 406	212.81%	16.26%
Share of surplus/ (deficit) of associate	–	–	–	–	#DIV/0!	#DIV/0!
Surplus/(Deficit) for the year	7 982	660	8 642	1 406	212.81%	16.26%
Capital expenditure & funds sources						
Capital expenditure					#DIV/0!	#DIV/0!
Transfers recognised - capital	8 351	18 538	34 993	13 799	74.44%	39.43%
Public contributions & donations	–	–	–	–	#DIV/0!	#DIV/0!
Borrowing	–	–	–	–	#DIV/0!	#DIV/0!
Internally generated funds	200	1 349	4 000	3 227	239.12%	80.66%
Total sources of capital funds	8 551	19 887	38 993	17 025	85.61%	43.66%
Financial position						
Total current assets	15 370	21 063	11 837	21 450	101.84%	181.22%
Total non current assets	147 762	160 139	170 026	160 748	100.38%	94.54%
Total current liabilities	76 753	34 788	34 788	28 277	81.28%	81.28%
Total non current liabilities	27 152	18 737	18 671	20 485	109.33%	109.72%
Community wealth/Equity	59 228	131 922	128 798	60 633	45.96%	47.08%
Cash flows						
Net cash from (used) operating	8 237	26 496	32 668	1 894	7.15%	5.80%
Net cash from (used) investing	(9 490)	(27 506)	(34 084)	(14 503)	52.73%	42.55%
Net cash from (used) financing	0	(23)	(23)	–	0.00%	0.00%
Cash/cash equivalents at the year end	14	1 223	817	4 423	361.69%	541.43%

Cash backing/surplus reconciliation						
Cash and investments available	933	1 223	817	1 194	97.63%	146.14%
Application of cash and investments	848	(10 822)	682	935	-8.64%	137.10%
Balance - surplus (shortfall)	85	12 045	(135)	259	2.15%	-191.84%
Asset management						
Asset register summary (WDV)	147 762	160 139	170 026	160 748	100.38%	94.54%
Depreciation & asset impairment	75 619	3 008	3 871	7 429	246.96%	191.90%
Renewal of Existing Assets	-	-	-	-	#DIV/0!	#DIV/0!
Repairs and Maintenance	618	2 910	3 304	1 307	44.92%	39.56%
Free services						
Cost of Free Basic Services provided	26 532	20 202	20 202	23 686	117.25%	117.25%
Revenue cost of free services provided	21 278	23 782	23 045	22 867	96.15%	99.23%
Households below minimum service level						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	-	-	-	%	%
Energy:	-	-	-	-	%	%
Refuse:	-	-	-	-	%	%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</i>						T5.1.1

Financial Performance of Operational Services						
R '000						
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	1161	-8403	-14612	-3487	-140.98%	-319.04%
Waste Water (Sanitation)	1061	-7485	1971	1125	765.33%	-75.20%
Electricity	4551	-7573	4171	5926	227.79%	29.62%
Waste Management	4850	3864	3130	3647	-5.95%	14.18%
Housing	-	-	-	-	#DIV/0!	#DIV/0!
Component A: sub-total	11623	-19597	-5340	7211	371.77%	174.05%
Waste Water (Stormwater Drainage)					#DIV/0!	#DIV/0!
Roads	1670	2612	2662	1910	-36.75%	-39.37%
Transport	-	-	-	-	#DIV/0!	#DIV/0!
Component B: sub-total	1670	2612	2662	1910	-36.75%	-39.37%
Planning					#DIV/0!	#DIV/0!
Local Economic Development	1022	216	1281	1089	80.17%	-17.63%
Component B: sub-total					202.57%	37.63%
Planning (Strategic & Regulatory)	-	-	-	-	#DIV/0!	#DIV/0!
Local Economic Development	-				#VALUE!	#VALUE!
Component C: sub-total	1022	216	1281	1089	80.17%	-17.63%
Community & Social Services	-16584	1563	-18254	-20491	107.63%	10.92%
Environmental Protection	-	-	-	-	#DIV/0!	#DIV/0!
Health	-	-	-	-	#DIV/0!	#DIV/0!
Security and Safety	-	-	-	-	#DIV/0!	#DIV/0!
Sport and Recreation	353	1103	1108	358	-208.10%	-209.50%
Corporate Policy Offices and Other	9477	9248	9902	8518	-8.57%	-16.25%
Component D: sub-total	-6754	11914	-7244	-11615	202.57%	37.63%
Total Expenditure	7561	-4855	-8641	-1405	-245.55%	-515.02%
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

Delete Directive note once comment is complete – Comment on variances above 10%.

T5.1.3

5.2 GRANTS

Grant Performance						
R' 000						
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	24 706	24 056	26 132	26 132		
Equitable share	21 806	21 156	22 206	22 206	104.96%	100.00%
Municipal Systems Improvement	–	–	–	–	#DIV/0!	#DIV/0!
Department of Water Affairs	–	–	–	–	#DIV/0!	#DIV/0!
Levy replacement	–	–	–	–	#DIV/0!	#DIV/0!
Other transfers/grants [insert description]	–	–	–	–	#DIV/0!	#DIV/0!
Finance Mnagement grant	2 900	2 900	3 926	3 926	135.37%	100.00%
Provincial Government:	1 000	–	–	–		
Health subsidy	–	–	–	–	#DIV/0!	#DIV/0!
Housing	–	–	–	–	#DIV/0!	#DIV/0!
Ambulance subsidy	–	–	–	–	#DIV/0!	#DIV/0!
Sports and Recreation	–	–	–	–	#DIV/0!	#DIV/0!
EPWP	1 000	–	–	–	#DIV/0!	#DIV/0!
District Municipality:	–	–	–	–		
<i>Namakwa District</i>	–	–	–	–	#VALUE!	#VALUE!
					#DIV/0!	#DIV/0!
Other grant providers:	1 054	1 100	1 408	1 408		
<i>Library Development Fund</i>	1 054	1 100	1 100	1 100	100.00%	100.00%
<i>Vedanta</i>	–	–	–	–		
<i>LGSETA</i>	–	–	308	308	#DIV/0!	100.04%
Total Operating Transfers and Grants	26 760	25 156	27 540	27 540		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighborhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see **Appendix L**.

T5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year 0	Actual Grant Year 1	Year 1 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Foreign Governments/Development Aid Agencies						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Private Sector / Organisations						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Provide a comprehensive response to this schedule						T5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

T5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

T5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 1				
Asset 1				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	Year -1	Year 0	Year 1
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

Asset 2				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	Year -1	Year 0	Year 1
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

Asset 3				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	Year -1	Year 0	Year 1
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
T5.3.2				

COMMENT ON ASSET MANAGEMENT:

5.3.3

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

T5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

T5.4.1

T5.4.2

T5.4.3

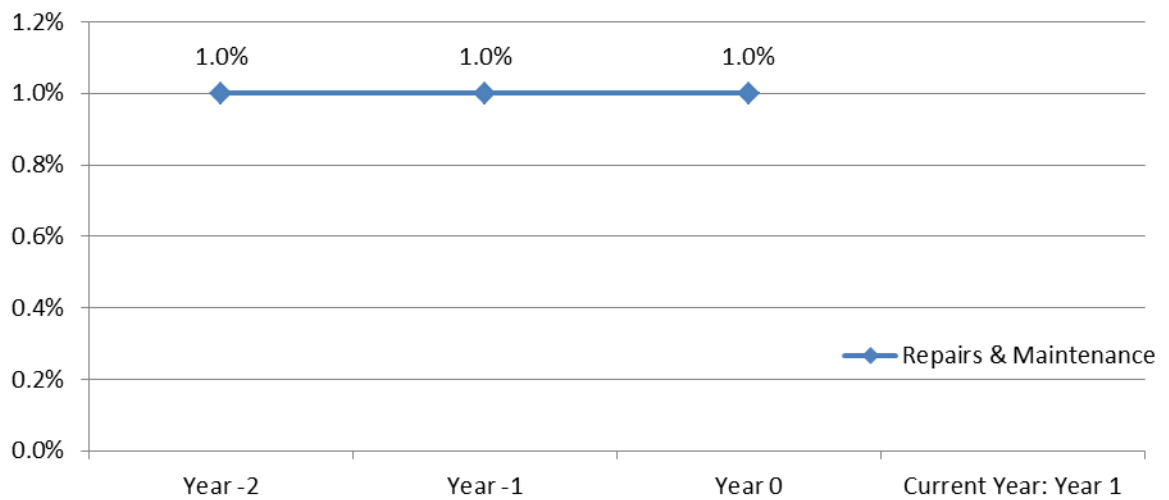
T5.4.4

T5.4.5

T5.4.6

T5.4.7

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T5.4.8

COMMENT ON FINANCIAL RATIOS:

T5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

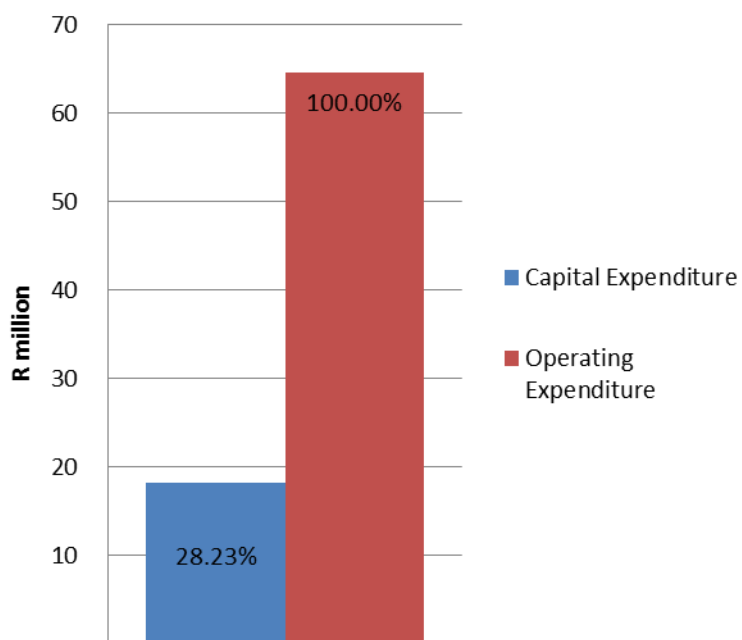
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The Capital expenditure spend during the 2021/22 financial year amounting to 28.23 % of the total operating expenditure for 2021/2022 financial year.

T5.5.0

5.5 CAPITAL EXPENDITURE

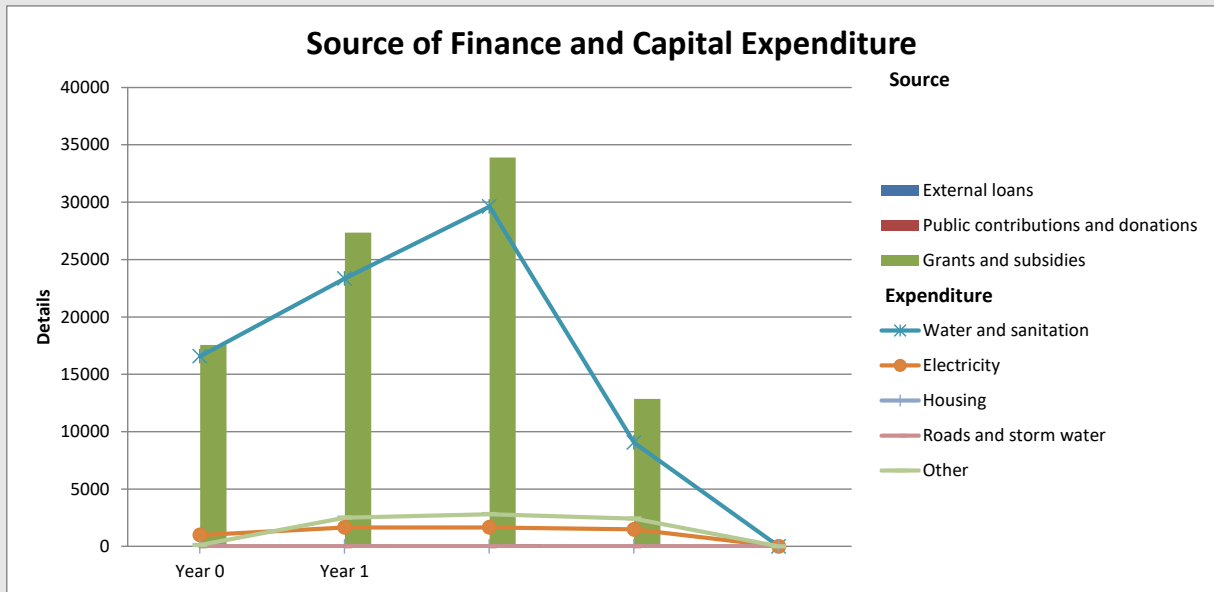
Capital Expenditure: Year 1



T5.5.1

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 0 to Year 1						
R' 000						
Details	Year 0	Year 1				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	0	0	0	0	#DIV/0!	#DIV/0!
Public contributions and donations	0	0	0		#DIV/0!	#VALUE!
Grants and subsidies	17556	27356	33883	12862	23.86%	-52.98%
Other	13	200	300	97	50.00%	-51.50%
Total	17569	27556	34183	12959	#DIV/0!	#DIV/0!
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Grants and subsidies	99.9%	99.3%	99.1%	90.2%	-0.15%	-9.12%
Other	0.1%	0.7%	0.9%	9.8%	20.92%	1247.49%
Capital expenditure						
Water and sanitation	7210	6906	22993	13298	232.94%	92.56%
Electricity	0	2000	500	500	-75.00%	-75.00%
Housing	0	0	0	0	#DIV/0!	#DIV/0!
Roads and storm water	0	0	0	0	#DIV/0!	#DIV/0!
Other	0	3700	3700	4200	0.00%	13.51%
Total	7210	12606	27193	17998	#DIV/0!	#DIV/0!
Percentage of expenditure						
Water and sanitation	100.0%	54.8%	84.6%	73.9%	54.34%	34.87%
Electricity	0.0%	15.9%	1.8%	2.8%	-88.41%	-82.49%
Housing	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Roads and storm water	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Other	0.0%	29.4%	13.6%	23.3%	-53.64%	-20.49%



COMMENT ON SOURCES OF FUNDING:

T5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current Year: Year 1			Variance Current Year: Year 1	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A -MIG 1505: Pella bulk water infrastructure reticulation network	6906	13906	9710	-41%	-101%
B- WSIG: Upgrading of existing internal water reticulation network in Pofadder	10000	5000	3354	66%	50%
C -	-	-	-	-	-
D -	-	-	-	#DIV/0!	#DIV/0!
E -	-	-	-	#DIV/0!	#DIV/0!
* Projects with the highest capital expenditure in Year 1					

Name of Project - A	A -MIG 1505: Pella bulk water infrastructure reticulation network
Objective of Project	Bulk water and upgrading of internal reticulation network
Delays	Contractor abandon the site
Future Challenges	None
Anticipated citizen benefits	712

Name of Project - B	B- WSIG: Upgrading of existing internal water reticulation network in Pofadder
Objective of Project	Upgrading of internal reticulation network
Delays	None
Future Challenges	None
Anticipated citizen benefits	156

Name of Project - C	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - D	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

T5.7.1

COMMENT ON CAPITAL PROJECTS:

R5 million was withheld due

T5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOG

T5.8.1

Service Backlogs as at Year 1				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				

T5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure Year 1 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation	6906	22993	13065	47.14%	-75.99%	
Infrastructure - Sanitation				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
Sport facilities	-	-	-	#DIV/0!	#DIV/0!	
				%	%	
				%	%	
Total				%	%	

* 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 is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T5.8.3

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

FINANCIAL SUSTAINABILITY

Management is of the opinion that the municipality will continue to operate as a going concern and perform its functions as set out in the Constitution.

The indicators or conditions that may, individually or collectively, cast significant 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 Khai-Ma communities resulted in a serious risk for Khai-Ma Municipality's going concern.

Unless sustainable job creation is achieved, Khai-Ma Municipality will not be able to function as a going concern without Government Grants and Subsidies.

The municipality is experiencing difficulty to settle its current liabilities as its net current asset position is insufficient. The current liabilities exceed the current assets with R71 846 619 (2021: R62 531 248).

The municipality has budgeted for a operating deficit of R11 024 643 for the 2022/2023 financial year, and R11 895 215 and R12 912 850 for the 2023/2024 and 2023/2025 years respectively. The municipality has also budgeted for positive cash flows of R2 439 598 and R2 378 918 for 2022/2023 and 2024/2025 respectively. The municipality budgeted for a negative cash flow of R746 449 for the 2023/2024 financial year.

The National Treasury assisted the municipality with R2 493 651 (2021: R1 322 004) to repay outstanding audit fees.

In spite of the aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

No new long-term loans were entered into during the 2021/2022 financial year.

T5.10.1

T5.10.3

No loans. Only Financial leases – 2 Photocopiers (Nashua)

Municipal and Entity Investments			
			R' 000
Investment* type	Year -1	Year 0	Year 1
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	1	14	4
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	1	14	4
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	1	14	4
			T5.10.4

COMMENT ON BORROWING AND INVESTMENTS:

The deposits in bank (Call deposits) consists mainly of unspent government grants.

T5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIP

Khâ-MA Municipality is not part of any public private partnership.

T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the Supply Chain Management Policy of the municipality.

All officials and other role players in the supply chain management system of the Municipality must implement this Policy in a way that it

- a) gives effect to -
 - i. section 217 of the Constitution; and
 - ii. Part 1 of Chapter 11 and other applicable provisions of the Act;
- b) is fair, equitable, transparent, competitive and cost effective;
- c) complies with -
 - i. the Regulations; and
 - ii. any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
- d) is consistent with other applicable legislation;
 - Broad Based Black Economic Empowerment Act [B-BBEEA];
 - Corruption Act, 1998 – anti-corruption measures and practices;
 - Competition Law and Regulations;
 - Promotion of Administrative Justice Act, 2000;

SUPPLY CHAIN MANAGEMENT

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the municipality.

.All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that

- a) gives effect to -
 - i. section 217 of the Constitution; and
 - ii. Part 1 of Chapter 11 and other applicable provisions of the Act;
- b) is fair, equitable, transparent, competitive and cost effective;
- c) complies with -
 - i. the Regulations; and

ii.	any minimum norms and standards that may be prescribed in terms of	section
	168 of the Act;	
d)	is consistent with other applicable legislation;	
•	Broad Based Black Economic Empowerment Act [B-BBEEA];	
•	Corruption Act, 1998 – anti-corruption measures and practices;	
•	Competition Law and Regulations;	
•	Promotion of Administrative Justice Act, 2000;	
•	National Archives of South Africa Act, 1996;	
•	National Small Business Act;	
•	Construction Industry Development Board Act, 2000 [Act no 38 of 2000].	
•	Preferential Procurement Policy Framework Act	
		T5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE	
<p>GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.</p>	
	T5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement... must be audited annually by the Auditor-General.

T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance Year 0	
Audit Report Status*:	Qualified
Non-Compliance Issues	Remedial Action Taken
An Audit Action Plan is compiled to address all audit queries.	
<i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
	T6.1.1

Chapter 6

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 1

Auditor-General Report on Service Delivery Performance: Year 0	
Audit Report Status:	Qualified
Non-Compliance Issues	Remedial Action Taken
An Audit Action Plan is compiled to address all audit queries.	
	T6.1.2

Chapter 6

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 1

Report of the auditor-general to Northern cape Provincial Legislature and the council on Khai-ma local municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Khai-ma local municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget 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, In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Khai-ma local municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for qualified opinion

Unauthorised Expenditure

1. I was unable to obtain sufficient appropriate audit evidence to confirm unauthorised expenditure amounting to R5 445 179, as there was no adequate system of internal control to substantiate the amount disclosed. Consequently, I was unable to determine whether any adjustments were necessary to unauthorised expenditure stated at R5 445 179 in note 47 to the financial statements.

Revenue from exchange transactions

2. The municipality did not recognise service charges in accordance with GRAP 9, *Revenue from exchange transactions*, as the municipality did not charge all customers services charges for all months. I was unable to determine the full extent of the understatement of service charges and receivables from exchange transactions for the current and previous year, as it was impracticable to do so.
3. The municipality did not have adequate systems to maintain accurate and complete records of the conventional electricity and water used to determine the service charges balance. This resulted in service charges being understated by R1 529 956. In addition, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as service charges. I could not confirm service charges by alternative means. Consequently, I was

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unable to determine whether any further adjustments were necessary to service charges stated at R20 212 198 in note 24 of the financial statements.

4. I was unable to obtain sufficient appropriate audit evidence to confirm revenue forgone included in service charges due to a lack in systems at the municipality to provide sufficient and appropriate audit evidence. Consequently, I was unable to determine whether any adjustments on to revenue forgone included in service charges stated at R20 212 198 (2021:R18 492 081) in note 24 of the financial statements were necessary.

Interest earned-exchange transactions

5. The municipality did not recognise all interest earned-outstanding debtors accurately in accordance with GRAP 9, *Revenue from exchange transactions* and GRAP 23, *Revenue from non-exchange transactions*, as the municipality incorrectly calculated the interest charged to long outstanding debtors. I was unable to determine the full extent of the understatement of interest earned outstanding debtors and service receivables included in trade receivables from exchange and non-exchange transactions for the current year, as it was impractical to do so. Consequently, I was unable to determine whether any further adjustments were necessary to interest earned-outstanding debtors stated at R4 207 467, service receivable stated at R84 616 076 and R9 564 877 in note 7 and 8 respectively.

Property Plant and Equipment

6. I was unable to obtain sufficient appropriate audit evidence for infrastructure assets and other assets, as I was unable to verify the existence of these assets and completeness thereof. I was unable to confirm these physical assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to infrastructure assets and other assets stated at R79 046 096 and R60 369 936 in note 2 to the financial statements respectively.
7. I was unable to obtain sufficient appropriate audit evidence that the municipality performed an impairment assessment, evaluated the residual values and estimated useful lives of assets, which are subjected to depreciation in accordance with GRAP 17, *Property, plant and equipment*. The residual values and useful lives of property, plant and equipment were not reviewed at each reporting date in accordance with GRAP 17 by the municipality. I was unable to confirm these balances by alternative means. Consequently, I was unable to determine whether any adjustments to Property, Plant and Equipment stated at R155 793 989 (2021: R142 770 805) in note 2 of the financial statements were necessary.
8. I was unable to obtain sufficient appropriate audit evidence for additions, as the municipality did not maintain accurate, complete records to support the additions disclosed under other assets. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to other assets stated at R60 369 936 in the financial statements.
9. During 2021, The municipality did not recognise additions for Infrastructure assets in accordance with GRAP 17, *Property, plant and equipment* as the amounts did not agree with the invoices. Consequently, infrastructure assets are overstated by R1 120 864, trade receivables are understated by R428 054, and unspent transfers and subsidies from

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exchange transactions are understated by R692 810. Additionally there was a resulting impact on the surplus for the period and on the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2021 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the operating expenditure for the current period.

10. The municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. Community assets were incorrectly classified as stated in the property, plant and equipment. Consequently, community assets were overstated by R5 064 068 in the annual financial statements. Additionally, there was an impact on the surplus for the period and on the accumulated surplus in the annual financial statements.

Receivables from exchange transactions

11. The municipality did not calculate the provision for debt impairment in accordance with the Standards of GRAP 104, *Financial Instruments*. The municipality did not assess impairment for the current year and did not assess the credit risk for a group or subgroup of debtors. Consequently, I was unable to determine whether any adjustment was necessary to provision for debt impairment stated at R81 360 753 in the financial statements. Additionally, there was an impact in revenue from exchange transaction.
12. I was unable to obtain sufficient appropriate audit evidence for receivables from exchange transactions, as the municipality did not maintain accurate, complete records to support the receivables amount disclosed. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to receivables from exchange transactions stated at R84 616 076 in the financial statements.

Receivables from non-exchange transactions

13. The municipality did not calculate the provision for debt impairment in accordance with the Standards of GRAP 104, *Financial Instruments*. The municipality did not assess impairment for the current year and did not assess the credit risk for a group or subgroup of debtors. Consequently, I was unable to determine whether any adjustment was necessary to provision for debt impairment stated at R7 878 413 (R6 176 712) in the financial statements. Additionally, there was an impact in revenue from non-exchange transaction.
14. The municipality did not recognise receivables from non-exchange in accordance with GRAP 23, *Receivables from non-exchange transactions*. Consequently, receivables from non-exchange transactions was overstated by R750 554. There was an impact on the surplus for the period and on the accumulated surplus. Additionally. There was an impact in the receivables from exchange transactions.

VAT statutory receivable

15. I was unable to obtain sufficient appropriate audit evidence for vat statutory receivables, as the municipality did not maintain adequate records. I was unable to confirm the vat statutory receivables by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to vat statutory receivables stated at R10 164 843 in note 17 to the financial statements. Since the VAT receivable balance is included in the

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determination of net cash flows from operating activities reported in the cash flow statement, I was unable to determine whether any adjustments were necessary in the cash flows from operating activities.

Revenue from non-exchange transactions

16. The municipality did not have adequate systems to maintain records of property rates. This resulted in property being understated by R5 765 524. In addition, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as property. I could not confirm property rates by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to property rates stated at R9 614 005 in the financial statements. Additionally, there was an impact in receivables from non-exchange transaction.
17. The municipality did not recognise all items of property rates in accordance with *GRAP 23, Revenue from non-exchange*. Property rates were not accounted for correctly as stated in revenue from non-exchange transactions. Consequently, revenue from non-exchange transactions were understated by R2 445 223 in the annual financial statements.

Unspent transfers and subsidies

18. The municipality did not have adequate systems to maintain records of unspent conditional grants. This resulted in unspent conditional grants being overstated by R1 078 982. In addition, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as unspent conditional grants. I could not confirm unspent conditional grants by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to unspent conditional grants stated at R6 707 813 in the financial statements. Additionally, there was an impact in revenue from non-exchange transaction. [ISS.43&44]

Irregular Expenditure

19. I was unable to obtain sufficient appropriate audit evidence to confirm irregular expenditure disclosed as the municipality did not provide the full listing of individual items that support the prior year balance. I was unable to confirm irregular expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to irregular expenditure stated at R19 817 850 (2021: R19 817 850) in note 47 to the financial statements. In addition, the municipality did not include irregular expenditure in the notes to the financial statements, as required by section 125(2) (d) of the MFMA. This was due to payments made in contravention of the supply chain management requirements. I was unable to determine the full extent of the understatement of irregular expenditure for the current year as it was impracticable to do so.

Cash flow Statement

20. The municipality did not correctly prepare and disclose the net cash flows from operating activities as required Standards of GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from operating and investing activities. I was not able to determine the full extent of the errors in the net cash flows from operating and investing activities, as it was impracticable to do so. Consequently, I was unable to determine

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whether any adjustments to cash flows from operating and investing activities stated at R18 944 448 and R8 237 106 respectively in the financial statements were necessary.

Bulk purchases

21. The municipality did not have adequate systems to maintain records of bulk purchases. This resulted in bulk purchases being understated by R2 538 953. In addition, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as property. I could not confirm bulk purchases by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to bulk purchases stated at R11 374 104 in the financial statements.
22. The municipality did not recognise bulk purchases in accordance with the Standards of GRAP 1, *Presentation of the financial statements*. The municipality incorrectly recognised inventory consumed as bulk purchases. Consequently, the bulk purchases included in expenditure is overstated by R4 755 365.

Commitments

23. The municipality did not have adequate systems to maintain accurate and complete records of the contractual information used to determine the commitment balance. This resulted in commitments being understated by R7 545 429. In addition, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as commitments. I could not confirm commitments by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to commitments stated at R 7 514 008 in note 2 of the financial statements.

Provision for landfill sites

24. The municipality did not calculate the provision for landfill sites in accordance with the Standards of GRAP 19, *Provisions, contingent liabilities and contingent assets*. The municipality did not discount the provision recognised in the financial statements. Consequently, the provision for landfill sites included in the both the current and non-current liabilities is overstated by R4 515 083. Additionally, there was an impact in finance costs of the municipality.

Employee benefits

25. I was unable to obtain sufficient appropriate audit evidence for employee benefits, as the municipality did not provide support for the basis of inclusion of in service non-members that confirms the eligibility for those in service non-members. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to employee benefits stated at R4 113 077 in the financial statements.

Inventory consumed

26. I was unable to obtain sufficient appropriate audit evidence to confirm inventory consumed disclosed as the municipality did not maintain accurate, complete records support the expenditure disclosed. I was unable to confirm inventory consumed by alternative means.

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Consequently, I was unable to determine whether any further adjustments were necessary to inventory consumed at R1 392 550 in the financial statements.

Operational costs

27. I was unable to obtain sufficient appropriate audit evidence to confirm operational costs disclosed as the municipality did not maintain accurate, complete records support the expenditure disclosed. I was unable to confirm operational costs by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to operational costs stated at R7 952 339 in the financial statements.

Finance costs

28. I was unable to obtain sufficient appropriate audit evidence to confirm finance costs disclosed as the municipality did not maintain accurate, complete records support the expenditure disclosed. I was unable to confirm finance costs by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to finance costs stated at R4 777 849 in the financial statements.

Trade and other payables from exchange transaction

29. I was unable to obtain sufficient appropriate audit evidence to confirm retentions payable for the current year, due to a lack in systems at the municipality to provide sufficient and appropriate audit evidence. I was unable to confirm this by alternative means. Consequently, I was unable to determine whether any adjustments to retentions stated at R0 (2021:R1 411 096) in note 15 of the financial statements were necessary. In addition the municipality did not recognise all outstanding amounts meeting the definition of a liability in accordance with GRAP 1, Presentation of financial statements, as the municipality did not withheld retention fees,

Prior period error

30. The municipality did not disclose previous period errors in note 41 to the financial statements, as required by GRAP 3, *Accounting policies, estimates and errors*. The nature and the amount of the correction for each financial statement item affected, and the amount of the correction at the beginning of the earliest previous period were not disclosed. In addition, I was unable to obtain sufficient appropriate audit evidence for the previous period errors disclosed, as the supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the previous period errors disclosed in the financial statements.

Fruitless and wasteful

31. I was unable to obtain sufficient appropriate audit evidence for fruitless and wasteful expenditure due to the status of the accounting records. The municipality did not have adequate systems of internal control for the recording of all transactions and events and could not reconcile the transactions and events to the financial statements. I could not confirm fruitless and wasteful expenditure by alternative means. Consequently, I was

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unable to determine whether any adjustment was necessary to fruitless and wasteful expenditure stated at R6 861 586 in the financial statements.

Distribution losses

32. The municipality did not recognise water and electricity losses in accordance with section 125(2) (d) of the MFMA, due to the municipality not maintaining adequate records of the number of water and electricity units distributed, I was unable to determine the full extent of the misstatement of water and electricity losses for the current and previous year as it was impracticable to do so.

Inventory

33. The municipality did not recognise inventory in accordance with *GRAP 12, Inventory*. Consequently, inventory was overstated by R646 947. There was an impact on the surplus for the period and on the accumulated surplus. Additionally. There was an impact in the property, plant and equipment. I was unable to determine the impact on the net carrying amount of receivables from exchange transactions as it was impracticable to do so.

Context for the opinion

34. 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.
35. 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.
36. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern/ financial sustainability

37. I draw attention to the matter below. My opinion is not modified in respect of this matter.
38. I draw attention to note 57 to the financial statements, which indicates that numerous events or conditions identified like the municipality extremely high cost associated with the delivery of basic services and infrastructure needs to communities due to the vast distances between the several settlements coupled with the social economic profile, the current liabilities exceed current assets and that may cast significant doubt on the entity's ability to continue as a going concern. As stated in note 57, these events or conditions, along with the other matters as set forth in note 57, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

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Emphasis of matter

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

Restatement of corresponding figures

40. As disclosed in note 41 to the financial statements, the corresponding figures were restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2022.

Other matters

41. I draw attention to the matter/s below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes (MFMA 125)

42. 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

43. 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 item.

Responsibilities of the accounting for the financial statements

44. 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.
45. 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

46. 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

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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.

47. 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

48. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I was engaged to perform procedures to identify findings but not to gather evidence to express assurance.
49. I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the municipality's annual performance report for the year ended 30 June 2022:

Development priority	Pages in the annual performance report
KPA 1– Basic services and infrastructure	9 -11

50. 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.
51. The material findings on the usefulness and reliability of the performance information of the selected development priority is as follows:

KPA 1 – Basic services and infrastructure

Various indicators

52. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of xx of the xx indicators relating to this programme. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below:

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Indicator description	Report achievement
The number of households (which are billed for) access to access to basic level of water as at 30 June 2022	2635
The number of households which are billed for access to basic level of solid waste removal as at 30 June 2022	2635
The number of households which are billed for access to basic level of sanitation as at 30 June 2022.	2635

Other matters

53. I draw attention to the matters below.

Achievement of planned targets

54. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) [x to x] of this report.

Report on the audit of compliance with legislation

Introduction and scope

55. 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.

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

Annual Financial statement, performance management and annual reports

57. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, which resulted in the financial statements receiving a qualified audit opinion.

58. The annual financial statements were not submitted to the Auditor-General, for auditing, within two months after the end of the financial year, as required by section 126(1) (a) of the MFMA.

59. The annual financial statements were not submitted to the Auditor-General within two months after the end of the financial year and a written explanation setting out the reasons for the failure was not tabled in council, as required by section 133(1)(a) of the MFMA.

60. The 2020/21 annual report was not tabled in the municipal council after the end of the financial year, as required by section 127(2) of the MFMA.

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Expenditure management

61. Money owed by the municipality was not always paid within 30 days as required by section 65(2) (e) of the MFMA.
62. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the approval and authorisation of funds, as required by section 65(2)(a) of the MFMA.
63. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1) (d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with applicable legislation and standards.
64. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1) (d) of the MFMA. The expenditure disclosed does not reflect the full extent of the fruitless and wasteful expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed fruitless and wasteful expenditure was caused by late payments to suppliers.
65. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1) (d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred as indicated in the basis for qualification paragraph.

Revenue management

66. An adequate management, accounting and information system which accounts for revenue was not in place, as required by section 64(2) (e) of the MFMA.
67. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2) (f) of the MFMA.
68. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2) (b) of the MFMA.

Asset management

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

Strategic planning and performance management

70. A performance management system was not established, as required by section 38(a) of the MSA.

Procurement and contract management

71. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).

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72. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM Regulation 22(1) and 22(2).
73. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM Regulation 43.
74. Some of the invitation to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 Preferential Procurement Regulation 8(2).
75. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA...
76. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA.

Utilisation of conditional grants

77. Performance in respect of programmes funded by the Municipal Infrastructure Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).
78. Performance in respect of programmes funded by the Water Services Infrastructure Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).
79. Performance in respect of programmes funded by the Energy Efficiency and Demand Side Management Grant (EEDSM) was not evaluated within two months after the end of the financial year, as required by section 11(6)(b) of the Division of Revenue Act (Act 9 of 2021).
80. Performance in respect of programmes funded by the Energy Efficiency and Demand Side Management Grant (EEDSM) was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).

Consequence management

81. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
82. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA and reporting regulations 75(1).
83. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA and reporting regulations 75(1).

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Human resource management

84. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1) (d) of the MSA.

Other information

85. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, the other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
86. 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.
87. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
88. 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

89. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the performance report and the findings on compliance with legislation included in this report.
90. The accounting officer did not exercise adequately perform oversight responsibility over the preparation of the annual financial statements, performance reporting, compliance with laws and regulations and internal control. The accounting officer did not implement adequate processes to ensure that proper reviews took place and that information is adequately supported relating to financial and performance information. This was evidenced by repeat material misstatements in the financial statements, performance and compliance information.

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91. An audit action plan was developed based on prior year audit findings; however, adequately monitor the existing action plan to ensure that corrective action was taken when required and within the required time frames. This resulted in similar material findings recurring in the current financial year.
92. Management did not ensure that weaknesses in the control environment is addressed.

AUDITOR GENERAL

Kimberly

30 November 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

T6.2.3

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COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 1:

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements/ with the exception of those items and for those reasons given at **Appendix S** (*delete '/'... if not applicable*).

Signed (Chief financial Officer)..... Dated

T6.2.5

GLOSSARY

GLOSSARY

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

GLOSSARY

(IDP)	
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of</i></p>

GLOSSARY

	<i>the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>
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APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance (Before 9 November 2021)					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Pasqueline Van Heerden	FT	Finance and LED (Chairperson)	Ward	100%	0%
Bennidictus Josop	PT	Corporate Services (Chairperson)	Ward	100%	0%
Estelle Cloete	PT	Infrastructure (Chairperson)	Ward	100%	0%
Samatha Baker	PT	MPAC	Ward	100%	0%
Stafanus April	PT	Member of all committees	Party Represented	100%	0%
Sylvia Brandt	PT	Member of all committees	Party Represented	100%	0%
Alexandra Van Wyk	PT	Member of all committees	Party Represented	100%	0%
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					T A
Councillors, Committees Allocated and Council Attendance (From 9 November 2021)					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Bernard Bock	FT	Speaker	Ward	100%	0%
Estelle Cloete	FT	Mayor, ExCo, Finance and LED (Chairperson), Corporate Services and Infrastructure	Ward	100%	0%
Cacila Waterboer	PT	Finance and LED,	Ward	100%	0%
Cynthenia Masebeni	PT	Exco, Corporate Services and Infrastructure,	Ward	100%	0%
Edgar Mowers	PT	Chief Whip	Ward	100%	0%
Samatha Baker	PT	MPAC (Chairperson)	Ward	100%	0%
Donne- Lee Jano	PT	Exco, Finance and LED	Party Represented		
Hilton Nel	PT	MPAC	Party Represented		
Sylvia Brandt	PT		Party Represented		
Tshepone Wagai	PT	Corporate Services and Infrastructure	Party Represented	100%	0%
Olivia Adams	PT		Party Represented	100%	0%
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					T A

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APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance and LED Committee	Address and Recommend issues related to financial management and local economic development.
Infrastructure Development	Address and Recommend issues related to basic services and infrastructure development.
Institutional Development Committee	Address and Recommend issues related to capacity building of councillors and staff.
Municipal Public Accounts Committee	Oversight over financial revenue and expenditures of the municipality
	T B

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Finance	CFO- Pieter Van Der Merwe
Technical Services	Senior Manager- Hendry Christians
Corporate Services	Senior Manager- Jan Liebenberg
<i>Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).</i>	
	T C

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	
Building regulations	Yes	
Child care facilities	No	
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports	No	
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	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters	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	
<i>Continued next page</i>		

APPENDICES

<i>Continued from previous page</i>		
Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
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	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	Yes	
Pounds	No	
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDICES

APPENDIX E – WARD REPORTING

Functionality of Ward Committees (Before 9 November 2021)					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Benedictus Josop (W/C) Petronella Jonas Roger Josop Felicity Blom Celecia Simon Anne- Marie Booysen Lucile Bock Sophie Magerman Maria Koper Theresa Kordom	Yes		12	
2	Estelle Cloete (W/C) Virginia Basson Elizabeth Josop Sarah Kangoetie Andries Swartz Susanna Paulse Elsabé Brandt Katrina Van Wyk Maria Irsja Cloete Katrina Cupido	Yes	12	12	
3	Pasqueline Van Heerden (W/C) Amanda Plaatjies Eva Fortuin Elna Smith David Simboya Kiewido (Kokstad) Finnish Alinda Van Heerden Angelien Mouton	Yes	12	12	
4	Samatha Baker (W/C) Gertruida Basson Jacoba Silver Sarah Bock Luise Koertsen Charlene Nel Theresa Hein Cynthenia Masebeni Veronica Cloete Phindile Siyoko	Yes		12	
					TE

APPENDICES

Functionality of Ward Committees (From 9 November 2021)					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Bernard Josop (CIlr)	Yes	5	5	
	Mechtilda Rita Hakskeen				
	Dominikus Rainer Basson				
	Geralize Veruska Green				
	Hazeldean Disten				
	Meriska Kortom				
	Hendrika Jaar				
	Antonia J Jossop				
2	Lincoln Phillups	Yes	5	5	
	Estelle Cloete (CIlr)				
	Susana PULSE				
	Maria Irla Cloete				
	Virginia Valerie Basson				
	Elsabe Brandt				
	Magrieta Titus				
	Thessalonicense Irion				
3	Toronick Ukena	Yes	5	5	
	Lee-ann Rozanne Julie				
	Sara Kangoetie				
	Johandri Simboya				
	Cacilia Waterboer (CIlr)				
	Kiwido Fienies				
	John Christiaans				
	John Johson				
	Paulus Waterboer				
	Silvia Witbooi				
	Alida Van Heerden				
	Magdalena Townsend				
	Katrina Basson				

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

Ward 1, 3, 4				
Capital Projects: Largest in Year 1				
R' 000				
No.	Project Name and detail	Start Date	End Date	Total Value
1.	Pella- Construction of Bulk Water Reticulation Network	01/07/2021	30/06/2022	24,000,000
	Pofadder Internal Reticulation	01/07/2021	30/06/2022	10,000,000

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APPENDIX F – WARD INFORMATION

APPENDICES

T F.3

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	2691	2333	1310	2563	
Households without minimum service delivery	0	358	562	128	
Total Households*	2691	2691	2691	2691	
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					T.F.

Top Four Service Delivery Priorities for Ward (Highest Priority First)

No.	Priority Name and Detail	Progress During Year 1
3 & 5	Water (Upgrading of Supply)	Electricity line build for water pumps in Witbank
	Reduction of Water losses	Installation of Pre- paid water meters
2	Electricity Supply	MVA increased (Maximum demand) from 1,5 mva
1,2,3,4,6	Waste Water Management	Refurbish and Establishment of Oxidation pounds
1,2,3,4,6	Waste Management	License and Rehabilitation of Landfill sites
T F.3		

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 1	Recommendations adopted (enter Yes) If not adopted (provide explanation)
14-Aug-18	5	5
14-Jun-19	6	6
		T G

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

APPENDICES

Long Term Contracts (20 Largest Contracts Entered into Year 1)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
No Long Term Contracts entered into					
					T H.1

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose (i)	(a) Service Indicators	Year 0		Year 1		Year 2	Year 4		
	(b) Service Targets (ii)	Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
KHAI-MA Municipality	Nil (No entities)	0	0	0	0	0	0	0	0
Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.									

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

NOTE: To be viewed at office- To much pages due to total number of councillors and staff

APPENDICES

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 1 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Van Heerden, Pasqueline	Nil
Member of MayCo / Exco		
Councillor	Cloete, Estelle	Nil
	Josop, Bennidictus	Nil
	Quincy, Stephen	Nil
	April, Stefanus	Nil
	Brand, Sylvia	Nil
	Van Wyk, Alexandra	Director at Y2K with Mr Andreas (Absa) April
Municipal Manager	Isaacs, O.J	Nil
Chief Financial Officer	Van Der Merwe, P.J	Nil
Deputy MM and (Executive) Directors	Jan Liebenberg	Nil
	Hendry Christians	Nil
Other S57 Officials	N/a- vacancies	

Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE				
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome
	1	2	3	4
Revenue by Vote				
	21	4	25	26
Vote 1 - Municipal Manager	156	750	906	406
	13		13	14
Vote 2 - Finance	423	75	498	914
Vote 3 - Corporate	3	1	4	2
Services	201	061	262	790
Vote 4 - Infrastructure	47	(2	45	38
Development	679	590)	089	652
Vote 5 - Economic				
Development	–	–	–	–
	85	3	88	82
Total Revenue by Vote	459	296	755	762

APPENDICES

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome
	1	2	3	4
Revenue By Source				
	9		9	9
Property rates	578	33	612	614
	10		10	10
Service charges - electricity revenue	450	–	450	232
	11	(9	1	6
Service charges - water revenue	219	692)	528	391
	2		1	1
Service charges - sanitation revenue	075	(186)	889	843
	1		1	1
Service charges - refuse revenue	430	291	721	741
Rental of facilities and equipment	217	106	323	390
Interest earned - external investments	222	(92)	130	214
	4		4	4
Interest earned - outstanding debtors	927	(4)	923	714
Dividends received	–	–	–	–
Fines, penalties and forfeits	91	(65)	26	24
Licences and permits	119	(1)	118	40
Agency services	–	–	–	–
	26	1	28	26
Transfers and subsidies	192	963	155	662
		1	1	2
Other revenue	33	153	187	649
Gains	–	–	–	250
Total Revenue (excluding capital transfers and contributions)	66	(6	60	64
	553	491)	062	763

APPENDICES

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG 2021/22						R' 000
Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Neighbourhood Development Partnership Grant	0	0	0	#DIV/0!	#DIV/0!	
	0	0	0	#DIV/0!	#DIV/0!	
	0	0	0	#DIV/0!	#DIV/0!	
Public Transport Infrastructure and Systems Grant	0	0	0	#DIV/0!	#DIV/0!	
	0	0	0	#DIV/0!	#DIV/0!	
	0	0	0	#DIV/0!	#DIV/0!	
	0	0	0	#DIV/0!	#DIV/0!	
<i>Other Specify:</i>	0	0	0	#DIV/0!	#DIV/0!	
EQUITABLE SHARE	21156	22206	22206	4.73%	0.00%	
EPWP	0	0	0	#DIV/0!	#DIV/0!	
WSIG	10000	5000	500	-1900.00%	-900.00%	
EEDSM	2000	500	500	-300.00%	0.00%	
FMG	2900	2900	2900	0.00%	0.00%	
LIBRARY DEVELOPMENT FUND	1100	1100	1100	0.00%	0.00%	
Total	37156	31706	27206	-36.57%	-16.54%	

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

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APPENDICES

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

Name of Project	Current Year: Year 1			Variance Current Year: Year 1	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A -MIG 1505: Pella bulk water infrastructure reticulation network	6906	13906	9710	-41%	-101%
B- WSIG: Upgrading of existing internal water reticulation network in Pofadder	10000	5000	3354	66%	50%

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

No new capital projects was start due to funding.

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Name of Project - A	A -MIG 1505: Pella bulk water infrastructure reticulation network
Objective of Project	Bulk water and upgrading of internal reticulation network
Delays	Contractor abandon the site
Future Challenges	None
Anticipated citizen benefits	712
Name of Project - B	B- WSIG: Upgrading of existing internal water reticulation network in Pofadder
Objective of Project	Upgrading of internal reticulation network
Delays	None
Future Challenges	None
Anticipated citizen benefits	156
Name of Project - C	EEDSM: Upgrading of Highmast lights

APPENDICES

Objective of Project	Highmast lights -Lighting for community
Delays	None
Future Challenges	None
Anticipated citizen benefits	600

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 1

Name of Project - A	A -MIG 1505: Pella bulk water infrastructure reticulation network
Objective of Project	Bulk water and upgrading of internal reticulation network
Delays	Contractor abandon the site
Future Challenges	None
Anticipated citizen benefits	712

Name of Project - B	B- WSIG: Upgrading of existing internal water reticulation network in Pofadder
Objective of Project	Upgrading of internal reticulation network
Delays	None
Future Challenges	None
Anticipated citizen benefits	156

Name of Project - C	EEDSM: Upgrading of Highmast lights
Objective of Project	Highmast lights -Lighting for community
Delays	None
Future Challenges	None
Anticipated citizen benefits	600

APPENDICES

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Ward 3

Name of Project - A	A -MIG 1505: Pella bulk water infrastructure reticulation network
Objective of Project	Bulk water and upgrading of internal reticulation network
Delays	Contractor abandon the site
Future Challenges	None
Anticipated citizen benefits	712

Ward 4

Name of Project - B	B- WSIG: Upgrading of existing internal water reticulation network in Pofadder
Objective of Project	Upgrading of internal reticulation network
Delays	None
Future Challenges	None
Anticipated citizen benefits	156

Ward 4

Name of Project - C	EEDSM: Upgrading of Highmast lights
Objective of Project	Highmast lights -Lighting for community
Delays	None
Future Challenges	None
Anticipated citizen benefits	600

APPENDICES

APPENDIX P – SERVICE CONNECTION BAC

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Nil				
Clinics (NAMES, LOCATIONS)				
Nil				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				T P

KLOGS AT SCHOOLS AND CLINICS

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

APPENDICES

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:	n/a	
Housing:	n/a	
Licencing and Testing Centre:	n/a	
Reseviors	n/a	
Schools (Primary and High):	n/a	
Sports Fields:	n/a	
		T Q

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 1				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 1 R' 000	Total Amount committed over previous and future years
No Loans				
			Municipality APPENDICES 332	
* Loans/Grants - whether in cash or in kind				T R

APPENDICES

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S7

MFMA Section 71 Returns Not Made During Year 1 According to Reporting Requirements	
Return	Reason Return has not been properly made on due date

APPENDICES

Status of Schedule of Submissions

Demarcation Description	Demarc Code	CAP	Financial Year	Submission Code	Due Date	Status of Schedule	Date of Submission	Version of Submission	SCOA Version	Borr/Invest Nil Return
Financial Data										
Location Level Selected: Municipality: NC067										
Khai-Ma	NC067	L	2022	ADJB	Adjusted Budget	-	Submitted/Successful	2022/03/04	01	6.5
Khai-Ma	NC067	L	2022	M01	In-Year Monthly 01	2021/08/14	Submitted/Successful	2021/08/17	01	6.5
Khai-Ma	NC067	L	2022	M02	In-Year Monthly 02	2021/09/14	Submitted/Successful	2021/09/14	01	6.5
Khai-Ma	NC067	L	2022	M03	In-Year Monthly 03	2021/10/14	Submitted/Successful	2021/10/14	01	6.5
Khai-Ma	NC067	L	2022	M04	In-Year Monthly 04	2021/11/14	Submitted/Successful	2021/11/15	01	6.5
Khai-Ma	NC067	L	2022	M05	In-Year Monthly 05	2021/12/14	Submitted/Successful	2021/12/13	01	6.5
Khai-Ma	NC067	L	2022	M06	In-Year Monthly 06	2022/01/14	Submitted/Successful	2022/01/17	01	6.5
Khai-Ma	NC067	L	2022	M07	In-Year Monthly 07	2022/02/14	Submitted/Successful	2022/02/14	01	6.5
Khai-Ma	NC067	L	2022	M08	In-Year Monthly 08	2022/03/15	Submitted/Successful	2022/03/14	01	6.5
Khai-Ma	NC067	L	2022	M09	In-Year Monthly 09	2022/04/14	Submitted/Successful	2022/04/14	01	6.5
Khai-Ma	NC067	L	2022	M10	In-Year Monthly 10	2022/05/14	Submitted/Successful	2022/05/13	01	6.5
Khai-Ma	NC067	L	2022	M11	In-Year Monthly 11	2022/06/14	Submitted/Successful	2022/06/15	01	6.5
Khai-Ma	NC067	L	2022	M12	In-Year Monthly 12	2022/07/14	Submitted/Successful	2022/07/21	01	6.5
Khai-Ma	NC067	L	2022	ORGB	Original Budget	2021/07/14	Submitted/Successful	2021/07/13	01	6.5
Khai-Ma	NC067	L	2022	TABB	Tabled Budget	2021/04/14	Submitted/Successful	2021/07/13	02	6.5
Non Financial Data										
Location Level Selected: Municipality: NC067										
Khai-Ma	NC067	L	2022	A1D	A1 Schedule Draft	2021/04/14	Submitted/Successful	2021/10/27	03	6.5
Khai-Ma	NC067	L	2022	A1F	A1 Schedule Final	2021/07/14	Submitted/Successful	2021/10/27	03	6.5
Khai-Ma	NC067	L	2022	BMQ1	Borrowing Monitoring-Q1	2021/10/14	Submitted/Successful	2021/10/14	01	6.5 Y
Khai-Ma	NC067	L	2022	BMQ2	Borrowing Monitoring-Q2	2022/01/14	Submitted/Successful	2022/01/17	01	6.5 Y
Khai-Ma	NC067	L	2022	BMQ3	Borrowing Monitoring-Q3	2022/04/14	Submitted/Successful	2022/04/14	01	6.5 Y
Khai-Ma	NC067	L	2022	BMQ4	Borrowing Monitoring-Q4	2022/07/14	Submitted/Successful	2022/07/21	01	6.5 Y
Khai-Ma	NC067	L	2022	CR01	Creditors Monthly-M01	2021/08/14	Submitted/Successful	2021/08/17	01	6.5
Khai-Ma	NC067	L	2022	CR02	Creditors Monthly-M02	2021/09/14	Submitted/Successful	2021/09/15	01	6.5
Khai-Ma	NC067	L	2022	CR03	Creditors Monthly-M03	2021/10/14	Submitted/Successful	2021/10/15	01	6.5
Khai-Ma	NC067	L	2022	CR04	Creditors Monthly-M04	2021/11/14	Submitted/Successful	2021/11/15	01	6.5
Khai-Ma	NC067	L	2022	CR05	Creditors Monthly-M05	2021/12/14	Submitted/Successful	2021/12/13	01	6.5
Khai-Ma	NC067	L	2022	CR06	Creditors Monthly-M06	2022/01/14	Submitted/Successful	2022/01/17	02	6.5
Khai-Ma	NC067	L	2022	CR07	Creditors Monthly-M07	2022/02/14	Submitted/Successful	2022/02/14	01	6.5
Khai-Ma	NC067	L	2022	CR08	Creditors Monthly-M08	2022/03/15	Submitted/Successful	2022/03/14	01	6.5
Khai-Ma	NC067	L	2022	CR09	Creditors Monthly-M09	2022/04/14	Submitted/Successful	2022/04/14	01	6.5
Khai-Ma	NC067	L	2022	CR10	Creditors Monthly-M10	2022/05/14	Submitted/Successful	2022/05/13	01	6.5
Khai-Ma	NC067	L	2022	CR11	Creditors Monthly-M11	2022/06/14	Submitted/Successful	2022/06/15	01	6.5
Khai-Ma	NC067	L	2022	CR12	Creditors Monthly-M12	2022/07/14	Submitted/Successful	2022/07/21	01	6.5
Khai-Ma	NC067	L	2022	DB01	Debtors Monthly-M01	2021/08/14	Submitted/Successful	2021/08/17	01	6.5
Khai-Ma	NC067	L	2022	DB02	Debtors Monthly-M02	2021/09/14	Submitted/Successful	2021/09/15	01	6.5
Khai-Ma	NC067	L	2022	DB03	Debtors Monthly-M03	2021/10/14	Submitted/Successful	2021/10/15	01	6.5
Khai-Ma	NC067	L	2022	DB04	Debtors Monthly-M04	2021/11/14	Submitted/Successful	2021/11/15	01	6.5
Khai-Ma	NC067	L	2022	DB05	Debtors Monthly-M05	2021/12/14	Submitted/Successful	2021/12/14	01	6.5
Khai-Ma	NC067	L	2022	DB06	Debtors Monthly-M06	2022/01/14	Submitted/Successful	2022/01/17	01	6.5
Khai-Ma	NC067	L	2022	DB07	Debtors Monthly-M07	2022/02/14	Submitted/Successful	2022/02/14	01	6.5
Khai-Ma	NC067	L	2022	DB08	Debtors Monthly-M08	2022/03/15	Submitted/Successful	2022/03/14	01	6.5
Khai-Ma	NC067	L	2022	DB09	Debtors Monthly-M09	2022/04/14	Submitted/Successful	2022/04/14	01	6.5
Khai-Ma	NC067	L	2022	DB10	Debtors Monthly-M10	2022/05/14	Submitted/Successful	2022/05/13	01	6.5
Khai-Ma	NC067	L	2022	DB11	Debtors Monthly-M11	2022/06/14	Submitted/Successful	2022/06/15	01	6.5
Khai-Ma	NC067	L	2022	DB12	Debtors Monthly-M12	2022/07/14	Submitted/Successful	2022/07/22	01	6.5
Khai-Ma	NC067	L	2022	IMQ1	Investment Monitoring-Q1	2021/10/14	Submitted/Successful	2021/10/14	01	6.5 Y
Khai-Ma	NC067	L	2022	IMQ2	Investment Monitoring-Q2	2022/01/14	Submitted/Successful	2022/01/17	02	6.5 Y
Khai-Ma	NC067	L	2022	IMQ3	Investment Monitoring-Q3	2022/04/14	Submitted/Successful	2022/04/14	01	6.5 Y
Khai-Ma	NC067	L	2022	IMQ4	Investment Monitoring-Q4	2022/07/14	Submitted/Successful	2022/07/21	01	6.5 Y
Khai-Ma	NC067	L	2022	PRAD	Project Details Adjusted Budget	-	Submitted/Successful	2022/03/04	01	6.5
Khai-Ma	NC067	L	2022	PROR	Project Details Original Budget	2021/07/14	Submitted/Successful	2021/07/13	01	6.5
Khai-Ma	NC067	L	2022	PRTA	Project Details Tabled Budget	2021/04/14	Submitted/Successful	2021/07/13	02	6.5

CONCERNING TS

Delete this Appendix if all returns have been made in accordance with reporting requirements.

Delete Directive note before publication

TS.1

APPENDICES

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Water, sanitation, refuse removal, roads, storm water, electricity, land and housing	80%
Output: Implementation of the Community Work Programme	Organisational transformation to match IDP requirements, internal policies dealing with national priorities, general management practices and training	60%
Output: Deepen democracy through a refined Ward Committee model	Public relations, marketing and communication, empowering wards, public participation structures and mechanisms and service ethics (Batho Pele)	60%
Output: Administrative and financial capability	Financial policies, budget management, assets and liability control and supporting strategies to fund priorities	80%
* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.		
T T		

APPENDICES
