**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE** : **2022-03-22**

**COUNCIL** : **2022-03-30**

**48. OVERSIGHT REPORT BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) ON THE ANNUAL REPORT FOR THE 2020/2021 FINANCIAL YEAR**

**ATTACHED**

- Attached a copy of the Draft Annual Report for 2020/2021 Financial Year
- Template for oversight report

## 1. PURPOSE

The purpose of the report is for MPAC to consider the 2020/2021 Annual Report and to do an analysis and evaluation on the Annual Report to collate an Oversight Report that must be presented to council.

## 1. BACKGROUND

The 2020/2021 Draft Annual Report was tabled to council on the 31st of January 2022. This was done in compliance with section 127(2) of the Municipal Finance Management Act No 56 of 2003 which states that the mayor of the municipality must, within seven months after the end of the financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control

The Municipal Public Accounts Committee of Ga-Segonyana Local Municipality fulfils the oversight role of council. The mandate of the MPAC includes and analysis of the institution's Annual Report and the development of appropriate recommendations to council.

The Municipal Public Accounts Committee (MPAC) was appointed by Council to amongst other things oversee the content of the Annual Report on its behalf. The oversight report is the final major step in the annual reporting process of the municipality. Section 129 of the MFMA requires the Council to consider the annual report and to adopt an oversight report containing council comments on the annual report

The Annual Report 2020/2021 was subjected to a public participation process was held at Kurara radio station due to the councillors still undergoing training , during which the political leadership of Ga-Segonyana engaged with the communities from different wards, in addition copies of a summary of the Annual Report was made available to community members during the process and also on the municipal websites.

The final step of reporting is for the municipality to consider and adopt the annual report in light of the findings contained in the Oversight Report. In terms of the new guidelines, the oversight report must be compiled by MPAC in accordance in consultation with members of the community and other stakeholders

## 2. LEGAL AUTHORITY

In accordance with Section 129 of the Municipal Finance Management Act (MFMA) Act No 56 of 2003, read together with Circular 11 council must consider the annual report of the municipality and that of any municipal entity under the municipality's sole or shared control, and by not later than two months from the date on which the annual report was tabled to council in-terms of section 127, adopt am oversight report containing the council's comments on the annual report, which must include a statement whether the council;

a) Has approved the annual report with or without reservation
b) Has rejected the annual report
c) Has referred the annual report back for revisions of those components that can be revised.

**A municipal Annual Report include the following components**

- **Annual performance report (as required by section 46 of the Municipal System Act**
- **Annual Financial Statements**
- **AGs audit report on the AFS and management responses to address AGs findings**
- **AGs audit report on performance in terms of section 45(b)of the Municipal Systems Act**

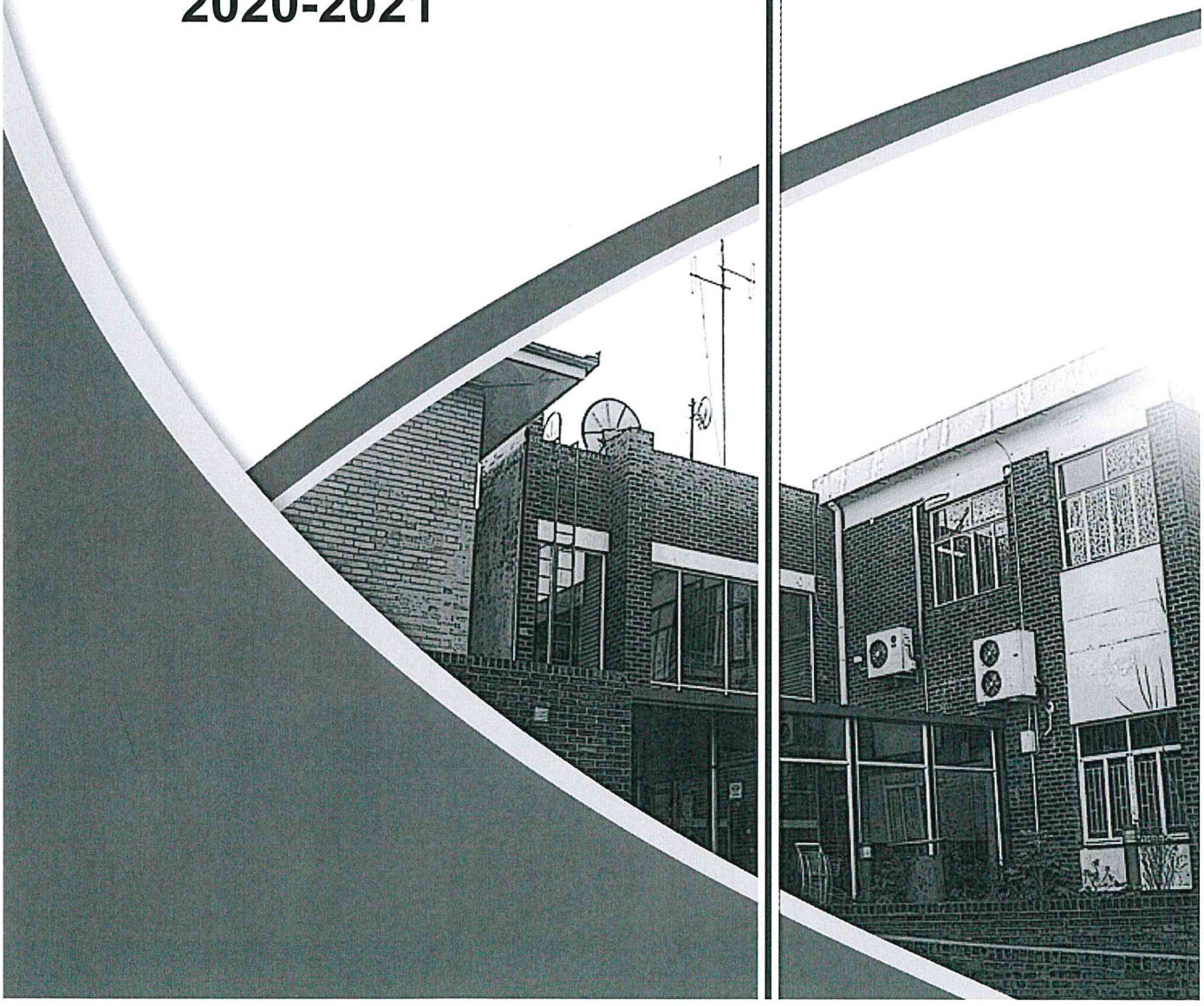
**Council <u>RESOLVED</u>**

1. That the Council **APPROVE** 2020/2021 Annual Report without reservation.

# GA-SEGONYANA LOCAL MUNICIPALITY

## Final Annual Report

## 2020-2021



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# REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and
- The other financial years will follow a similar sequence as explained above.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury July 2012

# CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT A: MAYOR'S FOREWORD

### MAYOR'S FOREWORD

Our 2020/2021 Integrated Development Plan (IDP) review document seeks to focus on the following:

- Accelerating service delivery
- Building a municipality that is effective, efficient and responsive
- Promoting economic and social development
- Fostering development partnerships and social cohesion.
- Improve a Safe and Healthy living environment.

As the municipality we have committed ourselves to the following deliverables:

- Supply of basic services to communities.
- Electricity and Water must be accessible.
- Waste removal services must be improved.
- Promote Social and Economic development.

The Municipal Systems Act indicates that the constitution of South Africa envisages a robust local government, which can provide democratic and accountable government for local communities. In 2020/2021, we encountered the Local Government Elections which marked the end of a Council Term and the beginning of a Newly elected and inaugurated Council. The Council of Term 2016-2020 have achieved to bring stability to the overall Municipal performance in regards to finance in which we managed to receive a 2019/2020 Unqualified Auditor Opinion from the Auditor General Of South Africa (AGSA) as compared to previous years of disclaimers prior 2016.

In the Fourteen (14) Wards in Ga-Segonyana we completed and handed over Thirty Nine (39) projects from 2016 to date which were funded by the collective from Municipal Integrated Grant (MIG), Water Services Infrastructure Grant (WSIG), Department of Water and

Sanitation (DWS), Local Mining houses and John Taolo Gaetsewe Developmental Trust. The projects based solely on the basic services of Water, Electricity and Roads.

Ga-Segonyana has experienced over population within their Wards due to communities locating near to economic and social opportunities. The municipality works in collaboration with Local Houses of Traditional Leaders in regards to spatial planning and land use. We continue to request the Provincial and National Leadership to assist financially in regards to implementing various key economic and social infrastructures for job creation and afford the community dignified living environment with sustainable human settlement areas.

Ga-Segonyana Local Municipality adheres and implements the objectives and mission of the local municipality.

.....

**Mayor Neo George Masegela**

*T 1.0.1*

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

**MUNICIPAL MANAGER'S OVERVIEW**

As the municipality we ensure that the municipal services are provided to local communities in an equitable, financially and environmentally sustainable manner.

We pride ourselves on the following:

- Being responsive to the needs of the communities in Ga-Segonyana
- Having well established communication channels with the communities.
- Being accountable and transparent to the local communities on the operations and functionality of the municipality through the departments which we have namely as Co-Operate, Technical, Community Service and Finance departments.

In accordance with Chapter 4 of the Municipal Systems Act 32 of 2000, Community participation in the affairs and programmes of the municipality is a legal obligation. The public participation and response to public emergencies to service delivery has been accelerated through the use of digital and online communication platforms such as the active official social media page (Facebook), the radio interviews at the local community radio station (Kurara FM) and announcements, publications in print Local Newspapers. The Municipal Call Center has been made available 24/7 to attend to all technical community emergencies. The interactive community meetings were postponed due to the lockdown national laws of Covid-19 pandemic.

According to Section 156 (2) of the Constitution of the Republic of South Africa (1996) provides that the municipality may make and administer By-Laws for the effective administration of matters which it has right to administer. Ga-Segonyana Local Municipality has implemented by-laws that govern Ga-Segonyana which are also made accessible to communities and are in use. However, the Municipality has experienced many challenges in regards to municipal property vandalism and theft that has interrupted proper supply of

electricity and water. Our Legal and Compliance office working with the Local South African Police Service (SAPS) and Community Forums have collectively worked to resolve these criminal elements in Ga-Segonyana. Furthermore, Maintenance and repairs to municipal infrastructures has been accelerated to ensure providence of service delivery to communities.

The impact of Covid-19 pandemic resulted in the Municipality having basic service backlogs due to Covid-19 lockdown regulations. However, our municipal officials together with sector departments have developed and implemented strategies and weekly routines that addressed the matter. Ga-Segonyana Local Municipality values work ethics and code of conduct guiding employee's relations with management and all stakeholders. We encounted industrial strike in which we were able to resolve through the functional established Local Labour Forum which comprise of representatives from South African Municipal Workers Union (SAMWU), Independent Municipal and Allied Trade Union (IMATU) and Administration of the Municipality.

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**Municipal Manager**

**Mr Martin Tsatsimpe**

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*T 1.1.1*

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

The rural villages to the north-west of Kuruman are administered through a traditional authority system with two Traditional leaders. This area is not formalised with the result that no title deeds exist for residents. Currently no billing for services is conducted in these areas. It is crucial for the success of the project that a suitable "social contract" be put in place to

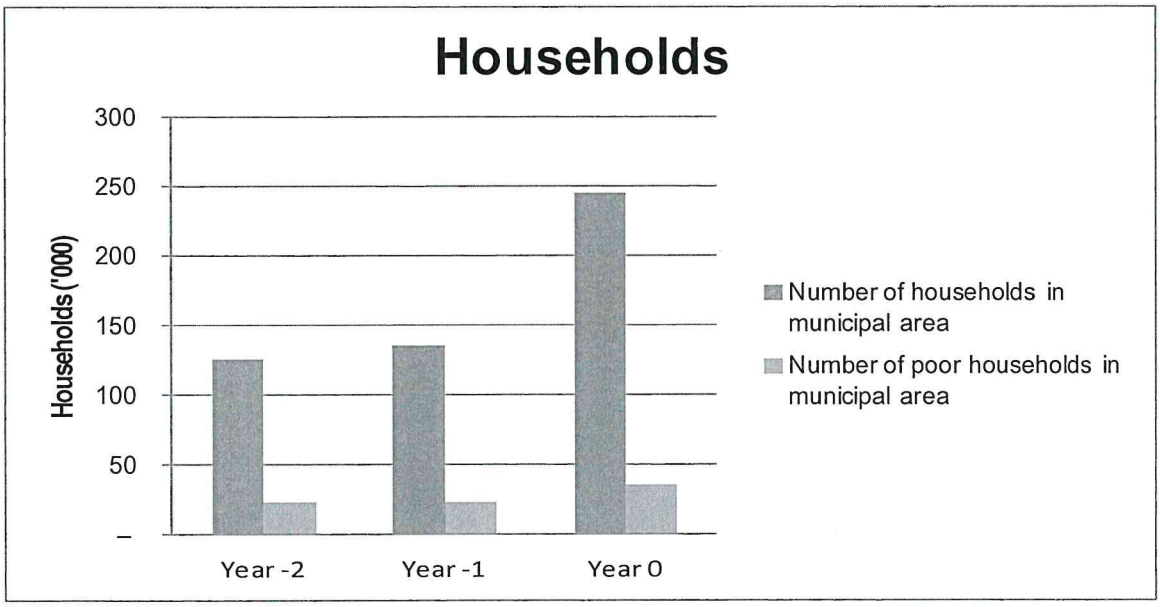
ensure financial feasibility through successful cost recovery. For this purpose, all erven must have water meters (where yard / house connections are installed) and consumers must be billed towards debt collection and cost recovery. As a minimum level of township formalization services must be registered for roads and infrastructure and registered identifiable erven must be created. This will allow for the legal identification of the erven, consumers and water meters and will facilitate billing and cost recovery. Similarly, the legal ownership of infrastructure will be documented and registered by the registering of services.

Migration from the cross-border areas from the north adds significantly to the housing need and the development of water and sanitation infrastructure. Backlogs in housing must be addressed. The status of the Municipality's Water Service's Development Plan is that of a draft and its blue drop assessment level is 72,27%, with:
BLUE DROP ASSESSMENT RESULTS, 2012
Batlharos (GLM Boreholes – Sedibeng Water) 78,23%
Mothibistad (GLM Boreholes – Sedibeng Water) 73,4%
Bankhara-Bodulong (Managed by Ga-Segonyana LM) 64,16%
Kuruman – Wrenchville (Managed by Ga-Segonyana LM) 64,16%

Refuse Removal and Waste Disposal
The Municipality remove an average of 12-ton waste per day from business premises and 18,45 ton from domestic premises.

*T 1.2.1*

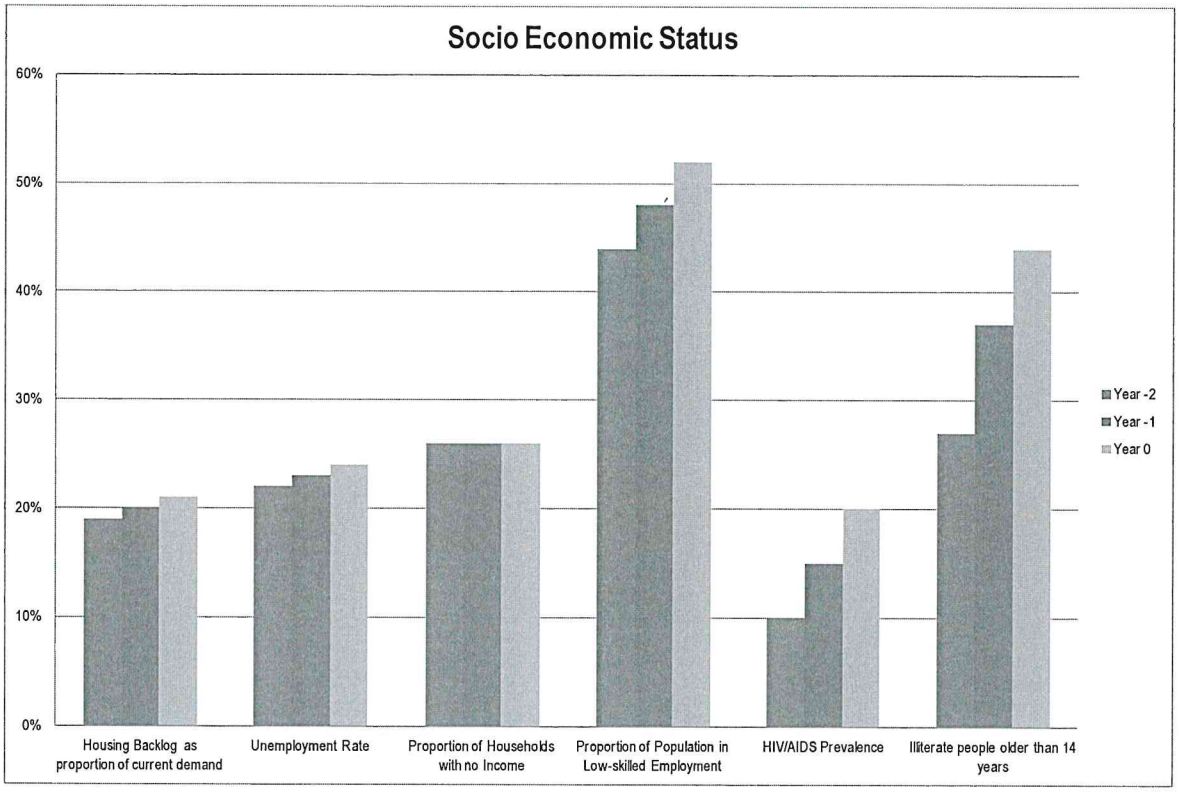
| Population Details | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Population '000 | | |
| Age | Year -2 | | | Year -1 | | | Year 0 | | |
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Age: 0 - 4 | | | 0 | | | 0 | | | 0 |
| Age: 5 - 9 | | | 0 | | | 0 | | | 0 |
| Age: 10 - 19 | | | 0 | | | 0 | | | 0 |
| Age: 20 - 29 | | | 0 | | | 0 | | | 0 |
| Age: 30 - 39 | | | 0 | | | 0 | | | 0 |
| Age: 40 - 49 | | | 0 | | | 0 | | | 0 |
| Age: 50 - 59 | | | 0 | | | 0 | | | 0 |
| Age: 60 - 69 | | | 0 | | | 0 | | | 0 |
| Age: 70+ | | | 0 | | | 0 | | | 0 |
| *Source: Statistics SA* | | | | | | | | | *T 1.2.2* |




*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 -2 | 19% | 22% | 26% | 44% | 10% | 27% |
| Year -1 | 20% | 23% | 26% | 48% | 15% | 37% |
| Year 0 | 21% | 24% | 26% | 52% | 20% | 44% |

*T 1.2.4*




*T 1.2.5*

## 1.3. SERVICE DELIVERY OVERVIEW

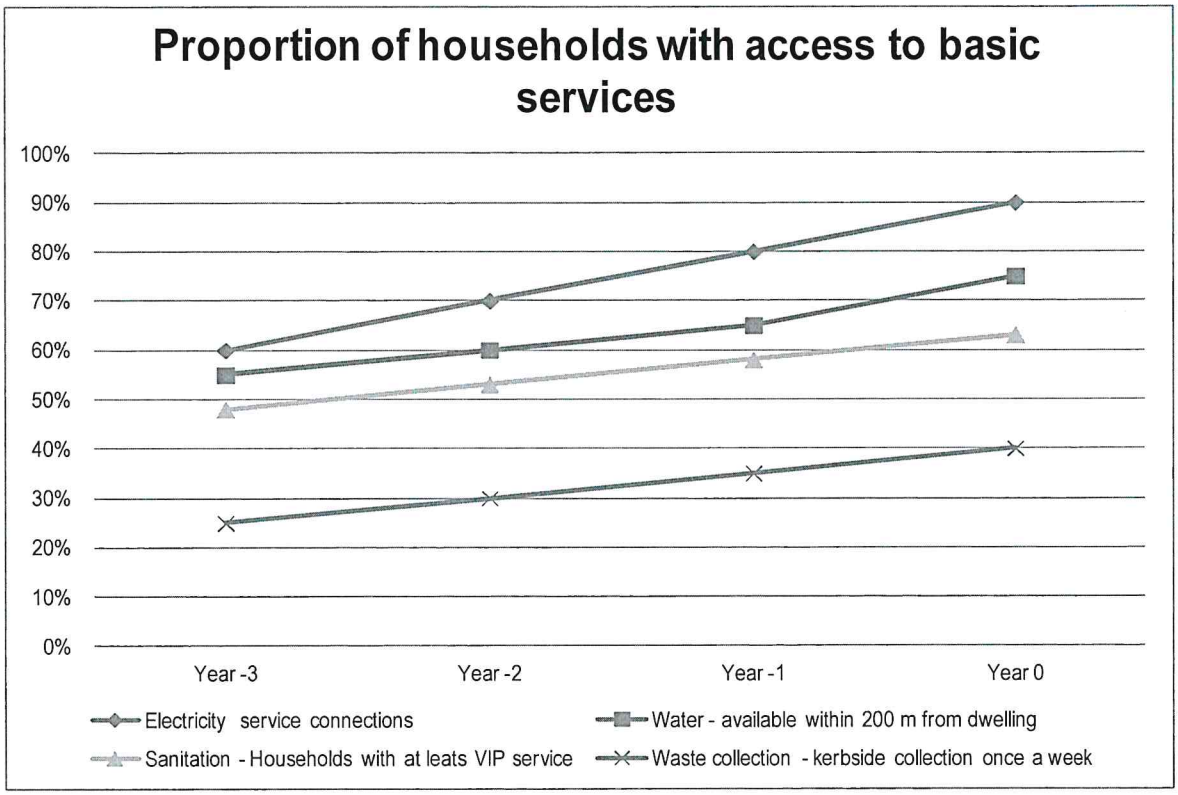
### SERVICE DELIVERY INTRODUCTION

The Municipality experiences a huge backlog on the provision of basic infrastructure due to migration into our Municipal area by people losing their jobs at the mines, and influx of people wanting to come

to closer to town to deemed job opportunity. This takes place in an uncontrolled environment where informal settlement mushroom overnight into our Municipality. The informal settlement of Promise land is currently receiving attention from the Department of Human Settlement, to formalize and deliver basic service. Township layout is currently being finalized.

There are no budget provisions to attend to basic infrastructure as funding must be sourced by grant funding and it takes time to plan and source such funding. The disaggregation of families causes an even larger increase in number of people needing basic services.
The Municipality is left at a disadvantage in that the equitable share, and available grant funding has got no chance to keep up maintenance and provision of infrastructure. Lack of funding also has an impact negatively on the provision of free basic services, to the deserving communities. The Municipality also managed to source funding from mining houses to complete the Kuruman Bulk water supply scheme. Roads and storm water master plan was also completed with the funding we got from DBSA

*T 1.3.1*




*T 1.3.2*

COMMENT ON ACCESS TO BASIC SERVICES:

The biggest shortfalls in the Municipality's efforts to deliver basic services are limited funding and the ever-increasing backlogs resulting from rapid urbanisation in mostly the settlements situated nearer to Kuruman. Urbanisation resulting from mine retrenchments and community expectations for job opportunities in this Area exacerbates the shortfalls in service delivery. The Municipality is reliant on grant funding and assistance from the mining houses through the Social Labour Plan (SLP) funding. Most often this funding becomes limited, as it gets directed to refurbishment of the existing services as well. The other factor which limits basic services delivery is the non-payment of services by community, resulting in the Municipality failing to generate sufficient revenue to meet the basic service delivery demands of the community.

*T 1.3.3*

## 1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The financial year 2020/21 was an extra ordinary year with unique economic pattern due to the global COVID-19 pandemic. The economy generally dropped and lots of lives and losses were lost. This resulted in demand pattern for municipal services dwindling in different directions. Business consumption dropped whereas domestic consumption showing an upward trend due to people working from home, some industries not being able normally if not at all and also the plunge of job losses.

The following table display the Municipality's performance per National Key Performance Indicator as stipulated in the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Local Government: Municipal Systems Act 32 of 2000 (MSA). These key performance indicators are linked to the National Key Performance Area (KPA), namely: Municipal Financial Viability and Management:

*T 1.4.1*

| Financial Overview: Year 0 | | | R' 000 |
|---|---|---|---|
| Details | Original budget | Adjustment Budget | Actual |
| Income: | | | |
| Grants | 200 | 205 | 203 |
| Taxes, Levies and tariffs | 345 | 355 | 365 |
| Other | 100 | 80 | 78 |
| Sub Total | 645 | 640 | 646 |
| *Less:* Expenditure | 644 | 640 | 645 |
| Net Total* | 1 | 0 | 1 |
| ** Note: surplus/(defecit)* | | | *T 1.4.2* |

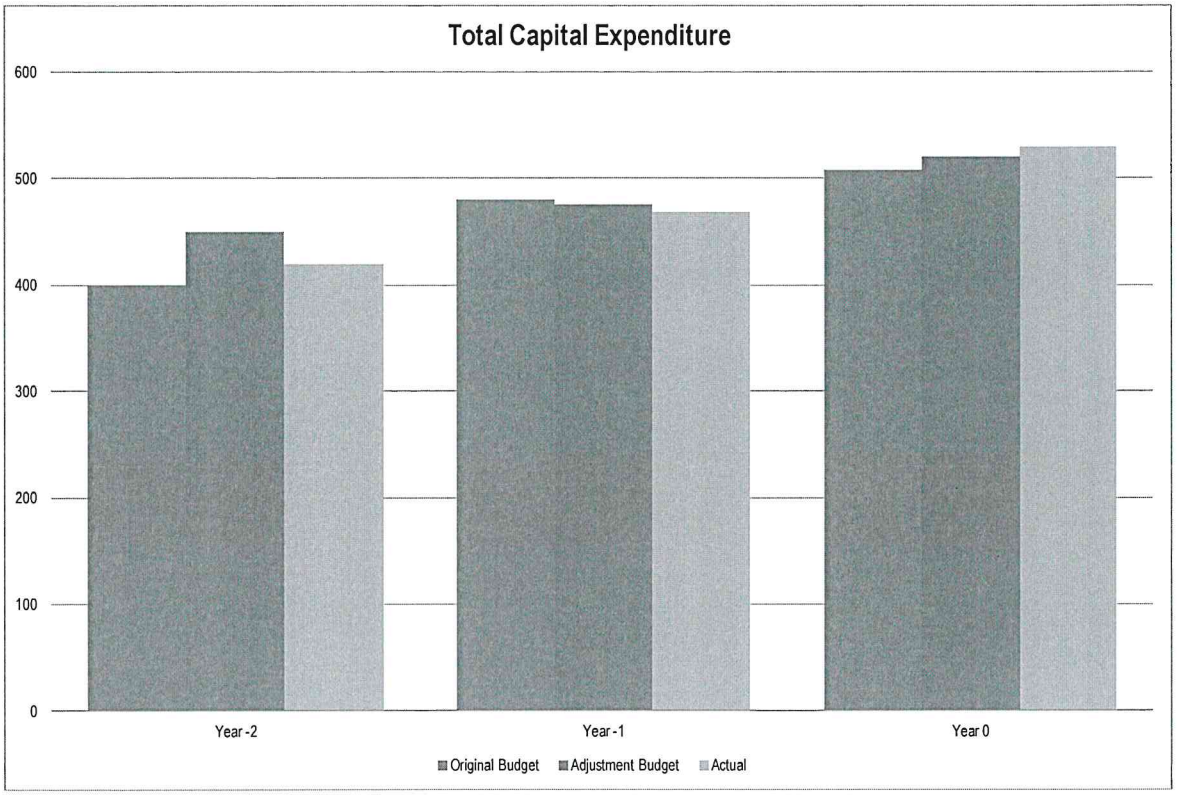
| Operating Ratios | |
|---|---|
| Detail | % |
| Employee Cost | |
| Repairs & Maintenance | |
| Finance Charges & Impairment | |
| | *T 1.4.3* |

COMMENT ON OPERATING RATIOS:

Employee costs: The expenditure amounts to 32% of the total budget. National treasury's circular 71 states this ratio to be a maximum of 40%. Repairs and maintenance accounts to 1% of total OPEX. This looks as a shortfall by 7% to circular 71 prescripts. However, this seems low as the bulk of CAPEX is generated or funded by external non-governmental sources such as mines. These are generally not in the municipality's budget but end up at year end reporting stages and through adjustment budgets to authorise them. Most of these assets are still work in progress and therefore not yet capitalised.

*T 1.4.3*

| Total Capital Expenditure: Year -2 to Year 0 | | | R'000 |
|---|---|---|---|
| Detail | Year -2 | Year -1 | Year 0 |
| Original Budget | 400 | 480 | 508 |
| Adjustment Budget | 450 | 475 | 520 |
| Actual | 420 | 468 | 530 |
| | | | *T 1.4.4* |




*T 1.4.5*

COMMENT ON CAPITAL EXPENDITURE:

Variance between actual and budget arises mainly due to mine SLPs that benefits the municipality. Mining companies in the municipal region do make contributions in form of social labour plans to the municipality on an annual basis. There is currently an ongoing project (Kuruman Bulk water) in Bankahara Bodulong which the mines have contributed over R200m towards its development.

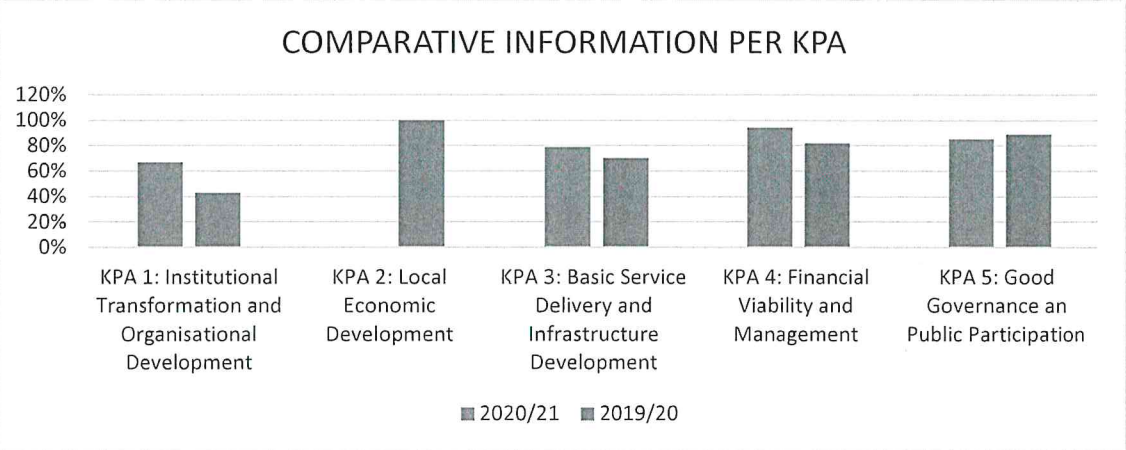
*T 1.4.5.1*

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

***Delete Directive note once comment is completed*** – Provide an overview of key Organisational Development issues based on information contained in Chapter 4.

The SDBIP was approved by the Mayor on the 26 June 2020 and adjustment to the SDBIP was done and approved 26 February2021. The assessment of the actual performance against targets set for the key performance indicators as documented on the SDBIP.When compared to the previous financial year, the municipality observed a change in the achievement of KPIs, in 2019/2020 79% of set targets were achieved which is 1% more than an achievement of 78% in the 2020/2021 financial year. Majority of targets not achieved are as a result of the COVID-19 interruptions experienced in different quarters throughout the 2020/21 performance period



## 1.7. STATUTORY ANNUAL REPORT PROCESS

| No. | Activity | Timeframe |
|---|---|---|
| 1 | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | July |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting). | |
| 3 | Finalise the 4th quarter Report for previous financial year | |
| 4 | Submit draft year 0 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 |
| 8 | Mayor tables the unaudited Annual Report | |
| 9 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General | |
| 10 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase | |
| 11 | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data | September - October |
| 12 | Municipalities receive and start to address the Auditor General's comments | November |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report | |
| 14 | Audited Annual Report is made public and representation is invited | |
| 15 | Oversight Committee assesses Annual Report | |
| 16 | Council adopts Oversight report | December |
| 17 | Oversight report is made public | |
| 18 | Oversight report is submitted to relevant provincial councils | |
| 19 | Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input | January |
| | | *T 1.7.1* |

T 1.5.1

## 1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

***Delete Directive note once comment is completed*** – State the type of opinion given (disclaimer; adverse opinion; qualified opinion; unqualified opinion with 'other matters'; and an unqualified opinion) and briefly explain the issues leading to that opinion. In terms of a disclaimer you must state that 'the accounts of this municipality were too deficient in essential detail for the Auditor General to form an opinion as the financial viability or rectitude of this municipality'. If opinion is unqualified, briefly explain the key steps taken to accomplish and maintain (where appropriate) this important achievement. Note that the full audit report should be contained in chapter 6 of the Annual Report.

T 1.6.1

COMMENT ON THE ANNUAL REPORT PROCESS:

***Delete Directive note once comment is completed*** –Explain the importance of achieving the above deadlines to prepare the Annual Report nearer the end of the financial year and to provide the next budget process with a wide range of data from the outset. Include a statement to explain the importance of alignment between the IDP, Budget and Performance Management System as dealt with at item 1 or the schedule. Explain any failures to achieve the above timescales.

*T 1.7.1.1*

# CHAPTER 2 – GOVERNANCE

## INTRODUCTION TO GOVERNANCE

The Constitution of the Republic of South Africa Act 108 of 119 stipulated that public administration should adhere to a number of principles, including that:

a) A high standard of professional ethics be promoted and maintained;
b) Services are provided impartially, fairly, equitably and without bias;
c) Resources are utilized efficiently, economically and effectively;
D) People's needs be responded to;
e) The public be encouraged to participate in policy making, and it be accountable, transparent and development-oriented. Good governance has major characteristics which are;

1. Participation by citizens
2. Rule of laws -which are fair legal frameworks that are enforced impartially
3. Transparency - decision taken and their enforcement of laws requires and their enforcement are done in a manner that follows rules and regulations and information is freely available and accessible to those who will be affected by such decision and enforcement.
4. Responsiveness - good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe
5. Consensus oriented - good governance requires mediation of different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved
6. Equity and inclusiveness - this requires all groups and particularly the most vulnerable, to have opportunities to improve or maintain their well-being
7. Effectiveness and efficiency - Good governance means that processes and institutions produce results that meet that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the next context of good governance also covers the sustainable use of natural resources and the protection of the environment.
8. Accountability - is a key requirement of good governance not only government institutions but also, the private sector and civil society organizations must be accountable to the public and to\ their institutional stakeholder.

In the Ga-Segonyana Local Municipality the political wing of the municipality exercises their executive and legislative powers and functions to govern the affairs of the municipality and the administrative wing is responsible for Corporate Governance as prescribed by various legislative frameworks.

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*T 2.0.1*

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Systems Act requires the municipality to clarify the roles and responsibilities of the most important role players in the municipality. Municipalities are complex institutions with wide-ranging powers and duties governed by politicians and assisted by a staff component whose main purpose it is to ensure and maintain services to the community. This goal is only achievable if there is harmonious interaction between the various role-players. They must know and understand their respective roles follow protocols and co-operate with each other but, when they fail, they should be able to correct their mistakes in terms of pre-determined processes.

The Constitution not only confers on a municipality the right to govern the affairs of the community within the municipal area, but also empowers the Municipal Council to make decisions concerning the exercise of all the powers and the performance of all the functions of the municipality. To this end the Municipal Council is clearly the principal political structure and the ultimate decision maker of the Municipality.

The Mayor is the political leader of Ga-Segonyana Local Municipality, he is responsible to enhance good governance, promote institutional pride, build external and media relations, engage with communities and facilitate the process of governing. The Mayor is responsible for monitoring the management of the municipality's administration in accordance with the directions of the municipal council. He is accountable to council and must report to council on performance and discharge of powers, functions and duties of the office. The Mayor is assisted by the Mayoral Committee. The Mayor's area of responsibility from a geographical perspective is not limited to the geographical area of the municipality. Due to the municipality's involvement in co-operative governance the Mayor's influence is much wider, e.g. the Premier's Co-ordinating Forum, SALGA, Mayoral Forum, etc.

As regards the functional area the Mayor possesses all the powers conferred by law on the office, as well as those powers that have been delegated to him/her, or can be implied, or derive from civic culture or tradition

*T 2.1.0*

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

Ga-Segonyana Local Municipality is a Category B Municipality established in terms of section 12 notice of the Municipal Structures Act 117 of 1998.

The Constitution of the Republic of South Africa of 1996 and Municipal Structures Act of 2000 requires that every Council elects a Chairperson, who is called the Speaker. The aim of the Office of the Speaker is to structure the two functions of a Municipal Council which are the legislative function and its executive function. The Speaker presides over meetings of Council and performs the duties and exercises the powers delegated to the Speaker.

As the Mayor of Ga-Segonyana Local Municipality commits to efficient service delivery to the people of Ga-Segonyana at large. I also commit to work with the staff, trade unions through the management led by current Municipal Manager Mr Martin Tsatsimpe to ensure that we all reading from the same page in providing speedily and efficient service to our people. All councillors of Ga-Segonyana commits to delivery of their promises on services delivery. All Councillors are committed and determined to confront all challenges of Poverty, inequality and unemployment. Together moving Development Local government forward.

The duties of the Speaker include:
1. Ensuring that Council meets at least quarterly;
2. Maintaining order during meetings of Council;
3. Ensure compliance in the Council and Council committees in the line with Code of Conduct of Councillors and;
4. Ensure that Council meetings are conducted in accordance with the adopted rules and orders of the Council.

Therefore, as the elected Speaker of Ga-Segonyana Council I am committed to use this office to protect and uphold the Constitution of the Republic, we will ensure that public participation becomes one of the strategic tools we apply to reach out too many and thousands of people of Ga-Segonyana. The Speakers Office will at material times ensure good governance through political oversight functions that is efficient and effective in order to hold the administration accountable so that the elected officials can also account to their constituencies and people who voted us in to political office bearer positions.
The other key stakeholder that I am committing this office to work with closely is the labour unions recognised in this institution and the ward committees who are our eyes and ears on the ground. Together as team we will take our municipality forward and make it an employer of choice as envisioned in the 2030 plan of Government in the National Development Plan.

According to the gazette the Mayor and Speaker are full-time but the full-time position of the Speaker is subjected to change in terms of the Division of Revenue Bill. The Speaker will facilitate the nomination and process of the Executive Committee In terms of section 43 of the Local Government: Municipal Structures Act; 117/98. The procedure set out in the schedule 3 of the Structures Act applies to the election of the Executive Committee.

The Speaker calls for the nomination of candidate for Executive Committee members and presides over the election of Exco in terms of the proce4dure of Schedule 3 of the Structures Act 117 of 1998.

MPAC must be established in terms of section 79 of the Municipal Structure Act and the Municipal Finance Management Act, Act 56 of 2003 to serve as an oversight committee to exercise oversight over the Executive obligations of Council. The purpose of establishment MPACs is to ensure that municipal resources are used efficiently and effectively. By so doing, the MPAC would help to increase council and public awareness of the financial performance issues of the municipality.

The MPAC shall comprise of councillors excluding any councillor who is serving as Mayor, Speaker, and a member of the Executive Committee. However, council may invite representatives of the community and co-opt members of the public who have expertise in relevant specific fields to assist and advice in the deliberations when the need arise. These representatives will have no voting rights as they are not elected councillors.

*T 2.1.1*



**Martin Tsatsimpe**
Municipal Manager



**Kagiso Noke**
Chief Financial Officer



**Hendrik Smit**
Director Infrustructure Servi



**Kelibone Baloyi**
Director Community Services



**Clifford Pule**
Director Corporate Services

## COUNCILLORS

***Delete Directive note once comment is completed*** - Provide a brief paragraph on the Councilors, indicating the total number of Councilors and making a distinction between ward councilors and those appointed on a proportional basis. Refer to **Appendix A** where a full list of Councilors can be found (including committee allocations and attendance at council meetings).
Also refer to **Appendix B** which sets out committees and committee purposes.

*T 2.1.2*

## POLITICAL DECISION-TAKING

The functions of the Mayor are set out in the Municipal Structures Act. The Mayor is elected by the Municipal council to co-ordinate the work of the Municipality. The Mayor is the political head of the municipality and is expected to provide the required leadership necessary to keep the municipality moving in the proper direction. The Mayor presides over meetings of the executive committee and performs functions assigned to him or her by the municipal council or the executive committee.

These duties include any ceremonial duties. The Municipal Manager is directly accountable to the Mayor. The Mayor appoints the Municipal Manager and heads of departments upon resolution of the council. One person may serve a maximum of two consecutive terms as Mayor in the same council.

The Constitution and Municipal Structures Act requires that every Council elects a Chairperson, who is called The Speaker. The aim of the Office of the Speaker is to structure the two functions of a Municipal Council, i.e. its legislative function and its executive function. The Speaker presides at meetings of the Council and performs the duties and exercises the powers delegated to the Speaker. These duties include:
1. Ensuring that Council meets at least quarterly;
2. Maintaining order during meetings; must ensure;
3. Ensuring compliance in the Council and Council committees with the Code of Conduct of Councillors; and;
4. Ensuring that Council meetings are conducted in accordance with the rules and orders of the Council.

The new system of local government represents a paradigm shift from the old system since it incorporates a vision of a developmental local government system. The Office of the Chief-Whip was established to create synergy and to maintain discipline among Councillors from various Political Parties. The Role of the Chief-Whip of the Council covers both the political and administrative domains of Council with emphasis on the political aspect.

The Chief-Whip has to ensure that relationships are constructive and focused on key issues that aimed at improving the lives of the Ga-Segonyana residence. The Chief-Whip further acts as a link between the Speaker, The Executive and the Administration. The Chief-Whip

ensures that there is equitable representation in Committees of Council. The Chief-Whip of the Council also serves as the Chief-Whip of the ruling party and his responsibilities include the managements of the whippery of the ANC. It is also his responsibility to chair the Caucus and ensure that members of the Party speak with one voice.

*T 2.1.3*

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Systems Act requires the municipality to clarify the roles and responsibilities of the most important role players in the municipality. Municipalities are complex institutions with wide-ranging powers and duties governed by politicians and assisted by a staff component whose main purpose it is to ensure and maintain services to the community. This goal is only achievable if there is harmonious interaction between the various role-players. They must know and understand their respective roles follow protocols and co-operate with each other but, when they fail, they should be able to correct their mistakes in terms of pre-determined processes.

The Constitution not only confers on a municipality the right to govern the affairs of the community within the municipal area, but also empowers the Municipal Council to make decisions concerning the exercise of all the powers and the performance of all the functions of the municipality. To this end the Municipal Council is clearly the principal political structure and the ultimate decision maker of the Municipality.

The Mayor is the political leader of Ga-Segonyana Local Municipality, he is responsible to enhance good governance, promote institutional pride, build external and media relations, engage with communities and facilitate the process of governing. The Mayor is responsible for monitoring the management of the municipality's administration in accordance with the directions of the municipal council. He is accountable to council and must report to council on performance and discharge of powers, functions and duties of the office. The Mayor is assisted by the Mayoral Committee. The Mayor's area of responsibility from a geographical perspective is not limited to the geographical area of the municipality. Due to the municipality's involvement in co-operative governance the Mayor's influence is much wider, e.g. the Premier's Co-ordinating Forum, SALGA, Mayoral Forum, etc.

As regards the functional area the Mayor possesses all the powers conferred by law on the office, as well as those powers that have been delegated to him/her, or can be implied, or derive from civic culture or tradition.

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*T 2.2.1*

*Photos*

# COUNCIL OF GA-SEGONYANA LOCAL MUNICIPALITY



**Cllr. Neo Masegela**
Mayor & PR Councilor
(ANC)



**Cllr. Tuelo Meyers**
Speaker & PR Councilo
(ANC)



**Cllr. Keamogetse Madikiza**
Ward 8 Councillor &
Chairperson of IDP
Standing Committee
(ANC)



**Cllr. Bothoboile Modise**
Ward 2 Councillor &
Chairperson of Finance
Standing Committee
(ANC)



**Cllr. Neo Disipi**
Ward 5 Councillor &
Chairperson of Human Resource
Standing Committee
(ANC)



**Cllr. Keabetswe Chweu**
PR Councillor &
Chairperson of Community
Services Committee
(EFF)



**Cllr. Lesangkgang Moagi**
Chairperson MPAC
Ward 3 Councillor
(ANC)



**Cllr. Lea Nelson**
PR Councillor (DA)



**Cllr. Nomsa Thupaemang**
PR Councillor (COPE)



**Cllr. Goitsemang Assegaai**
PR Councillor (ANC)



**Cllr. Lebogang Moseki**
PR Councillor (ANC)



**Cllr. Itumeleng Tshetshemeserogwe**
Ward 10 Councillor (ANC)



**Cllr. Kedihileng Nels**
PR Councillor (ANC)



**Cllr. Barend Eiman**
Ward 13 Councillor (ANC)



**Cllr. Lebogang Makoke**
Ward 14 Councillor (ANC)



**Cllr. Goitsone Mntuyedwa**
Ward 4 Councillor (ANC)



**Cllr. Dineonyane Mpata**
Ward 6 Councillor (ANC)



**Cllr. Keolebogile Makwati**
Ward 7 Councillor (ANC)



**Cllr. Oldridge Mathibe**
PR Councillor (DA)



**Cllr. Kennetseng Kanjeruba**
Ward 11 Councillor (ANC)



**Cllr. Nkagiseng Ngesi**
Ward 12 Councillor (ANC)



**Cllr. Boratwaemang Leserwane**
Ward 9 Councillor (ANC)



**Cllr. Bontsiboile Gaetsewe**
PR Councillor (EFF)



**Cllr. Malebogo Disang**
PR Councillor (EFF)



**Cllr. Mosamiemang Reetsang**
PR Councillor (EFF)



**Cllr. Matshidiso Galeboe**
PR Councillor (EFF)



**Cllr. Abraham Van Der Westhuizen**
PR Councillor (DA)

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The role of a district intergovernmental forum is to serve as a consultative forum for the district municipality and the local municipalities in the district to discuss and consult each other on matters of mutual interest, including—

a) Draft national and provincial policy and legislation relating to matters affecting local government interests in the district;
b) The implementation of national and provincial policy and legislation with respect to such matters in the district;
c) Matters arising in the Premier's intergovernmental forum affecting the district;
d) Mutual support in terms of section 88 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
e) The provision of services in the district;
f) Coherent planning and development in the district;
g) The co-ordination and alignment of the strategic and performance plans and priorities, objectives and strategies of the municipalities in the district; and
h) Any other matters of strategic importance which affect the interests of the municipalities in the district.

A District intergovernmental forum may refer a matter arising in the forum to—
a) The Premier's intergovernmental forum; or
b) Any other provincial intergovernmental forum established in terms of section

*T 2.3.0*

## 2.3 INTERGOVERNMENTAL RELATIONS

### DISTRICT INTERGOVERNMENTAL STRUCTURES

The role of a district intergovernmental forum is to serve as a consultative forum for the district municipality and the local municipalities in the district to discuss and consult each other on matters of mutual interest, including—

a) Draft national and provincial policy and legislation relating to matters affecting local government interests in the district;

b) The implementation of national and provincial policy and legislation with respect to such matters in the district;
c) Matters arising in the Premier's intergovernmental forum affecting the district;
d) Mutual support in terms of section 88 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
e) The provision of services in the district;
f) Coherent planning and development in the district;
g) The co-ordination and alignment of the strategic and performance plans and priorities, objectives and strategies of the municipalities in the district; and
h) Any other matters of strategic importance which affect the interests of the municipalities in the district.

A District intergovernmental forum may refer a matter arising in the forum to—
a) The Premier's intergovernmental forum; or
b) Any other provincial intergovernmental forum established in terms of section

*T 2.3.4*

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

*Note: MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.*

***Delete Directive note once comment is completed*** - Provide a brief comment on how your municipality carries out these responsibilities, improvements made during the year and benefits derived from these activities during the year.

*T 2.4.0*

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

The municipality involve or communicate with our communities in its affairs by means of public advertisement (in local newspapers and local radio station) of the Integrated Development Plan and Service Delivery and Budget Implementation Plan, as well as its performance plans with specific reference to the Annual Report. The municipality also advertise the activities of the Oversight Report and invite participation from the communities.

The community also participate through the structures of the IDP Representative Forum and the IDP/Budget community consultative roadshows that we conduct annually. The IDP Rep Forums are held four times per annum, IDP/Budget community consultation road shows two times per annum. The purpose of these meetings is to involve community in the Review of IDP and to come up with the issues relating to service delivery. All Councillors, Management, Directors of sector departments, Traditional Leaders, Community Based Organisations (CBO), Non-Government Organisation (NGO's), Faith Based Organisation, Ward Committee Secretaries, Community Development Workers (CDW's) and Advocacy Groups forms part of the IDP Rep Forum. And all the community members form part of the IDP/Budget community consultative meetings. Politicians and managers also conduct public engagement session when new or reviewed by-laws, policies, strategic or sector plans and strategies are considered.

*T 2.4.1*

WARD COMMITTEES

***Delete Directive note once comment is completed*** - Set out the key purposes of ward committees, the major issues that the ward committee system has dealt with during the year. Refer to **Appendix E** which contains further details on ward committee governance and to **Appendix F** that contains performance data on a ward by ward basis.

*T 2.4.2*

## 2.5 IDP PARTICIPATION AND ALIGNMENT

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

** Section 26 Municipal Systems Act 2000*

*T 2.5.1*

# COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

***Delete Directive note once comment is completed*** - Please explain in brief the scope of corporate governance.

*T 2.6.0*

## 2.6 RISK MANAGEMENT

RISK MANAGEMENT

Risk Management is an essential part of effective corporate governance and it is management's responsibility. Implementation of risk management processes is one of the key tools in ensuring acceleration of service delivery and improvement of quality of lives. We do not seek to identify all risk faced by the municipality. The focus was only on those risks which were highlighted during risk assessment sessions by the participants.
Each risk identified has root cause, consequence of the risk, risk exposure, current controls processes in place to mitigate the risk, and risk owner. The following top five are taken from the Strategic Risk Register and have selected based on the ratings from the Risk Assessment Methodology.

Top five risks to the municipality

1. Accountability over IT
2. Loss of income
3. Non-adherence to the SD framework
4. Disasters
5. Ageing infrastructure; - Electricity, - Sewerage, - Water, - Storm and Roads, - Vehicles.

Risk has been identified and assessed, actions plans have been developed to further mitigate risks, the real risk management is to implement these action plans and embed management of risks into day-to-day activities of the municipality.

*T 2.6.1*

## 2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

*Note: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.*

***Delete Directive note once comment is completed*** - Describe in broad terms what strategies are in place to prevent corruption, fraud and theft. Also indicate key risk areas and processes put in place as a deterrent – e.g. division of duties, internal audit review of processes and adherence thereto, Audit Committees that exclude politicians and officials as voting members, condemnation by mayor and municipal manager of corrupt practices and involvement of the police as soon as grounds for suspicion become evident. Note that this information is sensitive; therefore municipalities should not provide names of people involved in investigations. Please state that your municipality's Audit Committee recommendations for year 0 are set out at **Appendix G**. If your municipality does not have a functioning Audit Committee then give reasons and describe how this is being addressed.

*T 2.7.1*

## 2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

*Note: MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.*

***Delete Directive note once comment is completed*** - Provide a brief narrative on the SCM policies and processes, and indicate improvements contributing to effective service delivery. Also indicate challenges experienced to attain the standards set out in Section 112 of the MFMA (see SCM Implementation checklist MFMA Circular 40). Refer to information on long term contracts which is set out in **Appendix H**. Explain remedial action being taken to address these shortfalls. Refer to further comments set out under the Financial Performance – Chapter 5, Component D.

*T 2.8.1*

## 2.9 BY-LAWS

| By-laws Introduced during Year 0 | | | | | |
|---|---|---|---|---|---|
| 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 |
| | | | | | |
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| | | | | | |
| | | | | | |
| *Note: See MSA section 13. | | | | | T 2.9.1 |

COMMENT ON BY-LAWS:

*Note: MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.*

***Delete Directive note once comment is completed*** - Indicate the nature of the public participation that was conducted and on how the new by-laws will be enforced.

*T 2.9.1.1*

## 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 | | |
| All current budget-related policies | | |
| The previous annual report (Year -1) | | |
| The annual report (Year 0) published/to be published | | |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards | | |
| All service delivery agreements (Year 0) | | |
| All long-term borrowing contracts (Year 0) | | |
| All supply chain management contracts above a prescribed value (give value) for Year 0 | | |
| 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 | | |
| Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section | | |
| Public-private partnership agreements referred to in section 120 made in Year 0 | | |
| All quarterly reports tabled in the council in terms of section 52 (d) during Year 0 | | |
| *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.* | | *T 2.10.1* |

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

***Delete Directive note once comment is completed*** – Refer to the requirement for Municipal websites as set out in MFMA section 75. Explain plans to address the shortfall in content. Comment on progress made in placing personal computers in accessible locations to the public so that Council web based information can be accessed. The municipality should monitor and report on the use of its website by the public, for example, by measuring the number of hits on the website.

T 2.10.1.1

# CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

## INTRODUCTION

- A total of 3.8 Km of paved roads was completed in Bankhara-Bodulong and Magojaneng. Box cuts were also completed at Seven miles road of which completion is expected to be in 2019/2020. PMU to give report on all other projects for 19/20
- Construction of Sedibeng hall was completed in 2019/2020.
- The refurbishment of the boreholes in Mothibistad was also completed in 2019/2020.
- A development of new water sources was started in Batlharos and still work in progress of which it will be completed in 2019/2020.
- The upgrading of the Kuruman Waste Water Treatment Works commenced in May 2021 to ensure the works are upgraded from 6.0 ML/day to 8.0 ML/day
- Adequate funding was received from mining houses for Kuruman bulk water supply scheme and final completion of the project is expected in 2020/2021.
- INEP electrification projects resulted in 2200 new connections Promised Land and Obama Hills settlements.
- 124 households were connected in Wrenchville RDP.
- 15 High-mast lights were newly connected in Seoding, Magojaneng, Mapoteng, Ditshoswaneng, Garuele and Galotolo villages.

*T 3.0.1*

## 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

The Municipality still experiences a huge backlog on the provision of basic infrastructure due to migration into our Municipal area by people losing their jobs at the mines, and influx of people wanting to come to closer to town to deemed job opportunity. This takes place in an uncontrolled environment where informal settlement mushroom overnight into our Municipality. The informal settlement of

Promise land is currently receiving attention from the Department of Human Settlement, to formalize and deliver basic service. Township layout is currently being finalized.

There are no budget provisions to attend to basic infrastructure as funding must be sourced by grant funding and it takes time to plan and source such funding.

The Municipality is left at a disadvantage in that the equitable share, and available grant funding has got no chance to keep up maintenance and provision of infrastructure. The poor forthcoming of residents registering on the indigent register also has an influence on the equitable share allocation, thus the lack of funding also has an impact negatively on the provision of free basic services, to the deserving communities.
The Municipality also managed to source funding from mining houses to complete the Kuruman Bulk Water Supply Scheme. Roads and storm water master plan was also completed with the funding we received from DBSA. The Municipality is still in the process of sourcing for funding for the implementation of the masterplan. Funds were also received from mining houses to upgrade the electrical and roads maintenance materials infrastructure in Kuruman and Wrenchville.

The impact of Covid-19 on capital projects and service delivery had a negative impact on funding as projects could not spend on allocated budgets and revenue for rates and taxes declined due to the hard lock down.

*T 3.1.0*

## 3.1. WATER PROVISION

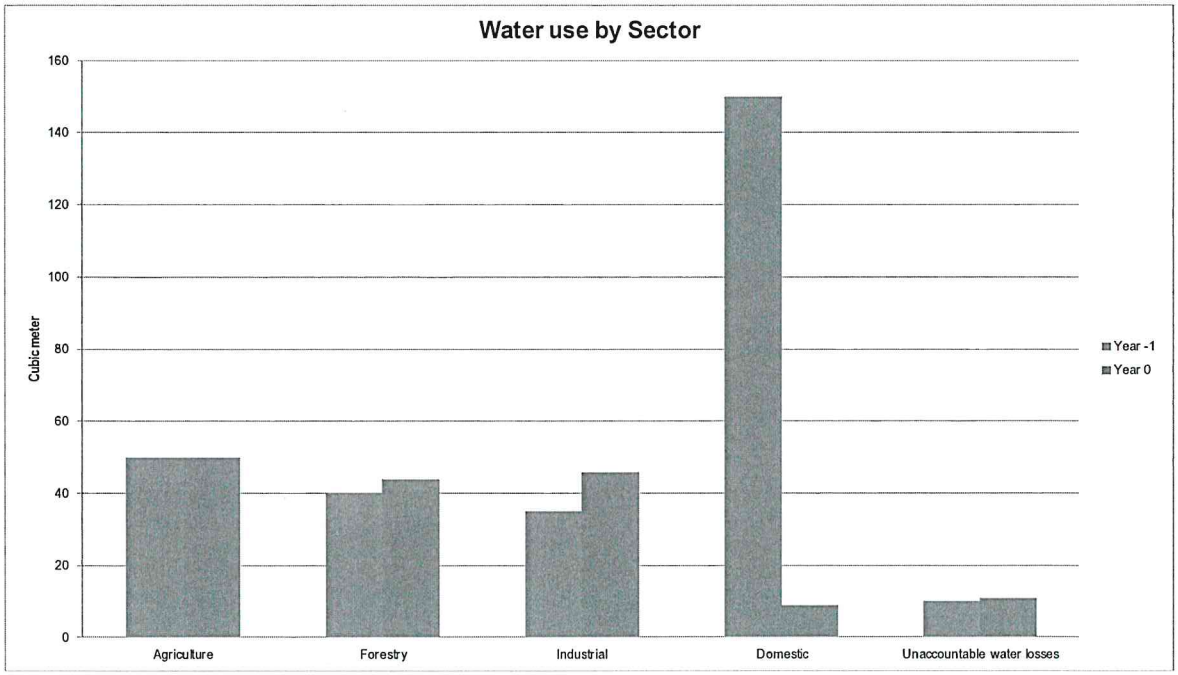
### INTRODUCTION TO WATER PROVISION

The Municipality is the Water Service Authority (WSA) for the entire Municipality Area. It serves as the water service provider for Kuruman, Wrenchville and Bankhara-Bodulong, the rural areas including Mothibistad, are serviced by Sedibeng water as the appointed Water Service Provider for Ga-Segonyana Local municipality. The Municipality depends entirely on underground water sources for its domestic, agricultural and commercial consumption. To date a total of 31 325 households benefitted from the supply of water services. The municipal blue drop status is 73%.

*T 3.1.1*

| Total Use of Water by Sector (cubic meters) | | | | | |
|---|---|---|---|---|---|
| | Agriculture | Forestry | Industrial | Domestic | Unaccountable water losses |
| 2018-2019 | 241955 | 0 | 136955 | 2032186 | 12 |
| 2019-2020 | 241955 | 0 | 136955 | 2133795 | 15 |
| 2020-2021 | 241955 | 0 | 136955 | 2133795 | 14 |
| | | | | | |

*T 3.1.2*




*T 3.1.2.1*

COMMENT ON WATER USE BY SECTOR:

The municipality is the main supplier of water for domestic and industrial use. This excludes people who get water supply through boreholes in their premises and the provision of water for agricultural use by the Department of Agriculture. As small percentage of agriculture small holdings in Kuruman get their water supply from the municipality. Water produced and sold is significantly affected by the extreme losses as a result of the damage to the Kuruman reservoir. However, the municipality has constructed a 24 Mega litre water reservoir and still in a process of completing the second phase of pipe work from the boreholes to the reservoir. The intention of this project is to reduce the water losses. Despite the challenge, the Municipality has been able to supply water consistently to all the concerned sectors for consumption. The Municipality also experiences losses or unaccounted for water through the illegal extraction from fire hydrants and illegal water connection.

*T 3.1.2.2*

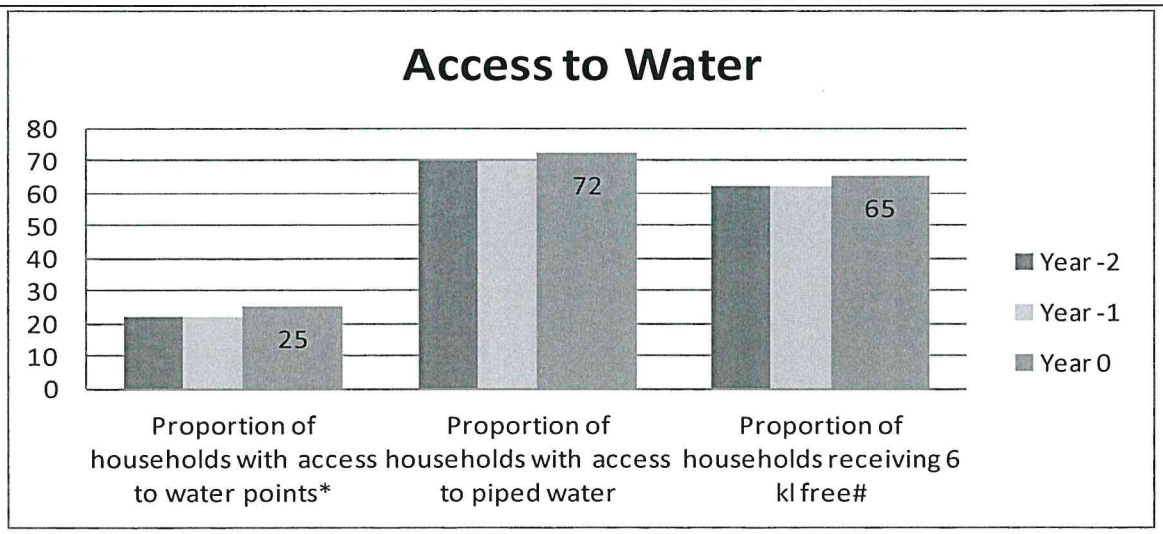
**Water Service Delivery Levels**

Households

| Description | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
|---|---|---|---|---|
| | Actual No. | Actual No. | Actual No. | Actual No. |
| ***Water:*** **(above min level)** | | | | |
| Piped water inside dwelling | 6 | 6 | 8 | 9 |
| Piped water inside yard (but not in dwelling) | 6 | 6 | 10 | 13 |
| Using public tap (within 200m from dwelling) | 10 | 10 | 12 | 14 |
| Other water supply (within 200m) | – | – | – | – |
| *Minimum Service Level and Above sub-total* | 22 | 23 | 30 | 35 |
| *Minimum Service Level and Above Percentage* | 65% | 65% | 63% | 61% |
| ***Water:*** **(below min level)** | | | | |
| Using public tap (more than 200m from dwelling) | 10 | 10 | 15 | 18 |
| Other water supply (more than 200m from dwelling | – | – | – | – |
| No water supply | 2 | 2 | 3 | 5 |
| *Below Minimum Service Level sub-total* | 12 | 12 | 18 | 22 |
| *Below Minimum Service Level Percentage* | 35% | 35% | 37% | 21% |
| **Total number of households*** | **35** | **35** | **48** | **57** |

** - To include informal settlements* *T 3.1.3*

| Households - Water Service Delivery Levels below the minimum | | | | | | Households |
|---|---|---|---|---|---|---|
| Description | 2016-2017 | 2017-2018 | 2018-2019 | 2020-2021 | | |
| | Actual No. | Actual No. | Actual No. | Original Budget No. | Adjusted Budget No. | Actual No. |
| **Formal Settlements** | | | | | | |
| Total households | 1 | 27 | 23 | 30 | 30 | 30 |
| Households below minimum service level | 1 | 2 | 3 | 4 | 4 | 4 |
| Proportion of households below minimum service level | 100% | 7% | 11% | 13% | 13% | 13% |
| **Informal Settlements** | | | | | | |
| Total households | 1 | 2 | 3 | 5 | 5 | 5 |
| Households below minimum service level | 1 | 2 | 3 | 5 | 5 | 5 |
| Proportion of households to below minimum service level | 100% | 100% | 100% | 100% | 100% | 100% |




** 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*

*T 3.1.5*

| Water Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives / Service Indicators | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| (i) | (ii) | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| Service Objective xxx | | | | | | | | | |
| *Households without minimum water supply* | Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end) | xxxxxxxxx additional HHs (xxxxxx HHs outstanding) | xxxxxxxxx additional HHs (xxxxxx HHs outstanding) | xxxxxxxxx additional HHs (xxxxxx HHs outstanding) | xxxxxxxxx additional HHs (xxxxxx HHs outstanding) | xxxxxxxxx additional HHs (xxxxxx HHs outstanding) | xxxxxxxxx additional HHs (xxxxxx HHs outstanding) | xxxxxxxxx additional HHs (xxxxxx HHs outstanding) | xxxxxxxxx additional HHs (xxxxxx HHs outstanding) |
| *Improve reliability of water supply* | Reduce the number of interruptions (**Ints**) in supply of one hour or more compared to the baseline of Year -1 (xxx interuptions 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) |
| *Improve water conservation* | Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres (**KLs**) unaccounted for during the yr) | T0% (xxxxxx KLs) | A0% (xxxxxx KLs) | T1% (xxxxxx KLs) | T1% (xxxxxx KLs) | A1% (xxxxxx KLs) | T2% (xxxxxx KLs) | T5% (xxxxxx KLs) | T5% (xxxxxx KLs) |
| | | | | | | | | | |
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*Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the blue water drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.*

*T 3.1.6*

| Employees: Water Services | | | | | |
|---|---|---|---|---|---|
| Job Level | 2020-2021 | 2020-2021 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 16 | 5 | 16 | 5 | 100% |
| 4 - 6 | 0 | 0 | 0 | 0 | 0% |
| 7 - 9 | 0 | 0 | 0 | 0 | 0% |
| 10 - 12 | 3 | 1 | 3 | 1 | 100% |
| 13 - 15 | 1 | 0 | 1 | 0 | 0% |
| 16 - 18 | 1 | 0 | 1 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 21 | 6 | 21 | 6 | 100% |
| | | | | | *T3.1.7* |

| Financial Performance Year 0: Water Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | R 86 829.00 | R 70 274.00 | R 70 775.00 | R 70 352.00 | -1% |
| Expenditure: | | | | | |
| Employees | R 3 795.00 | R 3 135.00 | R 2 893.00 | R 3 460.00 | 19% |
| Repairs and Maintenance | R 0.00 | R 250.00 | R 310.00 | R 311.00 | |
| Other | R 45.00 | R 26 375.00 | R 26 137.00 | R 29 192.00 | 11% |
| **Total Operational Expenditure** | R 42 353.00 | R 29 760.00 | R 29 340.00 | R 32 963.00 | 12% |
| **Net Operational Expenditure** | -R 44 476.00 | | | | |
| | | | | | *T 3.1.8* |

| Capital Expenditure Year 2019-2020: Water Services | | | | | |
|---|---|---|---|---|---|
| | | | | | R' 000 |
| Capital Projects | 2020 – 2021 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **R40 000 000.00** | **R 0.00** | **R 76 372 384.36** | **R 0.00** | |
| Construction of water supply augmentation in kagung and westderby | R 833 939.95 | R 0.00 | R 403 233.61 | R 0.00 | R 18 597 542.53 |
| Water Service Operating Subsidy (WSOS) | R 15 685 622.02 | | R 16 394 259.34 | R 708 637.32 | R 16 757 914.31 |
| Maruping/Batlharos Bulk Water Supply Phase 3 | R 13 503 235.95 | R 0.00 | R 13 620 552.67 | R 117 316.72 | R 27 915 274.63 |
| | | | | | *T 3.1.9* |

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The Municipality endeavors to provide a basic level of access to water for its residents at an RDP standard of 200m radius. In other circumstances residents have been able to make use of the services of Sedibeng water to attain yard and ultimate house connections. The biggest challenge in water provision is the increasing backlogs, which results from the illegal and uncontrolled occupation and allocation of stands in the rural areas. This makes it difficult for the municipality to plan for the complete eradication of water backlogs in the municipality.

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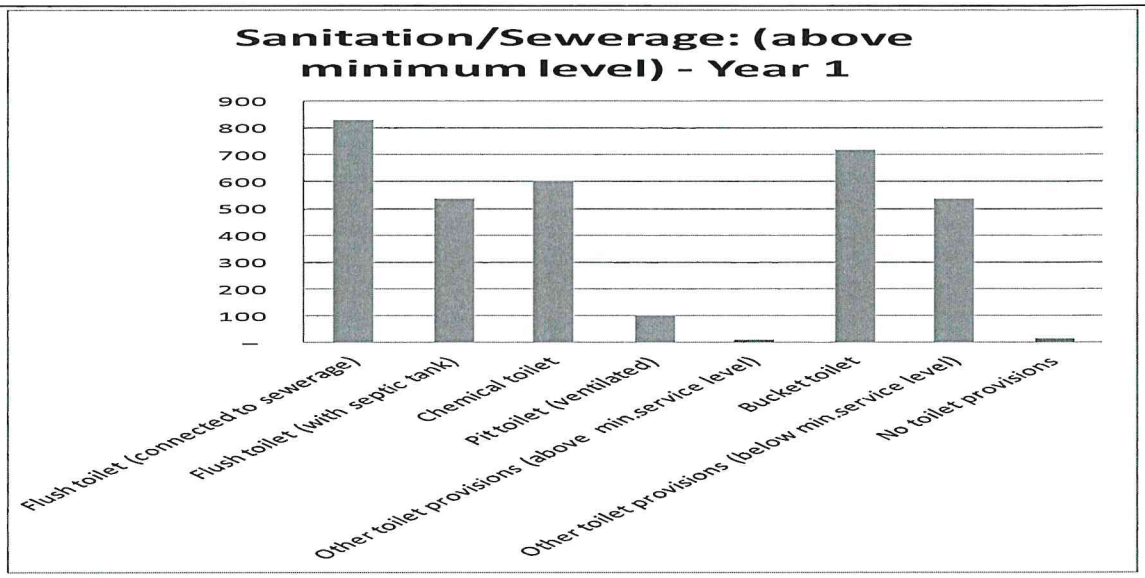
*T 3.1.10*

## 3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

In its efforts to eradicate sanitation backlogs, the Municipality has embarked on a three-year program with the appointment of a dedicated service provider. This makes it easier to deliver the construction of VIP sanitation units across the rural areas of the municipality. Out of the existing Municipal settlement, Wrenchville, Mothibistad, Kuruman and parts of Bankhara–Bodulong have access to full water borne sanitation. The rest of the settlements in the Municipality are receiving VIP sanitation or are still on traditional pit latrines. Sewer suction services are also provided to some parts of privately owned septic tanks in rural villages.

*T 3.2.1*



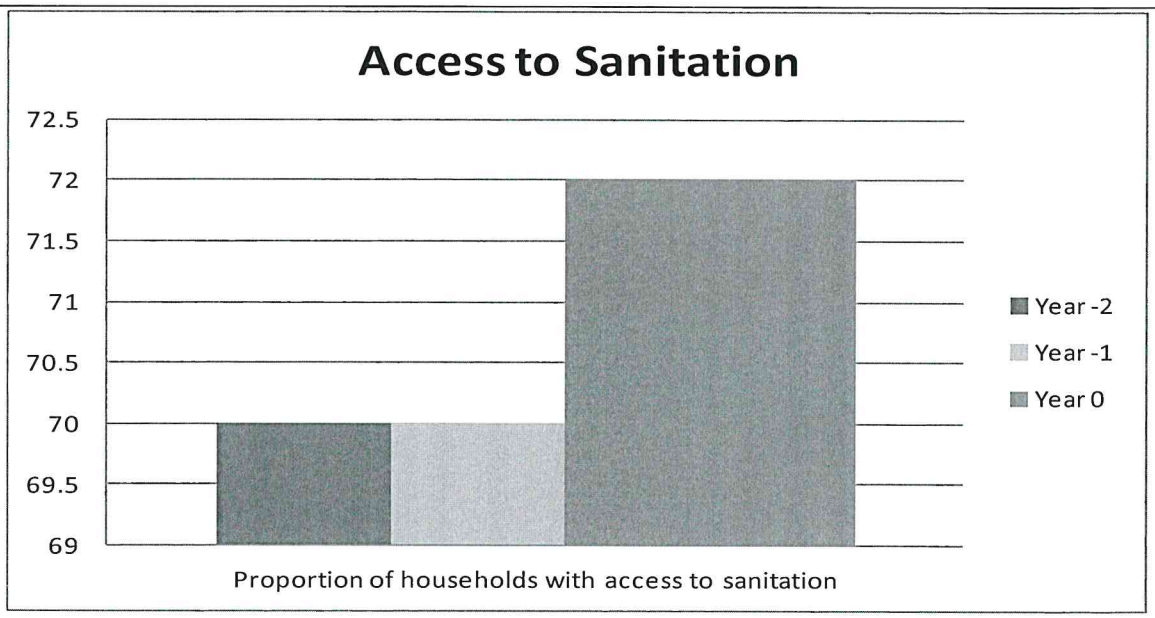

T 3.2.2

| Sanitation Service Delivery Levels | | | | *Households |
|---|---|---|---|---|
| Description | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
| | Outcome | Actual | Actual | Actual |
| | No. | No. | No. | No. |
| ***Sanitation/sewerage:*** **(above minimum level)** | | | | |
| Flush toilet (connected to sewerage) | 10 | 10 | 10 | 10 |
| Flush toilet (with septic tank) | – | – | – | – |
| Chemical toilet | – | – | – | – |
| Pit toilet (ventilated) | 2 | 2 | 2 | 0 |
| Other toilet provisions (above minimum Service level) | – | – | – | – |
| *Minimum Service Level and Above sub-total* | 12 | 12 | 12 | 10 |
| *Minimum Service Level and Above Percentage* | 100.0% | 76.2% | 76.2% | 100.0% |
| ***Sanitation/sewerage:*** **(below minimum level)** | | | | |
| Bucket toilet | – | – | – | – |
| Other toilet provisions (below min.service level) | – | – | – | – |
| No toilet provisions | – | 4 | 4 | 0 |
| *Below Minimum Service Level sub-total* | – | 4 | 4 | 0 |
| *Below Minimum Service Level Percentage* | 0.0% | 23.8% | 23.8% | 0% |
| **Total households** | **11** | **15** | **4** | **10** |

T 3.2.3

| Households | | | | | | |
|---|---|---|---|---|---|---|
| Description | 2016-2017 | 2017-2018 | 2017-2018 | 2019-2020 | | |
| | 0% No. | 0% No. | 0% No. | 0% No. | 0% No. | 0% No. |
| **Formal Settlements** | | | | | | |
| Total households | 9 | 10 | 10 | 10 | 10 | 10 |
| Households below minimum service level | – | – | – | – | – | – |
| Proportion of households below minimum service level | | | | | | |
| **Informal Settlements** | | | | | | |
| Total households | 18 | 18 | 24 | 23 | 23 | 24 |
| Households below minimum service level | 2 | 2 | 4 | 4 | 4 | 4 |
| Proportion of households below minimum service level | 13% | 13% | 15% | 15% | 15% | 15% |
| | | | | | | |
| *T 3.2.4* | | | | | | |

| Households - Sanitation Service Delivery Levels below the minimum | | | | | | |
|---|---|---|---|---|---|---|
| Households | | | | | | |
| Description | Year -3 | Year -2 | Year -1 | Year 0 | | |
| | Actual No. | Actual No. | Actual No. | Original Budget No. | Adjusted Budget No. | Actual No. |
| **Formal Settlements** | | | | | | |
| Total households | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| level | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Proportion of households below minimum service level | 25% | 25% | 25% | 25% | 25% | 25% |
| **Informal Settlements** | | | | | | |
| Total households | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Households ts below minimum service | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Proportion of households ts below minimum service level | 25% | 25% | 25% | 25% | 25% | 25% |
| | | | | | | *T 3.2.4* |


Access to Sanitation
72.5
72
71.5
71
70.5
70
69.5
69
Year -2
Year -1
Year 0
Proportion of households with access to sanitation

*T 3.2.5*

| Waste Water (Sanitation) Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives / Service Indicators | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| *Provision of toilets within standard* | Additional Households (HHs) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end) | xxxxx additional HHs (xxx HHs remaining) | xxxxx additional HHs (xxx HHs remaining) | xxxxx additional HHs (xxx HHs remaining) | xxxxx additional HHs (xxx HHs remaining) | xxxxx additional HHs (xxx HHs remaining) | xxxxx additional HHs (xxx HHs remaining) | xxxxx additional HHs (xxx HHs remaining) | xxxxx additional HHs (xxx HHs remaining) |
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*Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the green drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.* T 3.2.6

| Employees: Sanitation Services | | | | | |
|---|---|---|---|---|---|
| Job Level | 2019-2020 | 2020-2021 | | | |
| | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | % of total |
| 0 - 3 | 16 | 5 | 16 | 5 | 100% |
| 4 - 6 | 0 | 0 | 0 | 0 | 0% |
| 7 - 9 | 0 | 0 | 0 | 0 | 0% |
| 10 - 12 | 3 | 1 | 3 | 1 | 100% |
| 13 - 15 | 1 | 0 | 1 | 0 | 0% |
| 16 - 18 | 1 | 0 | 1 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 21 | 6 | 21 | 6 | 100% |

*T 3.2.7*

| Financial Performance Year 2020-2021: Sanitation Servic | | | | | R'000 |
|---|---|---|---|---|---|
| Details | 2019-2020 | 2020-2021 | | | |
| | Actual | Original Budget | Adjustment Budget | | riance to Budget |
| **Total Operational Revenue** | R 72 483.00 | R 67 781.00 | R 71 282.00 | R 72 | 2% |
| Expenditure: | | | | | |
| Employees | R 3 494.00 | R 4 049.00 | R 3 283.00 | R 3 | 6% |
| Repairs and Maintenance | R 68.00 | R 120.00 | R 67.00 | R | 1% |
| Other | R 10 260.00 | R 11 802.00 | R 13 301.00 | R 1 | -23% |
| **Total Operational Expenditure** | R 13 822.00 | R 15 971.00 | R 16 651.00 | R 1 | -17% |
| **Net Operational Expenditure** | | | | | |

*T 3.2.8*

| Capital Expenditure 2020-2021: Sanitation Services R' 000 | | | | | |
|---|---|---|---|---|---|
| Capital Projects | 2020-2021 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **R 4 971 088.00** | **R 0** | **R 12 111 148.21** | **0%** | |
| | | | | | |
| Refurbishment of Barnard Avenue Pump Station | R 4 971 088.00 | R 0 | R 4 961 997.78 | 0% | R 4 971 088.00 |

*T 3.2.9*

| COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL: |
|---|
| The refurbishment of Barnard pump station has been completed, and improved the blockages which reduced the maintenance cost |
| *T 3.2.10* |

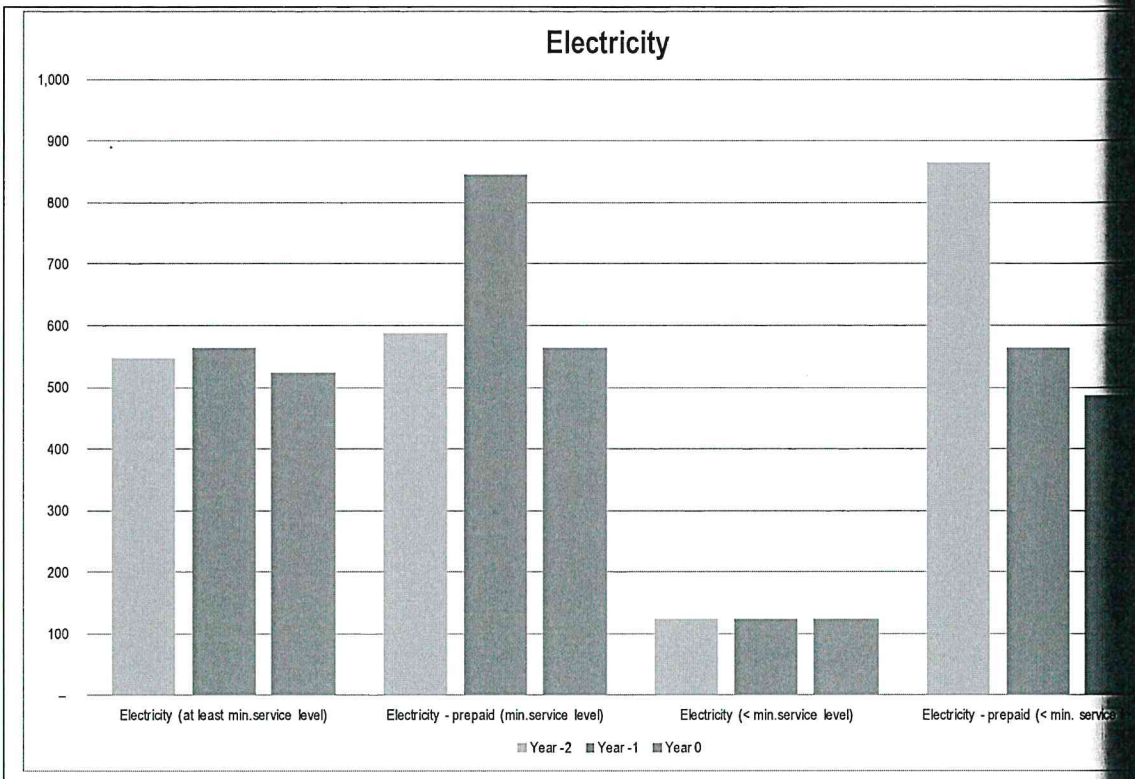
## 3.3 ELECTRICITY

### INTRODUCTION TO ELECTRICITY

The Municipality is the electricity provider license holder for Kuruman, Wrenchville and Bankhara-Bodulong. The Municipality successfully managed to electrify 2200 household in Promise Land and 120 households in Wrenchville RDP.

The rural areas including Mothibistad are being serviced by ESKOM. Applications for infills and extensions were submitted to ESKOM for the financial year for the rural areas and Mothibistad, to address backlogs resulting from the growth of the villages. ESKOM is currently in the process of constructing two new sub-stations in Mothibistad and Gamohana of which both are in construction phase. Eskom is in the process of electrifying Magojaneng, Mapoteng, Kagung and Mothibistad infill

*T 3.3.1*




T

**Electricity Service Delivery Levels**

Household

| Description | 2018-2019 Actual No. | 2019-2020 Actual No. | 2020-2021 Actual No. | 20-2019 Actual No. |
|---|---|---|---|---|
| ***Energy:*** **(above minimum level)** | | | | |
| Electricity (at least minimum service level) | 23 | 23 | 23 | 26 |
| Electricity - prepaid (minimum service level) | – | – | – | – |
| *Minimum Service Level and Above sub-total* | 23 | 23 | 23 | 26 |
| *Minimum Service Level and Above Percentage* | 100.0% | 100.0% | 100.0% | 100.0% |
| ***Energy:*** **(below minimum level)** | | | | |
| Electricity (< minimum service level) | – | – | – | – |
| Electricity - prepaid (< min. service level) | – | – | – | – |
| Other energy sources | – | – | – | – |
| *Below Minimum Service Level sub-total* | – | – | – | – |
| *Below Minimum Service Level Percentage* | 0.0% | 0.0% | 0.0% | 0.0% |
| **Total number of households** | 23 | 23 | 23 | 26 |

T

| Households - Electricity Service Delivery Levels below the minimum | | | | | | Households |
|---|---|---|---|---|---|---|
| Description | Year -3 | Year -2 | Year -1 | Year 0 | | |
| | Actual No. | Actual No. | Actual No. | Original Budget No. | Adjusted Budget No. | Actual No. |
| **Formal Settlements** | | | | | | |
| Total households | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Households below minimum service level | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Proportion of households below minimum service level | 25% | 25% | 25% | 25% | 25% | 25% |
| **Informal Settlements** | | | | | | |
| Total households | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Households ts below minimum service level | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Proportion of households ts below minimum service level | 25% | 25% | 25% | 25% | 25% | 25% |
| | | | | | | *T 3.3.4* |

| Electricity Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives / Service Indicators | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| (i) | (ii) | *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) | xxxxxx additional HHs (xxxxxx HHs below minimum) | xxxxxx additional HHs (xxxxxx HHs below minimum) | xxxxxx additional HHs (xxxxxx HHs below minimum) | xxxxxx additional HHs (xxxxxx HHs below minimum) | xxxxxx additional HHs (xxxxxx HHs below minimum) | xxxxxx additional HHs (xxxxxx HHs below minimum) | xxxxxx additional HHs (xxxxxx HHs below minimum) | xxxxxx additional HHs (xxxxxx HHs below minimum) |
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*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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.*

T 3.3.5

| Employees: Electricity Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0 - 3 | 5 | 5 | 5 | 0 | 0% |
| 4 - 6 | 4 | 4 | 4 | 0 | 0% |
| 7 - 9 | 0 | 0 | 0 | 0 | #DIV/0! |
| 10 - 12 | 8 | 8 | 8 | 0 | 0% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| 16 - 18 | 1 | 1 | 1 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | #DIV/0! |
| Total | 19 | 19 | 19 | 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.*
*T 3.3.6*

| Financial Performance Year 0: Electricity Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.3.7*

| Capital Expenditure Year 0: Electricity Services | | | | |
|---|---|---|---|---|
| Capital Projects | Year 0 | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget |
| Total All | 260 | 326 | 378 | 31% |
| | | | | |
| Project A | 100 | 130 | 128 | 22% |
| Project B | 80 | 91 | 90 | 11% |
| Project C | 45 | 50 | 80 | 44% |
| Project D | 35 | 55 | 80 | 56% |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | |

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The Municipality's electrical infrastructure has improved and the NMD increased from 16 NMD to accommodate future projects in the CBD and new electrification connections. Th has been able to electrify 2200 connections in Promise Land and120 connections i Bankhara-Bodulong had to be omitted due to technical difficulties experienced on s approval for the extension of License distribution from NERSA for Promise land is a municipal operational budget is unable to cover major maintenance programs for ne substations and transformers. The available funds are only adequate to cover items mounted transformers and cables to address short term challenges of periodic cut-o consequences of ageing infrastructure.

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

INTRODUCTION TO WASTE MANAGEMENT

**Household refuse collection** is done weekly in Kuruman town , Mothibistad and **Business refuse collection** is done on daily basis from Monday to achieve according to standard for weekly Refuse Collection from every household by 2018.

**Major successes achieved and challenges faced in year 0.**

**Successes**

1 Donation of 210 empty drums to be converted into street bins. They are painted and (# Keep Ga-Segonyana Clean)

2 Weekly Clean-up and awareness campaigns

3 The installation of information boards with directional arrows to show residents where the landfill site is situated.
4 The municipalityb is registered with SAWIC and is currently reporting on monthly basis without any interuption.
5 The municipality is adhering to the National Standard for weekly refuse collection from every household in Ward 1, 3 and 13.

**Challenges**
1 Limited street bins in Kuruman town to control litter
2 Obsolete machinery that break now and then and affects the service delivery negatively.
3 Increased illegal dumping.
4 Recycling not done as a result of lack of electricity for the storage of recyclables at the buy back centre
5 Due to congestion in town, streets cleaning is only done during the night and the challenge of non-functional streets lights makes the work ineffective and inefficient
6 Weighbridge in the landfill site upgrade is not functional and the municipality uses estimates for the waste that is disposed of.
Discuss briefly progress made with waste disposal, street cleaning and recycling.
**Top 3 service delivery priorities** and the impact you have had on them during the year.
The section is short staffed and as a result, street cleaning overtime is worked every weekend throughout the year thus causing financial implications.
Obsolete machinery for waste collection break now and then and has negative impact on service delivery
**Explain the measures taken to improve performance** and the major efficiencies achieved by your service during the year.
210 litre drums to be converted into street bins to control littering
Installation of information boards with directional arrows to indicate where the landfill site is situated (waste minimization)
Weekly household refuse collection is done without any backlog
**Indicate how your municipality identifies and responds to those communities that are living in poverty and are deficient in this basic service.**
The municipality is rendering free basic services to them and their names are put in the indigent registers so that the municipality can receive an equitable share grant to enable smooth service delivery.
**Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Refuse Services within the municipality.**
Tsalanyang Waste Management and Security JV. (Landfill site operation and management)

*T 3.4.1*

| Solid Waste Service Delivery Levels | | | | Households |
|---|---|---|---|---|
| Description | Year -3 | Year -2 | Year -1 | Year 0 |
| | Actual No. | Actual No. | Actual No. | Actual No. |
| ***Solid Waste Removal:*** **(Minimum level)** | | | | |
| Removed at least once a week | 14 184 | 13 317 | 13 447 | 14 951 |
| *Minimum Service Level and Above sub-total* | 14 184 | 13 317 | 13 447 | 14 951 |
| *Minimum Service Level and Above percentage* | 39.1% | 37.6% | 37.8% | 40.4% |
| ***Solid Waste Removal:*** **(Below minimum level)** | | | | |
| Removed less frequently than once a week | 120 | 120 | 120 | 120 |
| Using communal refuse dump | 1 064 | 1 064 | 1 064 | 1 064 |
| Using own refuse dump | 17 131 | 17 131 | 17 131 | 17 131 |
| Other rubbish disposal | 2 144 | 2 144 | 2 144 | 2 144 |
| No rubbish disposal | 1 643 | 1 643 | 1 643 | 1 643 |
| *Below Minimum Service Level sub-total* | 22 102 | 22 102 | 22 102 | 22 102 |
| *Below Minimum Service Level percentage* | 60.9% | 62.4% | 62.2% | 59.6% |
| **Total number of households** | **36 286** | **35 419** | **35 549** | **37 053** |

*T 3.4.2*

| Solid Waste Service Delivery Levels | | | | Households |
|---|---|---|---|---|
| Description | Year -3 | Year -2 | Year -1 | Year 0 |
| | Actual No. | Actual No. | Actual No. | Actual No. |
| ***Solid Waste Removal:*** **(Minimum level)** | | | | |
| Removed at least once a week | 2,895 | 2,685 | 2,846 | 2,235 |
| *Minimum Service Level and Above sub-total* | 2,895 | 2,685 | 2,846 | 2,235 |
| *Minimum Service Level and Above percentage* | 50.9% | 47.1% | 51.5% | 44.8% |
| ***Solid Waste Removal:*** **(Below minimum level)** | | | | |
| Removed less frequently than once a week | 655 | 547 | 565 | 523 |
| Using communal refuse dump | 865 | 846 | 487 | 865 |
| Using own refuse dump | 655 | 547 | 565 | 523 |
| Other rubbish disposal | 502 | 952 | 938 | 720 |
| No rubbish disposal | 112 | 123 | 124 | 124 |
| *Below Minimum Service Level sub-total* | 2,790 | 3,015 | 2,678 | 2,755 |
| *Below Minimum Service Level percentage* | 49.1% | 52.9% | 48.5% | 55.2% |
| **Total number of households** | **5,685** | **5,699** | **5,523** | **4,991** |

*T 3.4.2*

| Households - Solid Waste Service Delivery Levels below the minimum | | | | | | Households |
|---|---|---|---|---|---|---|
| Description | Year -3 | Year -2 | Year -1 | Year 0 | | |
| | Actual No. | Actual No. | Actual No. | Original Budget No. | Adjusted Budget No. | Actual No. |
| **Formal Settlements** | | | | | | |
| Total households | 14<br>184 | 13<br>317 | 13<br>447 | – | – | 14<br>951 |
| Households below minimum service level | 444 | 406 | 407 | | | 407 |
| Proportion of households below minimum service level | 3% | 3% | 3% | #DIV/0! | #DIV/0! | 3% |
| **Informal Settlements** | | | | | | |
| Total households | 22<br>102 | 22<br>102 | 22<br>102 | – | – | 22<br>102 |
| Households below minimum service level | 22<br>102 | 22<br>102 | 22<br>102 | – | – | 22<br>102 |
| Proportion of households ts below minimum service level | 100% | 100% | 100% | #DIV/0! | #DIV/0! | 100% |

*T 3.4.3*

| Households - Solid Waste Service Delivery Levels below the minimum | | | | | | Households |
|---|---|---|---|---|---|---|
| Description | Year -3 | Year -2 | Year -1 | Year 0 | | |
| | Actual No. | Actual No. | Actual No. | Original Budget No. | Adjusted Budget No. | Actual No. |
| **Formal Settlements** | | | | | | |
| Total households | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Households below minimum service level | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Proportion of households below minimum service level | 25% | 25% | 25% | 25% | 25% | 25% |
| **Informal Settlements** | | | | | | |
| Total households | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Households ts below minimum service level | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Proportion of households ts below minimum service level | 25% | 25% | 25% | 25% | 25% | 25% |

*T 3.4.3*

| Waste Management Service Policy Objectives Taken From IDP | | | | | | |
|---|---|---|---|---|---|---|
| ice Objectives | Outline Service Targets | Year -1 | | | Year 0 | |
| | | Target | | Actual | Target | |
| *Service Indicators* | | *Previous Year | | | *Previous Year | *Current Year |
| (i) | (ii) | (iii) | | (iv) | (v) | (vi) |
| ice Objective xxx | | | | | | |
| *ision of weekly collection service per household* | Weekly collection per household for (Kuruman, Mothibistad and Wrenchville) | 12 480 households | 13447 households | 12 480 households | 12 480 households | |
| *re capacity of existing and earmarked (approved and in council possession) waste disposal sites* | The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage | T0 years of unused landfill capacity available | A0 years of unused landfill capacity available | T1 years of unused landfill capacity available | T1 years of unused landfill capacity available | |
| *portion of waste that is recycled* | Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites. | Recycling not done due to lack of electricity | Recycling not done due to lack of electricity | Recycling not done due to lack of electricity | Recycling not done due to lack of electricity | |
| *portion of landfill sites in compliance with the romental Conservation Act 1989.* | x% of landfill sites by volume that are being managed in compliance with the Enviromental Conservation Act 1989. | 1 licensed landfill | 1 licensed landfill | 1 licensed landfill | 1 licensed landfill | |
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*: 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 incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the dget/IDP round. *'Following Year' refers to the targets set in the Year 1 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 requ / role.*

| Employees: Solid Waste Management Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 45 | 45 | 45 | 2 | 4% |
| 4 - 6 | 1 | 1 | 1 | 0 | 0% |
| 7 - 9 | 6 | 6 | 6 | 2 | 33% |
| 10 - 12 | 2 | 2 | 2 | 0 | 0% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| 16 - 18 | | | 0 | 0 | #DIV/0! |
| 19 - 20 | | | 0 | 0 | #DIV/0! |
| Total | 55 | 55 | 55 | 4 | 7% |

*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.*
*T3.4.5*

| Employees: Waste Disposal and Other Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | 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 | 0% |
| 7 - 9 | 6 | 8 | 6 | 2 | 25% |
| 10 - 12 | 7 | 15 | 7 | 8 | 53% |
| 13 - 15 | 9 | 15 | 9 | 6 | 40% |
| 16 - 18 | 11 | 21 | 11 | 10 | 48% |
| 19 - 20 | 18 | 30 | 18 | 12 | 40% |
| Total | 55 | 93 | 55 | 38 | 41% |

*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.* *T3.4.6*

| Financial Performance Year 0: Solid Waste Management Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.4.7*

| Financial Performance Year 0: Waste Disposal and Other Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |
| *Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* | | | | | *T 3.4.8* |

| Capital Expenditure Year 0: Waste Management Services | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.4.9* |

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

*The are no Capital projects for the year under review.* *T 3.4.10*

## 3.5 HOUSING

INTRODUCTION TO HOUSING

Housing backlogs are a moving target that is driven by people's socio-economic aspirations. Housing backlogs are significantly impacted by the Municipality's spatial structure. The vastness of the Municipal area has put pressure on the main service centre which is Kuruman, to house hundreds of people that have over recent years migrated from their historical and traditional settlements situated furthest from Kuruman. The settlement patterns of the Muncipality are characterised by small pockets of villages that are often far from basic services and provide a challenge in responding to housing needs in trems of breaking new ground policy framework. For this purpose, the in-situ housing delivery programme has been adopted, as it permits the construction of houses for beneficiaries in the villages with little risk of displacement of the beneficiaries.This allows the municipality to eradicate mud houses and other informal structures, restoring our people's dignity. The fact that the Provincial Department of Human Settlement has taken over the implementation of projects has proven to be a challenge. Our role is currently only limited to beneficiary administration. Delays in the payment of contractor's claims have also impacted negatively on the delivery process. This results in a slow delivery of houses and often leads to the abandonment of sites by contractors.

Currently the Department of Human Settlement is busy with a process of formalising Promise Land. Construction of 241 RDP houses is in progress in Wrenchville also being implemented by the Department.

*T 3.5.1*

| 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 -3 | 560000 | 350000 | 62.5% |
| Year -2 | 654000 | 450000 | 68.8% |
| Year -1 | 654000 | 500000 | 76.5% |
| Year 0 | 684000 | 540000 | 78.9% |
| | | | *T 3.5.2* |

| Employees: Housing Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | 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 | 0% |
| 7 - 9 | 6 | 8 | 6 | 2 | 25% |
| 10 - 12 | 7 | 15 | 7 | 8 | 53% |
| 13 - 15 | 9 | 15 | 9 | 6 | 40% |
| 16 - 18 | 11 | 21 | 11 | 10 | 48% |
| 19 - 20 | 18 | 30 | 18 | 12 | 40% |
| Total | 55 | 93 | 55 | 38 | 41% |

*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.* *T 3.5.4*

| Financial Performance Year 0: Housing Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.5.5*

| Capital Expenditure Year 0: Housing Services | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.5.6* |

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

*Overall performance has largely been impacted*

*T 3.5.7*

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Ga-Segonyana municipal Council has adopted the Indigent policy as part of its budget related policies. This policy serves as guideline to assist with provision of basic services to its qualifying applicant households. The adopted policy lists the qualification criteria for these indigents. On an annual basis this policy gets reviewed with the adoption of the budget and conditions of qualification are looked into and aligned to the socio-economic conditions within the country. The municipality faces the challenge of non-submission of applications by the community members, the turnout of applications on an annual basis is deteriorating thereby defeating efforts of this policy and its intention. The free basic package comprises of rates rebates, 50kwh of free electricity, free sanitation and refuse collection as well as free 6kl of water to all registered indigents.

Our Indigent policy is a short-term intervention that enables access to free services whilst we integrate our people into sustainable means of improving their economic conditions.

Indigents and qualifying households will receive the following benefits:

- 6 Kilolitres of water per month
- 50 Kilowatts of electricity
- Indigent owners and child-headed families will receive a 100% rebate from rates and services;

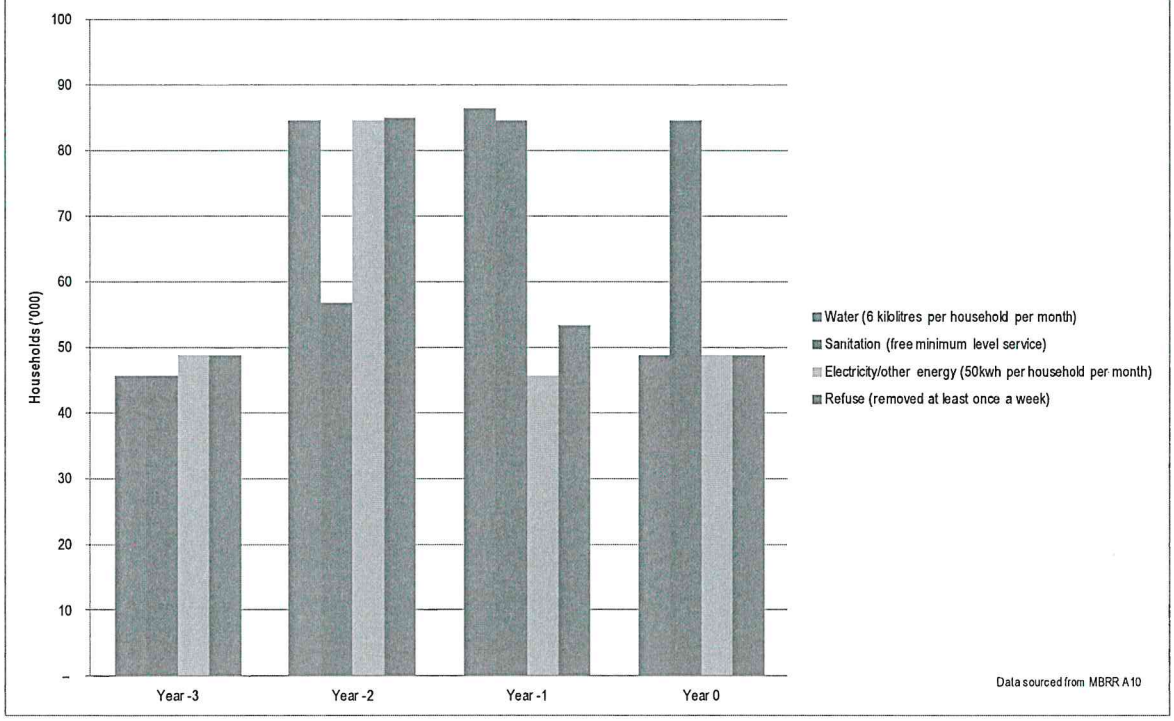
♣ All residential properties with a market value of less than R25000 and an additional R56 802 for Bankhara are exempted from paying rates;

♣ All qualifying senior citizens and disabled persons are exempted from paying rates on the first R25000 value of their residential properties; and they further apply for more exemption.

♣ All Churches and registered Public Benefit Organisations (PBOs) are also exempted from paying assessment rates.

A provision is made for the supply of these free basic services to the poorer communities in Gasegonyana Local Municipality.

*T 3.6.1*




*T 3.6.2*

| Free Basic Services To Low Income Households | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number of households | | | | | | | | | |
| | Total | Households earning less than R1,100 per month | | | | | | | | |
| | | | Free Basic Water | | Free Basic Sanitation | | Free Basic Electricity | | Free Basic Refuse | |
| | | Total | Access | % | Access | % | Access | % | Access | % |
| Year -2 | 100,000 | 18,000 | 12,000 | 67% | 10,000 | 56% | 13,000 | 72% | 7,000 | 39% |
| Year -1 | 103,000 | 18,500 | 13,000 | 70% | 11,000 | 59% | 14,500 | 78% | 8,000 | 43% |
| Year 0 | 105,000 | 19,000 | 15,000 | 79% | 12,000 | 63% | 16,100 | 85% | 9,000 | 47% |

*T 3.6.3*

| Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered | | | | | |
|---|---|---|---|---|---|
| Services Delivered | Year -1 | Year 0 | | | |
| | Actual | Budget | Adjustment Budget | Actual | Variance to Budget |
| Water | 200 | 244 | 250 | 248 | 2% |
| Waste Water (Sanitation) | 220 | 240 | 250 | 245 | 2% |
| Electricity | 100 | 120 | 130 | 135 | 11% |
| Waste Management (Solid Waste) | 105 | 110 | 120 | 125 | 12% |
| Total | 625 | 714 | 750 | 753 | 5% |
| | | | | | *T 3.6.4* |

| Free Basic Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| *Service Indicators* | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| *Provision of alternative support to low income households that do not receive all Free Basic Services* | Low income households (LIHs) who do not receive all the free basic services but do receive alternative support (Total number of LIHs not in receipt of free basic services) | xxxx LIHs receiving support (out of xxx LIHs in total) | xxxx LIHs receiving support (out of xxx LIHs in total) | xxxx LIHs receiving support (out of xxx LIHs in total) | xxxx LIHs receiving support (out of xxx LIHs in total) | xxxx LIHs receiving support (out of xxx LIHs in total) | xxxx LIHs receiving support (out of xxx LIHs in total) | xxxx LIHs receiving support (out of xxx LIHs in total) | xxxx LIHs receiving support (out of xxx LIHs in total) |
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*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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.* T 3.6.5

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The municipality has an indigent register of 1286 registered households who are benefitting from the FBE social package. This package is inclusive is rates rebates, free basic electricity of 50kwh per month per household, free 6kl of water as well as free refuse removal and sanitation. This number is very low as compared to stats SA census report. We have challenges with attracting households to come register for indigency. Plans are in place to widen the net in the 2021/22 financial period.

*T 3.6.6*

## COMPONENT B: ROAD TRANSPORT

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

### 3.7 ROADS

INTRODUCTION TO ROADS

The majority of the Municipal roads in the rural areas are mostly gravel roads which requires upgrading to the paved or surfaced roads. Existing surfaced roads in Kuruman, Mothibistad and wrenchville have aged and require resealing and patching. Some existing gravel or collector roads in Ga-segonyana are in a constant need of maintenance due to the high volumes of traffic and the damage caused by storm water runoff and rainfall. The riding quality deteriorates rapidly and requires regular grade and re graveling. This high maintenance activities impact heavily on the municipal operating budget. The municipality is currently embarking on a rural roads programme with an intention to pave the existing gravel roads.

*T 3.7.1*

**Gravel Road Infrastructure**

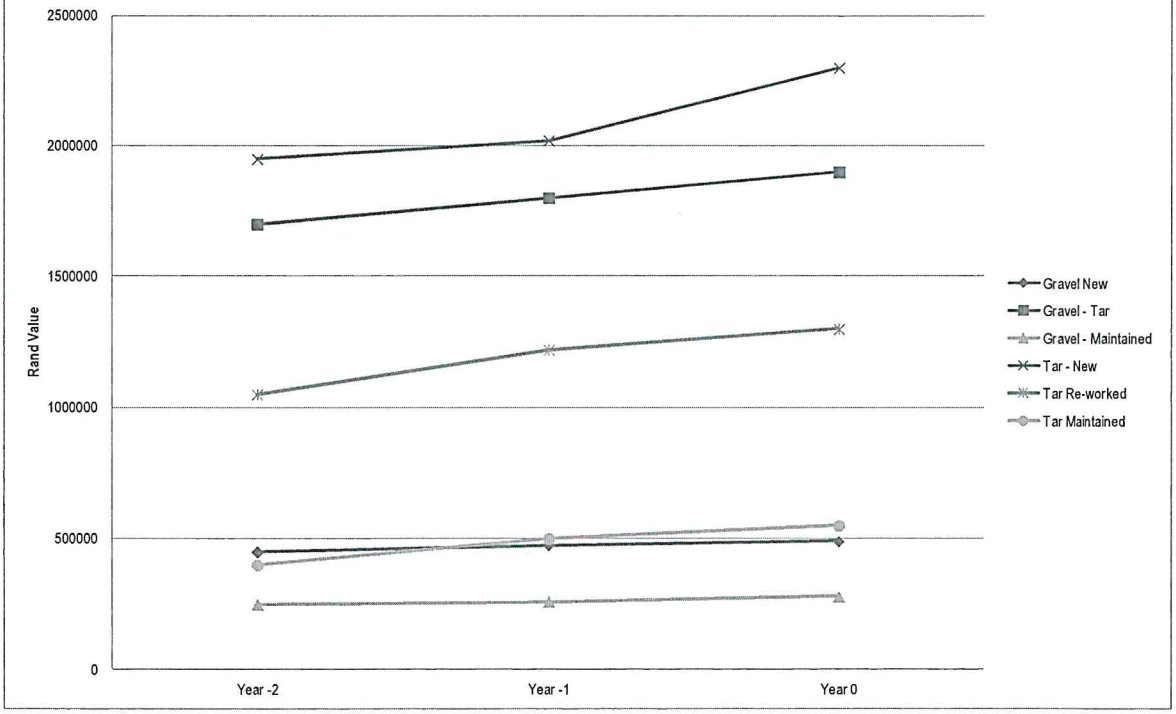
**Kilometers**

| | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel roads graded/maintained |
|---|---|---|---|---|
| Year -2 | 145 | 15 | 10 | 100 |
| Year -1 | 160 | 20 | 12 | 120 |
| Year 0 | 166 | 25 | 14 | 140 |

*T 3.7.2*

| Tarred Road Infrastructure | | | | | Kilometers |
|---|---|---|---|---|---|
| | Total tarred roads | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Tar roads maintained |
| Year -2 | 85 | 10 | 23 | 18 | 100 |
| Year -1 | 98 | 14 | 25 | 15 | 120 |
| Year 0 | 114 | 20 | 30 | 25 | 140 |
| | | | | | *T 3.7.3* |

| Cost of Construction/Maintenance | | | | | | R' 000 |
|---|---|---|---|---|---|---|
| | Gravel | | | Tar | | |
| | New | Gravel - Tar | Maintained | New | Re-worked | Maintained |
| Year -2 | 450000 | 1700000 | 250000 | 1950000 | 1050000 | 400000 |
| Year -1 | 475000 | 1800000 | 260000 | 2020000 | 1220000 | 500000 |
| Year 0 | 490000 | 1900000 | 280000 | 2300000 | 1300000 | 550000 |
| | | | | | | *T 3.7.4* |




*T 3.7.5*

| Road Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives / Service Indicators | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| (i) | (ii) | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| Service Objective xxx | | | | | | | | | |
| *Elimination of gravel roads in townships* | Kilometers of gravel roads tarred (Kilometers of gravel road remaining) | xxx kms gravel roads tarred (xxx kms gravel roads remaining) | xxx kms gravel roads tarred (xxx kms gravel roads remaining) | xxx kms gravel roads tarred (xxx kms gravel roads remaining) | xxx kms gravel roads tarred (xxx kms gravel roads remaining) | xxx kms gravel roads tarred (xxx kms gravel roads remaining) | Baseline (xxx kms gravel roads remaining) | xxx kms gravel roads tarred (xxx kms gravel roads remaining) | xxx kms gravel roads tarred (xxx kms gravel roads remaining) |
| *Development of municipal roads as required* | xxx kms of municipal roads developed | xxx kms | xxx kms | xxx kms | xxx kms | xxx kms | xxx kms | xxx kms | xxx kms |
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| *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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.* | | | | | | | | | |

T 3.7.6

| Employees: Road Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 6 | 7 | 1 | 6 | 86% |
| 4 - 6 | 10 | 16 | 10 | 5 | 31% |
| 7 - 9 | 6 | 8 | 6 | 2 | 25% |
| 10 - 12 | 0 | 2 | 0 | 2 | 100% |
| 13 - 15 | 0 | 0 | 0 | 0 | #DIV/0! |
| 16 - 18 | 0 | 0 | 0 | 0 | #DIV/0! |
| 19 - 20 | 0 | 0 | 0 | 0 | #DIV/0! |
| Total | 22 | 33 | 17 | 15 | 45% |

*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 0: Road Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 31 643 059.00 | 16 447 400.00 | 19 178 617.00 | 24 763 836.00 | 34% |
| Expenditure: | | | | | |
| Employees | 6 357 393.00 | 5 649 708.00 | 4 830 708.00 | 4 507 173.00 | -25% |
| Repairs and Maintenance | 925 806.00 | 1 667 840.00 | 4 317 840.00 | 3 209 589.00 | 48% |
| Other | 213 995.00 | 407 760.00 | 307 760.00 | 188 146.00 | -117% |
| **Total Operational Expenditure** | 7 497 194.00 | 7 725 308.00 | 9 456 308.00 | 7 904 908.00 | 2% |
| **Net Operational Expenditure** | | | | | #DIV/0! |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.7.8*

| Capital Expenditu | | | d Services | | R' 000 |
|---|---|---|---|---|---|
| | | | Year 0 | | |
| Capital Projects | Budget | A | Actual xpenditure | Variance from original budget | Total Project Value |
| Total All | 260 | | 378 | 31% | |
| | | | | | |
| Project A | 100 | | 128 | 22% | 280 |
| Project B | 80 | | 90 | 11% | 150 |
| Project C | 45 | | 80 | 44% | 320 |
| Project D | 35 | | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the p* | | | *val by council (including past and future expenditure as appropriate.* | | *T 3.7.9* |

COMMENT ON THE PERFO ROADS OVERALL:

The Municipality has so far been addressing the with the grant funding from MIG mainly focusing in the rural areas. Mining houses have a he Municipality significantly with regards to the eradication of potholes in the Municipal are ict Municipality has also embarked on a programme of assisting the locals with the Roa anagement Plan to manage the roads assets.. 1.8 kilometres of roads were upgraded fr aved in Kagung

*T 3.7.10*

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

***Delete Directive note once comment is completed*** – Provide brief introductory comments on the progress being made to improve stormwater drainage and discuss the major successes achieved and challenges faced in year 0 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to informal settlement and rural development. Refer to support given to those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Stormwater Drainage Services within the municipality.

*T 3.9.1*

**Stormwater Infrastructure**

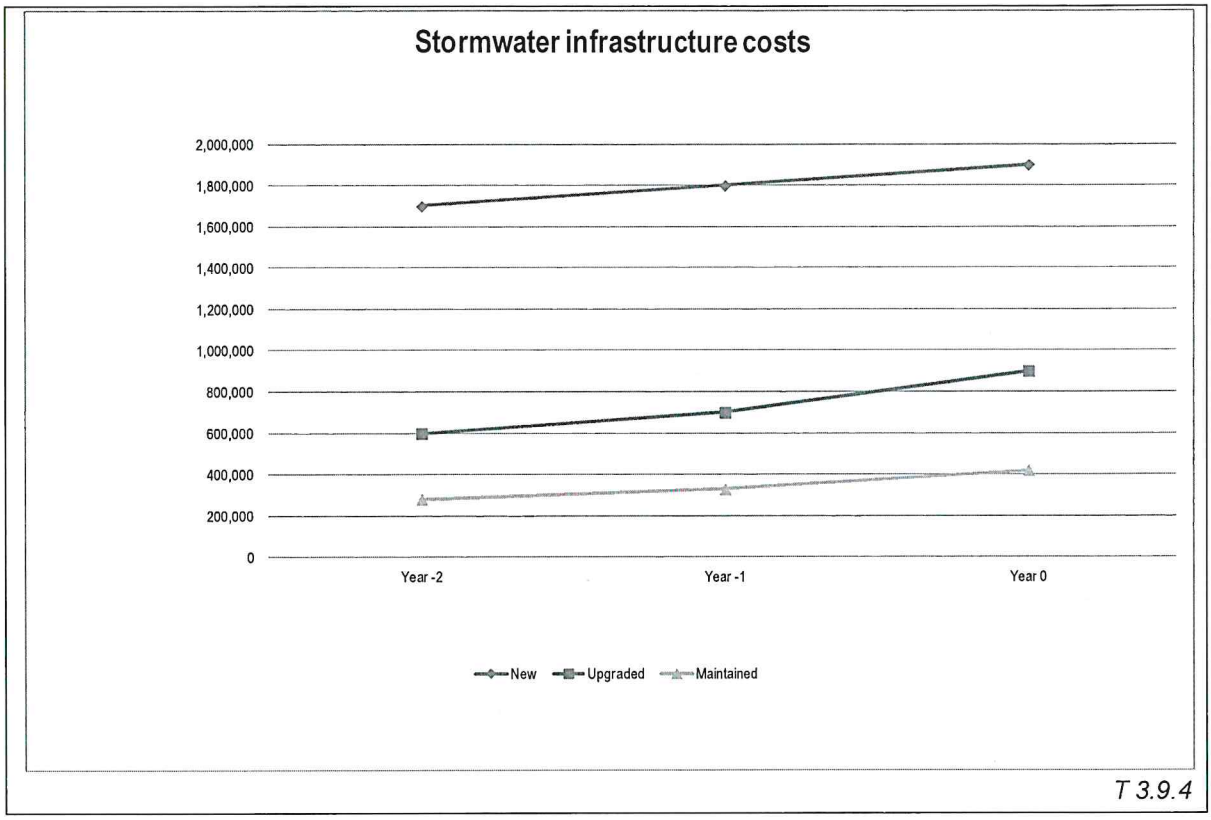
Kilometers

| | Total Stormwater measures | New stormwater measures | Stormwater measures upgraded | Stormwater measures maintained |
|---|---|---|---|---|
| Year -2 | 145 | 15 | 10 | 100 |
| Year -1 | 160 | 20 | 12 | 120 |
| Year 0 | 166 | 25 | 14 | 140 |
| | | | | *T 3.9.2* |

**Cost of Construction/Maintenance**

R' 000

| | Stormwater Measures | | |
|---|---|---|---|
| | New | Upgraded | Maintained |
| Year -2 | 1,700,000 | 600,000 | 280,000 |
| Year -1 | 1,800,000 | 700,000 | 330,000 |
| Year 0 | 1,900,000 | 900,000 | 420,000 |
| | | | *T 3.9.3* |


Stormwater infrastructure costs
2,000,000
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
Year -2
Year -1
Year 0
New
Upgraded
Maintained

*T 3.9.4*

| Stormwater Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| *Service Indicators* | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| 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 |
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*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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.* *T 3.9.5*

| Employees: Stormmwater Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 5 | 1 | 1 | 0 | 0% |
| 4 - 6 | 7 | 10 | 7 | 3 | 30% |
| 7 - 9 | 0 | 8 | 6 | 0 | 0% |
| 10 - 12 | 3 | 4 | 3 | 1 | 25% |
| 13 - 15 | 0 | 15 | 9 | 0 | 0% |
| 16 - 18 | 0 | 21 | 11 | 0 | 0% |
| 19 - 20 | 0 | 30 | 18 | 0 | 0% |
| Total | 15 | 89 | 55 | 4 | 4% |

*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.* *T 3.9.6*

| Financial Performance Year 0: Stormwater Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.9.7*

| Capital Expenditure Year 0: Stormwater Services | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.9.8* |

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

***Delete Directive note once comment is completed*** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

*T3.9.9*

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

***Delete Directive note once comment is completed*** - Provide brief overview of the opportunities and challenges in the fields of economic development and physical planning field for your municipality.

*T 3.10*

## 3.10 PLANNING

INTRODUCTION TO PLANNING

***Delete Directive note once comment is completed*** - Set out in brief the main elements of your planning strategies (and make particular reference to achievements and challenges in year 0); Town Planning; and building regulation and enforcement). Set out your top 3 service delivery priorities and the impact you have had on them during the year. Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

*T 3.10.1*

| Applications for Land Use Development | | | | | | |
|---|---|---|---|---|---|---|
| Detail | Formalisation of Townships | | Rezoning | | Built Enviroment | |
| | Year -1 | Year 0 | Year -1 | Year 0 | Year -1 | Year 0 |
| Planning application received | | | | | | |
| Determination made in year of receipt | | | | | | |
| Determination made in following year | | | | | | |
| Applications withdrawn | | | | | | |
| Applications outstanding at year end | | | | | | |
| | | | | | | *T 3.10.2* |

| Planning Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives / Service Indicators | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| (i) | (ii) | *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 weeeks | Determination within x weeeks | Determinaton within 12 weeeks | Determination within 12 weeeks | Determination within x weeeks | Determination within 11 weeeks | Determination within 8 weeeks | Determination within 8 weeeks |
| | 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 |
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*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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.*

*T 3.10.3*

| Employees: Planning Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | 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 | 0% |
| 7 - 9 | 6 | 8 | 6 | 2 | 25% |
| 10 - 12 | 7 | 15 | 7 | 8 | 53% |
| 13 - 15 | 9 | 15 | 9 | 6 | 40% |
| 16 - 18 | 11 | 21 | 11 | 10 | 48% |
| 19 - 20 | 18 | 30 | 18 | 12 | 40% |
| Total | 55 | 93 | 55 | 38 | 41% |

*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.* *T 3.10.4*

| Financial Performance Year 0: Planning Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.10.5*

| Capital Expenditure Year 0: Planning Services | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.10.6* |

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

***Delete Directive note once comment is completed*** - Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

*T 3.10.7*

## 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVLOPMENT

Ga-Segonyana Local Municipality is one of the three Local Municipalities that make up the John Taolo Gaetsewe District. The economy is mainly based on Mining and Agricultural activities. The Ga-Segonyana Local Municipality is situated on the Namaqua route, forming part of the main route between Gauteng and Namibia and Cape Town via Upington.

The Municipality is an Administrative Capital of the District, given its centrality to accessible transport routes, amenities and also housing most government and some private sector administrative offices. This has also contributed in the influx of people from the neighbouring municipalities, especially Joe Morolong Local Municipality and even outside the district in pursuit of economic opportunities. Ga-

Segonyana Local is positioned as a preferred services centre, both for commercial and residential for the Mining Corridor.

The Local Economic Development Unit of the Municipality focuses on the three service delivery sections, which includes Small, Medium & Micro Enterprises Development, Tourism Development and Business Licensing and Regulation. The Unit is structured to respond to the issues impacting on economic activities but also provides for a conducive environment where economic development can happen through stakeholder relations and ensuring for governance and regulations through municipal by laws and legislative framework.

Over the previous year, the municipality has aggressively implemented existing policies in order to have maximum impact in its service delivery programmes. The alignment of the LED Strategy to other key policies such as the IDP, National Spatial Development Perspective, the Provincial Growth strategy and National LED Framework has allowed the LED services within the municipality to start making critical in routes and find expression in the other work of the municipality but also in clarifying what the role of Local Economic Development is, within a municipal context. This is obviously an area of growth given lessons learnt and potential for great improvement in services provision

*T 3.11.1*

**Economic Activity by Sector**

R '000

| Sector | Year -2 | Year -1 | Year 0 |
|---|---|---|---|
| Agric, forestry and fishing | 2 | 1.5 | 1.5 |
| Mining and quarrying | 6 | 5 | 2 |
| Manufacturing | 56 | 58 | 63 |
| Wholesale and retail trade | 45 | 51 | 52 |
| Finance, property, etc. | 51 | 48 | 52 |
| Govt, community and social services | 23 | 25 | 25 |
| Infrastructure services | 34 | 38 | 41 |
| Total | 217 | 226.5 | 236.5 |

*T 3.11.2*

**Economic Employment by Sector**

Jobs

| Sector | Year 1 No. | Year -1 No. | Year 0 No. |
|---|---|---|---|
| Agric, forestry and fishing | 20,000 | 25,000 | 30,000 |
| Mining and quarrying | 400,000 | 435,000 | 372,000 |
| Manufacturing | 320,000 | 300,000 | 270,000 |
| Wholesale and retail trade | 190,000 | 200,000 | 210,000 |
| Finance, property, etc. | 275,000 | 255,000 | 235,000 |
| Govt, community and social services | 300,000 | 310,000 | 320,000 |
| Infrastructure services | 400,000 | 430,000 | 450,000 |
| Total | 1905000 | 1955000 | 1887000 |

*T 3.11.3*

COMMENT ON LOCAL JOB OPPORTUNITIES:

***Delete Directive note once comment is completed*** - Comment briefly on the short and longer term prospects for economic growth and development referring to the above. Include in this section references to Tourism and Market Places (including street traders)

*T 3.11.4*

| Jobs Created during Year 0 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 -2 | | | | |
| Year -1 | | | | |
| Year 0 | | | | |
| | | | | |
| Initiative A (Year 0) | | | | |
| Initiative B (Year 0) | | | | |
| Initiative C (Year 0) | | | | |

*T 3.11.5*

| Job creation through EPWP* projects | | |
|---|---|---|
| Details | EPWP Projects No. | Jobs created through EPWP projects No. |
| Year -2 | 40 | 2,000 |
| Year -1 | 50 | 2,900 |
| Year 0 | 66 | 4,500 |

** - Extended Public Works Programme* *T 3.11.6*

| Local Economic Development Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives / Service Indicators | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| (i) | (ii) | *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) | x people trained | x people trained | x people trained | x people trained | x people trained | x people trained | x people trained | x people trained |
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*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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.* T 3.11.7

| Employees: Local Economic Development Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | 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 | #DIV/0! |
| 7 - 9 | 2 | 2 | 2 | 0 | 0% |
| 10 - 12 | 2 | 2 | 2 | 0 | 0% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | #DIV/0! |
| 19 - 20 | 0 | 0 | 0 | 0 | #DIV/0! |
| Total | 5 | 5 | 5 | 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.* *T 3.11.8*

| Financial Performance Year 0: Local Economic Development Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 1 408<br>812.00 | 812<br>592.00 | 827<br>592.00 | 1 621<br>942.00 | 50% |
| Expenditure: | | | | | |
| Employees | 3 064<br>108.00 | 2 143<br>548.00 | 2 096<br>548.00 | 3 820<br>565.00 | 44% |
| Repairs and Maintenance | 36<br>675.00 | 0 | 0 | 12<br>560.00 | 100% |
| Other | 32<br>873.00 | 76<br>572.00 | 76<br>572.00 | 39<br>544.00 | -94% |
| **Total Operational Expenditure** | | | | | #DIV/0! |
| **Net Operational Expenditure** | | | | | #DIV/0! |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.11.9*

| Capital Expenditure Year 0: Economic Development Services | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.11.10* |

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

***Delete Directive note once comment is completed*** - Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

*T 3.11.11*

## 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

***Delete Directive note once comment is completed*** – Provide brief introductory comments. Refer to support given to those communities that are living in poverty.

*T 3.52*

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

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

Municipal library provides services to the community in the form of reading materials for convenient use; circulation of reading materials; service to help provide users with library materials, educational and recreational audiovisual materials; or a combination of these services.

Ga-Segonyana municipality has eight (8) libraries (Kuruman, Mothibistad, Batlharos, Kagung, Bankhara, Seoding, Seven Miles, Ga-Sehubane) that serves the broader community in the municipal jurisdiction.

While the services include community information services, recreational activities, reference services, storytelling, reading competition, career information, customer care, adult literacy education, mobile library services, services to prisoners, services to old age homes and online internet search.

The primary purposes of our libraries are to provide resources and services in a variety of media to meet the needs of individuals and groups for education, information and personal development including recreation and leisure.

*T3.12.1*

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

Service Statistic of all libraries for the 2020/ 2021 financial year

| Activity | | Totals |
|---|---|---|
| 1. Circulation of library materials | - | 640 |
| 2. Un-shelved library materials | - | 616 |
| 3. Library users | - | 459 |
| 4. Library visitors | - | 1303 |
| 5. Total Library memberships | - | 8029 |

*T 3.12.2*

| Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| *Service Indicators* | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| *Provide library services to 8 libraries* | | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 9 |
| Awareness campaigns | | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 9 |
| Holiday programmes | | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 9 |
| Statistics | | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 9 |
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*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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.* *T 3.12.3*

| Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 9 | 9 | 9 | 0 | 0% |
| 4 - 6 | 0 | 0 | 0 | 0 | 0% |
| 7 - 9 | 14 | 14 | 1 | 12 | 65% |
| 10 - 12 | 4 | 4 | 3 | 1 | 25% |
| 13 - 15 | 2 | 2 | 1 | 1 | 50% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 29 | 29 | 14 | 14 | #NAME? |

*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.* *T 3.12.4*

| Capital Expenditure Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 0 | 0 | 0 | #DIV/0! | |
| | | | | | |
| Project A | | | | #DIV/0! | 280 |
| Project B | | | | #DIV/0! | 150 |
| Project C | | | | #DIV/0! | 320 |
| Project D | | | | #DIV/0! | 90 |

*Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* *T 3.12.6*

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

***Delete Directive note once comment is completed*** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T 3.12.7

## 3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

***Delete Directive note once comment is completed*** – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T 3.13.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

*T 3.13.2*

| Cemetories and Crematoriums Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| *Service Indicators* (i) | (ii) | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| **Service Objective xxx** | | | | | | | | | |
| | | | | | | | | | |
| *Fence repairs of grave yards* | | 3 | 3 | 3 | 3 | 0 | 3 | 3 | 4 |
| | | | | | | | | | |
| Digging of graves (Mothibistad, Wrenchville, Kuruman) | | 105 | 105 | 105 | 120 | 12 | 300 | 300 | 300 |
| | | | | | | | | | |
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*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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.* *T 3.13.3*

| Employees: Cemetories | | | | | |
|---|---|---|---|---|---|
| Task Level | Year -1 | Year 0 | | | |
| | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0 - 3 | 13 | 13 | 13 | 7 | 54% |
| 4 - 6 | | | | | #DIV/0! |
| 7 - 9 | | | | | #DIV/0! |
| 10 - 12 | 1 | 1 | 1 | 0 | 0% |
| 13 - 15 | 0 | 0 | 0 | 0 | #DIV/0! |
| 16 - 18 | | | | | #DIV/0! |
| 19 - 20 | | | | | #DIV/0! |
| Total | 14 | 14 | 14 | 7 | 50% |

*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.* *T 3.13.4*

| Employees: Cemetories and Cremotoriums | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | 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 | 0% |
| 7 - 9 | 6 | 8 | 6 | 2 | 25% |
| 10 - 12 | 7 | 15 | 7 | 8 | 53% |
| 13 - 15 | 9 | 15 | 9 | 6 | 40% |
| 16 - 18 | 11 | 21 | 11 | 10 | 48% |
| 19 - 20 | 18 | 30 | 18 | 12 | 40% |
| Total | 55 | 93 | 55 | 38 | 41% |

*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.* *T 3.13.4*

| Financial Performance Year 0: Cemetories and Crematoriums | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 736 303.00 | 852 456.00 | 902 456.00 | 913 260.00 | 7% |
| Expenditure: | | | | | |
| Employees | 1 629 411.00 | 1 925 364.00 | 1 902 364.00 | 1 | -8% |

| | | | | | |
|---|---|---|---|---|---|
| | | | | 776 015.00 | |
| Repairs and Maintenance | 49 911.00 | 61 476.00 | 46 476.00 | 20 362.00 | -202% |
| Other | 13 419.00 | 54 264.00 | 54 264.00 | 14 657.00 | -270% |
| **Total Operational Expenditure** | | | | | #DIV/0! |
| **Net Operational Expenditure** | | | | | #DIV/0! |
| *Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* | | | | | *T 3.13.5* |

| **Capital Expenditure Year 0: Cemetories and Crematoriums** | | | | | **R' 000** |
|---|---|---|---|---|---|
| **Capital Projects** | **Year 0** | | | | |
| | **Budget** | **Adjustment Budget** | **Actual Expenditure** | **Variance from original budget** | **Total Project Value** |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.13.6* |

## 3.20 POLICE

INTRODUCTION TO POLICE

The municipal trafic driving license testing centre is a Grade A driving license testing centre and is authorized to examine and test a person for leaners license and driving license of any code.

Functions of driving license testing centre (DLTC)

1. Appointment for learners licenses for all codes
2. Appoinment for driving licenses for all codes
3. Testing for leaners licenses for all codes
4. Testing for driving licenses for all codes
5. Issuing for leaner licenses
6. Issuing temporary driving licenses
7. Issuing duplicate learnes licenses
8. Renewal of drivers licenses
9. Renewal of professional driving permits (PRDP)

NB!! In summary the DLTC is responsible for ensuring the driver fitness in order to allow a driver to sit behind a steering wheel.

*T 3.20.1*

| Metropolitan Police Service Data | | | | | |
|---|---|---|---|---|---|
| | 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 | 12 | 12 | 12 | 12 |
| 4 | Number of police officers on duty on a average day | 12 | 12 | 12 | 12 |

*T 3.20.2*

Concerning T 3.20.2

***Driving License Testing Centre (DLTC) Statistics for July 2020 until June 2021***

The undermentioned are the total number of visits from clients done at the Municipal Traffic Department sub-section DLTC.

| Activity | | Total |
|---|---|---|
| Renewal of Driver's License | - | 2676 |
| Renewal of PrDP | - | 2136 |
| Application for Driving License | - | 49 |
| Application for Learners License | - | 2978 |

DLTC was visited by 7839 clients for the financial year of July 2020 until June 2021

***Vehicle Testing Station (VTS) Statistics for July 2020 until June 2021***

| | | |
|---|---|---|
| Number of roadworthy tests | - | 1604 |
| Number of roadworthy certificates issued | - | 1271 |

**Law Enforcement *Statistics for July 2020 until June 2021***

| | | |
|---|---|---|
| Number of Summons issued | - | 1524 |
| Art 341 Notice issued | - | 1842 |
| J534 | - | 131 |

Total of 3497 Charges were laid for the financial year July 2020 until June 2021

**Registration and Licensing *Statistics for July 2020 until June 2021***

| | | |
|---|---|---|
| Number of transactions | - | 12936 |
| Number of special permits issued | - | 126 |
| Number of temporary permits issued | - | 57 |
| Duplication registration certificate issued | - | 272 |
| Application for roadworthy | - | 1467 |
| Number of roadworthy certificates issued | - | 1284 |
| PRDP's issued | - | 1848 |

*T 3.20.2.1*

| Police Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| *Service Indicators* | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| *Reduction in road accidents* | x% reduction in road accidents over the target for the previous year | T0% reduction in year -1 | A0% reduction in year -1 | T1% reduction in year 0 | T1% reduction in year 0 | A1% reduction in year 0 | T2% reduction in year 1 | T5% reduction in year 3 | T5% reduction in year 3 |
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*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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.*

*T 3.20.3*

| Employees: Police Officers | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| Police Administrators | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| Chief Police Officer & Deputy | | | | | |
| Other Police Officers | | | | | |
| 0 - 3 | 6 | 8 | 6 | 2 | 25% |
| 4 - 6 | 6 | 6 | 6 | | 0% |
| 7 - 9 | 0 | 0 | 0 | | #DIV/0! |
| 10 - 12 | 26 | 28 | 26 | 2 | 7% |
| 13 - 15 | 2 | 2 | 2 | | 0% |
| 16 - 18 | | | | | #DIV/0! |
| 19 - 20 | 0 | 0 | 0 | 0 | #DIV/0! |
| Total | 40 | 44 | 40 | 4 | 9% |

*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.*
*T 3.20.4*

| Financial Performance Year 0: Police | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 8 957 554.00 | 7629756 | 7629756 | 7 662 793.00 | 0% |
| Expenditure: | | | | | |
| Police Officers | 13 826 729.00 | 15 261 000.00 | 14 884 183.00 | 14 766 169.00 | |
| Other employees | | | | | |
| Repairs and Maintenance | 574 942.00 | 646 596.00 | 646 596.00 | 616 783.00 | -5% |
| Other | 304 994.00 | 431 580.00 | 481 580.00 | 529 159.00 | 18% |
| **Total Operational Expenditure** | 14 706 665.00 | 16 339 176.00 | 16 012 359.00 | 15 912 111.00 | |
| **Net Operational Expenditure** | | | | | |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*
*T 3.20.5*

| Capital Expenditure Year 0: Police | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.20.6* |

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

***Delete Directive note once comment is completed*** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

*T 3.20.7*

## 3.21 FIRE

INTRODUCTION TO FIRE SERVICES

The municipal Fire & rescue purpose is to enhance community safety, quality of life and confidence by minimising the impact of hazards and emergency incidents on the people, environment and economy of the town.

Ga-Segonyana Local Municipality is having 14 Council Wards (33 community (villages) areas) of which ad-hoc (07:30 – 16:30 - weekdays) Fire and Rescue Services are rendering to and also into cross borders of Joe Morolong Local Municipal jurisdiction. Two officials are on standby after hours (16:30 – 07:30), weekends and holidays to render these services whenever the call of duty arises. The municipality performs firefighting in respect of formal structures (brick buildings), informal structures (shacks), rubbish, vehicles, veld, electrical or any kind of

related fires. The department also attends to Disaster Incidents, Vehicle Accidents, Hazardous Material Incidents and Rescue Services.

The staff component of the fire department is twenty (20) of which thirteen (13) are permanent and seven (07) are temporary employees.

The service is based on four pillars:
Firefighting & Rescue operations
Administration
Fire safety
Prevention and
Disaster Management

*T 3.21.1*

| Metropolitan Fire Service Data | | | | | |
|---|---|---|---|---|---|
| | Details | Year -1 | Year 0 | | Year 1 |
| | | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1 | Total fires attended in the year | 205 | 80 | 169 | 120 |
| 2 | Total of other incidents attended in the year | 9 | 5 | 5 | 9 |
| 3 | Average turnout time - urban areas | 30 minutes | 30 minutes | 15 minutes | 30 minutes |
| 4 | Average turnout time - rural areas | 1 hour | 1 hour | 55 minutes | 1 hour |
| 5 | Fire fighters in post at year end | 8 | 13 | 13 | 4 |
| 6 | Total fire appliances at year end | 1 | 1 | 1 | 1 |
| 7 | Average number of appliance off the road during the year | 3 | 1 | 3 | 2 |

*T 3.21.2*

Concerning T3.21.2

Ga -Segonyana Local Municipality's Fire Department wishes to abide to the SANS 10090 of 2003. The municipal costed business plan that was submitted to MIG for funding a Disaster & Fire Structure is approved. The Fire Department is having only one operational fire truck for fire & rescue services.

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*T 3.21.2.1*

| Fire Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| *Service Indicators* | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (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) |
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| *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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.* | | | | | | | | | |
| | | | | | | | | | *T 3.21.3* |

| Employees: Fire Services | | | | | |
|---|---|---|---|---|---|
| **Tasks Level** | **Year -1** | **Year 0** | | | |
| **Fire Fighters** / **Administrators** | **Employees** No. | **Posts** No. | **Employees** No. | **Vacancies (fulltime equivalents)** No. | **Vacancies (as a % of total posts)** % |
| Chief Fire Officer & Deputy | | | | | |
| Other Fire Officers | | | | | |
| 0 - 3 | 6 | 4 | 6 | 3 | 75% |
| 4 - 6 | 11 | 11 | 11 | 4 | 36% |
| 7 - 9 | 3 | 3 | 3 | 0 | 0% |
| 10 - 12 | 0 | 0 | 0 | 0 | #DIV/0! |
| 13 - 15 | 0 | 1 | 0 | 1 | 100% |
| 16 - 18 | 0 | 0 | 0 | 0 | #DIV/0! |
| 19 - 20 | 0 | 0 | 0 | 0 | #DIV/0! |
| Total | 20 | 19 | 20 | 8 | 42% |

*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.*
*T 3.21.4*

| Financial Performance Year 0: Fire Services | | | | | R'000 |
|---|---|---|---|---|---|
| **Details** | **Year - 1** | **Year 0** | | | |
| | **Actual** | **Original Budget** | **Adjustment Budget** | **Actual** | **Variance to Budget** |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Fire fighters | | | | | |
| Other employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 50000 | 50000 | 0 | 50000 | 0% |
| Other | 0 | 0 | 0 | 0 | #DIV/0! |
| **Total Operational Expenditure** | 50125 | 50244 | 250 | 50248 | 0% |
| **Net Operational Expenditure** | 50005 | 50119 | 150 | 50153 | 0% |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.21.5*

| Financial Performance Year 0: Fire Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Fire fighters | | | | | |
| Other employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |
| *Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* | | | | | *T 3.21.5* |

| Capital Expenditure Year 0: Fire Services | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.21.6* |

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The municipal costed business plan that was submitted to MIG for funding is approved and this plan will be implemented over a three year municipal budget period, which is 2019/2020 (approved), 2020/2021 (implementation) and 2021/2022 (finalized/ handover).

*T 3.21.7*

## 3.22 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

The disaster management function is part of the emergency services division and report to the Director Community Services.

Priorities of Disaster Risk Reduction and Management (DRRM)
1. Disaster prevention & Mitigation
2. Disaster preparedness
3. Disaster response
4. Rehabilitation and Recovery

Our Aim
1. Protection and preservation of life and relief warrant to disaster beneficiaries
2. Issuing of community information and community warnings detailing information that is timeously, relevant and tailored to assist our community members to make informed decisions about their safety.

The municipality has established a 24 hour call centre to curb the backlog of service delivery complaints of our community and to direct all complaints to a central point. Community members contact standby officials directly on their phones and sometimes they are not attending or responding immediately to the call/ incident. This centre also assist with service delivery queries and dispatch the relevant department to any complaints that is reported by our community that the municipality is serving. Emergency incidents/ Disaster calls are also reported to the call centre and this centre is dispatching the Disaster & Fire personnel to these incidents.
measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

*T 3.22.1*

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

Our municipal area was affected by severe heavy rainstorms during November 2020 until mid-March 2021 and damaged a lot of houses, business, cemeteries and limited the movement of people due to water logged streets and or premises.

About 369 reported households were affected by this severe heavy rainfalls and they are as follows:
1. Seven Miles/ Gantatelang = 159 households
2. Batlharos/ Nanana Section = 68
3. Magojaneng/ Tswelelopele = 50
4. Maruping = 39
5. Seoding = 30
6. Kagung = 23

An item about the severe destruction was presented to the municipal council on the 14 January 2021, to take a resolution on the disaster that has affected our municipal area and a disaster was declared by our council.

A costed business plan for emergency housing relief for the affected households were submitted to National Housing Human Settlement with all the relevant attachment as per directive and of which delegation from National Human Settlement came to verify the municipal submission.

National Human Settlement approved only 161 households/ beneficiaries for emergency housing for our municipality.

18 x House Fires
14 x Informal settlement fires (Shacks)
141 x Veld Fires
08 x Rubbish Fires
03 x Electrical related Fires
04 x Motor Vehicle Fires
01 x Truck Fire
01 x Tree Fires
01 x Tyre Fire
01 x Shop Fire
04 x Building Fires
01 x Container Fire
01 x Guesthouse Fire
01 x Thatch Roof Fire
09 x Motor Vehicle Accidents
01 x Fire belt
02 x Special Services

NB!!! The Fire & Disaster Management Officials has attended to **211** incidents for the financial year of July 2020 until June 2021

*T 3.22.2*

| Disater Management, Animal Licencing and Control, Control of Public Nuisances, Etc Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives / Service Indicators | Outline Service Targets | Year 0 | | Year 1 | | | Year 2 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
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*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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.*

T 3.22.3

| Financial Performance Year 0: Disater Management, Animal Licencing and Control, Control of Public Nuisances, Etc | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |
| *Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* | | | | | *T 3.22.5* |

| Capital Expenditure Year 0: Disater Management, Animal Licencing and Control, Control of Public Nuisances, Etc | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.22.6* |

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

Awareness and Preparedness for Emergencies at Local/ District/ Province Level is a tool for bringing Disaster Stakeholders, Community Members, and Staff together to allow effective communication about risks and planning for emergency response.

It should be stressed that emergency planning, like most management challenges, is a process of continuous improvement. Comments on the emergency exercise will help Disaster Stakeholders continue improving service delivery to the community they serve and to build capacity amongst themselves.

The horrific consequences of disaster remain in the public memory for a long time. Given the size and scale of the industry and many of its operations, the number of major incidents is small, however, although most people would rather regard even one incident as being too many. It would be equally wrong to suggest that no progress has been made in the prevention, preparation for and management of disaster.

A fast and effective local response to an incident can be the most important factor in limiting injury to people as well as damage to property and environment. While incidents destroy community confidence, a well-informed, well-prepared community is better able to deal with the aftermath.

Annual events are been held in Ga-Segonyana Local Municipal Jurisdiction and all events applications are submitted to SAPS, this is in accordance to the SARE Act (Safety at Sport and Recreational Events Act 2 of 2010) that all applications must be submitted to the Authorized person of SAPS. Events Safety Security planning are convened with all relevant stakeholders with the conveners to plan the safety of the events.

When meetings are convened, all application for the different events are categorized by SAPS Authorized member at the Province, because the categorization will guide the Event Safety Security Committee and convener what type of magnitude event are we planning and all the deployment of resources that must be availed to safe guard the attendees and artists.

T 3.22.7

## 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

***Delete Directive note once comment is completed*** – Provide brief introductory comments.

*T 3.24*

### 3.24 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

***Delete Directive note once comment is completed*** – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year.

*T 3.24.1*

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

*T 3.69.2*

| Employees: The Executive and Council | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | 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 | 0% |
| 7 - 9 | 6 | 8 | 6 | 2 | 25% |
| 10 - 12 | 7 | 15 | 7 | 8 | 53% |
| 13 - 15 | 9 | 15 | 9 | 6 | 40% |
| 16 - 18 | 11 | 21 | 11 | 10 | 48% |
| 19 - 20 | 18 | 30 | 18 | 12 | 40% |
| Total | 55 | 93 | 55 | 38 | 41% |

*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.* *T 3.24.4*

| Financial Performance Year 0: The Executive and Council | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.24.5*

| Capital Expenditure Year 0: The Executive and Council | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.24.6* |

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

***Delete Directive note once comment is completed*** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

*T 3.24.7*

## 3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

Even though the global pandemic affected our provision of basic services negatively, there were some successful strides made by the municipality with regard to debt collection. Some old debts were recovered in the reporting year. Though a lot of write offs were processed and approve by

council due to job losses and many other factors, the debt book reduced drastically. The figures below were not split per service except for electricity.

*T 3.25.1*

**Debt Recovery**

R' 000

| Details of the types of account raised and recovered | Year -1 201819 | | Year 0 201920 | | | Year 1 202021 | |
|---|---|---|---|---|---|---|---|
| | 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 % | Estmated outturn for accounts billed in year | Estimated Proportion of accounts billed that were collected % |
| Property Rates | | | | 45 158 445,71 | 38 003 762,00 | 49 762 316,92 | 85% |
| Electricity - B | | | | 108 310 332,00 | 133 878 506,00 | 112 931 244,03 | 129% |
| Electricity - C | | | | | | | |
| Water - B | | | | 22 880 479,05 | | 22 277 550,57 | |
| Water - C | | | | | | | |
| Sanitation | | | | 13 825 960,51 | | 13 433 717,08 | |
| Refuse | | | | 8 942 684,76 | | 9 343 196,02 | |
| Other | | | | 7 611 740,64 | | 5 130 472,77 | |

*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.*

*T 3.25.2*

| Financial Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives | Outline Service Targets | Year 0 | | Year 1 | | | Year 2 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| *Service Indicators* | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| *Increase in speed of payment of tariffs, tax demands, invoices* | No more than x% of creditors raised (in Rand value) during the year outstanding (o/s) at year end | No more than T0% of current yr creditors o/s at yr end | No more than A0% of current yr creditors o/s at yr end | No more than T1% of current yr creditors o/s at yr end | No more than T1% of current yr creditors o/s at yr end | No more than A1% of current yr creditors o/s at yr end | No more than T2% of current yr creditors o/s at yr end | No more than T5% of current yr creditors o/s at yr end | No more than T5% of current yr creditors o/s at yr end |
| *Reducing the number of invoices raised by increasing advance payment for services rendered (A project requiring partipation by all departments but let by the central finance department)* | x% reduction in number of invoices raised over the previous year's target | T0% reduction in invoices raised; target limit of invoices | A0% reduction in invoices raised; target limit of invoices | T1% reduction in invoices raised; target limit of invoices | T1% reduction in invoices raised; target limit of invoices | A1% reduction in invoices raised; target limit of invoices | T2% reduction in invoices raised; target limit of invoices | T5% reduction in invoices raised; target limit of invoices | T5% reduction in invoices raised; target limit of invoices |
| *Improving speed of legal measures to recover revenues* | Commence legal proceedings for recovery of revenues within 4 weeks of the due date | Legal proceeding within 4 weeks of due date | Legal proceeding within 4 weeks of due date | Legal proceeding within 4 weeks of due date | Legal proceeding within 4 weeks of due date | Legal proceeding within 4 weeks of due date | % of legal proceeding commenced within 4 weeks of due date | % of legal proceeding commenced within 4 weeks of due date | % of legal proceeding commenced within 4 weeks of due date |
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| *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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.* | | | | | | | | | T 3.25.3 |

| Financial Performance Year 0: Financial Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **64 226 662.00** | **69 737 748.00** | **63 340 742.00** | **69 791 866.00** | **0%** |
| Expenditure: | | | | | |
| Employees | 23 098 891.00 | 27 857 364.00 | 27 335 500.00 | 30 268 941.00 | 8% |
| Repairs and Maintenance | 22 760 367.00 | 28 899 496.00 | 31 451 396.00 | 29 377 835.00 | 2% |
| Other | 76 550 324.00 | 62 073 176.00 | 62 926 176.00 | 97 508 066.00 | 36% |
| **Total Operational Expenditure** | 122 409 582.00 | 118 830 036.00 | 121 713 072.00 | 157 154 842.00 | 24% |
| **Net Operational Expenditure** | | | | | #DIV/0! |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.25.5*

| Financial Performance Year 0: Financial Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.25.5*

| Capital Expenditure Year 0: Financial Services | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.25.6* |

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

***Delete Directive note once comment is completed*** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

*T 3.25.7*

## 3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Explain the measures taken to improve performance and the major efficiencies achieved by HR service during the year.
Human Resources provide services in the areas of Recruitment, Selection and Placement, Health and Safety, Organizational Development, Skills Development and Training, Human Resources Administration and Labour Relations.

Considerable improvement is made in terms of leave management. However, the process of transforming the system to do leave electronically has been kick-started and the position of Senior Health and Safety was budgeted for to beef up the sub-unit. Managers and supervisors are making strides currently on the monitoring of staff and as it took long to sign leave on time. Cases of injuries on duty are submitted electronically, however, it is still a challenge in getting responses and acknowledgements within a reasonable time of at least a week. The Labour Department is still citing lack of staff as a contributing factor and the system is constantly dysfunctional. We are currently

submitting some claim information manually when experiencing challenges. The position of Secondary was also budgeted for and will hopefully be implemented by the end of December 2022.

*T 3.26.1*

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

| No | Title | Number | Category | Status |
|---|---|---|---|---|
| | | | | |
| 1 | Manager: Human Resources | 1 | 14 | Full-Time |
| 2 | Labour Relations Specialist | 1 | 14 | Full-Time |
| 3 | Skills Development Facilitator (SDF) | 1 | 13 | Full-Time |
| 4 | Health and Safety Officer | 1 | 11 | Full-Time |
| 5 | Senior Human Resources Officer | 1 | 10 | Full-Time |
| 6 | Human Resources Officer | 2 | 8 | Full-Time |
| 7 | Senior Health and Safety Officer (Vacant ) | 1 | 13 | Full-Time |
| 8 | Secondary SDF (Vacant) | 1 | 10 | Full-Time |
| | Total Number | 9 | | |

*T 3.26.2*

| Human Resource Services Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives / Service Indicators | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| (i) | (ii) | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| Service Objective xxx | | | | | | | | | |
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| *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 incoporated 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 -1 Budget/IDP round; *Current Year' refers to the targets set in the Year 0 Budget/IDP round. *Following Year' refers to the targets set in the Year 1 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.* | | | | | | | | | T 3.25.3 |

| Employees: Human Resource Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | 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 | #DIV/0! |
| 7 - 9 | 1 | 2 | 1 | 1 | 50% |
| 10 - 12 | 1 | 1 | 1 | 0 | 0% |
| 13 - 15 | 3 | 4 | 3 | 1 | 25% |
| 16 - 18 | 0 | 0 | 0 | 0 | #DIV/0! |
| 19 - 20 | 0 | 0 | 0 | 0 | #DIV/0! |
| Total | 5 | 7 | 5 | 2 | 29% |

*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.* *T3.26.4*

| Financial Performance Year 0: Human Resource Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 2 846 247.00 | 1 355 964.00 | 1 455 964.00 | 1 317 339.00 | -3% |
| Expenditure: | | | | | |
| Employees | 1 273 245.00 | 6 036 684.00 | 5 952 184.00 | 8 693 230.00 | 31% |
| Repairs and Maintenance | 155 706.00 | 369 996.00 | 369 996.00 | 69 753.00 | -430% |
| Other | 5 719 038.00 | 5 515 452.00 | 4 427 452.00 | 4 508 873.00 | -22% |
| **Total Operational Expenditure** | 7 147 989.00 | 11 922 132.00 | 10 749 632.00 | 13 271 856.00 | 10% |
| **Net Operational Expenditure** | | | | | #DIV/0! |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.26.5*

| Capital Expenditure Year 0: Human Resource Services | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.26.6* |

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

***Delete Directive note once comment is completed*** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

*T 3.26.7*

## 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

***Delete Directive note once comment is completed*** – Provide brief introductory comments. Set out priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by ICT service during the year.

*T 3.27.1*

SERVICE STATISTICS FOR ICT SERVICES

*T 3.27.2*

| ICT Services Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives / Service Indicators (i) | Outline Service Targets (ii) | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | 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 | | | | | | | | | |
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*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 incoporated 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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.* T 3.27.3

| Employees: ICT Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | 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 | #DIV/0! |
| 7 - 9 | 1 | 1 | 1 | 0 | 0% |
| 10 - 12 | 2 | 2 | 2 | 0 | 0% |
| 13 - 15 | 1 | 2 | 1 | 1 | 50% |
| 16 - 18 | 0 | 0 | 0 | 0 | #DIV/0! |
| 19 - 20 | 0 | 0 | 0 | 0 | #DIV/0! |
| Total | 4 | 5 | 4 | 1 | 20% |

*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.* *T3.27.4*

| Financial Performance Year 0: ICT Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.27.5*

| Capital Expenditure Year 0: ICT Services | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.27.6* |

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

***Delete Directive note once comment is completed*** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

*T3.27.7*

## 3.28 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

***Delete Directive note once comment is completed*** – Provide brief introductory comments. Set out priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by Property, legal, risk management and procurement services during the year.

*T3.28.1*

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

*T 3.28.2*

| Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Service Objectives / Service Indicators | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
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| *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 incoporated 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.* | | | | | | | | | T 3.28.3 |

| Employees: Property; Legal; Risk Management; and Procurement Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year -1 | Year 0 | | | |
| | 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 | #DIV/0! |
| 7 - 9 | 1 | 2 | 1 | 1 | 50% |
| 10 - 12 | 3 | 3 | 3 | 0 | 0% |
| 13 - 15 | 4 | 4 | 4 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | #DIV/0! |
| 19 - 20 | 0 | 0 | 0 | 0 | #DIV/0! |
| Total | 8 | 9 | 8 | 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.*
*T 3.28.4*

| Financial Performance Year 0: Property; Legal; Risk Management and Procurement Services | | | | | R'000 |
|---|---|---|---|---|---|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| **Total Operational Expenditure** | 195 | 732 | 750 | 744 | 2% |
| **Net Operational Expenditure** | 75 | 607 | 650 | 649 | 6% |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* *T 3.28.5*

| Capital Expenditure Year 0: Property; Legal; Risk Management and Procurement Services | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| | | | | | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.28.6* |

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

***Delete Directive note once comment is completed*** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

*T 3.28.7*

## COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

| Plan Number: Plan Name | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. | Strategic Focus Area (IDP) | Key Performance Indicator | Baseline (Previous years actual) | Demand | Backlog | Annual Target (Year) | 5 Year Target | Means of verification | Unit of Measure | Quarterly Target | Quarterly actual | Status (Achieved/ Not Achieved) | Measures taken to improve performance | Performance Monitoring Quality Assurance comment | Management Response | Internal Audit Comment | Portfolio of Evidence |
| | | | | | | | | | | | | | | | | | |
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*Note: Set out key plans as per performance scorecard e.g Plan 1: Sustain and build natural enviroment, Plan 2: Economic Development and job creation, Plan 3: Quality living enviroment, Plan 4: Safe, healthy and secure enviroment, Plan 5: Empowering our citizen, Plan 6: Promoting cultural diversity, Plan 7: Good governance, Plan 8: Financial viability and sustainability.* *T 3.30*

# CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

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The Organizational Development process and filling of positions had been going fairly well in that positions that became vacant had been filled within six (6) months of becoming vacant. There had been some delays in completing other positions due to budget constraints; however, critical positions had been filled to ensure that there is delivery of services especially in core services departments like Infrastructure and Community Services.

To date the two positions of Directors: Corporate and Community Services had not been filled. However, a shortlist was made for both positions. It is anticipated that a position of Director: Corporate Services shall be filled by the beginning of July 2019 as the interviews had already been conducted.

*T 4.0.1*

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

| Employees | | | | | |
|---|---|---|---|---|---|
| Description | Year -1 | Year 0 | | | |
| | Employees No. | Approved Posts No. | Employees No. | Vacancies No. | Vacancies % |
| Water | 26,485 | 26,485 | 23,572 | 23,572 | % |
| Waste Water (Sanitation) | 8,541 | 8,541 | 8,285 | 8,285 | % |
| Electricity | 12,355 | 12,355 | 10,254 | 10,254 | % |
| Waste Management | 14,232 | 14,232 | 13,235 | 13,235 | % |
| Housing | 6,542 | 6,542 | 5,496 | 5,496 | % |
| Waste Water (Stormwater Drainage) | 5,643 | 5,643 | 5,530 | 5,530 | % |
| Roads | 5,643 | 5,643 | 5,530 | 5,530 | % |
| Transport | 5,322 | 5,322 | 4,470 | 4,470 | % |
| Planning | 1,254 | 1,254 | 1,003 | 1,003 | % |
| Local Economic Development | 2,516 | 2,516 | 2,063 | 2,063 | % |
| Planning (Strategic & Regulatary) | 12,546 | 12,546 | 10,413 | 10,413 | % |
| Local Economic Development | 2,355 | 2,355 | 2,190 | 2,190 | % |
| Community & Social Services | 4,565 | 4,565 | 3,698 | 3,698 | % |
| Enviromental Proctection | 5,649 | 5,649 | 4,971 | 4,971 | % |
| Health | 5,649 | 5,649 | 4,971 | 4,971 | % |
| Security and Safety | 5,649 | 5,649 | 4,971 | 4,971 | % |
| Sport and Recreation | 5,649 | 5,649 | 4,971 | 4,971 | % |
| Corporate Policy Offices and Other | 5,649 | 5,649 | 4,971 | 4,971 | % |
| **Totals** | **136,240** | **136,240** | **120,592** | **120,592** | **–** |

*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, as per the approved organogram.* *T 4.1.1*

| Vacancy Rate: Year 0 | | | |
|---|---|---|---|
| Designations | *Total Approved Posts<br>No. | *Vacancies (Total time that vacancies exist using fulltime equivalents)<br>No. | *Vacancies (as a proportion of total posts in each category)<br>% |
| Municipal Manager | 1 | 0 | 0.00 |
| CFO | 1 | 1 | 100.00 |
| Other S57 Managers (excluding Finance Posts) | 10 | 1 | 10.00 |
| Other S57 Managers (Finance posts) | 3 | 1 | 33.33 |
| Police officers | 12 | 3 | 25.00 |
| Fire fighters | 20 | 3 | 15.00 |
| Senior management: Levels 13-15 (excluding Finance Posts) | 25 | 5 | 20.00 |
| Senior management: Levels 13-15 (Finance posts) | 6 | 2 | 33.33 |
| Highly skilled supervision: levels 9-12 (excluding Finance posts) | 35 | 8 | 22.86 |
| Highly skilled supervision: levels 9-12 (Finance posts) | 8 | 1 | 12.50 |
| **Total** | **121** | **25** | 20.66 |

*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.* *T 4.1.2*

| Turn-over Rate | | | |
|---|---|---|---|
| Details | Total Appointments as of beginning of Financial Year<br>No. | Terminations during the Financial Year<br>No. | Turn-over Rate* |
| Year -2 | 50 | 18 | 36% |
| Year -1 | 50 | 12 | 24% |
| Year 0 | 50 | 10 | 20% |

** 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* *T 4.1.3*

COMMENT ON VACANCIES AND TURNOVER:

*T 4.1.4*

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

*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.*

***Policies are reviewed annually and performance management system implemented at the first three levels of Management (ie. Municipal Manager, Directors and Line Managers. Collective Agreements are adhered to on a regular basis and amendments made whenever there are changes to be implemented.***

*T 4.2.0*

CONFIDENTIAL

## 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 | N/A | | Use provisions of EEA |
| 2 | Attraction and Retention | | | Approved 2012 |
| 3 | Code of Conduct for employees | N/A | | Schedule 2 of MSA |
| 4 | Delegations, Authorisation & Responsibility | | | Reviewed 2015 |
| 5 | Disciplinary Code and Procedures | | | Collective Agreement 01/02/2018 |
| 6 | Essential Services | | | Negotiations on going parties have not yet reached agreement. |
| 7 | Employee Assistance / Wellness | | | Approved 30/03/2016 |
| 8 | Employment Equity | | | Use provisions of EEA |
| 9 | Exit Management | N/A | | |
| 10 | Grievance Procedures | | | Collective Agreement 01/02/2018 |
| 11 | HIV/Aids | N/A | | |
| 12 | Human Resource and Development | | | Approved 29/03/2018 |
| 13 | Information Technology | | | Reviewed 30/08/2019 |
| 14 | Job Evaluation | | | Approved 30/06/2015 |
| 15 | Leave | | | Reviewed 30/06/2019 |
| 16 | Occupational Health and Safety | | | Reviewed 29/06/2017 |
| 17 | Official Housing | N/A | | Main Collective Agreement |
| 18 | Official Journeys | | | Reviewed annually with Budget |
| 19 | Official transport to attend Funerals | N/A | | |
| 20 | Official Working Hours and Overtime | | | Reviewed 11/06/2020 |
| 21 | Organisational Rights | N/A | | Main collective agreement |
| 22 | Payroll Deductions | N/A | | BCEA provisions |
| 23 | Performance Management and Development | | | Reviewed 30/06/2019 |
| 24 | Recruitment, Selection and Appointments | | | Reviewed 30/06/2019 |
| 25 | Remuneration Scales and Allowances | | | Collective Agreement |
| 26 | Resettlement | N/A | | |
| 27 | Sexual Harassment | | | Reviewed 30/03/2016 |
| 28 | Skills Development (Training and Development Policy) | | | Reviewed 30/03/2021 |
| 29 | Smoking | | | Reviewed 30/03/2016 |
| 30 | Special Skills | N/A | | |
| 31 | Work Organisation | N/A | | |
| 32 | Uniforms and Protective Clothing | | | Approved 30/08/2020 |
| 33 | Other: | | | |

*Use name of local policies if different from above and at any other HR policies not listed.* T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

*Policies are reviewed annually as reflected in the template and any legislative changes are made as and when applicable. Some changes of review were made on the Finance policies to make an alignment with the budget in line with the MFMA requirements. All policies are presented to Local Labour Forum and Councillors before submitted to Council for approval.*

*T 4.2.1.1*

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

| Number and Cost of Injuries on Duty | | | | | |
|---|---|---|---|---|---|
| Type of injury | Injury Leave Taken<br>Days | Employees using injury leave<br>No. | Proportion employees using sick leave<br>% | Average Injury Leave per employee<br>Days | Total Estimated Cost<br>R'000 |
| Required basic medical attention only | 60 | 5 | 8% | 12 | 60 |
| Temporary total disablement | | | | | |
| Permanent disablement | | | | | |
| Fatal | | | | | |
| Total | 60 | 5 | 8% | 12 | 60 |

*T 4.3.1*

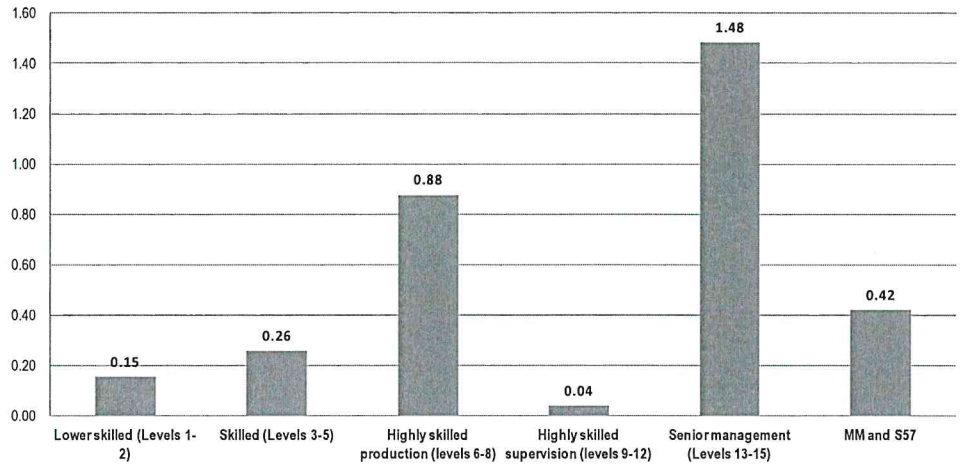
| Number of days and Cost of Sick Leave (excluding injuries on duty) | | | | | | |
|---|---|---|---|---|---|---|
| Salary band | Total sick leave<br>Days | Proportion of sick leave without medical certification<br>% | Employees using sick leave<br>No. | Total employees in post*<br>No. | *Average sick leave per Employees<br>Days | Estimated cost<br>R' 000 |
| Lower skilled (Levels 1-2) | 24 | 90% | 10 | 30 | 0.15 | 30 |
| Skilled (Levels 3-5) | 40 | | | 22 | 0.26 | |
| Highly skilled production (levels 6-8) | 136 | | | 58 | 0.88 | |
| Highly skilled supervision (levels 9-12) | 6 | 95% | 2 | 26 | 0.04 | 31 |
| Senior management (Levels 13-15) | 230 | | | 11 | 1.48 | |
| MM and S57 | 65 | | | 8 | 0.42 | |
| Total | **501** | **93%** | **12** | **155** | 3.23 | **61** |

** - Number of employees in post at the beginning of the year*

**Average is calculated by taking sick leave in colunm 2 divided by total employees in colunm 5*

*T 4.3.2*

**Average Number of Days Sick Leave (excluding IOD)**




*T 4.3.3*

COMMENT ON INJURY AND SICK LEAVE:

***Delete Directive note once comment is completed*** – Comment on injury and sick leave indicated in the above tables. Explain steps taken during the year to reduce injuries and follow-up action in relation to injury and sick leave (e.g. are injuries examined by the municipality's own doctor; are those taking long or regular periods of sick leave monitored by municipality's doctor; and are personal records maintained of the number of instances of sick leave and amount of time taken each year?)

*T 4.3.4*

## 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 |
|---|---|---|---|---|
| General workert-Parks | Creating Disharmony in work | | | |
| | place - unprotected strike | 05/03/2021 | Suspension withdrawn | 19/05/2021 |
| | | | | |
| | | | | |
| | | | |

| | | | |
|---|---|---|---|
| | | | |
| | | | |

*T 4.3.6*

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

*There was no cases of suspensions and misconduct on Finance for the period of 2018-2019 financial year*

*T 4.3.7*

## 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 | 20 | 9 | | 45% |
| | Male | 30 | 12 | | |
| 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 | | 50 | 21 | | |
| *Has the statutory municipal calculator been used as part of the evaluation process ?* | | | | | Yes/No |
| *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).* | | | | | *T 4.4.1* |

COMMENT ON PERFORMANCE REWARDS:

*The performance rewards by gender is not yet implemented at this stage under the year in review*

*T 4.4.1.1*

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

*Capacity building is done through short courses solicited by departments on a need basis and also following the legislative requirements by Local Government Seta by developing Workplace Skills Plans and implementation thereof. Further thereto, employees are assisted through the Study Aid Policy to enrol with various academic institutions to pursue relevant careers related to their work.*

*T 4.5.0*

CONFIDENTIAL

## 4.5 SKILLS DEVELOPMENT AND TRAINING

| Skills Matrix | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Management level | Gender | Employees in post as at 30 June Year 0 | Number of skilled employees required and actual as at 30 June Year 0 | | | | | | | | | | | |
| | | | Learnerships | | | Skills programmes & other short courses | | | Other forms of training | | | Total | | |
| | | No. | Actual: End of Year -1 | Actual: End of Year 0 | Year 0 Target | Actual: End of Year -1 | Actual: End of Year 0 | Year 0 Target | Actual: End of Year -1 | Actual: End of Year 0 | Year 0 Target | Actual: End of Year -1 | Actual: End of Year 0 | Year 0 Target |
| MM and s57 | Female | | 5 | | | | | | | 0 | 1 | | | 1 |
| | Male | | 5 | | | | | | | 1 | 2 | | 1 | 2 |
| Councillors, senior officials and managers | Female | | 2 | | | | | | | 3 | 3 | | 3 | 3 |
| | Male | | 3 | | | | | | | 4 | 4 | | 4 | 4 |
| Technicians and associate professionals* | Female | | 4 | | | | | | | 2 | 2 | | 2 | 2 |
| | Male | | 8 | | | | | | | 8 | 9 | | 8 | 9 |
| Professionals | Female | | 8 | | | | | | | 6 | 6 | | 6 | 6 |
| | Male | | 6 | | | | | | | 2 | 2 | | 2 | 2 |
| Sub total | Female | | 19 | | | | | | | 11 | 12 | | 11 | 12 |
| | Male | | 22 | | | | | | | 15 | 17 | | 15 | 17 |
| Total | | 0 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 52 | 58 | 0 | 52 | 58 |
| **Registered with professional Associate Body e.g CA (SA)* | | | | | | | | | | | | | | *T 4.5.1* |

| 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* | 0 | 0 | 0 | 0 | 0 | 0 |
| *Chief financial officer* | 0 | 0 | 0 | 0 | 0 | 0 |
| *Senior managers* | 0 | 0 | 0 | 0 | 0 | 0 |
| *Any other financial officials* | 0 | 0 | 0 | 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 | 1 | 1 | 1 |
| TOTAL | 0 | 0 | 0 | 1 | 1 | 1 |
| ** This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)* | | | | | | *T 4.5.2* |

| Skills Development Expenditure | | | | | | | | | | | R'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Management level | Gender | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development Year 1 | | | | | | | | |
| | | | Learnerships | | Skills programmes & other short courses | | Other forms of training | | Total | | |
| | | No. | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual | |
| MM and S57 | Female | | | | | | 10 | 20 | 10 | 20 | |
| | Male | | | | | | 20 | 25 | 20 | 25 | |
| Legislators, senior officials and managers | Female | | | | | | | | | | |
| | Male | | | | | | | | | | |
| Professionals | Female | | | | | | | | | | |
| | Male | | | | | | | | | | |
| Technicians and associate professionals | Female | | | | | | | | | | |
| | Male | | | | | | | | | | |
| Clerks | Female | | | | | | | | | | |
| | Male | | | | | | | | | | |
| Service and sales workers | Female | | | | | | | | | | |
| | Male | | | | | | | | | | |
| Plant and machine operators and assemblers | Female | | | | | | | | | | |
| | Male | | | | | | | | | | |
| Elementary occupations | Female | | | | | | | | | | |
| | Male | | | | | | | | | | |
| Sub total | Female | | | | | | 10 | 20 | 10 | 20 | |
| | Male | | | | | | 20 | 25 | 20 | 25 | |
| Total | | 0 | 0 | 0 | 0 | 0 | 30 | 45 | 30 | 45 | |
| **% and *R value of municipal salaries (original budget) allocated for workplace skills plan.* | | | | | | | | | %* | *R | |
| | | | | | | | | | | | T4.5.3 |

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

***Delete Directive note once comment is completed*** – Comment on the adequacy of training plans and the effectiveness of implementation at your municipality. Explain variances between actual and budgeted expenditure. Also comment on the adequacy of funding (e.g. is it intended to increase or decrease this level of spending in future years and how is the value of the training activity assessed?) Refer to MFMA Competency Regulations, the range of officials to which it relates and the deadline of 2013 by which it will become fully effective. Discuss the progress made on implementation at your municipality as reflected in T4.5.4 above.

*T 4.5.4*

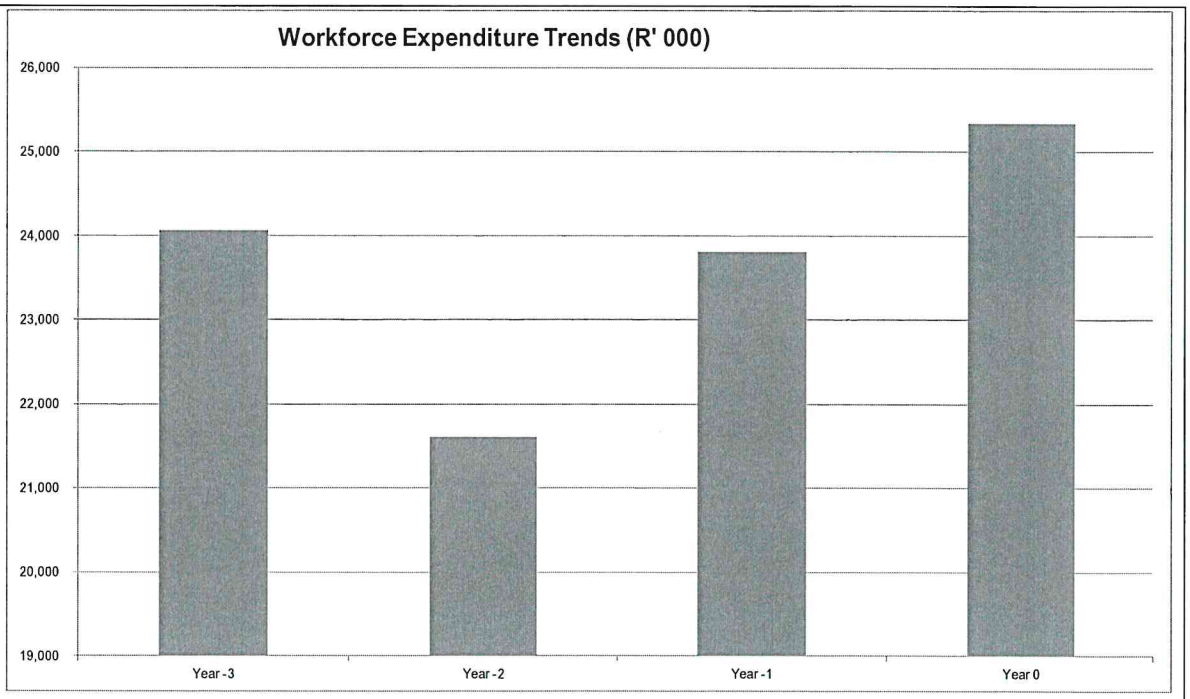
## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

***Delete Directive note once comment is completed*** – Explain the importance of managing workforce expenditure, the pressures to overspend and how spending is controlled (e.g. within approved establishment and against budget and anticipated vacancy rates arising from turnover). Also explain how municipality seeks to obtain value for money from work force expenditure.

*T 4.6.0*

### 4.6 EMPLOYEE EXPENDITURE




Source: MBRR SA22

*T 4.6.1*

COMMENT ON WORKFORCE EXPENDITURE:

***Delete Directive note once comment is completed*** – Explain the spending pattern in the context of the actual and two previous years plus the budget year. Refer to implications for workforce ratio in Chapter 5. Comment on factors influencing workforce expenditure during the year.

*T 4.6.1.1*

| Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded | | |
|---|---|---|
| **Beneficiaries** | **Gender** | **Total** |
| Lower skilled (Levels 1-2) | Female | |
| | Male | |
| Skilled (Levels 3-5) | Female | |
| | Male | |
| Highly skilled production (Levels 6-8) | Female | |
| | Male | |
| Highly skilled supervision (Levels9-12) | Female | |
| | Male | |
| Senior management (Levels13-16) | Female | |
| | Male | |
| MM and S 57 | Female | |
| | Male | |
| 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* | | *T 4.6.2* |

| Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation | | | | |
|---|---|---|---|---|
| **Occupation** | **Number of employees** | **Job evaluation level** | **Remuneration level** | **Reason for deviation** |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | *T 4.6.3* |

| Employees appointed to posts not approved | | | | |
|---|---|---|---|---|
| **Department** | **Level** | **Date of appoinment** | **No. appointed** | **Reason for appointment when no established post exist** |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | *T 4.6.4* |

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

***Delete Directive note once comment is completed*** – Comment on T4.6.2 as appropriate and give further explanations as necessary with respect to T4.6.3 and T4.6.4.

*T 4.6.5*

DISCLOSURES OF FINANCIAL INTERESTS

***Delete Directive note once comment is completed*** – Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix J**. Make other comments as appropriate.

*T 4.6.6*

# 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

***Delete Directive note once comment is completed*** - Please explain how your municipality sought to contain inflationary pressures during the financial year. Take the 5 most expensive consultancy arrangements in year 0 and explain the costs, the reasons for the engagements and the results. Include such other introductory remarks as you wish.

*T 5.0.1*

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at* ***Appendix K****.*

***Delete Directive note once comment is completed*** - This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

*T 5.1.0*

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

| Description | Year 0 | | | | | | | | | | | Year -1 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | Original Budget | Budget Adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. Council approved policy) | Final 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 | 13 | 14 | 15 |
| **Financial Performance** | | | | | | | | | | | | | | | |
| Property rates | | | – | | | – | | | | | | | | | |
| Service charges | | | – | | | – | | | | | | | | | |
| Investment revenue | | | – | | | – | | | | | | | | | |
| Transfers recognised - operational | | | – | | | – | | | | | | | | | |
| Other own revenue | | | – | | | – | | | | | | | | | |
| **Total Revenue (excluding capital transfers and contributions)** | | | | | | | | | | | | | | | |
| Employee costs | | | – | | | – | | | | | | | | | |
| Remuneration of councillors | | | – | | | – | | | | | | | | | |
| Debt impairment | | | – | | | – | | | | | | | | | |
| Depreciation & asset impairment | | | – | | | – | | | | | | | | | |
| Finance charges | | | – | | | – | | | | | | | | | |
| Materials and bulk purchases | | | – | | | – | | | | | | | | | |
| Transfers and grants | | | – | | | – | | | | | | | | | |
| Other expenditure | | | – | | | – | | | | | | | | | |
| **Total Expenditure** | | | | | | | | | | | | | | | |
| **Surplus/(Deficit)** | | | | | | | | | | | | | | | |
| Transfers recognised - capital | | | – | | | – | | | | | | | | | |
| Contributions recognised - capital & contributed assets | | | – | | | – | | | | | | | | | |
| **Surplus/(Deficit) after capital transfers & contributions** | | | | | | | | | | | | | | | |
| Share of surplus/ (deficit) of associate | | | – | | | – | | | | | | | | | |
| **Surplus/(Deficit) for the year** | | | | | | | | | | | | | | | |
| **Capital expenditure & funds sources** | | | | | | | | | | | | | | | |
| **Capital expenditure** | | | | | | | | | | | | | | | |
| Transfers recognised - capital | | | – | | | – | | | | | | | | | |
| Public contributions & donations | | | – | | | – | | | | | | | | | |
| Borrowing | | | – | | | – | | | | | | | | | |
| Internally generated funds | | | – | | | – | | | | | | | | | |
| **Total sources of capital funds** | | | | | | | | | | | | | | | |
| **Cash flows** | | | | | | | | | | | | | | | |
| Net cash from (used) operating | | | – | | | – | | | | | | | | | |
| Net cash from (used) investing | | | – | | | – | | | | | | | | | |
| Net cash from (used) financing | | | – | | | – | | | | | | | | | |
| **Cash/cash equivalents at the year end** | | | | | | | | | | | | | | | |

T 5.1.1

| Financial Performance of Operational Services | | | | | | R '000 |
|---|---|---|---|---|---|---|
| Description | Year -1 | Year 0 | | | Year 0 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| **Operating Cost** | | | | | | |
| Water | 26,485 | 23,572 | 28,075 | 23,042 | -2.30% | -21.84% |
| Waste Water (Sanitation) | 8,541 | 8,285 | 9,054 | 8,456 | 2.02% | -7.07% |
| Electricity | 12,355 | 10,254 | 12,478 | 13,219 | 22.43% | 5.61% |
| Waste Management | 14,232 | 13,235 | 13,662 | 12,097 | -9.41% | -12.94% |
| Housing | 6,542 | 5,496 | 5,954 | 6,346 | 13.40% | 6.19% |
| Component A: sub-total | 68,155 | 60,842 | 69,222 | 63,161 | 3.67% | -9.60% |
| Waste Water (Stormwater Drainage) | 5,643 | 5,530 | 5,925 | 5,304 | -4.26% | -11.70% |
| Roads | 5,643 | 5,530 | 5,925 | 5,304 | -4.26% | -11.70% |
| Transport | 5,322 | 4,470 | 5,747 | 4,630 | 3.45% | -24.14% |
| Component B: sub-total | 16,607 | 8,455 | 8,624 | 9,554 | 11.50% | 9.73% |
| Planning | 1,254 | 1,003 | 1,191 | 1,354 | 25.93% | 12.04% |
| Local Economic Development | 2,516 | 2,063 | 2,264 | 2,340 | 11.83% | 3.23% |
| Component B: sub-total | 3,769 | 3,066 | 3,455 | 3,693 | 17.00% | 6.46% |
| Planning (Strategic & Regulatary) | 12,546 | 10,413 | 11,793 | 11,542 | 9.78% | -2.17% |
| Local Economic Development | 2,355 | 2,190 | 2,425 | 2,402 | 8.82% | -0.98% |
| Component C: sub-total | 14,900 | 12,603 | 14,218 | 13,944 | 9.62% | -1.97% |
| Community & Social Services | 4,565 | 3,698 | 4,337 | 4,291 | 13.83% | -1.06% |
| Enviromental Proctection | 5,649 | 4,971 | 6,157 | 4,971 | 0.00% | -23.86% |
| Health | 5,649 | 4,971 | 6,157 | 4,971 | 0.00% | -23.86% |
| Security and Safety | 5,649 | 4,971 | 6,157 | 4,971 | 0.00% | -23.86% |
| Sport and Recreation | 5,649 | 4,971 | 6,157 | 4,971 | 0.00% | -23.86% |
| Corporate Policy Offices and Other | 5,649 | 4,971 | 6,157 | 4,971 | 0.00% | -23.86% |
| Component D: sub-total | 32,808 | 28,552 | 35,122 | 29,145 | 2.04% | -20.51% |
| **Total Expenditure** | **136,240** | **113,518** | **130,642** | **119,497** | 5.00% | -9.33% |

In this table operational income is offset agaist 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. *T 5.1.2*

COMMENT ON FINANCIAL PERFORMANCE:

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

*T5.1.3*

## 5.2 GRANTS

**Grant Performance**

R' 000

| Description | Year -1 | Year 0 | | | Year 0 Variance | |
|---|---|---|---|---|---|---|
| | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) | Adjustments Budget (%) |
| **Operating Transfers and Grants** | | | | | | |
| **National Government:** | **33,977** | **–** | **–** | **24,756** | | |
| Equitable share | 21,565 | | | 17,303 | | |
| Municipal Systems Improvement | 4,524 | | | 2,182 | | |
| Department of Water Affairs | 6,665 | | | 4,283 | | |
| Levy replacement | 1,222 | | | 988 | | |
| Other transfers/grants [insert description] | | | | | | |
| **Provincial Government:** | **18,925** | **–** | **–** | **5,994** | | |
| Health subsidy | 8,645 | | | 3,786 | | |
| Housing | 4,865 | | | 1,502 | | |
| Ambulance subsidy | 846 | | | 219 | | |
| Sports and Recreation | 4,568 | | | 489 | | |
| Other transfers/grants [insert description] | | | | | | |
| **District Municipality:** | – | – | – | – | | |
| *[insert description]* | | | | | | |
| **Other grant providers:** | – | – | – | – | | |
| *[insert description]* | | | | | | |
| **Total Operating Transfers and Grants** | **52,902** | **–** | **–** | **30,751** | | |

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*
*Full list of provincial and national grants available from published gazettes.* *T 5.2.1*

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****.*

***Delete Directive note once comment is completed*** – Comment on the variances in the above table and other and indicate high value projects & total the remaining project.

*T 5.2.2*

| Grants Received From Sources Other Than Division of Revenue Act (DoRA) | | | | | | |
|---|---|---|---|---|---|---|
| Details of Donor | Actual Grant Year -1 | Actual Grant Year 0 | Year 0 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* | | | | | | *T 5.2.3* |

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

***Delete Directive note once comment is completed*** – Use this box to provide additional information on grant benefits or conditions and reason for acceptance. Please also provide comments on grant surrendered to the National Revenue Fund with reasons that led to this.

*T 5.2.4*

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

Asset management is a systematic process of deploying, operating, maintaining, upgrading, and disposing of assets cost-effectively. Effective management of infrastructure assets and other assets is central to the municipality providing an acceptable standard of services to the community. Infrastructure impacts on the quality of the living environment and opportunities to prosper. Not only is there a requirement to be effective, but the manner in which the municipality discharges its responsibilities as a public entity is also important.

The Municipal Manager as the Accounting Officer is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets. The Municipality has adopted the Asset Management Policy as stated in MFMA Section 63. This policy is compliant to all applicable GRAP standards and it guides the daily handling and management of the municipal assets.

*T 5.3.1*

| TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0 | | | | |
|---|---|---|---|---|
| **Asset 1** | | | | |
| Name | Water Service Operating Subsidy | | | |
| Description | Refurbishment of portable water supply | | | |
| Asset Type | Property, plant and Equipment | | | |
| Key Staff Involved | PMU | | | |
| Staff Responsibilities | Ensure project is completed timeously and within budgeted cost | | | |
| | Year -3 | Year -2 | Year -1 | Year 0 |
| Asset Value | | | | 15 865 |
| Capital Implications | | | | |
| Future Purpose of Asset | | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | Asset management policy | | | |
| **Asset 2** | | | | |
| Name | Upgrading of internal water supply to Kuruman | | | |
| Description | | | | |
| Asset Type | Water Infrastructure (PPE) | | | |
| Key Staff Involved | PMU | | | |

| | | | | |
|---|---|---|---|---|
| Staff Responsibilities | Ensure project is completed timeously and within budgeted cost | | | |
| | Year -3 | Year -2 | Year -1 | Year 0 |
| Asset Value | | | | 141 585 |
| Capital Implications | | | | |
| Future Purpose of Asset | | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | Asset management policy | | | |
| **Asset 3** | | | | |
| Name | Construction of fire station | | | |
| Description | Construction of fire station | | | |
| Asset Type | PPE | | | |
| Key Staff Involved | PMU | | | |
| Staff Responsibilities | Ensure project is completed timeously and within budgeted cost | | | |
| | Year -3 | Year -2 | Year -1 | Year 0 |
| Asset Value | | | | 34 990 |
| Capital Implications | | | | |
| Future Purpose of Asset | | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | Asset management policy | | | |

*T 5.3.2*

COMMENT ON ASSET MANAGEMENT:

***Delete Directive note once comment is completed*** – With reference to the three projects approved in the year, set out above, describe how these projects were evaluated from a cost and revenue perspective, including Municipal tax and tariff implications (See MFMA section 19 (2) (a) & (b) and MSA section 74 (2) (d), (e) & (i)). Ensure that these projects are maintained on files that are readily accessible for audit inspection. Financial data regarding asset management may be sourced from **MBRR Table A9**

*T 5.3.3*

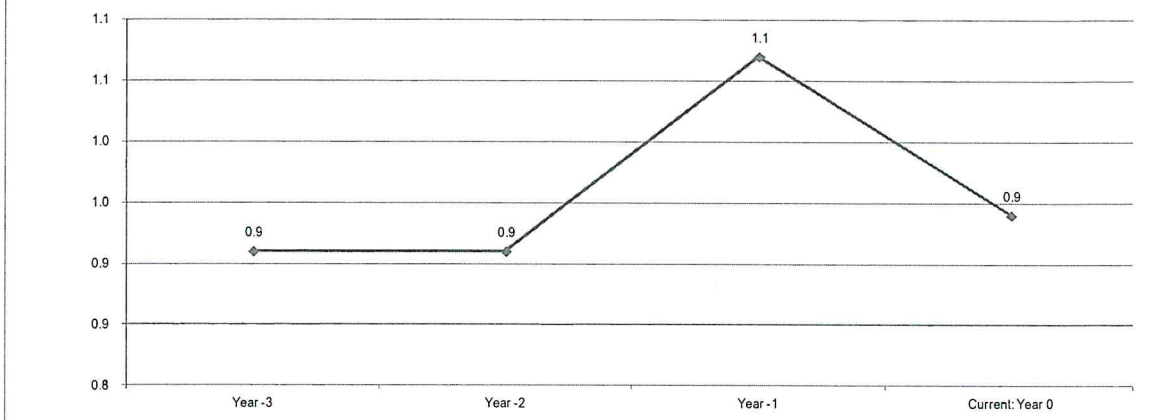
| Repair and Maintenance Expenditure: Year 0 | | | | |
|---|---|---|---|---|
| | | | | R' 000 |
| | Original Budget | Adjustment Budget | Actual | Budget variance |
| Repairs and Maintenance Expenditure | 20220 | 36968 | 26891 | -33% |
| | | | | *T 5.3.4* |

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

***Delete Directive note once comment is completed*** – Comment on adequacy of Repair & Maintenance Expenditure and variances show in T5.3.4 above and on the implications of the proportion of operating budget spend on repairs and maintenance over the past four years set out below. Note that the repairs and maintenance expenditure in T5.3.4 must reconcile with the operational repairs and maintenance expenditure for all services set out in Chapter 3.

*T 5.3.4.1*

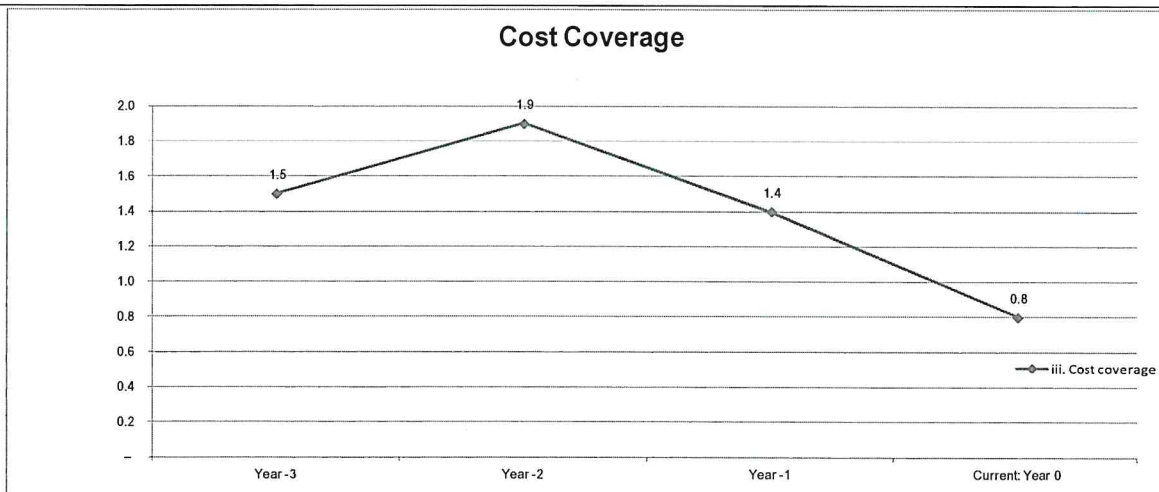
## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS




Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year ) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

*T 5.4.1*

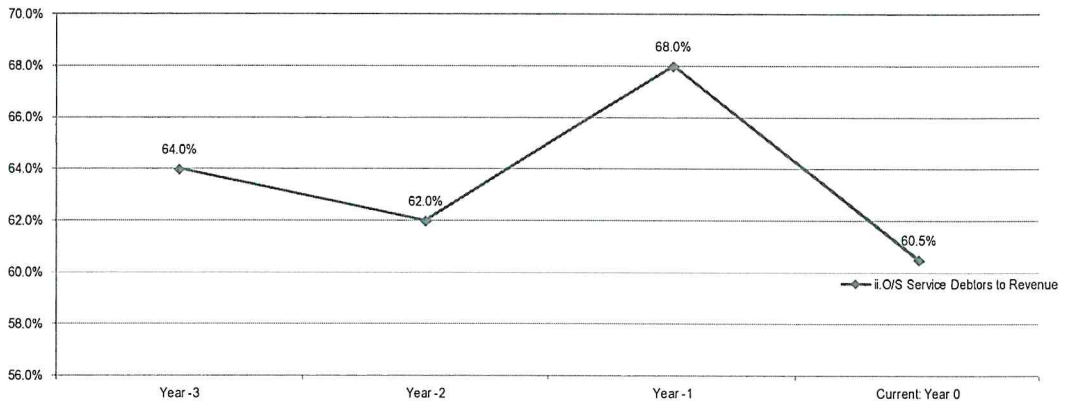



Cost Coverage – It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

*T 5.4.2*

## Total Outstanding Service Debtors

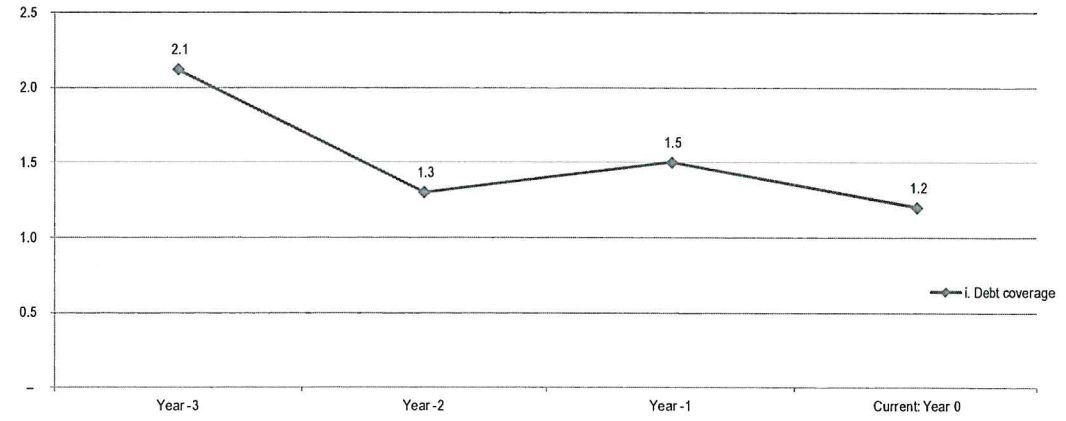



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

*T 5.4.3*

## Debt Coverage

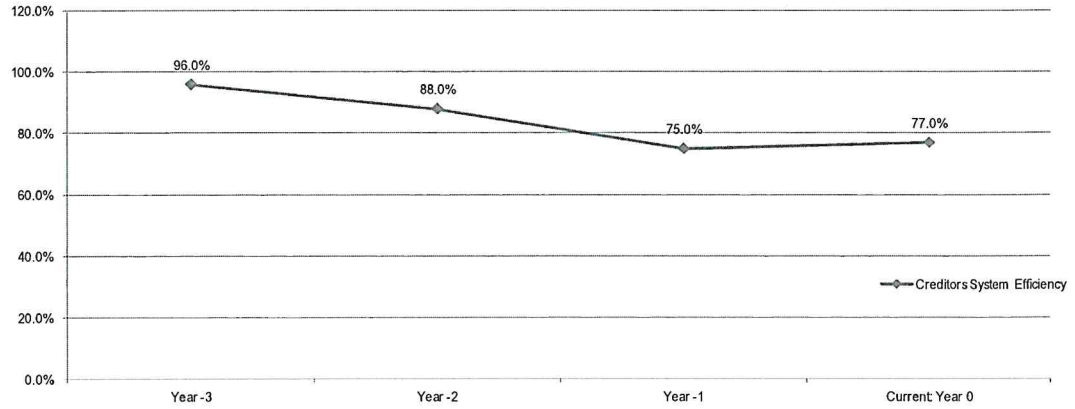



Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accomodated by the municipality

Data used from MBRR SA8

*T 5.4.4*

## Creditors System Efficiency

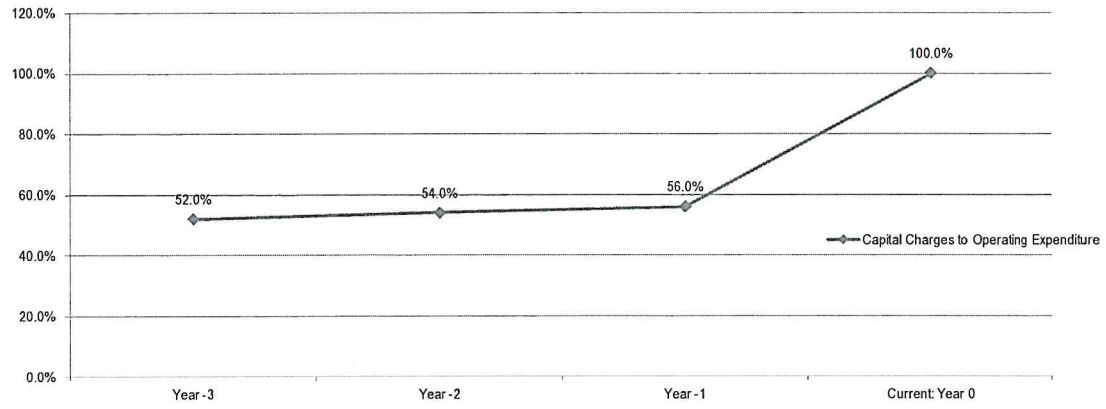



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

*T 5.4.5*

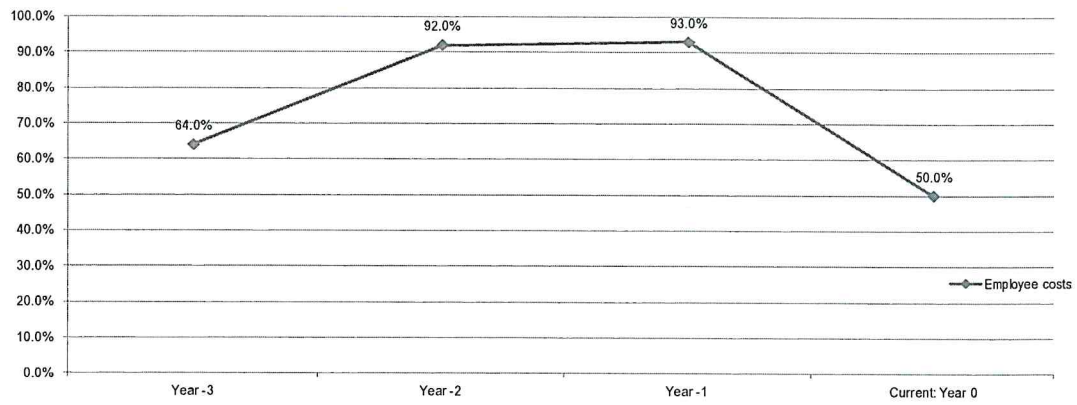
## Capital Charges to Operating Expenditure




Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

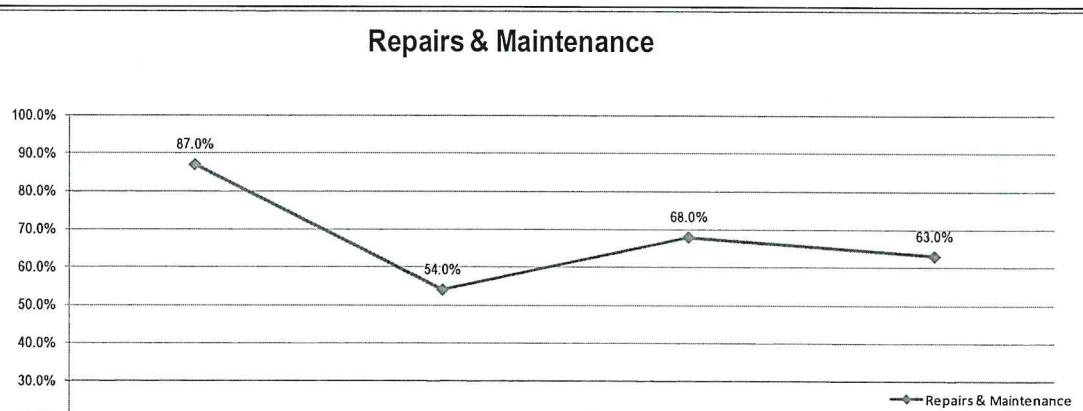
*T 5.4.6*




Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

*T 5.4.7*




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

Data used from MBRR SA8

*T 5.4.8*

COMMENT ON FINANCIAL RATIOS:

***Delete Directive note once comment is completed*** - Comment on the financial health of the municipality / municipal entities revealed by the financial ratios set out above. These ratios are derived from table **SA8 of the MBRR.**

*T 5.4.9*

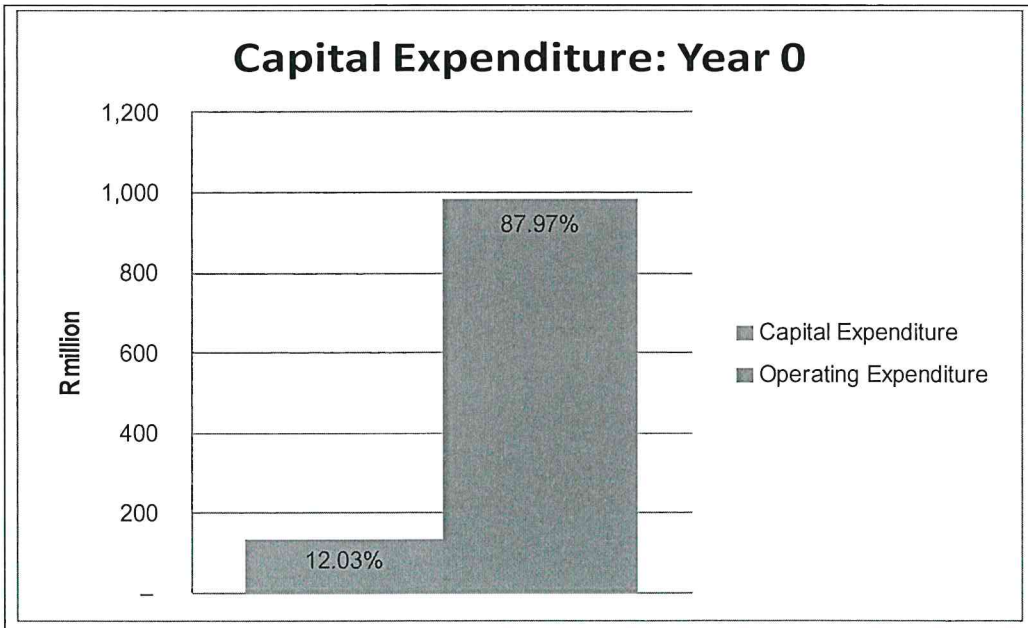
## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

***Delete Directive note once comment is completed*** – Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

*T 5.5.0*

### 5.5 CAPITAL EXPENDITURE




*T 5.5.1*

## 5.6 SOURCES OF FINANCE

| Capital Expenditure - Funding Sources: Year -1 to Year 0 | | | | | | | R' 000 |
|---|---|---|---|---|---|---|---|
| Details | | Year -1 | Year 0 | | | | |
| | | Actual | Original Budget (OB) | Adjustment Budget | Actual | Adjustment to OB Variance (%) | Actual to OB Variance (%) |
| **Source of finance** | | | | | | | |
| | External loans | 3542 | 5500 | 5520 | 5511 | 0.36% | 0.20% |
| | Public contributions and donations | 248 | 300 | 390 | 421 | 30.00% | 40.33% |
| | Grants and subsidies | 3451 | 3700 | 3700 | 3856 | 0.00% | 4.22% |
| | Other | 2451 | 4500 | 4600 | 4565 | 2.22% | 1.44% |
| **Total** | | **9692** | **14000** | **14210** | **14353** | **32.59%** | **46.19%** |
| *Percentage of finance* | | | | | | | |
| | External loans | 36.5% | 39.3% | 38.8% | 38.4% | 1.1% | 0.4% |
| | Public contributions and donations | 2.6% | 2.1% | 2.7% | 2.9% | 92.1% | 87.3% |
| | Grants and subsidies | 35.6% | 26.4% | 26.0% | 26.9% | 0.0% | 9.1% |
| | Other | 25.3% | 32.1% | 32.4% | 31.8% | 6.8% | 3.1% |
| **Capital expenditure** | | | | | | | |
| | Water and sanitation | 1845 | 4300 | 4250 | 4256 | -1.16% | -1.02% |
| | Electricity | 1562 | 2400 | 2480 | 2453 | 3.33% | 2.21% |
| | Housing | 1243 | 2700 | 2800 | 2685 | 3.70% | -0.56% |
| | Roads and storm water | 1352 | 1500 | 1400 | 1486 | -6.67% | -0.93% |
| | Other | 3690 | 3500 | 3450 | 3473 | -1.43% | -0.77% |
| **Total** | | **9692** | **14400** | **14380** | **14353** | **-2.22%** | **-1.08%** |
| *Percentage of expenditure* | | | | | | | |
| | Water and sanitation | 19.0% | 29.9% | 29.6% | 29.7% | 52.4% | 95.2% |
| | Electricity | 16.1% | 16.7% | 17.2% | 17.1% | -150.1% | -205.4% |
| | Housing | 12.8% | 18.8% | 19.5% | 18.7% | -166.8% | 51.7% |
| | Roads and storm water | 13.9% | 10.4% | 9.7% | 10.4% | 300.2% | 86.8% |
| | Other | 38.1% | 24.3% | 24.0% | 24.2% | 64.3% | 71.7% |

*T 5.6.1*

COMMENT ON SOURCES OF FUNDING:

***Delete Directive note once comment is completed*** – Explain any variations from the approved budget of more than 10% and discuss the total capital expenditure as a viable proportion of total expenditure.

*T 5.6.1.1*

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

R' 00

| Name of Project | Current: Year 0 | | | Variance: Current Yea 0 | |
|---|---|---|---|---|---|
| | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance (%) | Adjustmen variance (%) |
| Water Service Operating Subsidy (WSOS) | 15 686 | 0 | 16 394 | -5% | 100% |
| Maruping / Batlharos bulk Water Supply phase 3 - Ward 8,910,14 | 13 503 | 0 | 13 620 | -1% | 100% |
| Upgrading of 5 km gravel internal road to paved road in Batlharos Nanana Section | 8 353 | 0 | 8 353 | 0% | 100% |
| Construction of Fire Station and emergency disaster management facilities | 10 735 | 0 | 9 914 | 8% | 100% |
| Upgrading of 1.8km gravel internal road to paved road in Kagung/Hardward | 11 279 | 0 | 11 278 | 0% | 100% |
| ** Projects with the highest capital expenditure in Year 0* | | | | | |
| **Name of Project - A** | | | | | |
| Objective of Project | | | | | |
| Delays | | | | | |
| Future Challenges | | | | | |
| Anticipated citizen benefits | | | | | |
| **Name of Project - B** | | | | | |
| Objective of Project | | | | | |
| Delays | | | | | |
| Future Challenges | | | | | |
| Anticipated citizen benefits | | | | | |
| **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 | | | | | |
| **Name of Project - E** | | | | | |
| Objective of Project | | | | | |
| Delays | | | | | |
| Future Challenges | | | | | |
| Anticipated citizen benefits | | | | | |

*T 5.7.*

| Capital Expenditure of 5 largest projects* | | | | | R' 000 |
|---|---|---|---|---|---|
| Name of Project | Current: Year 0 | | | Variance: Current Year 0 | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance (%) | Adjustment variance (%) |
| A - Name of Project | 26,000 | 26,500 | 25,700 | 1% | -2% |
| B - Name of Project | 19,500 | 19,750 | 19,900 | -2% | -1% |
| C - Name of Project | 15,700 | 15,700 | 15,500 | 1% | 0% |
| D - Name of Project | 12,000 | 11,800 | 11,700 | 3% | 2% |
| E - Name of Project | 11,500 | 11,000 | 11,250 | 2% | 4% |
| ** Projects with the highest capital expenditure in Year 0* | | | | | |
| **Name of Project - A** | | | | | |
| Objective of Project | | | | | |
| Delays | | | | | |
| Future Challenges | | | | | |
| Anticipated citizen benefits | | | | | |
| **Name of Project - B** | | | | | |
| Objective of Project | | | | | |
| Delays | | | | | |
| Future Challenges | | | | | |
| Anticipated citizen benefits | | | | | |
| **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 | | | | | |
| **Name of Project - E** | | | | | |
| Objective of Project | | | | | |
| Delays | | | | | |
| Future Challenges | | | | | |
| Anticipated citizen benefits | | | | | |
| *T 5.7.1* | | | | | |

COMMENT ON CAPITAL PROJECTS:

***Delete Directive note once comment is completed*** - Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision year 0. Comment on the variance between the original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

*T 5.7.1.1*

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

**Municipal Infrastructure Grant (MIG)* Expenditure Year 0 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* | 30327469 | 955000 | 29372469 | 57% | 0,01% | |
| *Storm water* | | | | % | % | |
| **Infrastructure - Electricity** | | | | % | % | |
| *Generation* | | | | % | % | |
| *Transmission & Reticulation* | | | | % | % | |
| *Street Lighting* | | | | % | % | |
| **Infrastructure - Water** | | | | % | % | |
| *Dams & Reservoirs* | | | | % | % | |
| *Water purification* | | | | % | % | |
| *Reticulation* | | | | % | % | |
| **Infrastructure - Sanitation** | 11361297 | 0 | 11361297 | 22% | 22% | |
| *Reticulation* | | | | % | % | |

| | | | | | | |
|---|---|---|---|---|---|---|
| *Sewerage purification* | | | | % | % | |
| **Infrastructure - Other** | | | | % | % | |
| *Waste Management* | | | | % | % | |
| *Transportation* | | | | % | % | |
| *Gas* | | | | % | % | |
| ***Other Specify:*** | | | | % | % | |
| Communiity Hall | 7559248 | 1500000 | 6059248 | 14% | 11% | |
| Sportsground | 10545000 | 7545000 | 3000000 | 20% | 0,06% | |
| | | | | % | % | |
| **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.*

*T 5.8.3*

***Delete Directive note once comment is completed*** – Explain that need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created.

*T 5.8.1*

**Service Backlogs as at 30 June Year 0**

**Households (HHs)**

| | ***Service level above minimum standard** | | ****Service level below minimum standard** | |
|---|---|---|---|---|
| | **No. HHs** | **% HHs** | **No. HHs** | **% HHs** |
| Water | 16187 | 47 | 12197 | 36 |
| Sanitation | 11124 | 32 | 9028 | 26 |
| Electricity | 23369 | 68 | 4658 | 13 |
| Waste management | | % | | % |
| Housing | | % | 5680 | 16 |

*% HHs are the service above/below minimum starndard as a proportion of total HHs. 'Housing' refrs to * formal and ** informal settlements.*

*T 5.8.2*

COMMENT ON BACKLOGS:

***Delete Directive note*** ***ent is completed*** - Comment on how MIG grants have been utilised to redress the d on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains d ls and clinics that have been established that do not have ready access to one or more and **Appendix Q** contains details of those services provided by other spheres of gover er the municipality is involved on an agency basis or not) that carry significant backlog

*T 5.8.4*

## COMPONENT C: C / MANAGEMENT AND INVESTMENTS

INTROD ASH FLOW MANAGEMENT AND INVESTMENTS

***Delete Directive note*** ***nt is completed*** – Give a brief comment on the importance of cash flow management scope of this activity as indicated in this component and what you regard as the key mana es of your municipality's approach. Refer to any other cash flow issues of current releva unicipality that are not adequately provided for in the format of this component.

*T 5.9*

H FLOW

| | | | | |
|---|---|---|---|---|
| **)M/(USED) OPERATING** | **241 225** | **270 385** | **185 350** | **214 863** |
| **FROM INVESTING ACTIVITIES** | | | | |
| disposal of PPE | | | | – |
| crease) in non-current debtors | | | | |
| crease) other non-current | | 19 401 | 22 401 | |
| crease) in non-current investments | | | | |
| s | (175 169) | (131 489) | (177 157) | (178 250) |
| **)M/(USED) INVESTING** | **(175 169)** | **(112 088)** | **(154 756)** | **(178 250)** |
| **FROM FINANCING ACTIVITIES** | | | | |
| ans | | | | |
| g term/refinancing | | | | |
| crease) in consumer deposits | | | | |
| f borrowing | (7 337) | – | (3 500) | (5 416) |
| **)M/(USED) FINANCING** | **(7 337)** | **–** | **(3 500)** | **(5 416)** |
| **E/ (DECREASE) IN CASH HELD** | **58 719** | **158 296** | **27 094** | **31 196** |
| uivalents at the year begin: | **551** | **18 000** | **58 949** | **59 270** |
| uivalents at the year end: | **59 270** | **176 296** | **86 043** | **90 466** |
| A7 | | | | *T 5.9.1* |

COMMENT ON CASH FLOW OUTCOMES:

***Delete Directive note once comment is completed*** - Supply a brief summary about the cash flow status of the municipality. Explain variances from Original and Adjustment Budget to Actual. Include information on operating activities and what effect they had on cash flow and on cash backing of surpluses. Information regarding cash flow may be sourced from **Table A7 of the MBRR.**

*T 5.9.1.1*

## 5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

***Delete Directive note once comment is completed*** – Explain briefly the relevance of borrowing and investments to you municipality with reference to the tables below and your municipality's requirements in the year. Information may be sourced from **table SA3 AND SA15 in the MBRR**.

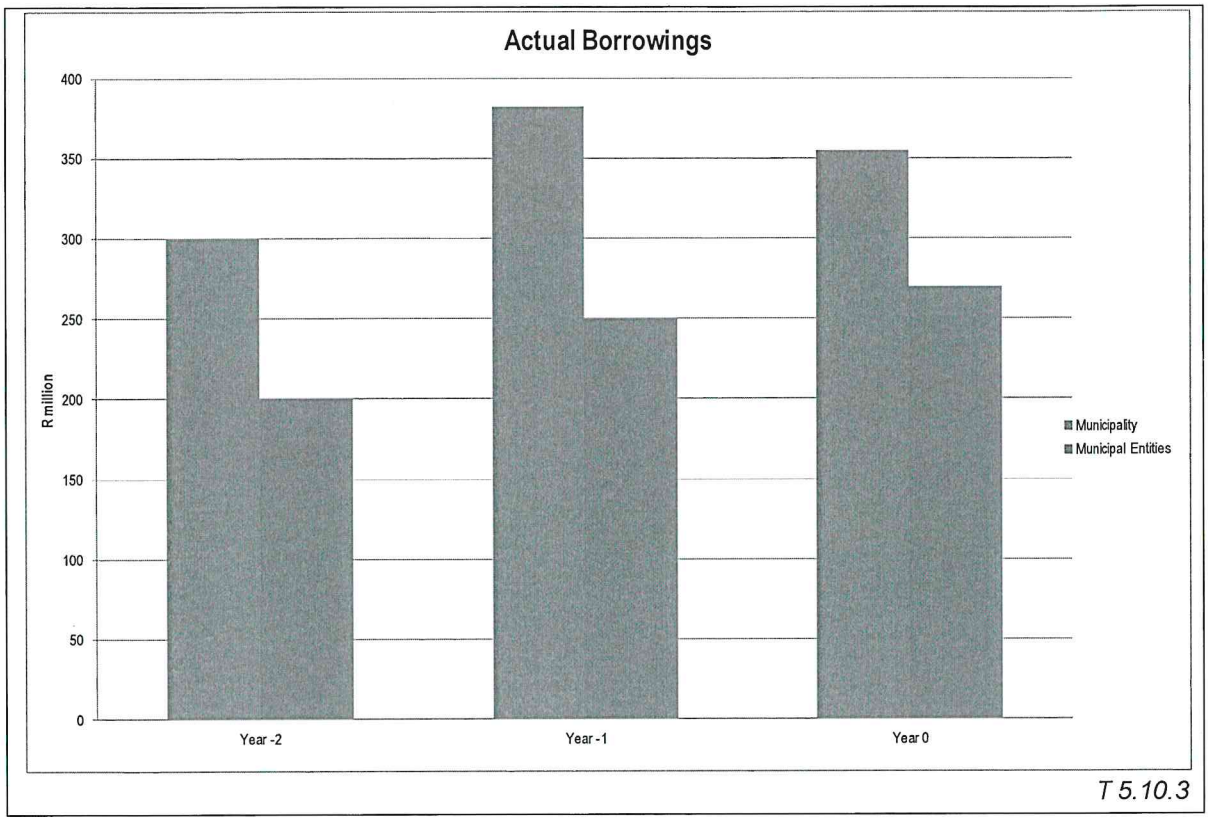
*T 5.10.1*

**Actual Borrowings: Year -2 to Year 0**

R' 000

| Instrument | Year -2 | Year -1 | Year 0 |
|---|---|---|---|
| **Municipality** | 300 | 382 | 355 |
| Long-Term Loans (annuity/reducing balance) | 200 | 250 | 270 |
| Long-Term Loans (non-annuity) | | | |
| Local registered stock | | | |
| Instalment Credit | | | |
| Financial Leases | | | |
| PPP liabilities | | | |
| Finance Granted By Cap Equipment Supplier | | | |
| Marketable Bonds | | | |
| Non-Marketable Bonds | | | |
| Bankers Acceptances | | | |
| Financial derivatives | | | |
| Other Securities | | | |
| **Municipality Total** | 500 | 632 | 625 |
| | | | |
| **Municipal Entities** | | | |
| Long-Term Loans (annuity/reducing balance) | | | |
| Long-Term Loans (non-annuity) | | | |
| Local registered stock | | | |
| Instalment Credit | | | |
| Financial Leases | | | |
| PPP liabilities | | | |
| Finance Granted By Cap Equipment Supplier | | | |
| Marketable Bonds | | | |
| Non-Marketable Bonds | | | |
| Bankers Acceptances | | | |
| Financial derivatives | | | |
| Other Securities | | | |
| **Entities Total** | 0 | 0 | 0 |

*T 5.10.2*


Actual Borrowings
400
350
300
250
200
150
100
50
0
R million
Year -2
Year -1
Year 0
Municipality
Municipal Entities

*T 5.10.3*

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

| PUBLIC PRIVATE PARTNERSHIPS |
|---|
| ***Delete Directive note once comment is completed*** - Provide overview of agreements, contracts and projects undertaken during the year through PPP's – Refer to further details of PPP details **Appendix H. Table SA3 (MBRR)** may also be used to gain information on PPP's. |
| *T 5.11.1* |

# COMPONENT D: OTHER FINANCIAL MATTERS

## 5.12 SUPPLY CHAIN MANAGEMENT

| SUPPLY CHAIN MANAGEMENT |
|---|
| ***Delete Directive note once comment is completed*** - Provide a brief narrative that describes the progress made by your municipality in developing and implementing policies and practices in compliance with the guidelines set out in SCM Regulations 2005. State the number of Supply Chain officials that have reached the prescribed levels required for their positions (See MFMA Competency Regulation Guidelines) and state the number of prescribed officials that are yet to reach the necessary competency levels; and set out any remarks made in the previous Auditor-General's report or the report for year 0 concerning the quality of Supply Chain Management and detail the remedial action taken. Note comments made in Chapter 2, under section 2.8. |
| *T 5.12.1* |

## 5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice 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.

*T 5.13.1*

# 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 section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

*T 6.0.1*

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

### 6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

| Auditor-General Report on Financial Performance: Year -1 | |
|---|---|
| **Audit Report Status*:** | |
| **Non-Compliance Issues** | **Remedial Action Taken** |
| | |
| | |
| | |
| | |
| *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)* | |
| | *T 6.1.1* |

| Auditor-General Report on Service Delivery Performance: Year -1 | |
|---|---|
| **Audit Report Status:** | |
| **Non-Compliance Issues** | **Remedial Action Taken** |
| | |
| | |
| | |
| | |
| | *T 6.1.2* |

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 0

| Auditor-General Report on Financial Performance Year 0* | |
|---|---|
| **Status of audit report:** | |
| **Non-Compliance Issues** | **Remedial Action Taken** |
| | |
| | |
| | |
| | |
| *Note:* The report's 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). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.* | |
| | T 6.2.1 |

| Auditor-General Report on Service Delivery Performance: Year 0* | |
|---|---|
| **Status of audit report**:** | |
| **Non-Compliance Issues** | **Remedial Action Taken** |
| | |
| | |
| | |
| | |
| ** This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0* | |
| *** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.* | |
| | *T 6.2.2* |

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0

***Delete Directive note once comment is completed*** - Attach report. *T 6.2.3*

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0:

***Delete Directive note once comment is completed*** - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on year 0 if it provides useful context.

*T 6.2.4*

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.

Signed (Chief Financial Officer)..... Dated

*T 6.2.5*

## GLOSSARY

| | |
|---|---|
| **Accessibility indicators** | ore whether the intended beneficiaries are able to access services utputs. |
| **Accountabili documents** | uments used by executive authorities to give *"full and regular"* rts on the matters under their control to Parliament and provincial latures as prescribed by the Constitution. This includes plans, gets, in-year and Annual Reports. |
| **Activities** | processes or actions that use a range of inputs to produce the ed outputs and ultimately outcomes. In essence, activities ribe *"what we do".* |
| **Adequacy indicators** | quantity of input or output relative to the need or demand. |
| **Annual Repo** | eport to be prepared and submitted annually based on the lations set out in Section 121 of the Municipal Finance agement Act. Such a report must include annual financial ements as submitted to and approved by the Auditor-General. |
| **Approved Bu** | annual financial statements of a municipality as audited by the tor General and approved by council or a provincial or national cutive. |
| **Baseline** | ent level of performance that a municipality aims to improve when ng performance targets. The baseline relates to the level of ormance recorded in a year prior to the planning period. |
| **Basic mu service** | unicipal service that is necessary to ensure an acceptable and onable quality of life to citizens within that particular area. If not ided it may endanger the public health and safety or the ronment. |
| **Budget year** | financial year for which an annual budget is to be approved – ns a year ending on 30 June. |
| **Cost indicato** | overall cost or expenditure of producing a specified quantity of uts. |
| **Distribution indicators** | distribution of capacity to deliver services. |
| **Financial Statements** | udes at least a statement of financial position, statement of ncial performance, cash-flow statement, notes to these statements any other statements that may be prescribed. |
| **General performance indicators** | consultation with MECs for local government, the Minister may scribe general key performance indicators that are appropriate and icable to local government generally. |

| | |
|---|---|
| **Impact** | The results of achieving specific outcomes, such as reducing poverty and creating jobs. |
| **Inputs** | All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings. |
| **Integrated Development Plan (IDP)** | Set out municipal goals and development plans. |
| **National Key performance areas** | • Service delivery & infrastructure<br>• Economic development<br>• Municipal transformation and institutional development<br>• Financial viability and management<br>• 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<br>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:** | 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.<br>Section 1 of the MFMA defines a "vote" as:<br>*a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and*<br>*b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned* |

# APPENDICES

## APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

| Councillors, Committees Allocated and Council Attendance | | | | | |
|---|---|---|---|---|---|
| Council Members | Full Time / Part Time<br><br>FT/PT | Committees Allocated | *Ward and/ or Party Represented | Percentage Council Meetings Attendance<br><br>% | Percentage Apologies for non-attendance<br><br>% |
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*Note: * Councillors appointed on a proportional basis do not have wards allocated to them* T A

Concerning T A

***Delete Directive note before publication:*** Provide comments on the above table.

*T A.1*

## APPENDIX B – COMMITTEES AND COMMITTE SES

| **Committees (other than Mayoral/executive committee) and pu mmittees** | |
|---|---|
| **Municipal committees** | **Purpose o e** |
| IDP standing committee | Land use, t housing and infrastructu ed accordingly |
| Corporate services standing committee | Human res al administration, public participati overnance committee |
| Finance standing committee | Finance, A d local economic planning c |
| Community services standing committee | Municipal h ncy services, community safety and |

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

| Third Tier Structure | |
|---|---|
| **Directorate** | **Director/Manager (State title and name)** |
| **Municipal Manager** | Mr. M. Tsatsimpe |
| **Office of the Municipal Manager** | |
| Performance Management System Manager | Ms. B Dithupe |
| Integrated Development Plan Manager | Mrs. T.Teise |
| **Finance Department** | |
| Chief Financial Officer | Mr. K. Noke |
| Deputy Finance Officer | Mrs. T.Jarvis |
| Financial Services Manager | Mr. T. Sehloho |
| Budget Manager | Ms. D. Pelele |
| Supply Chain Management Manager | Mr. T. Sechogela |
| **Corporate Services** | |
| Director of Corporate Services | Mr. C. Pule |
| Manager & Legal Service | Ms M Molale |
| Human Resources Manager | Mr. M. Gaselebelwe |
| Labour Relations Manager | Mr. O. Lencoe |
| Acting Office of the Mayor's Manager | Ms P Maape |
| Information Technology Manager | Mr. M. Segoje |
| Records Manager | Mr. G. Motlhoiwa |
| **Community Services** | |
| Director of Community Services | Mrs. F Baloyi |
| Chief Traffic | Mr. L. Lungile |
| Chief Librarian | Mrs. M. Moetsi |
| Waste Management Manager | Mr. A. Keetile |
| **Infrastructure Services** | |
| Infrastructure Services | Mr. H. Smit |
| Roads & storm water | Mrs. M. Manhe |
| Electricity Manager | Mr B Kgosieng |
| Water & waste water | Mr V Seane |
| Town Planner | Mr. T Molauzi |
| Project Management Unit Manager | Mrs. G. Monchwe |

*T C*

## 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 | No | N/A |
| Building regulations | Yes | N/A |
| Child care facilities | No | N/A |
| Electricity | Yes | N/A |
| Firefighting services | Yes | N/A |
| Local tourism | Yes | N/A |
| Municipal airstrip | Yes | N/A |
| Municipal planning | Yes | N/A |
| Municipal health services | No | Department of Health |
| Municipal public transport | No | N/A |
| 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 | Department of Public Works |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto | No | N/A |
| Stormwater management systems in built-up areas | Yes | N/A |
| Trading regulations | No | N/A |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems | Yes | N/A |
| Beaches and amusement facilities | No | N/A |
| Billboards and the display of advertisements in public places | Yes | N/A |
| Cemeteries, funeral parlours and crematoria | Yes | N/A |
| Cleansing | Yes | N/A |
| Control of public nuisances | Yes | N/A |
| Control of undertakings that sell liquor to the public | No | N/A |
| Facilities for the accommodation, care and burial of animals | No | N/A |
| Fencing and fences | Yes | N/A |
| Licensing of dogs | No | N/A |

| Municipal / Entity Functions | | |
|---|---|---|
| **MUNICIPAL FUNCTIONS** | **Function Applicable to Municipality (Yes/No)*** | **Function Applicable to Entity (Yes / No)** |
| **Constitution Schedule 4, Part B functions:** | | |
| Licensing and control of undertakings that sell food to the public | Yes | N/A |
| Local amenities | Yes | N/A |
| Local sport facilities | Yes | N/A |
| Markets | No | N/A |
| Municipal abattoirs | No | N/A |
| Municipal parks and recreation | Yes | N/A |
| Municipal roads | Yes | N/A |
| Noise pollution | Yes | N/A |
| Pounds | Yes | N/A |
| Public places | Yes | N/A |
| Refuse removal, refuse dumps and solid waste disposal | Yes | N/A |
| Street trading | Yes | N/A |
| Street lighting | Yes | N/A |
| Traffic and parking | Yes | N/A |
| ** If municipality: indicate (yes or No); * If entity: Provide name of entity* | | *T D* |

## APPENDIX E – WARD REPORTING

| Functionality of Ward Com | | | | | |
|---|---|---|---|---|---|
| Ward Name (Number) | Name of Ward Councillor and elected Ward committee members | Committee established (Yes / No) | Nu | Number of monthly reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
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## APPENDIX F – WARD INFORMATION

| Ward Title: Ward Name (Number) | | | | |
|---|---|---|---|---|
| Capital Projects: Seven Largest in Year 0 (Full List at Appendix O) | | | | R' 000 |
| No. | Project Name and detail | Start Date | End Date | Total Value |
| | | | | |
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| | | | | *T F.1* |

| Basic Service Provision | | | | | |
|---|---|---|---|---|---|
| Detail | Water | Sanitation | Electricity | Refuse | Housing |
| Households with minimum service delivery | | | | | |
| Households without minimum service delivery | | | | | |
| Total Households* | | | | | |
| Houses completed in year | | | | | |
| Shortfall in Housing units | | | | | |
| **Including informal settlements* | | | | | *T F.2* |

| Top Four Service Delivery Priorities for Ward (Highest Priority First) | | |
|---|---|---|
| No. | Priority Name and Detail | Progress During Year 0 |
| | | |
| | | |
| | | |
| | | |
| | | T F.3 |

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)
Names: xxx (8); xxx (7)…

*T F.3*

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

| Committee Recommendations | | | |
|---|---|---|---|
| Date of Committee | Committee rec | ing Year 0 | Recommendations adopted (enter Yes) If not adopted (provide explanation) |
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# APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

| Long Term Contracts (20 Largest Contracts Entered into during Year 0) | | | | | 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 |
| | | | | | |
| | | | | | |
| | | | | |

# APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

| Municipal Entity/Service Provider Performance Schedule | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name of Entity & Purpose | (a) Service Indicators | Year 0 | | Year 1 | | | Year 2 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | (b) Service Targets | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| | | | | | | | | | |
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*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 -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 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.* TI

# APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

| Disclosures of Financial Interests | | |
|---|---|---|
| Period 1 July to 30 June of Year 0 (Current Year) | | |
| Position | Name | Description of Financial interests*<br>(Nil / Or details) |
| (Executive) Mayor | | |
| Member of MayCo / Exco | | |
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| Councillor | | |
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| Municipal Manager | | |
| Chief Financial Officer | | |
| Deputy MM and (Executive) Directors | | |
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| Other S57 Officials | | |
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** Financial intersests to be disclosed even if they incurred for only part of the year. See MBRR SA34A*

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

## APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

| Revenue Collection Performance by Vote | | | | | | R' 000 |
|---|---|---|---|---|---|---|
| Vote Description | Year -1 | Current: Year 0 | | | Year 0 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments Budget |
| Example 1 - Vote 1 | | | | | | |
| Example 2 - Vote 2 | | | | | | |
| Example 3 - Vote 3 | | | | | | |
| Example 4 - Vote 4 | | | | | | |
| Example 5 - Vote 5 | | | | | | |
| Example 6 - Vote 6 | | | | | | |
| Example 7 - Vote 7 | | | | | | |
| Example 8 - Vote 8 | | | | | | |
| Example 9 - Vote 9 | | | | | | |
| Example 10 - Vote 10 | | | | | | |
| Example 11 - Vote 11 | | | | | | |
| Example 12 - Vote 12 | | | | | | |
| Example 13 - Vote 13 | | | | | | |
| Example 14 - Vote 14 | | | | | | |
| Example 15 - Vote 15 | | | | | | |
| **Total Revenue by Vote** | – | – | – | – | – | – |
| *Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.* | | | | | | |
| *This table is aligned to MBRR table A3* | | | | | | *T K.1* |

## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

| Revenue Collection Performance by Source | | | | | | R '000 |
|---|---|---|---|---|---|---|
| Description | Year -1 | Year 0 | | | Year 0 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Property rates | 26,485 | 23,572 | 28,075 | 23,042 | -2% | -22% |
| Property rates - penalties & collection charges | 8,541 | 8,285 | 9,054 | 8,456 | 2% | -7% |
| Service Charges - electricity revenue | 12,355 | 10,254 | 12,478 | 13,219 | 22% | 6% |
| Service Charges - water revenue | 14,232 | 13,235 | 13,662 | 12,097 | -9% | -13% |
| Service Charges - sanitation revenue | 6,542 | 5,496 | 5,954 | 6,346 | 13% | 6% |
| Service Charges - refuse revenue | 1,865 | 1,622 | 1,865 | 1,510 | -7% | -23% |
| Service Charges - other | 5,643 | 5,530 | 5,925 | 5,304 | -4% | -12% |
| Rentals of facilities and equipment | 5,643 | 5,530 | 5,925 | 5,304 | -4% | -12% |
| Interest earned - external investments | 5,322 | 4,470 | 5,747 | 4,630 | 3% | -24% |
| Interest earned - outstanding debtors | 8,455 | 8,455 | 8,624 | 9,554 | 12% | 10% |
| Dividends received | 1,254 | 1,003 | 1,191 | 1,354 | 26% | 12% |
| Fines | 2,516 | 2,063 | 2,264 | 2,340 | 12% | 3% |
| Licences and permits | 6,846 | 6,230 | 7,256 | 6,640 | 6% | -9% |
| Agency services | 12,546 | 10,413 | 11,793 | 11,542 | 10% | -2% |
| Transfers recognised - operational | 2,355 | 2,190 | 2,425 | 2,402 | 9% | -1% |
| Other revenue | 48,542 | 40,776 | 48,542 | 46,115 | 12% | -5% |
| Gains on disposal of PPE | 4,565 | 3,698 | 4,337 | 4,291 | 14% | -1% |
| Enviromental Proctection | 5,649 | 4,971 | 6,157 | 4,971 | 0% | -24% |
| **Total Revenue (excluding capital transfers and contributions)** | **179,353** | **157,791** | **181,274** | **169,118** | **6.70%** | **-7.19%** |
| *Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.* | | | | | | *T K.2* |

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| Conditional Grants: excluding MIG | | | | | | R' 000 |
|---|---|---|---|---|---|---|
| Details | Budget | Adjustments Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
| | | | | Budget | Adjustments Budget | |
| Neighbourhood Development | | | | | | |
| | | | | | | |
| | | | | | | |
|

| COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG: |
| --- |
| ***Delete Directive note once comment is completed*** – Use this box to provide additional information on grant benefits or conditions and reasons for acceptance. |
| *T L.1* |

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

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

| Capital Expenditure - New Assets Programme* | | | | | | | R '000 |
|---|---|---|---|---|---|---|---|
| Description | Year -1 | Year 0 | | | Planned Capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| **Capital expenditure by Asset Class** | | | | | | | |
| **Infrastructure - Total** | – | – | | – | – | – | – |
| **Infrastructure: Road transport - Total** | – | – | | – | – | – | – |
| *Roads, Pavements & Bridges* | | | | | | | |
| *Storm water* | | | | | | | |
| **Infrastructure: Electricity - Total** | – | – | | – | – | – | – |
| *Generation* | | | | | | | |
| *Transmission & Reticulation* | | | | | | | |
| *Street Lighting* | | | | | | | |
| **Infrastructure: Water - Total** | – | – | | – | – | – | – |
| *Dams & Reservoirs* | | | | | | | |
| *Water purification* | | | | | | | |
| *Reticulation* | | | | | | | |
| **Infrastructure: Sanitation - Total** | – | – | | – | – | – | – |
| *Reticulation* | | | | | | | |
| *Sewerage purification* | | | | | | | |
| **Infrastructure: Other - Total** | – | – | | – | – | – | – |
| *Waste Management* | | | | | | | |
| *Transportation* | | | | | | | |
| *Gas* | | | | | | | |
| *Other* | | | | | | | |
| **Community - Total** | – | – | | – | – | – | – |
| Parks & gardens | | | | | | | |
| Sportsfields & stadia | | | | | | | |
| Swimming pools | | | | | | | |
| Community halls | | | | | | | |
| Libraries | | | | | | | |
| Recreational facilities | | | | | | | |
| Fire, safety & emergency | | | | | | | |
| Security and policing | | | | | | | |
| Buses | | | | | | | |
| Clinics | | | | | | | |
| Museums & Art Galleries | | | | | | | |
| Cemeteries | | | | | | | |
| Social rental housing | | | | | | | |
| Other | | | | | | | |

*Table continued next page*

*Table continued from previous page*

**Capital Expenditure - New Assets Programme***

R '000

| Description | Year -1 | Year 0 | | | Planned Capital expenditure | | |
|---|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| **Capital expenditure by Asset Class** | | | | | | | |
| **Heritage assets - Total** | – | – | | – | – | – | – |
| Buildings | | | | | | | |
| Other | | | | | | | |
| **Investment properties - Total** | – | – | | – | – | – | – |
| Housing development | | | | | | | |
| Other | | | | | | | |
| **Other assets** | – | – | | – | – | – | – |
| General vehicles | | | | | | | |
| Specialised vehicles | | | | | | | |
| Plant & equipment | | | | | | | |
| Computers - hardware/equipment | | | | | | | |
| Furniture and other office equipment | | | | | | | |
| Abattoirs | | | | | | | |
| Markets | | | | | | | |
| Civic Land and Buildings | | | | | | | |
| Other Buildings | | | | | | | |
| Other Land | | | | | | | |
| Surplus Assets - (Investment or Inventory) | | | | | | | |
| Other | | | | | | | |
| **Agricultural assets** | – | – | | – | – | – | – |
| *List sub-class* | | | | | | | |
| **Biological assets** | – | – | | – | – | – | – |
| *List sub-class* | | | | | | | |
| **Intangibles** | – | – | | – | – | – | – |
| Computers - software & programming | | | | | | | |
| Other *(list sub-class)* | | | | | | | |
| **Total Capital Expenditure on new assets** | – | – | | – | – | – | – |
| **Specialised vehicles** | – | – | | – | – | – | – |
| Refuse | | | | | | | |
| Fire | | | | | | | |
| Conservancy | | | | | | | |
| Ambulances | | | | | | | |

*Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

T M.1

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

| Capital Expenditure - Upgrade/Renewal Programme* | | | | | | | R '000 |
|---|---|---|---|---|---|---|---|
| Description | Year -1 | Year 0 | | | Planned Capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| **Capital expenditure by Asset Class** | | | | | | | |
| **Infrastructure - Total** | – | – | | – | – | – | – |
| Infrastructure: Road transport -Total | – | – | | – | – | – | – |
| *Roads, Pavements & Bridges* | | | | | | | |
| *Storm water* | | | | | | | |
| **Infrastructure: Electricity - Total** | – | – | | – | – | – | – |
| *Generation* | | | | | | | |
| *Transmission & Reticulation* | | | | | | | |
| *Street Lighting* | | | | | | | |
| **Infrastructure: Water - Total** | – | – | | – | – | – | – |
| *Dams & Reservoirs* | | | | | | | |
| *Water purification* | | | | | | | |
| *Reticulation* | | | | | | | |
| **Infrastructure: Sanitation - Total** | – | – | | – | – | – | – |
| *Reticulation* | | | | | | | |
| *Sewerage purification* | | | | | | | |
| **Infrastructure: Other - Total** | – | – | | – | – | – | – |
| *Waste Management* | | | | | | | |
| *Transportation* | | | | | | | |
| *Gas* | | | | | | | |
| *Other* | | | | | | | |
| **Community** | – | – | | – | – | – | – |
| Parks & gardens | | | | | | | |
| Sportsfields & stadia | | | | | | | |
| Swimming pools | | | | | | | |
| Community halls | | | | | | | |
| Libraries | | | | | | | |
| Recreational facilities | | | | | | | |
| Fire, safety & emergency | | | | | | | |
| Security and policing | | | | | | | |
| Buses | | | | | | | |
| Clinics | | | | | | | |
| Museums & Art Galleries | | | | | | | |
| Cemeteries | | | | | | | |
| Social rental housing | | | | | | | |
| Other | | | | | | | |
| **Heritage assets** | – | – | | – | – | – | – |
| Buildings | | | | | | | |
| Other | | | | | | | |

*Table continued next page*

*Table continued from previous page*

**Capital Expenditure - Upgrade/Renewal Programme***

R '000

| Description | Year -1 | Year 0 | | | Planned Capital expenditure | | |
|---|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| **Capital expenditure by Asset Class** | | | | | | | |
| **Investment properties** | – | – | | – | – | – | – |
| Housing development | | | | | | | |
| Other | | | | | | | |
| **Other assets** | – | – | | – | – | – | – |
| General vehicles | | | | | | | |
| Specialised vehicles | | | | | | | |
| Plant & equipment | | | | | | | |
| Computers - hardware/equipment | | | | | | | |
| Furniture and other office equipment | | | | | | | |
| Abattoirs | | | | | | | |
| Markets | | | | | | | |
| Civic Land and Buildings | | | | | | | |
| Other Buildings | | | | | | | |
| Other Land | | | | | | | |
| Surplus Assets - (Investment or Inventory) | | | | | | | |
| Other | | | | | | | |
| **Agricultural assets** | – | – | | – | – | – | – |
| *List sub-class* | | | | | | | |
| **Biological assets** | – | – | | – | – | – | – |
| *List sub-class* | | | | | | | |
| **Intangibles** | – | – | | – | – | – | – |
| Computers - software & programming | | | | | | | |
| Other *(list sub-class)* | | | | | | | |
| **Total Capital Expenditure on renewal of existing assets** | – | – | | – | – | – | – |
| | | | | | | | |
| **Specialised vehicles** | – | – | | – | – | – | – |
| Refuse | | | | | | | |
| Fire | | | | | | | |
| Conservancy | | | | | | | |
| Ambulances | | | | | | | |

** Note: Information for this table may be sourced from MBRR (2009: Table SA34b)* T M.2

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

| Capital Programme by Project: Year 0 | | | | | R' 000 |
|---|---|---|---|---|---|
| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
| | | | | | |
| **Water** | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 82 | 85 | 92 | 8% | 11% |
| "Project C" | 85 | 90 | 95 | 5% | 11% |
| **Sanitation/Sewerage** | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| **Electricity** | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| **Housing** | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| **Refuse removal** | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| **Stormwater** | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| **Economic development** | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| **Sports, Arts & Culture** | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| **Environment** | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| **Health** | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| **Safety and Security** | | | | | |

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

| Capital Programme by Project by Ward: Year 0 | | R' 000 |
|---|---|---|
| Capital Project | Ward(s) affected | Works completed (Yes/No) |
| Water | | |
| "Project A" | | |
| "Project B" | | |
| | | |
| Sanitation/Sewerage | | |
| | | |
| | | |
| Electricity | | |
| | | |
| | | |
| Housing | | |
| | | |
| | | |
| Refuse removal | | |
| | | |
| | | |
| Stormwater | | |
| | | |
| | | |
| Economic development | | |
| | | |
| | | |
| Sports, Arts & Culture | | |
| | | |
| | | |
| Environment | | |
| | | |
| | | |
| Health | | |
| | | |
| | | |
| Safety and Security | | |
| | | |
| | | |
| ICT and Other | | |

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

| Service Backlogs: Schools and Clinics | | | | |
|---|---|---|---|---|
| **Establishments lacking basic services** | **Water** | **Sanitation** | **Electricity** | **Solid Waste Collection** |
| **Schools (NAMES, LOCATIONS)** | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| **Clinics (NAMES, LOCATIONS)** | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| *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* |

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

| Service Backlogs Experienced by the Commmunity 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: | | |
| | | |
| | | |
| | | |
| Housing: | | |
| | | |
| | | |
| | | |
| Licencing and Testing Centre: | | |
| | | |
| | | |
| | | |
| Reseviors | | |
| | | |
| | | |
| | | |
| Schools (Primary and High): | | |
| | | |
| | | |
| | | |
| Sports Fields: | | |
| | | |
| | | |
| | | |
| | | *T Q* |

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

| Declaration of Loans and Grants made by the municipality: Year 0 | | | | |
|---|---|---|---|---|
| All Organisation or Person in receipt of Loans */Grants* provided by the municipality | Nature of project | Conditions attached to funding | Value Year 0 R' 000 | Total Amount committed over previous and future years |
| | | | | |
| | | | | |
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| | | | | |

** Loans/Grants - whether in cash or in kind* *T R*

## APPENDIX S – 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 | | |
| | | |
| | | |
| | | |
| Output: Implementation of the Community Work Programme | | |
| | | |
| | | |
| | | |
| Output: Deepen democracy through a refined Ward Committee model | | |
| | | |
| | | |
| | | |
| Output: Administrative and financial capability | | |
| | | |
| | | |
| | | |
| ** Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.* | | |
| *T S* | | |

| Performance Area: Institutional Development and Organisational Development | | | | | | | Quarterly Targets | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target Achieved | Reason for non-achievement | Corrective measures to be taken | Annual Budget | Actual budget spent | Portfolio of Evidence |
| | To integrate management system in order | | **KPI 1** Number of fraud and corruption prevention awareness campaign conducted by 30 June 2021 | Output | Number | 2 | 1 | | 1 | | 0 | fraud and corruption prevention awareness campaign was supposed to be conducted by SALGA at the district. | None | Operational | Operations | Public notice, agenda, minutes and attendance register/visual invitation |
| | | | **KPI 2** Litigation cases attended to expressed as a % of total number of | Output | % | 80% | 80% | 80% | 80% | 80% | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | R3 000 000,00 | R 3 203 259.08 | Summary reports |
| Municipal | | Services | | | | | | | | | | | | | | |
| | accurate information | | ce Level Agreements (SLA) expressed as % of the total number of service providers appointed by 30 June 2021 | | | | | | | | | | Target is achieved | Oper | Oper | providers, appointment letters and signed contracts/SLA's |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | KPI 4 Signed lease agreements expressed as a% of number of tenants by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100% | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | List of tenants and signed lease agreements |
| Performance Area: Institutional Development and Organisational Development | | | | | | | Quarterly Targets | | | | | | | Annual Budget | Actual budget | Portfolio of Evidence |
| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target Achieved | Reason for non-achievement | Corrective measures to be taken | | | |
| nicip al pacity and astru ture velop ment | To integrate management system in order to provide consolidated and accurate information | Corporate Services | KPI 5 Number of by-laws public awareness campaigns conducted by 31 March 2021 | Output | Number | 1 | | | 1 | | 1 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Advertisement/public notice, agenda, attendance register, and copies of by-laws |
| | To ensure that the socio-needs of employe | | KPI 6 Number of employee wellness campaigns conducted by 30 June 2021 | Output | Number | 2 | | 1 | | 1 | 1 | No employee wellness was conducted for during Q2 due to covid 19 restrictions. | Employee wellness to be conducted during the next financial year | R 115 00,00 | R 2 623.13 | Notices, invitations, programme and attendance registers |

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | es are met | | KPI 7 Number of employment equity reports submitted to the Department of labour by the 15th of January 2021 | Output | Number | 1 | | | 1 | | 1 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Employment Equity Report and acknowledge ment letter from Department of Labour |
| Performance Area: Institutional Development and Organisational Development | | | | | | | Quarterly Targets | | | | | | | Annual Budget | | Portfolio of Evidence |
| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measuremen | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target Achieved | Reason for non-achievement | Corrective measures to be taken | | | |
| nic p al pacity ind astru ture velop nen | To ensure labour peace and productivity by maintaining continuous engagements with staff or organised labour | Corporate Services | KPI 8 Number of works skills plan developed and submitted to LGSETA by 30 April 2021 | Output | Number | 1 | | | | 1 | 1 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Work Skills Plan Report and acknowledge ment letter from LGSETA |
| | | | KPI 9 Number of employees trained by 30 June 2021 | Output | Number | 100 | 25 | 25 | 25 | 25 | 2 | Traning did not take place due to low staff morale and covid related issues. | None | R200 000,00 | R 536 068.50 | List of trainees, programme/agenda, attendance register, and training report/s |

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | **KPI 10** Number of LLF meetings held by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Agenda, minutes and attendance registers |
| **Performance Area: Institutional Development and Organisational Development** | | | | | | | **Quarterly Targets** | | | | | | | **Annual Budget** | **Actual budget spent** | **Portfolio of Evidence** |
| **Strategic Goals** | **Objectives** | **Directorate** | **Key Performance Indicators** | **KPI Type** | **Unit of Measurement** | **Annual Target** | **1st Quarter** | **2nd Quarter** | **3rd Quarter** | **4th Quarter** | **Actual Annual Target Achieved** | **Reason for non-achievement** | **Corrective measures to be taken** | | | |
| nicip al pacity ind astru ture velop ien | To ensure labour peace and productivity by maintaining continuous engagements with staff or organised labour | Corporate Services | **KPI 11** Grievance cases attended to within 30 days expressed as % of grievance cases received by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100% | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Grievance forms, attendance registers |
| | | | **KPI 12** Disciplinary cases finalised within 90 days expressed as a % of total disciplinary cases received by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100% | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Disciplinary case report |

| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target Achieved | Reason for non-achievement | Corrective measures to be taken | Annual Budget | | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Performance Area: Institutional Development and Organisational Development | | | | | | | Quarterly Targets | | | | | | | | | |
| | To ensure that there is a healthy and safe workforce by implementing provisions of the Occupational Health and Safety Act | | **KPI 13** Number of Occupational Health and Safety Trainings/Sessions conducted by 30 June 2021 | Output | Number | 2 | 1 | | 1 | | 1 | No Occupational health and safety trainings/session conducted for Q4 due to the employees strike and Covid 19 restrictions. | Occupational health and safety trainings/session to be conducted during the next financial year. | Operational | Operational | Programmes and attendance registers |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| nicip al pacity ınd ˈastru ˈture velop ıen | Adherence to the skills development Act and related regulations at all times | Corporate Services | **KPI 14** Section 54A Manager, Section 56 Manager, and Finance officials sent to training for minimum competency level expressed as a % of the total number of Section 54A, Section 56 Manager and Finance officials employed by 30 June 2021 | Output | % | 50% | | | | 50% | 0% | None | None | R100 000,00 | R0 | Proof of enrolment or results. |
| | To support the flow and access of information and develop and maintain ICT infrastructure | | **KPI 15** ICT queries/Incidents attended to within 16 working hours expressed as a % of total number of requests received by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100% | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | ICT queries/incident register and support tickets |
| | | | **KPI 16** ICT queries/Incidents resolved within 72 working hours expressed as a % of total number of incidents/quires attended to by 30 June 2021 | Output | % | 90% | 90% | 90% | 90% | 90% | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | ICT queries/incident register and Support tickets |
| | | | | | | | | | | | | | | | | |
| | | | **Performance Area: Institutional Development and Organisational Development** | | | | **Quarterly Targets** | | | | | | | **Annual Budget** | **Actual budget spent** | **Portfolio of Evidence** |

| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measuremen | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target Achieved | Reason for non-achievement | Corrective measures to be taken | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | To support the flow and access of informati on and develop and maintain ICT infrastruc ture | Corporate Services | **KPI 17** Number of ICT security breaches that occurred by 30 June 2021 | Output | Number | 0 | 0 | 0 | 0 | 4 | 4 | Active acoounts which have not been used for morethan a year lead to security breaches. | Unathorised users to be removed form the system. | Operational | Operational | External and internal incident report |
| | | | **KPI 18** Number of documents uploaded on the Municipal website by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Screenshots of uploads and submission register |
| | To develop and maintain centralise d records managem ent system | | **KPI 19** Number of records storage inspections conducted by registry by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Inspection report and checklist |
| | | | **KPI 20** Number of records management trainings conducted by 30 June 2021 | Output | Number | 2 | | | 1 | 1 | 1 | No records management trainings conducted for Q4 due to the employees strike and Covid 19 level 4 restrictions. | Records management trainings to be conducted during the next financial year. | Operational | Operational | Programme, notices and attendance registers |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dissemination of information to the community and stakeholders on daily issues that affect the community on the grounds and when needed | | KPI 21 Number of newsletters developed by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | R80 000,00 | R 43 507.63 | Copy of newsletter and distribution register |

| Performance Area: Institutional Development and Organisational Development | | | | | | | Quarterly Targets | | | | | | | Annual Budget | Actual budget spent | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target Achieved | Reason for non-achievement | Corrective measures to be taken | | | |
| eate a nduci ve viron nt for osper ous estm | To create a platform for economic growth opportunities | Corporate Services | KPI 22 Number of businesses inspected for compliance by 30 June 2021 | Output | Number | 160 | 40 | 40 | 40 | 40 | 123 | Minimal work was accounted for in the last Quarter of the FY 2020/21 due to covid-19 | Meetings to be held with EHP's at the district and also with immigration for a way forward. | Operational | Operational | Inspection register |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ent | and job creation through continuous promotion of Ga-Segonyana as an ideal investment destination | | KPI 23 Number of SMMEs trainings/session held by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 3 | Community outreach programmes were quiet limited due to the surge in the covid - 19 cases such it was difficult to successfully plan and collaborate with other stakeholders in the delivery of the activities , work areas, without appreciating late cancelations and postponement | Plan for the supplementary means in the form of virtual engagements and also encourage stakeholders to migrate into these engagements as it would also require their participation in ensuring successful service delivery. | Operational | Operational | Invitation, programmes and attendance register |

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | **KPI 24** Number of tourism awareness campaigns conducted by 30 June 2021 | Output | Number | 8 | 2 | 2 | 2 | 2 | 7 | Community outreach programmes were quiet limited due to the surge in the covid - 19 cases such it was difficult to successfully plan and collaborate with other stakeholders in the delivery of the activities, work areas, without appreciating late cancelations and postponement | Plan for the supplementary means in the form of virtual engagements and also encourage stakeholders to migrate into these engagements as it would also require their participation in ensuring successful service delivery. | Operational | Operational | Invitation, programmes and attendance register |
| [redacted] | | | | | | | | | | | | | | | | | |
| ticipative hesio and llabor tion | S and other communicable diseases. | Corporate Servi | Mayor's special projects held by 30 June 2021 | Ou | Num | | | | | | covid regulation limited projects were held conducted. | next financial year. | R 524 50 | R 243 37 | | attendance register and reports |

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Continuously allow communities to make inputs on service delivery issues through ward committees | | KPI 26 Number of meetings held per ward committee by 30 June 2021 | Output | Number | 56 | 14 | 14 | 14 | 14 | 20 | Due to the covid regulation limited meetings was conducted. | Ward committee to conduct meetings as per targets set. | Operational | Operational | Minutes and attendance register |
| Performance Area: Basic Services Delivery And Infrastructure Development | | | | | | | Quarterly Targets | | | | | | | Annual Budget | Actual budget spent | Portfolio of Evidence |
| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Actual budget spent | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target Achieved | Reason for non-achievement | Corrective measures to be taken | | | |
| Develop and maintain infrastructure | To continuously comply to | Infrastructure Services | KPI 27 % of building completion certificates issued within 30 days by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100 % | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Inspection request form and building completion certificates |

| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measuremen | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target | Reason for non-achievement | Corrective measures to be taken | Annual Budget | Actual budget spent | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| nmun ity vices | national building act and regulations | | KPI 28 Notices served expressed as a % of contraventions reported by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100 % | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Contravention report register and notices served |
| | Provision of basic level of services to households | | KPI 29 Households provided with electricity connections expressed as a % of applications received by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100 % | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | R 2 500 000,00 | R 199 297,54 | Report on electricity connections |
| | To upgrade 35.85k main gravel roads to paved standard by 2022 | | KPI 30 Number of km of newly surfaced/paved roads completed by 30 June 2021 | Output | Number | 1.8km | | | | 1.8km | 1.8km | Not applicable – Target is achieved | Not applicable – Target is achieved | R 11 747 319.64 | R 11 747 250,60 | Completion certificates, last payment certificate and GPS coordinates |
| r Performance Area: Basic Services Delivery And Infrastructure velopment | | | | | | | Quarterly Targets | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| velop<br>ınd<br>intain<br>'astru<br>.ura<br>nmun<br>ity<br>vices | To promote infrastructure development | Infrastructure Services | **KPI 31** Building plans assessed within 30 days expressed as a % of total applications received by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100 % | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Building plans, building plans application register and proof of assessment |
| | | | **KPI 32** Expenditure on Construction of Batlharos community hall expressed as a % of the MIG allocated budget by 30 June 2021 | Output | % | 100% | | | | 26.1 % | 26.1% | Commnity protest and lots of rain which leads to floads delayed the commence of the projects. | The project to be done the next financial year. | R10 922 226,00 | R 2 845 855.18 | Progress report, last payment certificate and GPS coordinates |
| | To supply at least basic water services to all households in the municipal area by 2022 | | **KPI 33** Number of water sources to be refurbished and completed by 30 June 2021 | Output | Number | 5 | | | | 5 | 5 | Not applicable – Target is achieved | Not applicable – Target is achieved | R15 685 622,00 | R 20 509 628.66 | Completion certificates, last payment certificate and GPS coordinates |
| | | | **KPI 34** Number of km of Potable water and 20 prepaid water stand pipelines laid by 30 June 2021 | Output | Km | 6.5km | | | | 6.5km | 6.5km | Not applicable – Target is achieved | Not applicable – Target is achieved | R13 503 235,95 | R 17 573 694.38 | Completion certificates, last payment certificate and GPS coordinates |

| r Performance Area: Basic Services Delivery And Infrastructure velopment | | | | | | | Quarterly Targets | | | | | | | Annual Budget | Actual budget spent | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measuremen | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target | Reason for non-achievement | Corrective measures to be taken | | | |
| velop<br>ınd<br>intain<br>astru<br>ura<br>nmun<br>ity<br>vices | To supply at least basic water services to all households in the municipal area by 2022 | Infrastructure Services | **KPI 35** Households provided with full water borne sewer expressed as a % of the total number of applications received by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100 % | 0% | No connections were made for the period under review as no request were received from the community. | The connection is only done upon request from the community. | R 11 047 039 | R 4 423,65 | Report on water borne application |
| | | | **KPI 36** Households provided with new water yard connection by the municipality expressed as a % of applications received by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100 % | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | R7 500 000,00 | R 15 613,63 | Report on new water connections |

| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target Achieved | Reason for non-achievement | Corrective measures to be taken | Annual Budget | Actual budget spent | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | **KPI 37** Number of households provided with new water yard connection done by Sedibeng Water by 30 June 2021 | output | Number | 1 | | | | 1 | 0 | The supplier (Lesira Teg), was unable to supply spares for all pre-paid yard connections and communal standpipes. | The municipality will engage with the supplier | Operational | Operational | Report on water yard connections done by Sedibeng Water |
| | | | **KPI 38** Average blue drop water quality standard achieved (at least 70%) by 30 June 2021 | Output | % | 70% | 70% | 70% | 70% | 70% | 70% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Copies of lab reports |
| **Performance Area: Basic Services Delivery And Infrastructure Development** | | | | | | | **Quarterly Targets** | | | | | | | | | |

| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measuremen | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target | Reason for non-achievement | Corrective measures to be taken | Annual Budget | Actual budget spent | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| r Performance Area: Basic Services Delivery And Infrastructure velopment | | | | | | | Quarterly Targets | | | | | | | | | |
| velop<br>ınd<br>intain<br>'astru<br>ıura<br>nmun<br>ity<br>vices | To supply at least basic water services to all households in the municipal area by 2022 | Infrastructure Services | **KPI 39** Number of electrical connections to be done in Wrenchville, Bankhara Bodulong and Promise Land by 30 June 2021 | Output | Number | 1700 | | | | 170 0 | 1700 | Not applicable – Target is achieved | Not applicable – Target is achieved | R34 000 000,00 | R 40 044 095.51 | PCS file provided by contractor: Stand no., ID numbers, meter numbers and beneficiaries names |
| | | | **KPI 40** Expenditure on Construction of fire Station spent expressed as a % of the MIG allocated budget by 30 June 2021 | Output | % | 100% | | | | 100 % | 52% | Heavy Rain fall lead to the project to be started late. | More spending to be done on the next financial year. | R19 088 385.02 | R 9 914 117.39 | Progress Reports and proof of payment certificate (Multi-year) |
| | | | **KPI 41** Number of refurbishment of ablution facilities at (taxi rank, Kospot) and construction of new ablution at Traffic department by 30 June 2021 | Output | Number | 1 | | | | 1 | 1 | Not applicable – Target is achieved | Not applicable – Target is achieved | R4 156 387,00 | R4 156 387,00 | Montly progress report and completion certificate |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| velop<br>and<br>inta n<br>astruc<br>ura<br>mmunit<br>y<br>vices | To create platform for economic growth opportunities and job creation through continuous promotion of Ga-Segonyana as investment destination | Infrastructure Services | **KPI 42** Number of EPWP Jobs created by 30 June 2021 | Output | Number | 278 | | | | 278 | 292 | Not applicable – Target is achieved | Not applicable – Target is achieved | R1 580 000,00 | R 1 460 439.96 | Copies of employment contracts |
| | | | **KPI 43** Report on number of in-situ houses constructed by the Department of COGHSTA by 30 June 2021 | Output | Number | 1 | | | | 1 | 1 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Report on in-situ housing provided by COGHSTA |
| eate a<br>nduciv<br>e<br>ironm<br>nt for<br>spero<br>us<br>siness<br>estme<br>nt | To ensure and Inspectorate the implementations of by-laws | | **KPI 44** Number of audits on outdoor advertising conducted by 30 June 2021 | Output | Number | 1 | | | | 1 | 0 | The report could not be obtain from the supplier due to contract issues. | To ensure that the contract is active prior to requesting the information from the supplier. | Operational | Operational | Outdoor advertising audit report |

| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measuremen | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target | Reason for non-achievement | Corrective measures to be taken | Annual Budget | Actual budget spent | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| velop l main astruc al and mmunit y vice | To continuously ensure that vehicles are road worthy and regulate vehicle and driver's licenses in an efficient and professional manner | Community Services | **KPI 45** Learners licences test conducted expressed as a total % of appointments made by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100 % | 95% | Not all applicants wrote the test due to absenteeism. | To encourage all applicants to adhere to the scheduled appointments. | Operational | Operational | Enatis report |
| r Performance Area: Basic Services Delivery And Infrastructure velopment | | | | | | | Quarterly Targets | | | | | | | | | |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| velop<br>ınd<br>intain<br>'astru<br>ural<br>ınd<br>nmun<br>ity<br>vices | To continuously ensure that vehicles are road worthy and regulate vehicle and driver's licenses in an efficient and professional manner | Community Services | **KPI 46** Drivers licences test conducted expressed as a total % of appointments made by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100 % | 85% | K53 testing road on a bad condition | Refurbishment of roads. | Operational | Operational | Enatis report |
| | To continuously provide professional security services | | **KPI 47** Number of security reports submitted by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Submission register and security Report |
| | Continuously maintain and upgrade parks and open areas to acceptable environmental standard | | **KPI 48** Number of parks maintained by 30 June 2021 | Output | Number | 20 | 5 | 5 | 5 | 5 | 20 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Maintenance registers, weekly/monthly schedule and reports |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | To establish fully functional disaster centre by 2020 | | KPI 49 Number of emergency incidents attended to within an hour expressed as a % of incidents reported by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100 % | 87% | Incidents not achieved with in an hour resulted from the team attending another call. | Reasons to be indicated within the incident form for incidents not attended within an hour on the next financial year. | Operational | Operational | Incident report |

| Performance Area: Basic Services Delivery And Infrastructure velopment | | | | | | | Quarterly Targets | | | | | | | Annual Budget | Actual budget spent | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measuremen | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target | Reason for non-achievement | Corrective measures to be taken | | | |
| velop ind intain astru ura ind nmun ity vices | To establis h fully function al disaster centre by 2020 | Community Services | KPI 50 Business premises inspections conducted expressed as a % of request received (hazardous premises and fire safety) by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100 % | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Inspection request register and the inspection report. |
| | To continuo usly ensure that vehicles | | KPI 51 Roadworthy tests conducted expressed as a total % of appointments made by 30 June 2021 | Output | % | 100% | 100% | 100% | 100% | 100 % | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Roadworthy Register and quality assurance forms |

| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Annual Target | Quarterly Targets | | | | Actual Annual Target | Not applicable – Target is achieved | Reason for non-achievement | Not applicable – Target is achieved | Corrective measures to be taken | Annual Budget | | Actual budget spent | | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | | | | | | Operational | | Operational | | |
| Key Performance Area: Basic Services Delivery And Infrastructure Development | | | | Output | Number | 8 | 2 | 2 | 2 | 2 | 12 | | | | | | | | | |
| are road worthy and regulate vehicle and driver's licenses in an efficient and professional manner | | | KPI 52 Number of road blocks conducted by 30 June 2021 | | | | | | | | | | | | | | | | | Stop and approach register and road block schedule |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| velop l main astruc al and mmunit y vices | To provide weekly kerbside waste removal service to residential, schools, industrial and commercial sites ( 3 times a week ) in Kuruman town, Wrenchville and Mothibistad | Community Services | **KPI 53** Number of households provided with door-to-door waste collection by 30 June 2021 | Output | Number | 4600 | 4600 | 4600 | 4600 | 847 6 | 8476 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Drivers log registers, control levy sheets and weekly schedules. |
| | To continuously provide camping space and amenities as well as resort and leisure facilities that are in good condition | | **KPI 54** Revenue generated on guests from Caravan Park by 30 June 2021 | Output | Revenue | R1 000 000,00 | | | | R1 000 000,00 | R1 584 540.00 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Financial report of revenue generated and proof of payment |
| | | | **KPI 55** Number of reports on visitors and revenue generated from 1st eye by 30 June 2021 | Output | Revenue | R60 000,00 | | | | R60 000,00 | 52 088.43 | Less visitors where received due to covid 19 restriction. | No corrective measures as the matter is beyond our control. | Operational | Operational | Financial report of revenue generated and proof of payment |
| | **Performance Area: Financial Viability And Accountability** | | | | | | **Quarterly Targets** | | | | | | | **Annual Budget** | **Actual budget spent** | **Portfolio of Evidence** |

| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target | Reason for non-achievement | Corrective measures to be taken | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| nance ent and ancial nagem ent | To promote Financial Viability and accountability | BTO | **KPI 56** Number of indigents registered by 30 June 2021 | Output | Number | 3500 | | | | 3500 | 1458 | The community is not coming forth for the applications. | To encourage the community to register for indigency during the community consultation. | Operational | Operational | Indigent register |
| | | | **KPI 57** Unauthorised expenditure expressed as a % of total expenditure by 30 June 2021 | Output | % | 8% | | | | 8% | 8% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Unauthorised expenditure register and section 52(d) reports |
| | | | **KPI 58** Irregular expenditure expressed as a % of total expenditure on new procurement by 30 June 2021 | Output | % | 20% | | | | 20% | 20% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Irregular expenditure register and section 52(d) reports |
| | | | **KPI 59** Fruitless expenditure expressed as a % of total expenditure by 30 June 2021 | Output | % | 2% | | | | 2% | 2% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Fruitless expenditure register and section 52(d) reports |
| | | | **KPI 60** % of rates clearance certificates issued within 10 days of customer applications by 30 June 2021 | Output | % | 100% | | | | 100 % | 100% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Customer application forms and clearance certificates |

| Performance Area: Financial Viability And Accountabilty | | | | | | | Quarterly Targets | | | | | | | Annual Budget | Actual budget spent | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target Achieved | Reason for non-achievement | Corrective measures to be taken | | | |
| | To promote Financial Viability and account ability | BTO | **KPI 61** Net debtors' days by 30 June 2021 | Output | Days | 60 | 60 | 60 | 60 | 60 | 60 Days | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Debtors age analysis, Revenue/Billing Report and Write off reports if applicable. (circular 71 ratios) |
| | To compile a funded and realistic budget annually for approved by Council by the end of May each year. | | **KPI 62** 2020/2021 Adjusted budget submitted to Council for approval by 28 February 2021 | Output | Date | 2020/2021 Adjusted budget submitted to council | | | 28-Feb-21 | | 26-Feb | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Approved adjusted budget and council resolution |
| | | | **KPI 63** 2021/2022 draft budget tabled to council by 31 March 2021 | Output | Date | 2021/22 Draft budget tabled to council by 31 March 2021 | | | 31-Mar-21 | | 30-Mar-21 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Draft Budget and Council Resolution |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | **KPI 64** 2021/2022 budget tabled to council for approval by the 31 May 2021 | Output | Date | 2021/2022 Budget tabled to council by 31 May 2021 | | | | 31-May-21 | 31-May-21 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Budget and Council Resolution |
| | **To promote Financial Viability and account ability** | | **KPI 65** Number of performance and budget reports submitted to council by 30 June 2021 | Output | Date | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Section 52 (d) reports and council resolution |
| **r Performance Area: Financial Viability And Accountability** | | | | | | | **Quarterly Targets** | | | | | | | **Annual Budget** | **Actual budget spent** | **Portfolio of Evidence** |
| **Strategic Goals** | **Objectives** | **Directorate** | **Key Performance Indicators** | **KPI Type** | **Unit of Measuremen** | **Annual Target** | **1st Quarter** | **2nd Quarter** | **3rd Quarter** | **4th Quarter** | **Actual Annual Target** | **Reason for non-achievement** | **Corrective measures to be taken** | | | |

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ıance<br>'enue<br>ınd<br>ıncial<br>ınage<br>ıen | To promote Financial Viability and account ability | BTO | **KPI 66** Number of section 71 reports submitted within 10 working days after month end by 30 June 2021 | Output | Number | 12 | 3 | 3 | 3 | 3 | 12 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Section 71 reports, proof of submission to the Mayor and provincial treasury and acknowledgement of receipts from the Mayor |
| | | | **KPI 67** Annual Financial Statements submitted to the Auditor General by 31 October 2020 | Output | Date | AFS submitted to AG by 31 October 2020 | | 31-Oct-20 | | | 31-Oct-20 | Not applicable – Target is achieved | Not applicable – Target is achieved | R6 000 000,00 | R 5 985 844,80 | Copy of the AFS and acknowledgement letter |
| | | | **KPI 68** Quarterly reports on Municipal Property Rates Act submitted to council by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Report and council resolution |
| **Performance Area: Financial Viability And Accountability** | | | | | | | **Quarterly Targets** | | | | | | | **Annual Budget** | **Actual budget spent** | **Portfolio of Evidence** |

| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target | Reason for non-achievement | Corrective measures to be taken | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Performance Area: Good Governance and Public Participation | | | | | | | Quarterly Targets | | | | | | | Annual Budget | Actual budget spent | Portfolio of Evidence |
| Financial viability and management | To promote Financial Viability and account ability | BTO | KPI 69 Receipts from debtors expressed as a % of total revenue for the period from 1 July 2020 to 30 June 2021 | Output | % | 90% | 90% | 90% | 90% | 90% | 90% | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | List of debtors' receipts, Revenue Report Control levy summary |
| | | | KPI 70 Number of supplementary valuations conducted by 30 June 2021 | Output | Number | 1 | | | | 1 | 1 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Supplementary valuations roll |
| | | | KPI 71 Cash/trade creditors coverage ratio by 30 June 2021 | Output | Ratio | 01:01 | 01:01 | 01:01 | 01:01 | 01:01 | 01:01 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Bank Statement, creditors listing/ age analysis |
| | | | KPI 72 Net creditors' days by 30 June 2021 | Output | Days | 30 | 30 | 30 | 30 | 30 | 30 days | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Creditors age analysis, Proof of payment, cashbook and date stamp on Invoice. |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | To annually develop /review a credible IDP that is aligned to regional, provincial and national priorities and that addresses the needs of the community that we serve | Office of the Municipal Manager | **KPI 73** Draft IDP tabled to council by 31 March 2021 | Output | Date | Draft IDP tabled to council by 31 March 2021 | | | 31-Mar-21 | | 31-Mar-21 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Draft IDP and Council Resolution |
| | | | **KPI 74** Final IDP submitted and approved by council by 31 May 2021 | Output | Date | Final IDP submitted to council by 31 May 2021 | | | | 31-May -21 | 31-May-21 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Approved IDP and council resolution |
| | | | **KPI 75** Number of IDP Representative forum meetings held by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Agenda, minutes and attendance register |
| | | | **KPI 76** Number of IDP steering committee meetings held by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Agenda, minutes and attendance register |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | KPI 77 Number of Wards represented at IDP/budget community participation meetings by 30 June 2021 | Output | Number | 14 wards | | | | 14 wards | 14 | IDP/participation community was conducted Via Kurara FM due to covid 19 restriction. | Not applicable – Target is achieved | R106 368,00 | R 12 560,00 | Public notice, agenda, minutes and attendance register/visual invitation |
| Performance Area: Good Governance and Public Participation | | | | | | | Quarterly Targets | | | | | | | Annual Budget | Actual budget spent | Portfolio of Evidence |
| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target | Reason for non-achievement | Corrective measures to be taken | | | |
| ster ticipa ive hesio and llabor tion | Improve risk management processes by ensuring that all identified risks are mitigated | Office of the Municipal Manager | KPI 78 Number of Audit, Risk and Performance Committee reports submitted to council by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Audit, Risk and Performance Committee reports and council minutes |
| | | | KPI 79 Number of Internal Audit reports submitted to the Audit, Risk and Performance Committee by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Minutes of Audit, Risk and Performance Committee, agenda and attendance register |

| Strategic Goals | Objective | Director | Key Performance Indicator | KPI Type | Unit of Measure | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target | Reason for non-achievement | Corrective measure to be taken | Actual | Actual | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | **KPI 80** Number of Audit, Risk and Performance Committee meetings held by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Agenda, attendance register/visual invitation and minutes. |
| | **To plan, monitor, report and evaluate performance of the municipality and employees within required timeframes** | | **KPI 81** Section 46 MSA report submitted to AGSA by 31 October 2020 | Output | Date | 31-Oct-20 | | 31-Oct-20 | | | 31-Oct-20 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Section 46 report and acknowledgement letter from AGSA |
| | | | **KPI 82** Progress reports on the implementation of Audit Action Plan submitted to Council by 30 June 2021 | Output | Number | 2 | | | 1 | 1 | 1 | The action plan was on drafted during Q4 as the AG was still on site | No corrective measures. | Operational | Operational | Audit Action Plan |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ıster<br>ticipa<br>ive<br>hesio<br>and<br>llabor<br>tion | To plan, monitor, report and evaluate performance of the municipality and employees within required timeframes | Office of the Municipal Manager | **KPI 83** 2021-2022 Service Delivery Budget and Implementation Plan (SDBIP) approved by the Mayor by 28 June 2021 | Output | Date | 2021-2022 Service Delivery Budget and Implementation Plan (SDBIP) approved by the Mayor by 28 June 2021 | | | | 28-Jun-21 | 26-Feb-28 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Copy of an approved SDBIP signed by the Mayor and proof of submission |
| | | | **KPI 84** Number of 2021-2022 performance agreements signed by the Directors/ Accounting Officer/ Mayor and by the 30 June 2021 | Output | Number | 5 | | | | 5 | 5 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Copies of signed Performance Agreements |

| Strategic Goals | Objectives | Directorate | Key Performance Indicators | KPI Type | Unit of Measurement | Annual Target | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Actual Annual Target Achieved | Reason for non-achievement | Corrective measures to be taken | Annual Budget | Actual budget spent | Portfolio of Evidence |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | **KPI 85** Section 72 report compiled and submitted to the National and Provisional Treasury and COGHSTA by 25 January 2021 | Output | Date | Section 72 report compiled and submitted to the National and Provisional Treasury and COGHSTA by 25 January 2021 | | | 25-Jan-21 | | 25-Jan-21 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Section 72 report and proof of submission |
| **Performance Area: Good Governance and Public Participation** | | | | | | | **Quarterly Targets** | | | | | | | | | |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | To plan, monitor, report and evaluate performance of the municipality and employees within required timeframes | Office of the Municipal Manager | **KPI 86** Mid-Year performance review session conducted and submitted to COGHSTA by 31 January 2021 | Output | Date | Mid-Year performance review session conducted and submitted to COGHSTA by 31 January 2021 | | | 25-Jan-21 | | 25-Jan-21 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Minutes, attendance register and proof of submission |
| | | | **KPI 87** Number of performance evaluation of the accounting officer and senior management for 2019-2020 by 30 June 2021 | Output | Number | 1 | | | 1 | | 0 | The AGSA still on site | Assessments scheduled for next financial year. | Operational | Operational | Agenda, attendance register, minutes and assessment report. |
| | | | **KPI 88** IDP/PMS/Budget process plan approved by 31st August 2020 | Output | Number | 1 | 1 | | | | 1 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Approved IDP/PMS/Budget process plan and council resolution |
| | | | **KPI 89** Number of strategic risk assessments/reviews conducted by 30 June 2021 | Output | Number | 4 | 1 | 1 | 1 | 1 | 4 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | 4 strategic risk assessment reports and attendance register |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | **KPI 90** Final Annual Report submitted to council by 31 May 2021 | Output | Date | Final Annual report submitted to council 31 May 2021. | | | | 31-May-21 | 31-May-21 | Not applicable – Target is achieved | Not applicable – Target is achieved | Operational | Operational | Annual Report and council resolution |

VOLUME II

# Report of the auditor-general to the Northern Cape Provincial Legislature and the council on Ga-Segonyana Local Municipality

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

1. I have audited the financial statements of the Ga-Segonyana Local Municipality set out on pages X to X, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ga-Segonyana Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2020 (Act No. 4 of 2020) (Dora).

### BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

### MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

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

7. As disclosed in note 41 to the financial statements, which indicates that the municipality is not able to settle short-term liabilities as they become due, various impairments and losses and the impact of the Covid - 19 pandemic on the municipality. As stated in note 41, these events or conditions, along with other matters as set forth in note 41, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

EMPHASIS OF MATTERS

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

MATERIAL LOSSES - ELECTRICITY

9. As disclosed in note 45 to the financial statements, material electricity losses to the amount of R13 846 389 (2020: R9 253 915) was incurred which represents 21,83% (2020: 14,38%) of total bulk electricity purchased.

MATERIAL LOSSES - WATER

10. As disclosed in note 45 to the financial statements, material water losses to the amount of R33 144 921 (2020: R22 856 119) was incurred which represents 69% (2020: 68%) of water purchased.

MATERIAL IMPAIRMENTS – RECEIVABLES FROM EXCHANGE TRANSACTIONS

11. As disclosed in note 6 of the financial statements, the municipality reported a material impairment of R45 395 094 (2020: R33 383 770) as a result of a debt impairment of receivables from exchange transactions, due to non-collection of outstanding balances owned to the municipality.

MATERIAL IMPAIRMENTS – RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

12. As disclosed in note 4 of the financial statements, the municipality reported a material impairment of R15 807 920 (2020: R14 244 211) as a result of a debt impairment of receivables from non-exchange transactions, due to non-collection of outstanding balances owned to the municipality.

MATERIAL LOSSES – PROPERTY, PLANT AND EQUIPMENT

13. As disclosed in note 9 of the financial statements, the municipality reported material losses under disposals of R18 409 888 (2020: R13 402 258) on property, plant and equipment due to assets that were written off.

MATERIAL IMPAIRMENTS – PROPERTY, PLANT AND EQUIPMENT

14. As disclosed in note 9 of the financial statements, the municipality reported a material

impairment of R8 847 786 on property, plant and equip ssets that reached the end of it`s useful life.

UNDERSPENDING OF VOTES

15. As disclosed in note 42 to the financial statements, the aterially underspent the operating expenditure budget for community and so y R12 561 627 (Vote 3) and the capital expenditure budget for public s 9 251 (Vote 5) on acquisition of property, plant and equipment.

RESTATEMENT OF CORRESPONDING FIGURES

16. As disclosed in note 49 to the financial statements, the figures for 30 June 2020 were restated as a result of an error in the financi of the municipality at, and for the year ended, 30 June 2021.

EVENTS AFTER THE REPORTING DATE

17. I draw attention to note 51 in the financial statements, w h subsequent event relating to a municipal investment building that burnt do y value of R5 260 000 at the reporting date. The estimate of the e rmance and cash flows could not be determined.

OTHER MATTER

18. I draw attention to the matter below. My opinion is not m ject of this matter.

UNAUDITED DISCLOSURE NOTES

19. In terms of section 125(2)(e) of the MFMA, the municip to disclose particulars of non-compliance with the MFMA in the fina nts. This disclosure requirement did not form part of the audit of the financia nd, accordingly, I do not express an opinion on it.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FI EMENTS

20. The accounting officer is responsible for the preparation entation of the financial statements in accordance with the Standards o he requirements of the MFMA and Dora, and for such internal control as th fficer determines is necessary to enable the preparation of financial stateme ee from material misstatement, whether due to fraud or error.

21. In preparing the financial statements, the accounting off sible for assessing the municipality's ability to continue as a going concern s applicable, matters relating to going concern and using the going concern b nting unless the appropriate governance structure either intends to liquid ipality or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

23. 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

24. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected development priority presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

25. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

26. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2021:

| Development priority | Pages in the annual performance report |
|---|---|

| | |
|---|---|
| *Key Performance Area 3 - Basic service delivery and infrastructure development* | X– X |

27. 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.

28. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following development priority:

    - Key Performance Area 3 - Basic service delivery and infrastructure development

OTHER MATTERS

29. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

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

ADJUSTMENT OF MATERIAL MISSTATEMENTS

31. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Key Performance Area 3 - Basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

32. 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.

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

ANNUAL FINANCIAL STATEMENTS

34. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

EXPENDITURE MANAGEMENT

35. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value of R18 864 640, as disclosed in note 44, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the irregular expenditure was caused by the contravention of the supply chain management requirements.

36. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R67 810 223, as disclosed in note 42 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by over spending on the approved budget.

STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

37. The performance management system and related controls were inadequate as it did not describe how the performance measurement, review, reporting and improvement processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

OTHER INFORMATION

38. 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 the selected development prioritiy presented in the annual performance report that have been specifically reported in this auditor's report.

39. 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.

40. 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 priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be

materially misstated.

41. I did not receive the other information prior to the date of this auditor's repo receive and read this information, if I conclude that there is a material missta therein, I am required to communicate the matter to those charged with go request that the other information be corrected. If the other information is n may have to retract this auditor's report and re-issue an amended report as However, if it is corrected this will not be necessary.

## INTERNAL CONTROL DEFICIENCIES

42. I considered internal control relevant to my audit of the financial statements performance information and compliance with applicable legislation; howeve objective was not to express any form of assurance on it. The matters repo limited to the significant internal control deficiencies that resulted in the findi compliance with legislation included in this report.

43. The municipality did not have sufficient monitoring controls, exercise oversig responsibility and did not implement effective human resource management adherence to the internal policies and procedures at a programme level and of taking corrective action. This is evident from material corrections made to statements and non-compliance with relevant laws and regulations that wer during the audit process.

44. Management failed to monitor and review the performance information to en achievement of the fair presentation and this resulted in material corrections performance report.

45. Leadership does not act on a timeous basis to internal audit's recommenda reports thereby impacting their effectiveness as an assurance provider to th of the municipality.

## MATERIAL IRREGULARITIES

46. In accordance with the PAA and the Material Irregularity Regulations, I have responsibility to report on material irregularities identified during the audit.

### MATERIAL IRREGULAR IDENTIFIED DURING THE YEAR

#### ESKOM ACCOUNTS NOT PAID WITHIN 30 DAYS

47. Eskom invoices received during the period 1 April 2019 to 29 March 2020, f electricity were not all not paid within the prescribed 30 day period, in contra section 65(2)(e) of the MFMA. The non-compliance resulted in a financial los

of interest of R2 906 968 being levied and paid to the supplier on the outstanding balances.

48. The accounting officer was notified of the material irregularity on 7 June 2021. The accounting officer instituted an investigation into the matter and the investigation was completed on 5 July 2021. The outcome of the investigation stated that officials could not be held responsible for the non-compliance that occurred and the financial loss suffered by the municipality, and therefore no disciplinary steps need to be taken in accordance with the policies of the municipality. This was due to unfunded annual budgets, low collection rates and the municipality being in financial distress.

49. The debt to Eskom related to a period between 1 August 2013 and 5 October 2017. The municipality entered into a payment arrangement with Eskom on 6 October 2017. The municipality adhered to the payment arrangement and therefore reduced the interest payable on the account. The Eskom account was paid off in September 2020. The municipality reduced and stopped the losses and I have concluded that appropriate actions are being taken to address the material irregularity. I will follow up during my next audit that the preventative measures in place stopped any further losses and therefore ensured that the material irregularity does not re-occur.

Kimberley

30 November 2021

AUDITOR-GENERAL
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general's responsibility for the audit

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

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control

obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer

conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Ga-Segonyana Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

4. I also provide the accounting officer with a statement that I have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

# GA-SEGONYANA LOCAL MUNICIPALITY

## ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

## General Information

**Mayoral committee**

| | |
|---|---|
| Mayor | Masegela N.G |
| Councillors | |
| | Meyers T.E. (Speaker) Assegaai G.C. |
| | Modise E.B |
| | (Deceased- January 2021) |

Dispi N.G Eiman
B.A.

Galeboe M.P.

Kanjeruba K.F.

Leserwane B.E

Madikiza Selepe K.B. (EXCO) M
L.N.

Makwati K.R.

Mathibe O.D.

Mntuyedwa G.N.

Moagi L. (MPAC Chair)

Disang M.F

(Discharged - 30 November 20

Mpata D.T

Moseki L.C.

Van der Westhuizen A.W.P
Nelson L.R.

Ngesi N.G.

Nels K.A.

Reetsang M.G.

Thupaemang N.G.

Tshetshemeserogwe I.

Chweu K.H

Gaetsewe B.E

Lesley S.K

(Appointed -1 December 2020)

Ncayivutshwa T.R

3 May 2021)

| | |
|---|---|
| **Chief Financial Officer (CFO)** | K Noke |
| **Accounting officer** | M. Tsatsimpe |
| **Registered office** | Corner Voortrekker and School Stree<br>Kuruman |
| **Business address** | Corner Voortrekker and School Stree<br>Kuruman |
| **Postal address** | Private Bag X1522<br>Kuruman<br>8460 |

## General Information

| | |
|---|---|
| **Bankers** | First National Bank |
| **Auditors** | Auditor General (South Africa) |
| **Jurisdiction** | The Ga-segonyana Local Municipality owing areas: |

Kuruman, Bankhara, Mothibistad, Magojaneng, Obama Hill, Ditshoswaneng, Mpoteng, Seoding, Mokalamosesane, Gamopedi, Ncweng, Galotolo, Pietbos, Sloja, Lokaleng, Geelboom, Sedibeng, Batlharos, Gasehubane, Garuele, Gasebolao, Maruping, Vergenoeg, Kagung, Lohatlha, Seven Miles, Thamonyanche, Wrenchville, Promise Land and Thuli Madonsela.

**Relevant Legislation** Constitution of the Republic of South 08 of 1996)

Municipal Finance Management Act (Act 56 of 2003)

Division of Revenue Act

The Income Tax Act (Act No. 58 of 1962)

Value Added Tax Act (Act No. 117 of 1998)

Municipal Structures Act (Act No. 32 of 2000)

Water Service Act (Act No.108 of 1997)

Housing Act (Act No. 107 of 1997)

Municipal Property Rates Act (Act No. 6 of 2004)

Electricity Act (Act No. 41 of 1987)

Skills Development Levies Act (Act No. 9 of 1999)

Employment Equity Act (Act No. 55 of 1998)

Unemploymrnt Insurance Act (Act No. 30 of 1966)

Basic Conditions of Employment Act (Act No. 75 of 1997)

Municipal System Amendment Act (Act No. 7 of 2011)

Municipal Planning and Performance Mnagement Regulations

Municipal Supply Chain Management Regulations

Municipal Collective Agreements

Municipal Budget and Reporting Regulations

MFMA Circulars and Regulations

| | |
|---|---|
| **Attorneys** | Mogaswa Attorneys |
| Peyper Attorneys | |
| Sifumba Attorneys | |
| Modiboa Attorneys | |
| Koikanyang Attorneys | |
| Motshabi Attorneys | |

## Index

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


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| Statement of Financial Performance | 7 |

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| Statement of Comparison of Budget and Actual Amounts | 10 - 13 |
| Accounting Policies | 14 - 38 |
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**Abbreviations**

| | |
|---|---|
| DBSA | Development Bank of South Africa |
| GRAP | Generally Recognised Accounting Practice |
| MFMA | Municipal Finance Management Act |
| MIG | Municipal Infrastructure Grant (Previously CMIP) |

## nting Officer's Responsibilities and Approval

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

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

l financial statements are based upon appropriate accounting policies consistently applied and supported by e and prudent judgements and estimates.

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

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

nting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2022 and, in the light of this d the current financial position, he is satisfied that the municipality has adequate resources to continue in al existence for the foreseeable future.

the Accounting officer is primarily responsible for the financial affairs of the municipality, the annual financial ts are supported by the Municipality's external auditors.

l financial statements set out on pages 6 to 94, which have been prepared on the going concern basis were by the Accounting Officer on 31 August 2021 .

**mpe**

# Audit Committee Report

We are pleased to present our report for the year ending 30 June 2021.

**Audit committee members and attendance**

The audit committee consists of the members listed here under and should meet at least 4 times per annum as per its approved terms of reference. During the current year 6 meetings were held.

| Name of member | Number of meetings attended |
|---|---|
| R. Tshimomola (Chairperson) | 6 |
| F. Buys | 5 |
| M. Mashati | 4 |

**Audit committee responsibility**

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The committee has performed the following key responsibilies:

- Adopted the audit and risk management charter and proposed approved to council;
- Reconfirm the appropriateness of the internal audit charter and methodology;
- Recommended the risk management strategy and policy to council, due to the slow implementation thereof alternative mechanisms were followed by the internal audit manager and a risk register was considered and recommended for approval to council;
- Approved the internal audit plan for the financial year and monitored to the implementation of the plan;
- Evaluated the findings raised by internal and external audit and made recommendations on addressing those matters;
- Performed a review of financial information submitted to the committee and commented specifically on concerns raised based on year-to-date information and accuracy of projections;
- Requested management to reporting on pending litigation, possible contingent liabilities and significant risks;
- Requested management to address the perceived lack of discipline and called specific officials to account for the progress on the audit action plan;
- Liaised with the Auditor-General on matters relating to communication with those charged with governance.

**The effectiveness of internal control**

The following issues are highlighted by the Audit and Performance Committee as points of concern:

- Insufficient preventative control measures and ineffective monitoring of controls.
- Non adherence to policies and procedures.

- Repeat internal audit findings (performance management and MFMA Compliance audit).
- Repeat external audit findings
- No consequence management and ineffective oversight structures

**rnal audit**

Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks tinent to the entity and its audits. **Auditor-General of South Africa**

Audit Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

**irperson of the Audit Committee**

e: _____

## atement of Financial Position as at 30 June 2021

| | Note(s) | 2021<br>R | 2020<br>Restated*<br>R |
|---|---|---|---|
| **ets** | | | |
| entories | 3 | 66 779 464 | 82 514 924 |
| ceivables from non-exchange transactions | 4 | 22 042 599 | 19 609 479 |
| T | 5 | 6 270 980 | 4 151 647 |
| ceivables from exchange transactions | 6 | 57 531 406 | 52 906 301 |
| sh and cash equivalents | 7 | 90 466 140 | 59 270 087 |
| **n-Current Assets** | | **243 090 589** | **218 452 438** |

| | | | |
|---|---|---|---|
| Investment property | 8 | 18 229 634 | 18 229 634 |
| Property, plant and equipment | 9 | 1 585 815 208 | 1 492 356 201 |
| Intangible assets | 10 | 722 012 | 284 613 |
| **Current Assets** | | | |
| Heritage assets | 11 | | |
| **Total Assets** | | **1 849 513 085** | **1 730 978 528** |
| | | 2 181 862 | 2 103 672 |
| | | 739 380 | 2 202 988 |
| | | 70 064 798 | 60 597 085 |
| | | 5 310 255 | 4 814 761 |
| | | 1 452 000 | 1 683 000 |
| | | 31 595 764 | 35 632 576 |
| | | **111 344 059** | **107 034 082** |
| | | 8 355 780 | 10 537 615 |
| | | 664 938 | 1 404 317 |
| | | 34 131 000 | 28 111 000 |
| | | 24 173 786 | 18 808 913 |
| | | **67 325 504** | **58 861 845** |

| | | |
|---|---|---|
| **Liabilities** | | |
| **Current Liabilities** | | |
| Other financial liabilities | 12 | 178 669 563 |
| | | 1 670 843 522 1 |
| Finance lease obligation | 13 | |
| Payables from exchange transa | 14 | |
| Consumer deposits | 15 | |
| Employee benefit obligation | 16 | |
| Unspent conditional grants and | 17 | |
| **Non-Current Liabilities** | | |
| Other financial liabilities | 12 | |
| Finance lease obligation | 13 | |
| Employee benefit obligation | 16 | |
| Provisions | 18 | |
| **Total Liabilities** | | |
| **Net Assets** | | |
| Accumulated surplus | | 1 670 843 522 1 565 082 601 |

## Statement of Financial Performance

| | Note(s) | 2021<br>R | 2020<br>Restated*<br>R |
|---|---|---|---|
| **REVENUE** | | | |
| **Revenue from exchange transactions** | | | |
| Sale of stands | | 7 209 208 | 2 378 515 |
| Service charges | 20 | 158 153 269 | 157 669 317 |
| Rental of facilities | 21 | 2 012 071 | 2 351 079 |
| Interest on outstanding receivables | 23 | 3 848 481 | 4 837 950 |
| Licences and permits | | 3 351 478 | 3 244 356 |
| Other revenue | 24 | 4 566 061 | 3 873 512 |
| Interest on investments | 25 | 3 864 834 | 3 707 754 |
| **Total revenue from exchange transactions** | | **183 005 402** | **178 062 483** |
| **Revenue from non-exchange transactions** | | | |
| **Taxation revenue** | 26 | | |
| Property rates | | 49 763 478 | 45 094 777 |
| Interest on outstanding receivables | 23 | 1 667 363 | 3 145 398 |
| **Transfer revenue** | | | |
| | 27 | 389 557 952 | 385 548 478 |

* See Note 49

| | | | |
|---|---|---|---|
| Grants and subsidies realised | | | |
| Fines, penalties and forfeits | 22 | 3 417 910 | 4 845 325 |
| **Total revenue from non-exchange transactions** | 19 | **444 406 703** | **438 633 978** |
| **Total revenue** | | **627 412 105** | **616 696 461** |
| **EXPENDITURE** | | | |
| Employee related costs | 28 | (151 395 151) | (130 928 705) |
| Remuneration of councillors | 29 | (9 842 705) | (9 860 821) |
| Depreciation, amortisation and impairment loss | 30 | (65 944 055) | (63 263 625) |
| Finance costs | 31 | (10 462 752) | (9 438 769) |
| Debtors impairment | 32 | (13 822 992) | (7 664 726) |
| Bad debts written-off | 33 | (1 469 365) | (2 699 281) |
| Bulk purchases | 34 | (125 634 275) | (113 208 832) |
| Cost of land sold | 3 | (15 105 401) | (2 591 600) |
| General expenses | 35 | | |
| **Total expenditure** | | | |
| **Operating surplus** | | **126 773 800** | **188 612 992** |
| Gains/(Loss) on disposal of assets | 9 | (18 409 890) | (4 939 617) |
| Fair value adjustments | 52 | - | 136 000 |
| Actuarial gains/(losses) | 16 | (2 603 000) | 6 552 491 |

* See Note 49

| | | |
|---|---|---|
| Gain (loss) on impairment | - | 129 187 |
| | **(21 012 890)** | **1 878 061** |
| **SURPLUS FOR THE YEAR** | ~~105 760 910~~ | ~~190 491 053~~ |

## Statement of Changes in Net Assets

| | Accumulated surplus | Total net assets |
|---|---|---|
| | R | R |
| Opening balance as previously reported | 1 324 851 322 | 324 851 |
| Adjustments | 49 740 226 | 22 |
| | **1 374 591 548** | **1** |
| Correction of error 01/07/2019 | | |
| **Balance at 01 July 2019** | 190 491 053 | 190 491 053 |
| Surplus for the year ended 30 June 2020 | 190 491 053 | |
| Total changes | 1 506 379 471<br>58 703 141 | 1 |
| Opening balance as previously reported | **1 565 082 612** | **1** |
| Prior year adjustments | | 105 760 |
| **Restated* Balance at 01 July 2020 as restated*** | 105 760 910 | 910 |
| Changes in net assets | 105 760 910 | |
| | **1 670 843 522** | **1** |
| Surplus for the year ended 30 June 2021 | | |
| Total changes | | |
| **Balance at 30 June 2021** | | |

Note(s)

* See Note 49

## Cash Flow Statement

| | Note(s) | 2021<br>R | 2020<br>Restated*<br>R |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Receipts** | | | |
| Sale of goods and services | | 211 638 737 | 211 012 046 |
| Grants | | 385 521 140 | 377 516 448 |
| Interest on investments | | 3 864 834 | 3 707 754 |
| | | 601 024 711 | 592 236 248 |
| **Payments** | | | |
| Suppliers | | (228 513 056) | (213 436 464) |
| Employee Costs | | (156 488 752) | (130 928 705) |
| Finance costs | | (2 269 879) | (6 542 857) |
| **Net cash flows from operating activities** | | (387 271 687) | (350 908 026) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | **213 753 024** | **241 328 222** |
| Purchase of property, plant and equipment | 36 | | |
| | 9 | (177 417 589) | (175 027 549) |

* See Note 49

| | | | |
|---|---|---|---|
| Purchase of intangible assets | 10 | (832 760) | (244 717) |
| **Net cash flows from investing activities** | | **(178 250 349)** | **(175 272 266)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Movement in other financial liabilities | | (2 103 645) | (3 404 996) |
| Finance lease payments | | (2 202 987) | (3 931 930) |
| **Net cash flows from financing activities** | | **(4 306 632)** | **(7 336 926)** |
| **Net increase/(decrease) in cash and cash e** | | **31 196 053** | **58 719 030** |
| Cash and cash equivalents at the beginning | | 59 270 087 | 551 057 |
| **CASH AND CASH EQUIVALENTS AT THE END** | 7 | **90 466 140** | **59 270 087** |

* See Note 49

## Statement of Comparison of Bud ual Amounts

**Budget on Actual Basis**

| | Approved budget | s | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Re |
|---|---|---|---|---|---|---|
| | R | | R | R | R | |
| **STATEMENT OF FINANCIAL PERFORMANCE** | | | | | | |
| **REVENUE** | | | | | | |
| **Revenue from exchange transactions** | | | | | | |
| Sale of stands | 6 000 000 | | **6 000 000** | 7 209 208 | **1 209 208** | |
| Service charges | 170 870 53 | | **170 870 536** | 158 153 269 | **(12 717 267)** | |
| Rental of facilities | 2 090 84 | 0) | **2 050 844** | 2 012 071 | **(38 773)** | |
| Interest on outstanding receivables | 7 343 00 | 0) | **6 903 004** | 3 848 481 | **(3 054 523)** | |
| Licences and permits | 3 317 43 | 0 | **3 332 436** | 3 351 478 | **19 042** | |
| Other revenue | 2 404 12 | 0 | **2 529 137** | 4 566 061 | **2 036 924** | |
| Interest on investments | 3 356 79 | | **3 356 796** | 3 864 834 | **508 038** | |

## nt of Comparison of Budget and Actual Amounts

| | | | | | |
|---|---|---|---|---|---|
| **195 382 743** | **(339 990)** | **195 042 753** | **183 005 402** | **(12 037 351)** | |
| 49 853 477 | (1 491 353) | **48 362 124** | 49 763 478 | **1 401 354** | 6 |
| - | - | - | 1 667 363 | **1 667 363** | 3 |
| 312 940 032 | 99 871 145 | **412 811 177** | 389 557 952 | **(23 253 225)** | 7 |
| 3 154 668 | (85 000) | **3 069 668** | 3 417 910 | **348 242** | |
| **365 948 177** | **98 294 792** | **464 242 969** | **444 406 703** | **(19 836 266)** | |
| **561 330 920** | **97 954 802** | **659 285 722** | **627 412 105** | **(31 873 617)** | |
| (156 254 196) | 9 515 042 | **(146 739 154)** | (151 395 151) | **(4 655 997)** | 8 |
| (10 456 416) | (86 856) | **(10 543 272)** | (9 842 705) | **700 567** | 9 |
| (42 959 400) | - | **(42 959 400)** | (65 944 055) | **(22 984 655)** | 10 |
| (6 065 184) | 4 214 000 | **(1 851 184)** | (10 462 752) | **(8 611 568)** | 11 |
| (24 548 712) | 9 548 712 | **(15 000 000)** | (13 822 992) | **1 177 008** | 12 |
| - | - | - | (1 469 365) | **(1 469 365)** | |
| (117 876 084) | 929 318 | **(116 946 766)** | (125 634 275) | **(8 687 509)** | 13 |
| - | - | - | (15 105 401) | **(15 105 401)** | 13 |
| (120 412 764) | (43 416 735) | **(163 829 499)** | (73 695 608) | **90 133 891** | 14 |

## Statement of Comparison of Budget and Actual Amounts

| | | | | | | |
|---|---|---|---|---|---|---|
| **Total revenue from exchange transactions** | **(478 572 756)** | **(19 296 519)** | **(497 869 275)** | **(467 372 304)** | **30 496 971** | |
| **Revenue from non-exchange transactions** | | | | | | |
| | **82 758 164** | **78 658 283** | **161 416 447** | **160 039 801** | **933 367 962** | |
| **PROPERTY RATES** | - | - | - | (18 409 890) | **(18 409 890)** | 15 |
| **INTEREST ON OUTSTANDING RECEIVABLES** | - | - | - | (2 603 000) | **(2 603 000)** | 17 |
| | - | - | - | **(21 012 890)** | **(21 012 890)** | |
| Grants and subsidies realised | | | | | | |
| | **82 758 164** | **78 658 283** | **161 416 447** | **139 026 911** | **(22 389 536)** | |
| **FINES, PENALTIES AND FORFEITS** | | | | | | |
| **TOTAL REVENUE FROM NONEXCHANGE TRANSACTIONS** | | | | | | |
| **Total revenue** | | | | | | |
| **EXPENDITURE** | | | | | | |
| Employee related costs | | | | | | |
| **REMUNERATION OF COUNCILLORS** | | | | | | |
| Depreciation and amortisation | | | | | | |
| Finance costs | | | | | | |
| Debt Impairment | | | | | | |
| Bad debts written-off | | | | | | |
| Bulk purchases | | | | | | |
| Contracted services | | | | | | |
| General expenses | | | | | | |
| **Total expenditure** | | | | | | |
| **Operating surplus** | | | | | | |
| **GAIN/(LOSS) ON DISPOSAL OF ASSETS** | | | | | | |
| Actuarial gains/losses | | | | | | |

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual A

**SURPLUS FOR THE YEAR**

**Budget on Accrual Basis**

| | Approved budget | Adjustments | Final | tual nts on arable | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| | R | R | | R | R | |
| **Statement of Financial Position** | | | | | | |
| **Assets** | | | | | | |
| **Current Assets** | | | | | | |
| Inventories | 43 839 487 | 26 795 576 | **70** | 779 464 | **(3 855 599)** | 16 |
| Receivables from non-exchange transactions | 17 091 713 | (14 591 713) | **2** | 042 599 | **19 542 599** | 17 |
| Receivables from exchange transactions | 74 900 442 | 28 478 292 | **103** | 631 406 | **(45 847 328)** | 18 |
| VAT | - | - | | 270 980 | **6 270 980** | 19 |
| Cash and cash equivalents | 34 107 000 | 48 497 940 | **82** | 466 140 | **7 861 200** | 21 |
| | **169 938 642** | **89 180 095** | **259** | 090 | **(16 028 148)** | |
| **Non-Current Assets** | | | | | | |
| Investment property | 33 491 300 | (12 942 459) | **20** | 229 634 | **(2 319 207)** | 22 |
| Property, plant and equipment | 1 456 227 773 | 44 449 981 | **1 50** | 5 815 | **85 137 454** | 23 |
| Intangible assets | 245 925 | 38 688 | | 22 012 | **437 399** | 24 |

## Statement of Comparison of Budget and Actual Amounts

| | | | | | | |
|---|---|---|---|---|---|---|
| Heritage assets | 1 655 642 | - | **1 655 642** | 1 655 642 | - | |
| Long term receivables | | 22 400 850 | **22 400 850** | - | **(22 400 850)** | 25 |
| **Total Assets** | **1 491 620 640** | **53 947 060** | **1 545 567 700** | **1 606 422 496** | **60 854 796** | |
| **Liabilities** | | | | | | |
| **Current Liabilities** | **1 661 559 282** | **143 127 155** | **1 804 686 437** | **1 849 513 085** | **44 826 648** | |
| Other financial liabilities | 2 861 000 | 639 000 | **3 500 000** | 2 181 862 | **(1 318 138)** | 26 |
| Finance lease obligation | - | - | **-** | 739 380 | **739 380** | 27 |
| Payables from exchange transactions | 78 026 158 | (33 220 568) | **44 805 590** | 70 064 793 | **25 259 203** | 28 |
| Consumer deposits | 4 713 557 | 722 326 | **5 435 883** | 5 310 255 | **(125 628)** | 29 |
| Employee benefit obligation | - | - | **-** | 1 452 000 | **1 452 000** | |
| Unspent conditional grants and receipts | - | - | **-** | 31 595 764 | **31 595 764** | 30 |
| Provisions | 1 541 243 | 209 077 | **1 750 320** | - | **(1 750 320)** | 31 |
| **Non-Current Liabilities** | **87 141 958** | **(31 650 165)** | **55 491 793** | **111 344 054** | **55 852 261** | |
| Other financial liabilities | 3 543 367 | 4 898 565 | **8 441 932** | 8 355 780 | **(86 152)** | 26 |
| Finance lease obligation | - | - | **-** | 664 938 | **664 938** | 27 |
| Employee benefit obligation | - | - | **-** | 34 131 000 | **34 131 000** | |
| Provisions | 66 131 400 | (21 088 284) | **45 043 116** | 24 173 786 | **(20 869 330)** | 31 |
| **Total Liabilities** | **69 674 767** | **(16 189 719)** | **53 485 048** | **67 325 504** | **13 840 456** | |

## Statement of Comparison of Budget and Actual Amounts

| | | | | | |
|---|---|---|---|---|---|
| **Net Assets** | **156 816 725** | **(47 839 884)** | **108 976 841** | **178 669 558** | **69 692 717** |
| **Net Assets** | | | | | |
| **Reserves** | **1 504 742 557** | **190 967 039 527** | **1 695 709 596** | **1 670 843** | **(24 866 069)** |
| Accumulated surplus | | | | | |
| | 1 501 242 259 | 194 467 386 531 | **1 695 709 645** | 1 670 843 | **(24 866 114)** |
| | **Approved budget** | **Adjustments between final** | **Final Budget** | **Actual comparable basis** | **Difference budget and actual** | **Reference** | **amounts** |
| | **R** | **R** | **R** | **R** | **R** | | |

Sale of stands

1) The variance is due to stands that was bought in 2019/20 and the transffers were only done in the 2020/21 financial year.

Interest on outstanding receivables

2) A lower interest of R5 086 639 was recognised due to debtors write - off that took place during the financial period anddecreased the overall debtors balance

Other Revenue

3)Variance is as a results of expected benefit investing for Employees obligation that was not budgeted fo

Interest on Investments

4)Actual revenue was higher than the budget due to high bank balance as the spending was affected by the lockdown. This has resulted in higher interest being accrued. Grants and Subsidies

5) Actual Grants were higher than budgeted grants due to additional funding that was granted to the Municipality .

Fines and Penalties

6) Variance is due to more fines issued in the 2020/21 financial year

Depreciation and amortisation

## nt of Comparison of Budget and Actual Amounts

e is due to increase in assets during the year which was not provided for in the budget.

ts

e is due to interest on landfill site and Interest on Employee Obligation that was not budgeted for General

ture

Expenditure variance is due to cost containment measures put in place as well as lockdown implemented nment to curb covid-19. This resulted in lesser spending.

on disposal of assets

oss) on disposal of assets was not budgeted for.

ns/(losses)

l gains or losses were not budgeted for.

from exchange transactions

de receivable are less than budgeted amounts due to the increase in the actual write- offs made during the year.

sh equivalents

## Statement of Comparison of Budget and Actual Amounts

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

13) The cash and cash equivalents of the municipality increased due to under spending as a result of lockdown to curb covid19

14) Property, plant and equipment increased due to additional assets bought or constructed in the current year as projects arecompleted as well as public contributions on capital projects which was not budgeted for.

Intangible assets

15) Intangible assets are lower than the budget due amortisation not taken into account on the budget.

Other Financial liabilities

16)This balance is composed of loans from DBSA and the municipality managed to repay part of the loan in the 2019/20 financial year..

30) The actual value for investment properties was lesser than budgeted due to proprties which were transfered frominvestment property to inventory at year end.

31) The municipality did recognised more license and permits than anticipated due to improved collections by the trafficdepartment.

32) Gains/(loss) on impairment determined at year end as such the Municipality did not budget it.

# Accounting Policies

**1.3 Significant judgements and sources of estimation uncertainty (continued)**

**1. Presentation of Annual Financial Statements**

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

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

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these Annual Financial Statements, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note Changes in accounting policy.

**1.1 Presentation currency**

These Annual Financial Statements are presented in South African Rand, which is the functional currency of the municipality. All figures are rounded off to the nearest Rand.

**1.2 Going concern assumption**

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

**1.3 Significant judgements and sources of estimation uncertainty**

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

**1.3.1 Trade receivables and allowance for doubtful debts**

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

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. On debtors, an impairment loss is recognised in surplus and deficit when there is objective evidence that the

# Accounting Policies

**1.3 Significant judgements and sources of estimation uncertainty (continued)**

debtors are impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

**1.3.2 Allowance for slow moving, damaged and obsolete stock**

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

**1.3.3 Fair value estimation**

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values

**1.3.4 Impairment testing**

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of valuein-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

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

**1.3.5 Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in the notes to the Annual Financial Statements.

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 resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation.

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the municipality, supplemented by experience of similar transactions and, in some, cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date.

# Accounting Policies

**1.3 Significant judgements and sources of estimation uncertai**

Uncertainties surrounding the amount to be recognised as a prov ith by various means according to the circumstances. Where the provision being measured involves a la f items the obligation is estimated by weighting all possible outcomes by their associated probabilities

Future events that may affect the amount required to settle an ob ected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains fr d disposal of assets are not taken into account in measuring a provision. Provisions are not recognised fo ng losses. The present obligation under an onerous contract is recognised and measured as a provision. An on is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the ec expected to be received under it. The unavoidable costs under a contract reflect the least net cost of ex ntract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure navoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a pr esent value of the expenditure expected to be required to settle the obligation. When the effect of discountin ovisions are determined by discounting the expected future cash flows that reflect current market assessmen lue of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Finan e as a finance cost as it occurs.

**1.3.6 Useful lives of assets**

The municipality's management determines the estimated useful depreciation charges for assets. This estimate is based on public sector industry norm. Management w epreciation charge where useful lives are less than previously estimated useful lives.

The estimation of residual values of assets is based on manageme s to whether the assets will be sold or used at the end of their useful lives, and in what condition they will be

# Accounting Policies

**1.3 Significant judgements and sources of estimation uncertainty (continued)**

**1.3.7 Post retirement benefits**

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in the Notes to the Annual Financial Statements.

The municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements.

**1.3.8 Effective interest rate**

Where interest rates are not specified in the transactions handled by the municipality, particularly with respect to finance leases the municipality used the prime interest rate to discount future cash flows.

**1.3.9 Allowance for doubtful debts**

**Timing of Assessment**

The municipality will assess at the end of each reporting date whether there is objective evidence that a receivable account or group of receivable accounts is impaired.

**Evidence of Impairment**

The following accounts are specifically excluded from impairment testing:

- Receivable accounts with a combined credit balance at reporting date;
- Receivable accounts where the combined balance at reporting date is zero;
- Receivable accounts where the Municipality is the owner; and
- Receivable accounts that have no balance outstanding longer than 30 days at reporting date as these accounts are considered not to be past due.

Any one of the following events is considered to provide objective evidence that a receivable account or group of receivable accounts could be impaired.

## Accounting Policies

**1.3 Significant judgements and sources of estimation uncertainty (continued)**

- A receivables that have been placed under or applied for liquidation or sequestration;
- Where the last payment date by the customer was before 15th May of each year;
- Accounts handed over to debt collectors and/or power of attorney;
- All accounts indicated as in-active accounts on the system;
- When a formal arrangement is made on arrears debt;
- When accounts have been formally presented to Council for write off; and
- All accounts with balances outstanding 31 days and longer as these accounts to be past due

**Calculation and Recognition of Impairment Loss**

The impairment loss is calculated as the difference between the carrying value at reporting date ent value of expected future cash flows.

**Individually Significant Receivables**

Consumer receivables with a total balance outstanding at reporting date over R150 000 is con and will be assessed individually for evidence of impairment.

For sundry receivables management will assess on an annual basis which accounts are consid dually material. These accounts will be assessed individually for evidence of impairment. **Risk Categories**

All receivables are categorised into one of three risk categories. These categories are:

- High risk category;
- Medium risk category; and
- Low risk category.

The allocation of receivables into the different risk categories are reviewed annually.

Consumer receivables

The following receivables are specifically identified as being high risk due to their nature:

- Approved indigents;
- Tenant accounts; and • Non-active accounts

The following receivables are specifically identified as being low risk receivables due to their payment history:

- Government receivables, excluding government schools

## Accounting Policies

**1.3 Significant judgements and sources of estimation uncertainty (continued)**

| | | |
|---|---|---|
| Approved indigents | Remainder of consumer receivable accounts | Government receivables, excluding gov schools |

The following receivables are specifically identified as being medium risk receivables due to their nature and past payment history:

- All accounts with prepaid electricity meters; and
- Government school receivables

The remainder of the consumer receivables are classified as medium risk receivables.

All other receivables are divided into the three risk categories based on management's knowledge of these receivables.

Summary of risk groups for consumer receivables

**High Risk**

The risk factors and premium adjustment to the risk free rate are reviewed annually by management

Sundry receivables

The following receivables are specifically identified as being high risk due to their nature and past payment history:

- Motor vehicle accidents;
- Library books;
- Bursary costs/Study assistance;
- Closed accounts;
- Marked to be written off; and • Handed over accounts

The following receivables are specifically identified as being low risk receivables due to their nature and past payment history:

## Accounting Policies

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

| | | |
|---|---|---|
| Tenant accounts | Remainder of consumer receivable accounts | G ceivables, excluding g |
| Non-active accounts | Remainder of consumer receivable accounts | G ceivables, excluding g |

- Main service contributions; and
- Relocation costs;

The following receivables are individually assessed

- Medical aid

The remainder of the sundry receivables are classified as medium risk receivables.

All other receivables are divided into the three risk categories based on management's knowle ivables.

Summary of risk groups for consumer receivables

| | | |
|---|---|---|
| Motor vehicle accidents | Remainder of consumer receivable acco | service butions |
| Library books | Remainder of consumer receivable acco | service butions |
| Bursary costs | Remainder of consumer receivable acco | cation costs |
| Closed accounts | Remainder of consumer receivable acco | cation costs |
| Marked to be written off | Remainder of consumer receivable acco | cation costs |
| Non-active accounts | Remainder of consumer receivable acco | cation costs |

The risk factors and premium adjustment to the risk free rate are reviewed annually by manage

**Discount Rate**

The discount rate is set as the yield of the R157 South African government bond as at the repo ctual yield on the R157 bond is sourced from the RMB Global Markets website at reporting date

The risk free rate is adjusted with a premium per risk category. The following is taken into acco ng the premium:

## Accounting Policies

**1.3 Significant judgements and sources of estimation uncertainty (continued)**

- The economic conditions of the population in the municipal district;
- History of bad debts written off;
- Effectiveness of the debt collection processes;
- The vast rural area that the municipality covers and the rural population have high social problems;
- High unemployment rate in the municipal district.

Based on the above risk factors identified the risk free rate is adjusted with the following premium

| Risk category | |
|---|---|
| High risk | 1.25% |
| Medium risk | 0.75% |
| Low risk | 0.25% |

The risk factors and premium adjustment to the risk free rate are reviewed annually by management

**Expected Repayment Term**

The total income from consumers for the reporting period include:

- Property tax;
- Refuse;
- Sewerage;
- Water;
- Electricity;
- Interest; and
- Less income foregone

**Expected Future Cash Flows**

The expected future cash flows are based on management's past experiences with the different receivable groups.

The expected future cash flows can be summarised as follows:

## Accounting Policies

**1.3 Significant judgements and sources of estimation uncertainty (continued)**

| | |
|---|---|
| Accounts with no payment received in the last six months | No payment expected |
| Indigent receivables | Accounts marked as indigent do not expect any re-payment and is therefore included at 100% in the allowance calculation |
| Inactive accounts | No payment expected |
| Accounts marked as bad debts | No payment expected |
| Accounts with balances only in current, 30 days 60 days | Fully recoverable and/or |
| High risk consumer receivables | Will be determined using the following:<br>-Geographical area<br>-Category (Business, household, etc)<br>-Payment history<br>-Any other factors applicable (e.g. debtors handed over) |
| Medium risk consumer receivables | Will be determined using the following:<br>-Geographical area<br>-Category (Business, household, etc)<br>-Payment history<br>-Any other factors applicable (e.g. debtors handed over) |
| Low risk consumer receivables | Will be determined using the following:<br>-Geographical area<br>-Category (Business, household, etc)<br>-Payment history<br>-Any other factors applicable (e.g. debtors handed over) |

# Accounting Policies

**1.3 Significant judgements and sources of estimation uncertainty (continued)**

| | |
|---|---|
| High risk sundry receivables | Will be determined using the following:<br>-Geographical area<br>-Category (Business, household, etc)<br>-Payment history<br>-Any other factors applicable (e.g. debtors handed over) |
| Medium risk sundry receivables | Will be determined using the following:<br>-Geographical area<br>-Category (Business, household, etc)<br>-Payment history<br>-Any other factors applicable (e.g. debtors handed over) |
| Low risk sundry receivables | Will be determined using the following:<br>-Geographical area<br>-Category (Business, household, etc)<br>-Payment history<br>-Any other factors applicable (e.g. debtors handed over) |

All payments received in July after the reporting date are added to the above calculated expected further cash flows before impairment is calculated

**Present Value of Expected Future Cash Flows**

The future expected cash flows will be discounted using the present value (PV) formula.

**1.4 Investment property**

**1.4.1 Initial Recognition**

Investment property is property (land or buildings) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services, or

## Accounting Policies

**1.3 Significant judgements and sources of estimation uncertainty (continued)**

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

Owner-occupied property is property held for use in the production or supply of goods or services,or for administrative purposes.

# Accounting Policies

### 1.4 Investment property (continued)

Investment property is recognised as an asset when, it is probable that the future economic ben otential that are associated with the investment property will flow to the municipality, and the cost or fair va ment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial m

Where investment property is acquired through a non-exchange transaction, its cost is its fair va e of acquisition.

#### 1.4.2 Subsequent Measurement

Subsequent to initial measurement investment property is measured at fair value in line with th ent policy of the municipality on the municipal property rates Act cycle.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the perio es.

The nature or type of properties classified as held for strategic purposes are as follows:

#### 1.4.3 Derecognition

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

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

Compensation from third parties for investment property that was impaired, lost or given up is r plus or deficit when the compensation becomes receivable.

### 1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) t use in the production or supply of goods or services, rental to others, or for administrative purposes, and a e used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attrib the asset to the location and condition necessary for it to be capable of operating in the manner intended by rade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at dat

## Accounting Policies

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

**1.5 Property, plant and equipment (continued)**

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

| | | |
|---|---|---|
| Infinity | | |
| Furniture and fixtures | Straight line | 3-15 years |
| Infrastructure | | |
| - Sewer pump station | Straight line | 15-60 years |
| - Solid waste disposal | Straight line | 3-9 years |
| - Electricity network | Straight line | 3-20 years |
| - LV network | Straight line | 10-50 years |
| - Distribution network | Straight line | 2- 30 years |
| - Bridges | Straight line | 30-80 years |
| - Bulk supply | Straight line | 50-100 years |
| - MV network | Straight line | 15-60 years |

## Accounting Policies

| | | |
|---|---|---|
| - Road structures | Straight line | 5-55 years |
| - Airport structures | Straight line | 20-60 years |
| - Collection and reticulation network | Straight line | 50 years |
| - Borehole | Straight line | 3-100 years |
| - Distribution reticulation network | Straight line | 5-60 years |
| - Storage | Straight line | 10-15 years |
| - Stormwater | Straight line | 10-60 years |
| - Road traffic management | Straight line | 10-40 years |
| - Waste water treatment | Straight line | 15-60 years |
| - Water network | Straight line | 20 years |
| - Water pipes | Straight line | 20 years |
| - Water pump | Straight line | 5-100 years |
| - Water storage | Straight line | 3-20 years |
| Community Assets | | |
| - Buildings | Straight line | 100 years |
| Other property, plant and equipment | | |
| - Furniture and equipment | Straight line | 5-10 years |
| - Motor vehicles | Straight line | 5-15 years |
| - Office equipment | Straight line | 3-10 years |
| - Plant equipment | Straight line | 4-15 years |
| - Computer equipment | Straight line | 1-5 years |
| Landfill site | Straight line | 17 years |

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life, residual value and depreciation method of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

## Accounting Policies

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

The depreciation charge for each period is recognised in surplus or deficit.

**1.5 Property, plant and equipment (continued)**

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

**1.6 Site restoration and dismantling cost**

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

(a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
(b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
(c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

If the related asset is measured using the revaluation model:

(a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that: a decrease in the liability (subject to (b)) is credited to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit an increase in the liability is recognised in surplus or deficit, except that it is debited to the revaluation

surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
(b) in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and
(c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit or net assets under (a). If a revaluation is necessary, all assets of that class are revalued. **1.7 Intangible assets**

## Accounting Policies

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

**1.7 Intangible assets (continued)**

Computer
software

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

**1.8 Heritage assets**

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the Annual Financial Statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

## Accounting Policies

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

**1.8.1 Recognition**

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably. **1.8.2 Initial measurement**

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

**1.8.3 Subsequent measurement**

After recognition as an asset, a class of heritage assets is carried at its cost.

**1.8.4 Impairment**

The muncipality assess its heritage assets at each reporting date to determine whether there is an indication of impairment. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

**1.9 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. **Initial recognition**

Financial instruments are recognised when the municipality becomes a party to contractual provision of the instruments.

Financial instruments are initially recognised at armortised cost.

**1.9 Financial instruments (continued)**

Financial Instruments are categorised according to their nature as either financial instruments at fair value, held at amortised cost, or held at cost. The classification depends on the nature and terms of the financial instrument for which the financial instruments were obtained / incurred and takes place at initial recognition.

**1.9.11 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at cost.

**1.10 Statutory receivables**

**Identification**

## Accounting Policies

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

**Recognition**

The municipality recognises statutory receivables as follows:

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

**Initial measurement**

The entity initially measures statutory receivables at their transaction amount.

**Subsequent measurement**

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

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

**Accrued interest**

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

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

**Other charges**

**1.10 Statutory receivables (continued)**

Where the entity is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in

## Accounting Policies

"Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

**Impairment losses**

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

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

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

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

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

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

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

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

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

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

## Accounting Policies

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

### 1.11 Tax

**VAT**

The municipality pays Value Added Tax (VAT) to South African Revenue Service on a payment basis in accordance with section 15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991), however the municipality accounts for VAT on an accrual basis.

### 1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

**1.11.1 Finance leases - lessee**

**Initial recognition**

Finance leases are recognised as assets and liabilities in the Statement of Financial Position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

**Subsequent measurement**

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

### 1.13 Inventories

**1.12.1 Initial recognition**

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition

**1.12.2 Subsequent measurement**

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

## Accounting Policies

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

**1.12.3 Derecognition**

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

**1.14 Impairment of cash-generating assets**

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

## Accounting Policies

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cashgenerating assets, are as follows: **1.13.1 Identification**

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

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

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

**1.13.2 Value in use**

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

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

**1.14 Impairment of cash-generating assets (continued)**

**1.13.3 Basis for estimates of future cash flows**

In measuring value in use the municipality:

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

**1.13.4 Composition of estimates of future cash flows**

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;

## Accounting Policies

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

Estimates of future cash flows exclude:

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

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

**1.15 Impairment of non-cash-generating assets**

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

**1.15 Impairment of non-cash-generating assets (continued)**

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cashgenerating assets, are as follows: **1.14.1 Identification**

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

## Accounting Policies

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

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period. **1.14.2 Value in use**

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

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

**1.14.3 Depreciated replacement cost approach**

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

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

**1.14.4 Restoration cost approach**

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

**1.14.5 Service units approach**

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

**1.15 Impairment of non-cash-generating assets (continued)**

**1.14.6 Recognition and measurement**

## Accounting Policies

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

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

**1.16 Employee benefits**

Employee benefits are all forms of consideration given by a municipality in exchange for service rendered by employees.

**1.15.1 Short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

**1.15.2 Post-employment benefits: Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which a municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

## Accounting Policies

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, a municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

**1.17 Provisions and contingencies**

**1.16.1 Initial Recognition**

Provisions are recognised when:

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

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

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

The discount rate reflects current market assessments of the time value of money and the risks specific to the liability.

**1.16.2 Subsequent measurement**

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed by way of a note.

**1.18 Revenue from exchange transactions**

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

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

## Accounting Policies

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

The municipality's main sources of revenue from exchange transactions income include service charges, rental of facilities, sale of stands, licences and permits and interest income.

**1.17.1 Measurement**

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

**1.17.2 Sale of goods (stands and licences and permits)**

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

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

**1.18 Revenue from exchange transactions (continued)**

**1.17.3 Rendering of services**

Rendering of services includes the following service charges: refuse removal, electricity, water and sewerage. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The municipality recognises prepaid electricity revenue on a prepaid basis as it is difficult for the municipality to determine the amount consumed as at year end for prepaid meters.

**1.17.4 Interest**

Revenue arising from the use by others of the municipality's assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

## Accounting Policies

Interest revenue is recognised on a time proportion basis.

**1.17.5 Rental of facilities**

Rental of facilities and equipment revenue arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

**1.17.6 Other Income**

Other income shall be accounted for when the cash, asset or service is received by the municipality.

**1.19 Revenue from non-exchange transactions**

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

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

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

The municipality's main source of revenue from non-exchange transactions income include property rates, government grants and subsidies, public contributions, donations, fines and penalties.

**1.19 Revenue from non-exchange transactions (continued)**

**1.18.1 Recognition**

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a nonexchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

**1.18.2 Measurement**

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

## Accounting Policies

**1.18.3 Property Rates**

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

**1.18.4 Government grants, Public contributions and donations**

Transfer revenue include government grants,subsidies, public contributions, donations, fines, penalties and forfeits. Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. Apart from services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

**1.18.5 Fines**

Fines are economic benefits or service potential received or receivable by municipality, as determined by a court of other law enforcement body, as a consequence of the breach of laws or regulations .Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

**1.18.6 Gifts and donations, including goods in-kind**

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

**1.20 Borrowing costs**

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

**1.21 Comparative figures**

## Accounting Policies

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

**1.22 Unauthorised expenditure**

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.23 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.24 Irregular expenditure** (a)
this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

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

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programmed/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

# Accounting Policies

### 1.25 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

### 1.25 Segment information (continued)

- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

**Measurement**

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

### 1.26 Budget information

Municipality is subject to budgetary limits in the form of an approved and an adjustment budget which is given effect through council.

General purpose financial reporting by the municipality provides information on whether resources were obtained and used in accordance with the approved budget.

The approved budget is prepared on an accrual basis and presented by nature linked to performance outcome objectives.

The approved budget covers the fiscal period from 2020/07/01 to 2020/03/31.

The annual financial statements and the approved budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Comparative information is not required.

## Accounting Policies

Material differences between the original budget and final budge veen the final budget and the actual are explained in the Annual Financial Statements. Deviations are reg l when they are greater than or equal to 10%. Deviations between approved budget and final budgets we etween final budget and actual, are regarded as material differences

**1.27 Related parties**

Related parties and related party transactions Individuals as wel mily members, and/or entities are related parties if one party has the ability, directly or indirectly, to contr rol the other party or exercise significant influence over the other party in making financial and/or operati nagement is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee cipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or a the Municipal Manager.

**1.28 Events after reporting date**

Events after reporting date are those events, both favourable an that occur between the reporting date and the date when the Annual Financial Statements are authorised fo es of events can be identified:

-those that provide evidence of conditions that existed at the re usting events after the reporting date)

-those that are indicative of conditions that arose after the repo djusting events after the reporting date).There were no significant post balance sheet events that af al Financial Statements as at 30 June 2020.

**1.29 Expenditure**

Expenses are decreases in economic benefits or service potential rting period in the form of outflows or consumption of assets or incurrence of liabilities that result in de ssets.

An expense is recognised in the municipality's Statement of Fina e when, and only when, the following criteria are satisfied:

- The cost or value may involve estimation. Where an it e essential characteristics of an expense but fails to meet the criteria for recognition it is disclosed
- All expenditure has been dealt with in terms of the ab d recognition criteria.

Where an outflow of economic benefits does not result in future sclosed as fruitless and wasteful expenditure.The point at which an expense is recognised is depe ure of the transaction or other event that gives rise to the expense. Where future economic benefits are co iately or soon after acquisition, for example, repairs and maintenance expenditure, bulk purchases and gener expense is recognised in the reporting period in which the acquisition of the future economic benefit oc ure economic benefits are expected to be consumed over several reporting periods e.g. non-current assets eciation) is allocated systematically to the reporting period during which the future economic benefits are e onsumed; where expenditure produces no future economic benefits e.g. fines paid, an expense is recognise nd where a liability is incurred without the recognition of an asset an expense is recognised simultaneously tion of the liability.

Generally, expenses are accounted for on an accrual basis at fair e accrual basis of accounting expenses are recognised when incurred usually when goods are received or se med. This may not be when the goods or

## Accounting Policies

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

Major expenses include:

- Write downs of inventory and decreases in fair values of financial instruments classified as held at fair value.
- Losses on the disposal of non-current assets are reported separately from expenses in the Statement of Financial Performance.
- Repairs and maintenance - inclusive of repairs and maintenance to buildings, infrastructure assets, motor vehicles and sports and recreational facilities;
- Bulk purchases - expenditure on the procurement of bulk electricity;
- Contracted services – included are debt collection costs, data cleansing costs, service level agreement costs, property valuation roll and asset register verification costs, software support costs and security services costs.
- Transfers and grants which relate to expenditure pertaining to free basic services; and
- General expenses which constitute several expense items which are not individually significant.
- Employee cost - relating to cost associated with employee contracts.
- Depreciation - Cost associated with the amortisation of property, plant and equipment..

**1.30 Fines provision methodology**

1) Obtain issued fines (Unadjusted issued fines) for the past 3 to 5 years.

a) Adjust the fines by the below adjustments:

b) Reduce the fines by the amount of fines withdrawn/cancelled.

c) Also reduce the fines by amounts reduced.

2) Increase the fines by amounts increased for unpaid fines.

3) Obtain the final total of amounts of a) to c) above.

4) Adjust the issued fines by a) to c) above to get final collectible issued fines.

5) Calculate the percentage discount rate of collectible issued fines as a percentage of unadjusted issued fines in 1) above

6) Calculate average discount rate for the number of years the data was obtained e.g. if 3 years, calculate average over 3 years and if 5 years calculate average over 5 years.

**1.30 Fines provision methodology (continued)** 7)

The provision is calculated as follows:

Gross fines debtors x average discount rate in 5) above.

## Notes to the Annual Financial Statements

### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The municipality as not applied the following standards and interpretations, which have been published and are mandatory for the municipality's's accounting periods beginning on or after 01 July 2021 or later periods:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|---|---|
| • Guideline: Guideline on the Application of Materiality to Financial Statements | 01 April 2020 | Unlikely there will be a material impact |
| • Guideline: Guideline on Accounting for Landfill Sites | 01 April 2020 | Unlikely there will be a material impact |

### 3. Inventories

| | | |
|---|---|---|
| Other inventories held for sale (land) | 63 371 783 | 78 477 183 |
| Consumable stores | 3 342 879 | 4 010 170 |
| Water | 64 802 | 48 562 |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| Inventories (write-downs) | 66 779 464 | 82 535 915 |
| **3.1 Other Inventory held for sale (land)** | - | (20 991) |
| Opening balance Disposals | **66 779 464** | **82 514 924** |
| **Closing Balance** | | |
| **Inventory pledged as security** | 78 477 183 | 81 068 783 |
| No inventory was pledged as security. | | |
| **4. Receivables from non-exchange transactions** | (15 105 400) | (2 591 600) |
| Fines | **63 371 783** | **78 477 183** |
| Consumer debtors - Rates | | |

Included in receivables from non-exchange transactions are balances owing from property rates as follows:

| | | |
|---|---|---|
| | 9 490 109 | 6 549 505 |
| | 12 552 490 | 13 059 974 |
| | **22 042 599** | **19 609 479** |

| | | |
|---|---|---|
| Current (0 - 30 days) | 142 148 | 215 169 |
| 31 - 60 days | 1 846 436 | 892 861 |
| 61 - 90 days | 1 574 834 | 730 463 |
| 91 - 120 days | 1 423 849 | 645 159 |
| 121 - 365 days | 10 020 117 | 3 626 136 |
| > 365 days | 13 353 026 | 21 194 397 |

| | | |
|---|---|---|
| | **28 360 410** | **27 304 185** |
| Less: Allowance for impairment | (15 807 920) | (14 244 211) |
| | **2021** | **2020** |
| | **R** | **R** |

**4. Receivables from non-exchange transactions (continued)**

| | | |
|---|---|---|
| Net balance | 12 552 490 | 13 059 974 |
| **Fines** | | |
| Gross fines | 10 362 634 | 7 174 071 |
| Impairment | (872 525) | (624 566) |
| | **9 490 109** | **6 549 505** |

**Credit quality of receivables from non-exchange transactions**

The credit quality of receivables from non-exchange transactions that are past due but not impaired have been assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Based on the assessment conducted by the municipality, the quality of these debtors is considered to be satisfactory.

**5. Value Added Tax**

| | | |
|---|---|---|
| VAT | 6 270 980 | 4 151 647 |
| Amounts outstanding from SARS at year end | | 6 919 762 |
| VAT on accrual basis | 4 871 809 | |
| | 1 399 171 | (2 768 115) |
| | **6 270 980** | **4 151 647** |

## Notes to the Annual Financial Statements

| | 2021 | 2020 |
|---|---|---|
| | R | R |
| **6. Receivables from exchange transactions** | | |
| **Gross balances** | | |
| Electricity | 36 714 422 | 18 937 556 |
| Water | 9 938 243 | 9 789 676 |
| Sewerage | 17 782 617 | 16 685 889 |
| Refuse | 8 640 887 | 9 980 775 |
| Sundry debtors | 29 850 331 | 30 896 175 |
| **Less: Allowance for impairment** | **102 926 500** | **86 290 071** |
| Less: Allowance for impairment | | |
| **Net balance** | (45 395 094) | (33 383 770) |
| **Included in above is Sundry receivables from exchange transactions** | | |
| Rental | **57 531 406** | **52 906 301** |
| | 7 404 561 | 7 008 862 |
| Accrued Income | 17 718 025 | 23 613 328 |
| Staff Recovery | 281 744 | 273 985 |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| Land sales | 4 446 000 | - |
| **Net balance** | **29 850 330** | **30 896 175** |

**Sundry Receivable Ageing 2021**

| | | |
|---|---|---|
| | **29 850 330** | **30 896 175** |

| | Rental | Accrued Income | Staff Recovery | Land Sale | Total |
|---|---|---|---|---|---|
| Current (0 -30 days) | 246 976 | 20 130 | 13 688 | - | 280 794 |
| 31 - 60 days | 103 589 | 1 596 | 3 632 | - | 108 817 |
| 61 - 90 days | 101 888 | 26 926 | 3 189 | - | 132 003 |
| 91 - 120 days | 94 654 | 87 380 | 3 177 | - | 185 211 |
| 121 - 365 days | 1 544 053 | 52 297 | 21 048 | - | 1 617 398 |
| > 365 days | 5 313 401 | 17 529 696 | 237 010 | 4 446 000 | 27 526 107 |
| **Sundry Receivable Ageing 2020** | **7 404 561** | **17 718 025** | **281 744** | **4 446 000** | **29 850 330** |

| | Rental | Accrued Income | Staff Recovery | Land Sale | Total |
|---|---|---|---|---|---|
| Current (0 -30 days) | 1 240 461 | 1 839 | 95 954 | - | 1 338 254 |
| 31 - 60 days | 106 187 | 1 202 | 8 695 | - | 116 084 |
| 61 - 90 days | 102 714 | 1 195 | 3 662 | - | 107 571 |
| 91 - 120 days | 102 794 | 1 208 | 3 320 | - | 107 322 |
| 121 - 365 days | 525 391 | 3 122 303 | 5 654 | - | 3 653 348 |

| | | | | | |
|---|---|---|---|---|---|
| > 365 days | 4 931 315 | 20 485 581 | 156 700 | - | 25 573 596 |
| | **7 008 862** | **23 613 328** | **273 985** | **-** | **30 896 175** |

| | **2021** | **2020** |
|---|---|---|
| | **R** | **R** |
| **6. Receivables from exchange transactions (continued)** | | |
| **Electricity** | | |
| Current (0 -30 days) | 5 336 488 | 5 254 771 |
| 31 - 60 days | 1 851 801 | 1 225 752 |
| 61 - 90 days | 1 470 246 | 1 287 763 |
| 91 - 120 days | 1 277 885 | 1 160 233 |
| 121 - 365 days | 10 755 993 | 7 741 639 |
| > 365 days | 16 022 009 | 2 267 389 |
| **Water** | **36 714 422** | **18 937 547** |
| Current (0 -30 days) | 1 890 499 | 2 229 073 |
| 31 - 60 days | 845 849 | 881 732 |
| 61 - 90 days | 682 849 | 720 577 |

| | | |
|---|---|---|
| 91 - 120 days | 650 282 | 537 429 |
| 121 - 365 days | 2 874 622 | 2 903 774 |
| > 365 days | 2 994 142 | 2 517 091 |
| | **9 938 243** | **9 789 676** |
| **Sewerage** | | |
| Current (0 -30 days) | 1 213 111 | 1 410 146 |
| 31 - 60 days | 751 601 | 883 960 |
| 61 - 90 days | 685 247 | 826 057 |
| 91 - 120 days | 670 715 | 773 056 |
| 121 - 365 days | 3 688 502 | 4 846 606 |
| > 365 days | 10 773 441 | 7 946 064 |
| | **17 782 617** | **16 685 889** |
| **Refuse** | | |
| Current (0 -30 days) | 699 750 | 967 250 |
| 31 - 60 days | 438 872 | 537 647 |
| 61 - 90 days | 390 366 | 474 494 |
| 91 - 120 days | 408 307 | 440 112 |
| 121 - 365 days | 2 083 044 | 2 648 941 |
| > 365 days | 4 620 548 | 4 912 331 |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| **Sundry debtors** | | |
| Current (0 -30 days) | **8 640 887** | **9 980 775** |
| | 1 312 685 | 1 338 636 |
| 31 - 60 days | 62 899 | 116 461 |
| 61 - 90 days | 8 770 | 107 940 |
| 91 - 120 days | 185 211 | 107 690 |
| 121 - 365 days | 1 210 351 | 3 656 154 |
| > 365 days | 26 903 792 | 25 569 294 |
| | **29 683 708** | **30 896 175** |
| **Reconciliation of allowance for impairment** | | |
| Balance at beginning of the year | (33 383 770) | (27 525 619) |
| Contributions to allowance | (12 011 324) | (5 858 151) |
| | **(45 395 094)** | **(33 383 770)** |

**6. Receivables from exchange transactions (continued)**

**Credit quality of consumer debtors**

The credit quality of receivables from exchange transactions that are past due but not impaired have been assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Based on the assessment conducted by the municipality, the quality of these debtors is considered to be satisfactory.

**7. Cash and cash equivalents**

Cash and cash equivalents consist of:

| | | |
|---|---|---|
| Cash on hand | 3 400 | 33 030 |

| | | |
|---|---|---|
| Other cash and cash equivalents | 90 462 740 | 59 237 057 |
| | **90 466 140** | **59 270 087** |

The entity had ~~the following bank accounts~~

| Account number / description | Bank statement balances | | | Cash book balances | | |
|---|---|---|---|---|---|---|
| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2021 | 30 June 2020 | 30 June 2019 |
| FNB CHEQUE ACC - 62649722883 | 18 567 378 | 1 068 873 | 259 466 | 18 557 833 | 1 068 273 | 259 466 |
| FNB CHEQUE ACC - 62652542632 | 170 602 | (11 911) | 161 | 234 947 | 84 744 | 161 |
| FNB 7 DAY CALL ACC - 74690806392 | 60 225 856 | 40 035 293 | 156 699 | 60 225 857 | 40 035 293 | 156 699 |
| FNB CALL ACCOUNT- 62671219048 | 11 444 103 | 18 048 747 | 128 681 | 11 444 103 | 18 048 747 | 128 681 |
| **Total** | **90 407 939** | **59 141 002** | **545 007** | **90 462 740** | **59 237 057** | **545 007** |

## 8. Investment property

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| Investment property | Cost / Valuation | | Carrying value | Cost / Valuation | | Carrying value |
| **Reconciliation of investment property - 2021** | 18 229 634 | - | 18 229 634 | 18 229 634 | - | 18 229 634 |

| | Opening balance | Total |
|---|---|---|
| Investment property | 18 229 634 | 18 229 634 |

**Reconciliation of investment property - 2020**

## Notes to the Annual Financial Statements

| | Opening | Additions | Disposals | Fair value | Total balance adjustments | |
|---|---|---|---|---|---|---|
| Investment property | 28 100 000 | 9 289 634 | (19 296 000) | 136 000 | 18 229 634 | |

A register containing the information required by Section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

8. **Investment property (continued)**

**Details of valuation**

Investment property is reviewed by a professional valuer once every 4 years in line with the statutory requirements of the Municipal Property Rates Act (Chapter 6 of 2004).The last external valuation was done by an independent professional valuer on 1 July 2018. The valuation which conforms to international valuation standards is arrived at by reference to market evidence of transaction prices for similar properties.

The revaluation of investment property was performed by TT Property Consultants (BENJAMIN NARE MAKGAKGA PROFESSIONAL ASSOCIATED VALUER -Pr.No.6996/0).

9. **Property, plant and equipment**

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | ırrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | ırrying ılue |
| Land | 12 918 100 | - | 12 918 100 | 12 918 100 | - | 12 918 100 |
| Buildings | 218 382 404 | (87 377 753) | 131 004 651 | 217 025 937 | (86 273 981) | 130 751 956 |
| Plant and machinery | 4 049 685 | (2 761 453) | 1 288 232 | 4 054 959 | (2 610 150) | 1 444 809 |
| Furniture and fixtures | 9 233 730 | (6 886 222) | 2 347 508 | 10 033 548 | (7 461 011) | 2 572 537 |
| Motor vehicles | 17 237 745 | (9 479 235) | 7 758 510 | 24 624 963 | (18 731 894) | 5 893 069 |
| Office equipment | 7 596 177 | (5 261 504) | 2 334 673 | 8 615 595 | (4 940 787) | 3 674 808 |
| Infrastructure | 2 211 389 390 | (783 225 856) | 1 428 163 534 | 2 067 424 371 | (732 323 449) | 1 335 100 922 |
| **Total** | **2 480 807 231** | **(894 992 023)** | **1 585 815 208** | **2 344 697 473** | **(852 341 272)** | **1 492 356 201** |

**9. Property, plant and equipment (continued)**

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

| | Opening balance | Additions | Disposals | Transfers | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|---|
| Land | 12 918 100 | - | - | - | - | - | 12 918 100 |
| Buildings | 130 751 956 | 17 296 161 | (11 968 461) | - | (4 950 696) | (124 309) | 131 004 651 |
| Plant and machinery | 1 444 809 | 169 286 | (39 441) | - | (281 758) | (4 664) | 1 288 232 |
| Furniture and fixtures | 2 572 537 | 688 709 | (119 330) | - | (789 755) | (4 653) | 2 347 508 |
| Motor vehicles | 5 893 069 | 3 475 819 | - | - | (1 610 378) | - | 7 758 510 |
| Office equipment | 3 674 808 | 136 867 | (76 860) | - | (1 394 724) | (5 418) | 2 334 673 |
| Infrastructure | 1 335 100 922 | 155 650 747 | (6 205 796) | - | (47 673 597) | (8 708 742) | 1 428 163 534 |
| **Reconciliation of property, plant and equipment - 2020** | **1 492 356 201** | **177 417 589** | **(18 409 888)** | **-** | **(56 700 908)** | **(8 847 786)** | **1 585 815 208** |

| | Opening balance | Additions | Disposals | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|
| Land | 19 962 100 | - | (7 044 000) | - | - | 12 918 100 |
| Buildings | 129 384 037 | 7 881 287 | (1 594 233) | (4 919 135) | - | 130 751 956 |
| Plant and machinery | 1 340 228 | 378 109 | (3 614) | (265 382) | (4 532) | 1 444 809 |
| Furniture and fixtures | 2 291 429 | 943 584 | (24 624) | (701 808) | 63 956 | 2 572 537 |
| Motor vehicles | 6 770 545 | 3 621 395 | (339) | (4 502 811) | 4 279 | 5 893 069 |
| Office equipment | 2 336 324 | 2 840 845 | (91 263) | (1 411 722) | 624 | 3 674 808 |
| Infrastructure | 1 221 010 754 | 170 081 699 | (4 644 185) | (51 347 346) | - | 1 335 100 922 |
| | **1 383 095 417** | **185 746 919** | **(13 402 258)** | **(63 148 204)** | **64 327** | **1 492 356 201** |

**Assets subject to finance lease (Net carrying amount)**

| | | |
|---|---|---|
| Furniture and fixtures | 2 228 639 | 2 981 968 |

| | | |
|---|---|---|
| Office Equipment | 2 701 836 | 1 484 098 |
| Motor vehicles | - | 4 063 810 |
| | | **8 529 876** |

| | 2021 | 2020 |
|---|---|---|
| | R | R |
| **9. Property, plant and equipment (continued)** | | |
| **Additions Reconciliation** | | |
| **Property, plant and equipment additions on is split into the following;** | | |
| Property plant and equipment procured through cash received by the Municipality | 139 445 022 | 134 689 194 |
| Property plant and equipment procured through mining donations | 37 972 567 | 49 583 813 |
| **Property, plant and equipment in the process of being constructed or developed** | **177 417 589** | **184 273 007** |
| **Cumulative expenditure recognised in the carrying value of property, plant and equipment** | | |
| Infrastructure | 124 574 967 | 244 264 570 |
| Community | 12 759 973 | 8 360 317 |
| | **137 334 940** | **252 624 887** |
| **Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected** | | |
| RBIG | - | 114 509 355 |
| Delay due to delivery of material which were damaged and signing of the happy letters due to unavailability of some of the beneficiaries, Miscalculation by Consultant in including their fees on the Construction as a result number of units increased from 380- 496 | | |
| | **-** | **114 509 355** |
| **Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous** | **Included within** | |
| | **Infrastructure** | |

## Notes to the Annual Financial Statements

**reporting period(s)**

| | | | |
|---|---|---|---|
| | - | | - |
| **Reconciliation of Work-in-Progress 2021** | | **Included within Community** | **Total** |
| Opening balance | 244 264 570 | 8 360 317 | 252 624 887 |
| Additions/capital expenditure | 161 437 778 | 11 509 130 | 172 946 908 |
| Transferred to completed items | | - | (104 056 848) |
| **Reconciliation of Work-in-Progress 2020** | (104 056 848) **301 645 500** | **19 869 447** | **321 514 947** |

| | **Included within Infrastructure** | **Included within Community** | **Total** |
|---|---|---|---|
| Opening balance | 96 131 576 | 9 954 550 | 106 086 126 |
| Additions/capital expenditure | 175 453 698 | 915 055 | 176 368 753 |
| Transferred to completed items | (21 948 705) | (7 881 287) | (29 829 992) |
| | **249 636 569** | **2 988 318** | **252 624 887** |

| | **2021** | **2020** |
|---|---|---|
| | **R** | **R** |

## Notes to the Annual Financial Statements

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

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

| | | |
|---|---|---|
| **Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance** Buildings | 165 702 | 171 075 |
| Plant and Equipment | 4 990 998 | 87 256 |
| Motor Vehicles | - | 958 745 |
| Office Equipment | - | 452 325 |
| Infrastructure | - | 1 325 458 |
| | **5 156 700** | **2 994 859** |

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipalty.

## Notes to the Annual Financial Statements

| | 2021 | 2020 |
|---|---|---|
| | R | R |

### 10. Intangible assets

**Reconciliation of intangible assets - 2021**

| | Opening balance | Additions | Disposals | Amortisation | Total |
|---|---|---|---|---|---|
| Computer software | 284 613 | 832 760 | - | (395 361) | 722 012 |

**Reconciliation of intangible assets - 2020**

| | Opening balance | Additions | Disposals | Amortisation | Total |
|---|---|---|---|---|---|
| Computer software | 245 925 | 244 717 | (26 281) | (179 748) | 284 613 |

## Notes to the Annual Financial Statements

Computer software

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| | 1 634 574 | (912 562) | 722 012 | 1 156 244 | (871 631) | 284 613 |

### 11. Heritage assets

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| Mayoral chain | Cost / Valuation | Accumulated impairment losses | Carrying value | Cost / Valuation | Accumulated impairment losses | Carrying value |
| The Eye | 5 462 | - | 5 462 | 5 462 | - | 5 462 |
| **Total** | 1 650 180 | - | 1 650 180 | 1 650 180 | - | 1 650 180 |
| **Reconciliation of heritage assets 2021** | **1 655 642** | **-** | **1 655 642** | **1 655 642** | **-** | **1 655 642** |

| | Opening balance | Total |
|---|---|---|
| Mayoral chain | 5 462 | 5 462 |
| The Eye | 1 650 180 | 1 650 180 |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| | **1 655 642** | **1 655 642** |

**Reconciliation of heritage assets 2020**

| | Opening balance | Total |
|---|---|---|
| Mayoral chain | 5 462 | 5 462 |
| The Eye | 1 650 180 | 1 650 180 |
| | **1 655 642** | **1 655 642** |

| | | |
|---|---|---|
| **12. Other financial liabilities** | 10 537 642 | 12 641 287 |
| **At amortised cost** | | |
| DBSA Bank loan | | |
| The Borrower shall cede to the DBSA, security in the form of a cession over its income stream, covering the installments outstanding, plus interest and collection charges outstanding, at any time during the term of the loan | | |
| The borrower hereby agrees to create and deposit at a recognised commercial bank, an amount equal to two installments over a period of one year of the respective loan period. This amount is to be ceded to the DBSA as security for the loan | 8 355 780 | 10 537 615 |
| **Non-current liabilities** | | |
| At amortised cost | | |
| **Current liabilities** | | |
| At amortised cost | 2 181 862 | 2 103 672 |

As at 30 June 2021, the Municipality had the following concessionary loans from DBSA:

| **Contract number** | Loan number | Start date | Planned end date | Loan term (Years) | Loan Amount | Nominal Value June 2021 | Interest rate per annum |
|---|---|---|---|---|---|---|---|
| 61000632 | 102568/2 | 2007/11/19 | 2027/12/31 | 20 | 3 512 071 | 1 574 386 | 5,00 % |
| 61000505 | 102274/2 | 2006/03/01 | 2026/02/28 | 20 | 12 109 500 | 5 076 336 | 8,46 % |
| 61000357 | 101738/2 | 2005/03/24 | 2025/06/30 | 20 | 7 183 596 | 2 605 133 | 9,34 % |
| 61003307 | 13891/201 | 2001/12/20 | 2023/06/30 | 20 | 3 849 273 | 96 232 | 10,75 % |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 61000038 | 100234/1 | 2003/08/07 | 2024/12/31 | 20 | 4 341 243 | 1 185 553 | 11,50 % |

Contract number: 102568/2

- Grace period: 3.25 year

Contract number: 102274/2

- Grace period: 4 years

Contract number: 101738/2

- Grace period: 5 years

Contract number: 13891/201

Grace period: 8.5 years

Contact number: 100234/1

- Grace period: 6.5 years

**Maturity analysis**

| At 30 June 2021 | Less than 1 year | Between 1 years and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| DBSA Bank loan | 2 181 862 | 8 091 444 | 264 335 | - |

| At 30 June 2020 | Less than 1 year | Between 1 years and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| DBSA Bank loan | 2 103 672 | 2 181 861 | 8 355 752 | - |

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.



**12. Other financial liabilities (continued)**

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

**13. Finance lease obligation**

| **Minimum lease payments due** | | |
|---|---|---|
| - within one year | 1 078 380 | 2 925 896 |
| - in second to fifth year inclusive | 770 650 | 1 849 |

## Notes to the Annual Financial Statements

| | | 030 |
|---|---|---|
| | 1 849 030 | 4 774 926 |
| less: future finance charges | (444 712) | (1 167 621) |
| **Present value of minimum lease payments** | **1 404 318** | **3 607 305** |
| **Present value of minimum lease payments due** - within one year | 739 380 | 2 202 988 |
| - in second to fifth year inclusive | 664 938 | 1 404 317 |
| Non-current liabilities | **1 404 318** | **3 607 305** |
| | 664 938 | 1 404 317 |
| Current liabilities | 739 380 | 2 202 988 |
| | **1 404 318** | **3 607 305** |

It is entity policy to lease certain equipment under finance leases.

Leases relating to motor vehicles expired in August 2020. Finance leases existing as at 30 June relates to photocopiers.

The average lease term was 2-5 years and the average effective borrowing rate was 7% (2020: 7%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 9.

### 14. Payables from exchange transactions

| | | |
|---|---|---|
| Trade payables | 17 328 160 | 19 005 827 |
| Accruals | 1 506 583 | 455 393 |

| | | |
|---|---|---|
| Unallocated deposits | 1 892 301 | 752 769 |
| Retention monies | 15 405 571 | 14 293 544 |
| Sale of stands - (pending transfer) | 6 945 617 | 7 309 587 |
| Sundry payables | 222 835 | 134 178 |
| Debtors with credit balances | 7 554 124 | 4 185 284 |
| Employee costs accrual | 532 298 | 180 800 |
| Group life Insurance | 4 902 164 | 4 058 498 |
| Leave pay | 9 870 134 | 7 207 485 |
| | **70 064 798** | **60 597 085** |
| | 4 790 877 | 4 073 242 |
| | 519 378 | 741 519 |
| | **5 310 255** | **4 814 761** |
| Bonus | 3 905 011 | 3 013 720 |

**15. Consumer deposits**

Service accounts

Housing rental

Consumer deposits represent amounts received in advance and held as surety for service accounts and other services.

| | **2021** | **2020** |
|---|---|---|

## Notes to the Annual Financial Statements

| | R | R |
|---|---|---|
| **16. Employee benefit obligations** | | |
| **The amounts recognised in the statement of financial position are as follows:** | | |
| **Carrying value** | | |
| Present value of the defined benefit obligation-wholly unfunded | (28 407 000) | (23 763 000) |
| Present value of the defined benefit obligation wholly unfunded | (7 176 000) | (6 031 000) |
| Non-current liabilities | **(35 583 000)** | **(29 794 000)** |
| | (34 131 000) | (28 111 000) |
| Current liabilities | (1 452 000) | (1 683 000) |
| | **(35 583 000)** | **(29 794 000)** |

The Municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the medical aid fund, with which the municipality is associated, a member is entitled to continued as a member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-employment benefits are provided to these employees.

The most recent actuarial valuation of plan assets and the present value of the defined obligation were carried out at 30 June 2021 by Mr. C Weiss. Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**Long service award**

The members of the long service award are made up as follows:

| | | |
|---|---|---|
| Eligible employees at the beginning of the financial year | 316 | 307 |
| New Entries | 35 | 32 |
| Exits | (6) | (23) |
| | **345** | **316** |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| **Movements in the present value of the defined benefit obligations were as follows:** | | |
| Opening balance | 6 031 000 | 5 550 717 |
| Total annual expenditure | 610 000 | 719 463 |
| Acturial loss/(gains) | 535 000 | (239 180) |
| **The amounts recognised in the Statement of Financial Performance are as follows:** | **7 176 000** | **6 031 000** |
| Current service cost | 717 000 | 691 632 |
| Interest cost | 431 000 | 439 162 |
| Actuarial (gains) losses | 535 000 | (239 180) |
| Expected vesting of benefits | (538 000) | (411 331) |
| | **1 145 000** | **480 283** |
| **Movements in the present value of the defined benefit obligation were as follows:** | | |
| Assumptions used at the reporting date: | | |
| Discount rate | 9,35% | 7,48 % |
| General earnings inflation rate | 5,81 % | 4,07 % |
| Net Discount | 3,35 % | 3,28 % |
| Average retirement age | 62 | 62 |
| Pre-retirement mortality | SA85-90 | SA85-90 |

## Notes to the Annual Financial Statements

**16. Employee benefit obligations (continued)**

The basis used to determine the overall expected rate of return on assets is as follows:

A discount rate of 9.35% per annum has been used. This yield was obtained by calculating the duration of the liability and then taking the yield from the yield index-linked yield is 3.85%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2021. The duration of the total liability was estimated to be 9.75 years curve at that duration using an iterative process (because the yield depends on the duration, which in turn depends on the liability). The corresponding liability-weighted index-linked yield is 3.85%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2021. The duration of the total liability was estimated to be 9.75 years.

**Sensitivity analysis**

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

| Assumption | Change | Liability | % Change |
|---|---|---|---|
| Central assumptions | | 7 176 000 | |
| General earnings inflation rate | +1% | 7 629 000 | 6% |
| | -1% | 6 765 000 | -6% |
| Discount rate | +1% | 6 754 000 | -6% |
| | -1% | 7 648 000 | 7% |
| Average retirement age | +2% | 7 667 000 | -7% |
| | -2% | 6 516 000 | -9% |
| Withdrawal rates | x2 | 5 621 | 22% |
| | 000 x0.5 | | |
| | 8 247 000 | | 15% |

**Sensitivity Analysis on Current-Service and Interest Costs for year ending 30/06/2022**

| Assumption | Change | Current-Svc. Cost | Interest Cost | Total | % Change |
|---|---|---|---|---|---|
| **Central assumptions** | | 894,000 | 654,000 | 1,548,000 | |
| **General earnings** | +1% | 963,000 | 696,000 | 1,659,000 | 7% |
| **inflation rate** | -1% | 833,000 | 615,000 | 1,448,000 | -6% |

| | | | | | |
|---|---|---|---|---|---|
| **Discount rate** | +1% | 840,000 | 680,000 | 1,520,000 | -2% |
| | -1% | 956,000 | 623,000 | 1,579,000 | 2% |
| **Average retirement age** | +2 yrs | 945,000 | 699,000 | 1,644,000 | 6% |
| | -2 yrs | 821,000 | 593,000 | 1,414,000 | -9% |
| **Withdrawal rates** | x2 | 653,000 | 508,000 | 1,161,000 | -25% |
| | x0.5 | 1,069,000 | 754,000 | 1,823,000 | 18% |

**Sensitivity Analysis on Current-Service and Interest Costs for year ending 30/06/2021**

| Assumption | Change | Current-Svc. Cost | Interest Cost | Total | % Change |
|---|---|---|---|---|---|
| **16. Employee benefit obligations (continued)** | | | | | |
| **Central assumptions** | | 717,000 | 431,000 | 1,148,000 | |
| **General earnings** | +1% | 774,000 | 462,000 | 1,236,000 | 8% |
| **inflation rate** | -1% | 667,000 | 404,000 | 1,071,000 | -7% |
| **Discount rate** | +1% | 671,000 | 457,000 | 1,128,000 | -2% |
| | -1% | 769,000 | 401,000 | 1,170,000 | 2% |
| **Average retirement age** | +2 yrs | 760,000 | 463,000 | 1,223,000 | 7% |
| | -2 yrs | 659,000 | 391,000 | 1,050,000 | -9% |
| **Withdrawal rates** | x2 | 516,000 | 329,000 | 845,000 | -26% |

| | | | | |
|---|---|---|---|---|
| x0.5 | 862,000 | 503,000 | 1,365,000 | 19% |

The history of experienced adjustments is as follows:

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| | R | R | R | R | R |
| Defined benefit obligation | 7 176 000 | 6 031 000 | 5 550 717 | 4 862 913 | 4 353 215 |
| Surplus (deficit) | (7 176 000) | (6 031 000) | (5 550 717) | (4 862 913) | (4 353 215) |
| Experience adjustments on plan liabilities | 621 000 | 55 820 | 300 806 | 193 943 | 76 211 |

**Impact of COVID 19**

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this stage. There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effect treatments and/or vaccines will have.

The sensitivities in Table 7.1 (and 7.3) above may be used to understand the potential impacts on the liability (and expenses) of, for example, an increase in the expected general earnings inflation rate, or an increase in the discount rate, or an increase in the withdrawal rates.

Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

**Post employment medical aid subsidy**

The members of the post-employment health care benefit plan are made up as follows:

| | | |
|---|---|---|
| In-Service (employee) members | 225 | 190 |
| In-service (employee) non-members | 120 | 126 |
| Continuation (retiree and widow) members | 24 | 26 |
| | **369** | **342** |

| | | |
|---|---|---|
| **Movements in the present value of the defined benefit obligations were as follows:** | | |
| Opening balance | 23 763 000 | 23 746 202 |
| Contributions by plan participants | 4 644 000 | 16 798 |
| | **28 407 000** | **23 763 000** |
| **The amounts recognised in the Statement of Financial Performance are as follows:** | | |

| | 2021 | 2020 |
|---|---|---|
| | R | R |
| **16. Employee benefit obligations (continued)** | | |
| Current service cost | 1 324 000 | 1 478 611 |
| Interest cost | 2 397 000 | 2 494 640 |
| Actuarial (gains) losses | 2 068 000 | (6 313 311) |
| Settlement | (1 145 000) | (1 129 912) |
| | **4 644 000** | **(3 469 972)** |
| **Movements in the present value of the defined benefit obligation were as follows:** | | |
| Assumptions used at the reporting date: | | |
| Discount rates used | 10,09 % | 10,33 % |
| Health care cost inflation rate | 6,81 % | 6,40 % |
| Net-of-health-care-cost-inflation discount rate | 3,07 % | 3,69 % |
| Maximum subsidy inflation rate | 4,73 % | 4,43 % |
| Net-of-maximum-subsidy-inflation discount rate | 5,12 % | 5,65 % |
| Average retirement age | 62 | 62 |

| | | |
|---|---|---|
| Mortality during employment | SA 85-90 | SA 85-90 |
| Proportion with a spouse dependant at retirement | 60,00 % | 60,00 % |
| Continuation of membership at retirement | 75,00 % | 75,00 % |
| Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy at retirement | 15,00 % | 15,00 % |
| | - | - |

The basis used to determine the overall expected rate of return on assets is as follows:

A discount rate of 10.09% per annum has been used. The corresponding index-linked yield at this term is 4.06%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2021.

These rates were calculated by using a liability-weighted average of the yields for the three components of the liability. Each component's fixed-interest and index-linked yields were taken from the respective bond yield curves at that component's duration, using an iterative process (because the yields depend on the liability, which in turn depends on the yields).

**Health Care Cost Inflation Rate:**

This assumption is required to reflect estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs (for example, due to technological advances or changes in utilization patterns). Any assumption regarding future medical scheme contribution increases is therefore subjective.

A health care cost inflation rate of 6.81% has been assumed. This is 1.50% in excess of expected CPI inflation over the expected term of the liability, namely 5.31%. A larger differential would be unsustainable, eventually forcing members to less expensive options. This implies a net discount rate of 3.07% which derives from ((1+10.09%)/(1+6.81%))-1.

The expected inflation assumption of 5.31% was obtained from the differential between market yields on index-linked bonds consistent with the estimated term of the liabilities (4.06%) and those of fixed interest bonds (10.09%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). This was therefore determined as follows: ((1+10.09%-0.50%)/(1+4.06%))-1.

The next contribution increase was assumed to occur with effect from 1 January 2022.

**Sensitivity analysis**

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

**Sensitivity Analysis on the Accrued Liability (R Millions)**

16. Employee benefit obligations (continued)

| Assumption | Change | Eligible Employees | Continuation Members | Total | % Change |
|---|---|---|---|---|---|
| Central assumptions | | 16.562 | 11.845 | 28.407 | |
| Health care inflation rate | +1% | 18.148 | 12.315 | 30.463 | 7% |
| | -1% | 14.476 | 11.258 | 25.734 | -9% |
| Discount rate | +1% | 13.840 | 10.931 | 24.771 | -13% |
| | -1% | 20.071 | 12.909 | 32.980 | 16% |
| Post-employment | +1 yr | 16.161 | 11.464 | 27.625 | -3% |
| mortality | -1 yr | 16.954 | 12.225 | 29.179 | 3% |
| Average retirement age | -1 yr | 18.313 | 11.845 | 30.158 | 6% |
| Membership continuation | -10% | 14.489 | 11.845 | 26.334 | -7% |

Sensitivity Analysis on Current-Service and Interest Costs for year ending 30/06/2021

| Assumption | Change | Current-Svc. Cost | Interest Cost | Total | % Change |
|---|---|---|---|---|---|
| Central assumptions | | 1,324,000 | 2,397,000 | 3,721,000 | |
| Health care inflation rate | +1% | 1,477,000 | 2,591,000 | 4,068,000 | 9% |
| | -1% | 1,133,000 | 2,160,000 | 3,293,000 | -12% |
| Discount rate | +1% | 1,109,000 | 2,306,000 | 3,415,000 | -8% |
| | -1% | 1,604,000 | 2,496,000 | 4,100,000 | 10% |

| | | | | | |
|---|---|---|---|---|---|
| **Post-employment mort.** | -1 yr | 1,355,000 | 2,462,000 | 3,817,000 | 3% |
| **Average retirement age** | -1 yr | 1,429,000 | 2,536,000 | 3,965,000 | 7% |

**16. Employee benefit obligations (continued)**

| | | | | | |
|---|---|---|---|---|---|
| **Membership continuation** | -10% | 1,077,000 | 2,135,000 | 3,212,000 | -14% |

**Sensitivity Analysis on Current-Service and Interest Costs for year ending 30/06/2022**

| **Assumption** | **Change** | **Current-Svc. Cost** | **Interest Cost** | **Total** | **% Change** |
|---|---|---|---|---|---|
| **Central assumptions** | | 1,705,000 | 2,814,000 | 4,519,000 | |
| **Health care inflation rate** | +1% | 1,875,000 | 3,021,000 | 4,896,000 | 8% |
| | -1% | 1,473,000 | 2,544,000 | 4,017,000 | -11% |
| **Discount rate** | +1% | 1,412,000 | 2,689,000 | 4,101,000 | -9% |
| | -1% | 2,085,000 | 2,950,000 | 5,035,000 | 11% |
| **Post-employment** | +1 yr | 1,665,000 | 2,735,000 | 4,400,000 | -3% |
| **mortality** | -1 yr | 1,745,000 | 2,891,000 | 4,636,000 | 3% |
| **Average retirement age** | -1 yr | 1,917,000 | 2,990,000 | 4,907,000 | 9% |
| **Membership continuation** | -10% | 1,494,000 | 2,604,000 | 4,098,000 | -9% |

The history of experienced adjustments is as follows:

| | 2021 | 2020 | 2019 | | 2017 |
|---|---|---|---|---|---|
| | R | R | R | | R |
| Defined benefit obligation | 28 407 000 | 23 763 000 | 27 233 | 00 | 20 471 000 |
| Surplus (deficit) | (28 407 000) | (23 763 000) | (27 233 00 | 00) | (20 471 000) |
| Experience adjustments on plan liabilities | 28 400 | 1 188 000 | 679 | 00 | 418 000 |

**Impact of COVID-19**

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liabi There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effe d/or vaccines will have.

The sensitivities in Table 7.1 (and 7.3) above may be used to understand the potential impact (and expenses) of, for example, an increase in the expected health care cost inflation rate, or an increase in th or a reduction in expected longevity ("+1 yr" in the tables).

Once any long-term impacts of COVID-19 on the various valuation parameters becomes more riate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of a e being different to the current long-term assumptions will contribute to actuarial gain/loss items.

**17. Unspent conditional grants and receipts**

**Unspent conditional grants and receipts comprises of:**

**Unspent conditional grants and receipts**

| | | |
|---|---|---|
| Municipal Infrastructure Grant | | 3 841 664 |
| Finance Management Grant | | - |
| EPWP Grant | | 168 058 |

| | | |
|---|---|---|
| INEP Grant | 190 769 | 726 181 |
| Covid-19 Additional Equitable Share | 20 015 869 | - |
| Water Services Infrastructure Grant | - | 30 896 673 |

| | | |
|---|---|---|
| **18. Provisions** | **31 595 764** | **35 632 576** |

**Reconciliation of provisions - 2021**

| Provision for rehabilitation of landfill sites | Opening Balance | Change in discount factor | Total |
|---|---|---|---|
| | 18 808 913 | 5 364 873 | 24 173 786 |

**Reconciliation of provisions - 2020**

| Provision for rehabilitation of landfill sites | Opening Balance | Reversed during the year | Total |
|---|---|---|---|
| | 18 846 803 | (37 890) | 18 808 913 |

The municipality has an obligation to rehabilitate the landfill sites of Ga Segonyana.

The environmental rehabilitation provision represents the estimated costs to rehabilitate and close existing waste landfill sites. The provision is recognised at the present value of the expenditure expected to settle the obligation.

The valuation of the landfill site provision was done by EMS Advisory (Pty) Ltd, a company which specialises in infrastructure maintenance and environmental consultancy services to municipalities and the professional valuator on the project was Aiden Bowers PrEng, with extensive experience and expertise relevant for this type of work.

The future value of the rehabilitation of landfill sites obligation was calculated by inflating the non-current cost to an estimated future cost which is then discounted to present value. Interest rate used is 8.30%.

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

Because of the time value of money, provisions relating to cash outflows that arise soon after the reporting date are more onerous than those where cash outflows of the same amount arise later. Provisions are therefore discounted, where the effect is materialsettle the obligation.

**18. Provisions (continued)**

The discount rate (or rates) shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. The discount rate(s) shall not reflect risks for which future cash flow estimates have been adjusted.

**18. Provisions (continued)**

**Key assumptions**

| | |
|---|---|
| Total Site Area | 61 826 $m^2$ |
| Area of waste body to be rehabilitated in future (waste footprint) (m2) | 46 055 $m^2$ |
| Estimated site closure date | 2028 |
| Assumed site start date | 1994 |
| Assumed total site life | 36 years |
| Remaining site life (as at 01 July 2018) (years) | approximately 8 years |
| Estimated annual airspace consumption (m3) | 6861 |
| Estimated total airspace (m3) | 186 420 |
| The applicable discount rate (which is the rate specifically associated with the risk of the cash flow being discounted) relevant cash flows in 2018 | 9,36% (based on Government Bond yield rate of 9.26% and an Adjustment for risk of 1.25%) |
| Estimated airspace remaining (m3) | 59 055 |
| Airspace consumed to date | 68 % |

**19. Revenue**

| | | |
|---|---|---|
| Sale of stands | 7 209 208 | 2 378 515 |
| Service charges | 158 153 269 | 157 669 317 |
| Rental of facilities | 2 012 071 | 2 351 079 |
| Interest received on outstanding receivables | 3 848 481 | 4 837 950 |
| Licences and permits | 3 351 478 | 3 244 356 |
| Other revenue | 4 566 061 | 3 873 512 |

| | | |
|---|---|---|
| Interest investment | 3 864 834 | 3 707 754 |
| Property rates | 49 763 478 | 45 094 777 |
| Interest on outstanding receivable | 1 667 363 | 3 145 398 |
| Government grants & subsidies | 389 557 952 | 385 548 478 |
| Fines, penalties and forfeits | 3 417 910 | 4 845 325 |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| | **627 412 105** | **616 696 461** |
| **The amount included in revenue arising from exchanges of goods [illegible] as follows:** | | |
| Sale of stands | | |
| Service charges | 7 209 208 | 2 378 515 |
| Rental of facilities | 158 153 269 | 157 669 317 |
| Interest on outstanding receivables | 2 012 071 | 2 351 079 |
| Licences and permits | 3 848 481 | 4 837 950 |
| Other revenue | 3 351 478 | 3 244 356 |
| Interest on investments | 4 566 061 | 3 873 512 |
| **The amount included in revenue arising from non-exchange transactions [illegible]ollows:** | | |
| **Taxation revenue** | 3 864 834 | 3 707 754 |
| Property rates | **183 005 402** | **178 062 483** |
| Interest on outstanding receivables | | |
| **Transfer revenue** | | |
| Government grants & subsidies | 49 763 478 | 45 094 777 |
| Fines, Penalties and Forfeits | 1 667 363 | 3 145 398 |
| | 389 557 952 | 385 548 478 |
| | 3 417 910 | 4 845 325 |
| | **444 406 703** | **438 633 978** |

## Notes to the Annual Financial Statements

| | 2021 | 2020 |
|---|---|---|
| | R | R |
| **20. Service charges** | | |
| Sewer levied | 13 433 717 | 13 825 960 |
| Sale of electricity | 113 097 210 | 112 020 193 |
| Sale of water | 22 279 146 | 22 880 479 |
| Refuse removal | 9 343 196 | 8 942 685 |
| | **158 153 269** | **157 669 317** |
| **21. Rental of facilities** | | |
| **Premises** | | |
| Premises | 632 912 | 1 861 344 |
| **Facilities and equipment** | | |
| Rental of facilities | 1 379 159 | 489 735 |
| | **2 012 071** | **2 351 079** |
| **22. Fines, Penalties and Forfeits** | | |
| Disconnection fees | 7 494 | 103 457 |
| Illegal Connections Fines | 54 892 | 4 000 |
| Pound Fees Fines | 22 270 | 15 858 |
| Traffic fines | 3 333 254 | 4 722 010 |
| | **3 417 910** | **4 845 325** |
| **23. Interest on outstanding receivables** | | |
| Interest revenue from non exchange transactions | 1 667 363 | 3 145 398 |

| | | |
|---|---|---|
| Interest revenue from exchange transactions | 3 848 481 | 4 837 950 |
| | **5 515 844** | **7 983 348** |

| | 2021 | 2020 |
|---|---|---|
| | R | R |
| **24. Other revenue** | | |
| Administration and handling fees | 44 079 | 12 490 |
| Arbor City Awards Competition | - | 50 000 |
| Breakages and Losses Recovered | 1 066 | 1 040 |
| Collection Charges | 1 944 | 999 |
| Incidental Cash Surpluses | 952 | 2 210 |
| Skills Development Levy Refund | 95 026 | 220 037 |
| Staff Recoveries | 422 310 | 384 968 |
| Insurance Claims | 123 691 | 397 297 |
| Application Fees for Land Usage | 140 189 | 115 420 |
| Building Plan Approval | 770 739 | 636 995 |
| Cemetery and Burial | 113 257 | 36 303 |
| Clearance Certificates | 103 008 | 170 595 |
| Encroachment Fees | 8 050 | 9 419 |
| Entrance Fees | 54 865 | 73 640 |
| Fire Services | - | 8 775 |
| Advertisements | 67 848 | 69 867 |
| Connection/Reconnection | 257 853 | 152 600 |

| | | |
|---|---|---|
| Movement in Employee Benefit obligation | 1 683 000 | 1 541 243 |
| Facilities | 991 | 17 172 |
| Payroll refunds | - | 63 668 |
| Photocopies and Faxes | 16 | 5 620 |
| Publications:Tender Documents | 36 522 | 5 957 |
| Sanitation Charges | - | 36 089 |
| Interest received SARS | - | 37 797 |
| Trading | 21 935 | 8 812 |
| Valuation Services | 20 195 | 14 000 |
| Reversal of impairment | 879 909 | - |
| | **4 847 445** | **4 073 013** |

**25. Investment revenue**

| | | |
|---|---|---|
| **Interest revenue** | | |
| Bank | **3 864 834** | **3 707 754** |

**26. Property rates**

| | | |
|---|---|---|
| **Rates levied** | | |
| Property rates levied | 51 239 557 | 46 470 415 |
| Less: Income foregone | (1 476 079) | (1 375 638) |
| | **49 763 478** | **45 094 777** |

**27. Government grants and subsidies realised**

| | | |
|---|---|---|
| **Operating grants** | | |
| Equitable share | 174 760 000 | 159 726 000 |
| Library Grant | 1 015 969 | 1 621 000 |
| Municipal Disaster Relief Grant | - | 179 000 |

| | 2021 | 2020 |
|---|---|---|
| Finance Management Grant (FMG) | 2 296 188 | 2 680 000 |
| Expanded Public Works Program Grant (EPWP) | 1 460 440 | 1 105 942 |
| Private Mining Companies Grant | - | 25 000 |
| | **179 532 597** | **165 336 942** |
| **Capital grants** | | |
| Municipal Infrastructure Grant (MIG) | 45 747 968 | 49 460 336 |

**Equitable Share**

In terms of section 227 of the Constitution, this grant is used to enable the municipality to provide basic services and perform functions allocated to it. The Equitable Share Grant also provides funding to the municipality to deliver free basic services to poor households and to subsidise costs of administration and other core services of the municipality. The grant is realised in full upon receipt.

**Municipal Infrastructure Grant**

| | | | | |
|---|---|---|---|---|
| Balance unspent at beginning of year | 3 841 664 | Current-year receipts | 52 304 000 | 53 302 000 |
| Conditions met - transferred to revenue | | | (45 747 968) | (49 460 336) |
| | | | ~~10 397 696~~ | ~~3 841 664~~ |

Conditions still to be met - remains a liability and included under Unspent Conditional Grants.

## Notes to the Annual Financial Statements

| | R | R |
|---|---|---|
| **27. Government grants and subsidies realised (continued)** | | |
| Covid-19 Additional Equitable Share | 10 814 131 | - |
| Integrated National Electrification Programme (INEP) | 44 520 412 | 48 022 042 |
| Water Services Infrastructure Grant (WSIG) | 70 970 278 | 79 064 552 |
| Public Contributions | 37 972 566 | 43 664 606 |
| | **210 025 355** | **220 211 536** |
| **Conditional and Unconditional** | | |
| Included in above are the following grants and subsidies received and or spent: | **389 557 952** | **385 548 478** |
| Conditional grants received | | |
| | 165 161 073 | 198 822 478 |
| Unconditional grants received | 209 257 320 | 159 726 000 |
| | **374 418 393** | **358 548 478** |

The grant is mainly used to fund infrastructure related projects (mainly as part of the service delivery). Capitalised projects funded by this grant are included in property, plant and equipment whilst the unspent portion of the grant is included in current liabilities.

**Library Grant**

| | | |
|---|---|---|
| Current-year receipts | - | 1 621 000 |
| Conditions met - transferred to revenue | - | (1 621 000) |
| | - | - |

## Notes to the Annual Financial Statements

The purpose is to fund capital projects and maintenance of library facilities the community.

**Finance Management Grant (FMG)**

| | | |
|---|---|---|
| Current-year receipts | 3 000 000 | 2 680 000 |
| Conditions met - transferred to revenue | (2 296 188) | (2 680 000) |
| The purpose of the grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act. | **703 812** | - |

| | 2021 | 2020 |
|---|---|---|
| | R | R |
| **27. Government grants and subsidies realised (continued)** | | |
| **Expanded Public Works Program (EPWP)** | | |
| Balance unspent at beginning of year | 168 058 | - |
| Current-year receipts | 1 580 000 | 1 274 000 |
| Conditions met - transferred to revenue | (1 460 440) | (1 105 942) |
| | **287 618** | **168 058** |

The purpose of the grant is to incentives municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas, in compliance with EPWP guidelines.

**Integrated National Electrification Programme**

| | | |
|---|---|---|
| Balance unspent at beginning of year | 726 181 | - |
| Opening balance for the overspent - prior year | - | (8 811 777) |
| Current-year receipts | 43 985 000 | 57 560 000 |
| Conditions met - transferred to revenue | (44 520 412) | (48 022 042) |
| | **190 769** | **726 181** |

The purpose of this grant is to provide capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure.

**Covid-19 Additional Equitable Share**

| | | |
|---|---|---|
| Current-year receipts | 30 830 000 | - |
| Conditions met - transferred to revenue | (10 814 131) | - |

| | | |
|---|---|---|
| | **20 015 869** | - |
| **Water Services Infrastructure Grant (WSIG)** | | |
| Balance unspent at beginning of year | 30 896 673 | - |
| Overspent | 73 605 | (38 775) |
| Current-year receipts | 40 000 000 | 110 000 000 |
| Conditions met - transferred to revenue | (70 970 278) | (79 064 552) |
| The purpose of the grant is to facilitate the planning, acceleration and implementation of various projects that will ensure availability of water to the community. | - | **30 896 673** |

| | **2021** | **2020** |
|---|---|---|
| | **R** | **R** |
| **28. Employee related costs** | | |
| Basic | 98 006 752 | 84 058 767 |
| Bonus - 13th Cheque | 6 325 941 | 4 543 570 |
| Medical aid - company contributions | 9 962 632 | 6 875 178 |
| UIF | 675 523 | 649 807 |
| Leave pay | 2 947 065 | 2 577 826 |
| Employee benefit obligations | 1 766 922 | 4 034 607 |
| Defined contribution plans | 13 373 112 | 11 473 653 |
| Travel, motor car, accommodation, subsistence and other allowances | 3 340 575 | 3 619 730 |
| Overtime payments | 4 869 530 | 5 174 580 |
| Long-service awards | 281 475 | 156 950 |
| Acting Allowance | 491 387 | 573 595 |

| | | |
|---|---|---|
| Transport allowance | 447 379 | 233 558 |
| Housing benefits and allowances | 3 931 087 | 3 507 075 |
| Bonus Provision | 1 212 191 | 103 553 |
| Industrial Council Contributions | 40 709 | 36 536 |
| Standby Allowance | 1 041 411 | 876 541 |
| Telephone Allowance | 568 457 | 482 044 |
| Group Insurance | 2 113 003 | 1 951 135 |
| | **151 395 151** | **130 928 705** |
| **Remuneration of Municipal Manager: M Tsatsimpe** | | |
| Annual remuneration | 1 345 498 | 1 246 974 |
| Travel allowance | 181 146 | 177 445 |
| Contributions to UIF | 1 813 | 1 785 |
| Performance bonus | 166 688 | 99 249 |
| Cellphone allowance | 43 176 | 42 294 |
| Other contributions | 97 065 | 108 292 |
| | **1 835 386** | **1 676 039** |

| | **2021** | **2020** |
|---|---|---|
| | **R** | **R** |

**28. Employee related costs (continued)**

| | | |
|---|---|---|
| **Remuneration of the Director: Corporate Support Services - R Pule** | | |
| Annual Remuneration | 954 457 | 946 290 |
| Travel Allowance | 154 200 | 88 550 |
| Performance Bonus | 60 501 | 18 877 |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| Contributions UIF | 1 813 | 1 785 |
| Cellphone allowance | 30 840 | 30 210 |
| Other Contributions | 70 527 | 80 551 |
| | **1 272 338** | **1 166 263** |
| **Remuneration of Chief Financial Officer : Kagiso Noke** | | |
| Annual remuneration | 1 048 379 | 972 068 |
| Travel allowance | 195 032 | 191 048 |
| Contributions to UIF | 1 813 | 1 785 |
| Performance bonus | 136 130 | 84 676 |
| Cellphone allowance | 30 840 | 30 210 |
| Other contributions | 88 973 | 91 009 |
| | **1 501 167** | **1 370 796** |
| **Remuneration of Acting Chief Financial Officer : Desiree P** | | |
| Acting allowance | - | 26 463 |
| **Remuneration of the Director: Technical Services/Infrust** M | | |
| **Kgosieng** | | |
| Acting allowance | 94 836 | - |
| **Remuneration of the Director: Community Services - F.K** | | |
| Annual Remuneration | 876 681 | 611 910 |
| Cellphone Allowance | 30 840 | 20 210 |
| Contirbutions to UIF | 1 813 | 1 190 |
| Other contributions | 22 730 | 36 852 |
| Travel allowance | 194 827 | - |

| | |
|---|---|
| Performance bonus | - |
| | **670** |
| Ms F K Baloyi was appointed on 1 November 2019. | **162** |
| **Remuneration of Acting Director: Community Services - M Moetsi** | |
| Acting allowance | 185 |
| Ms G M Moetsi acted from July 2019 to September 2019. | 456 |
| **Remuneration of Acting Director: Community Services - M Keetile** | |
| Acting Allowance | 61 819 |
| Mr M Keetile acted from 1 October 2019 to 31 October 2019. | |

| | **2020** |
|---|---|
| | **R** |
| **28. Employee related costs (continued)** | |
| **Remuneration of Acting Director: Corporate Support Services - MM Gaselebelwa** | |
| Acting allowance | - |
| Mr MM Gaselebelwa acted from 1 April 2021 to 30 April 2021. | |
| **Remuneration of the Director: Technical Services - H Smit** | 1 018 |
| Annual Remuneration | 108 |
| Travel Allowance | 145 |
| | 008 |
| Performance Bonus | 84 676 |
| Contributions to UIF | 1 785 |
| Cellphone allowance | 30 210 |
| Other contributions | 87 536 |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| Leave payout on termination | 223 844 | - |
| **Remuneration of Acting Chief Financial Officer - T Jarvis** | **1 657 307** | **1 367 323** |
| Acting Allowance | | |
| **Remuneration of Acting Director: Infrastructure Services: Mrs G Monchwe** | 37 100 | - |
| Acting Allowance | | |
| **29. Remuneration of councillors** | 44 766 | - |
| Mayor | 905 259 | 860 859 |
| Councillors | 8 204 358 | 8 266 874 |
| Speaker | 733 088 | 733 088 |
| | **9 842 705** | **9 860 821** |

**In-kind benefits**

The Mayor and Speaker are both full-time councillors of the municipality. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor and Speaker each have the use of separate Council owned vehicles and are provided with a driver for official duties.

**30. Depreciation, amortisation and imparment loss**

| | | |
|---|---|---|
| Buildings | 5 075 005 | 4 919 135 |
| Plant and machinery | 286 422 | 269 914 |
| Furniture and fixtures | 794 408 | 765 764 |
| Motor vehicles | 1 610 379 | 4 507 090 |
| Office equipment | 1 400 142 | 1 412 |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| | | 346 |
| Infrastructure | 56 382 338 | 51 347 346 |
| Intangible assets | 395 361 | 179 748 |
| | **65 944 055** | **63 401 343** |

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

| | **2021** | **2020** |
|---|---|---|
| | **R** | **R** |
| **31. Finance costs** | | |
| Employee benefit obligations | 2 828 000 | 2 933 802 |
| Interest on provision for rehabilitation of land | 5 364 873 | (37 890) |
| Non-current borrowings | 1 032 842 | 1 228 026 |
| Trade and other payables | 127 723 | 2 220 684 |
| Finance leases | 1 109 314 | 3 094 147 |
| | **10 462 752** | **9 438 769** |
| **32. Debt impairment - Gain/(loss)** | | |
| Contibutions to debt impairment | | |
| | 13 822 992 | 7 664 726 |

Contribution to debt impairment relates to receivables where financial difficulties of the debtor and default or delinquency in payments or all long debt outstanding are considered indicators to determine that debtors are provided for impairment. When an under recovery occurs during the financial year an additional contribution for impairment is made at year end.

## Notes to the Annual Financial Statements

### 33. Debtors write-off

| | | |
|---|---|---|
| Other debtors written-off | 1 469 365 | 2 699 281 |

### 34. Bulk purchases

| | | |
|---|---|---|
| Electricity | 99 409 275 | 88 208 832 |
| Water | 26 225 000 | 25 000 000 |
| | **125 634 275** | **113 208 832** |

The municipality appointed Sedibeng to administer the production of water. Water bulk purchases are included in general expenses due to the nature of the municipality's contract with Sedibeng.

| | **2021** | **2020** |
|---|---|---|
| | **R** | **R** |
| **35. General expenses** | | |
| Advertising | 152 694 | 77 826 |
| Auditors remuneration | 8 715 705 | 6 432 241 |
| Bank charges | 922 074 | 803 837 |
| Cleaning | 1 099 083 | 25 393 |
| Computer expenses | 427 372 | 2 721 580 |
| Consulting and professional fees | 30 848 884 | 27 377 534 |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| Consumables | 15 351 580 | 8 769 500 |
| Water levies | - | 13 444 |
| Entertainment | 464 861 | 232 517 |
| Operating leases | 5 011 191 | 2 356 340 |
| Hire | 135 523 | 235 795 |
| Insurance | 8 392 428 | 6 933 149 |
| Remuneration to Ward Committees | 1 449 000 | 1 451 000 |
| Indigent Relief | 3 412 244 | 971 524 |
| Skills development | 1 239 022 | 737 764 |
| Fuel and oil | 2 913 765 | 1 689 551 |
| Postage and courier | 469 034 | 38 576 |
| Printing and stationery | 536 532 | 424 114 |
| Protective clothing | 2 628 | 957 300 |
| Repairs and maintenance | 5 961 514 | 171 075 |
| Security (Guarding of municipal property) | 7 977 342 | 7 330 448 |
| Subscriptions, Licencing and membership fees | 4 496 660 | 1 614 275 |
| Telephone and fax | 118 692 | 87 500 |
| Staff Training | 592 141 | 404 654 |
| Travelling & Subsistance | 953 019 | 1 875 431 |

| | | |
|---|---|---|
| Vip Toilets ( Sanitation) | - | 7 754 846 |
| Electricity | 1 551 875 | 3 292 797 |
| Landfill site maintenance costs | 2 847 826 | 2 608 696 |
| Traffic Services | 372 327 | 329 114 |
| Sundry expenses | 546 593 | 709 289 |
| | **106 961 609** | **88 427 110** |

| | **2021** | **2020** |
|---|---|---|
| | **R** | **R** |
| **36. Cash generated from operations** | | |
| Surplus | 105 760 910 | 190 491 053 |
| **Adjustments for:** | | |
| Depreciation and amortisation | 65 944 055 | 63 263 625 |
| Loss/(Gain) on disposal of assets | 18 409 890 | 4 939 617 |
| Fair value adjustments | - | (136 000) |
| Finance costs - Employee benefit | 5 789 000 | 2 933 802 |
| Impairment reversals | - | (129 187) |
| Debt impairment | 13 822 992 | 7 664 726 |
| Bad debts written off | 1 469 365 | 634 575 |
| Movements in provisions | 5 364 873 | (37 890) |
| Other non cash adjustments | - | 3 674 129 |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| Acturial gains | - | (6 552 491) |
| Opening balance adjustment | - | (2 154 429) |
| **Changes in working capital:** | | |
| Inventories | 15 735 460 | (18 508 137) |
| Trade & Other Receivables from exchange and non exchange transactions | (22 350 582) | (13 678 777) |
| VAT | (2 119 333) | 27 463 873 |
| Conditional grant overspent | - | 8 850 553 |
| Payables from exchange transactions | 9 467 712 | (62 866 168) |
| Unspent conditional grants and receipts | (4 036 812) | 37 951 783 |
| Consumer deposits | 495 494 | 513 254 |
| Employee Benefits obligation | - | (2 989 689) |
| **37. Commitments** | **213 753 024** | **241 328 222** |
| **Authorised capital expenditure** | | |
| **Already contracted for but not provided for** | | |
| • Property, plant and equipment | 14 629 008 | 39 228 163 |
| **Total capital commitments** | | |
| Already contracted for but not provided for | 14 629 008 | 39 228 163 |
| **Total commitments** | | |
| **Total commitments** | | |
| Authorised capital expenditure | 14 629 008 | 39 228 163 |

## Notes to the Annual Financial Statements

This committed expenditure relates to plant and equipment and will be financed by unspent grants(MIG) rolled over as per conditions of Division Revenue Act .

**38. Contingent Liabilities**

The municipality had the litigation cases that could result in the following contingent liabilities being payable as at year end:

| | | |
|---|---|---|
| | 70 000 | - |
| Motor vehicle accident due to a pothole | | |
| | - | 400 000 |
| Claim against the municipality FOR AN INCORRECT CAUSE OF ACTION. Claiming that municipality had not paid them whereas contract has ended. Case 359 Magistrate Court Claim for R70 644.75<br><br>Regional Court Case: RC 032020 for R317 575.50<br><br>The applicant has applied for withdrawal of the matter on both cases.<br><br>Municipality also notified the court that it will apply for the cost of the application. | | |
| | - | 3 200 000 |
| The contractor was awarded work on a project that was divided into three phases.They were appointed to work on phase one only but they are claiming work for the other two phases. | | |

## 39. Related parties

**Relationships**

| | |
|---|---|
| Accounting Officer with significant influence | Refer to note 28 |
| Members of key management with significant influence | Refer to note 28 |
| Councillors with significant influence and control | Refer to note General information and councillors 29 |
| **Key management and council interest in other companies** | |
| Councillor N.G Thupaemang | Bafumahadi khumo Enterprise and Projects - Director |
| | Mmeotshwara Thipa Ka Ha Bogaleng Primary |
| | Cooperative Limited - Director Ditswammung Mineral Resources Consortium Director Mseko Enterprise and Projects |
| Councillor G.C Assegaai | Bomme-sejo Services and Supply Co-operative |
| | Limited - Director Gadikgadi - Director Self-Propelled |
| | Trading and Projects - Director |
| Councillor E.B Modise | Bomme-sejo Services and Supply Co-operative Limited |
| Chief Financial Officer: Kagiso Noke | KAYN Projects - Director |
| Councillor: G.N Mntuyedwa | Masakeng A Dipodi Primary Co-operative Limited |
| | Director |
| | TOLT Business Enterprise |
| | Sekhutlong Holdings |

| | |
|---|---|
| Councillor: K.B Madikiza | Batlharos Sound Hire - Director Tlotlanang Catering Director Bomme-Sejo Services and Supply Cooperative Limited - Director By Fire Business |
| | Enterprise |
| | Obitseng Trading |
| Councillor: G.N Masegela | Boka Resources - Director 22Tone Live Media Group |
| | AM Tlou Holdings, Kuru Cross Resources, Neo Ya |
| | Resegofetse Properties, Dimenerale Mining |
| Councillor: O.D Mathibe | Nomisa Enterprise - Director |
| Councillor: M.P Galeboe | PKS Trading - Director Phoggie N Sego Trading Enterprise |
| Councillor: M.G Reetsang | Oneway Maruping Recycling Project Primary |
| | Cooperative Limited |
| | Letlotlo Lame Trading and Projects |
| | Tsoga Moreetsi Trading and Projects |
| Councillor: Moagi | 1974 Celesti Trading and Projects |
| Councillor: I Tshetshemeserogwe | Tshetshemeserogwe 17 Enterprise |
| Municipal Manager: MM Tsatsimpe | Director at Chitahvi Holdings<br>Kurara FM Radio Station |
| Councillor: A Van Der Westhuisen | Director-Acsb Reaction and PI services |
| Councillor: K.A Nels | Director-T O L T Business Enterprise |
| | Director-Masakeng A Dipodi Primary Co-operative Limited |

| | |
|---|---|
| Director Community Services: FK Baloyi | LA Coup Trading Enterprises |
| | Mpho Ya Basadi Supplier & Projects |
| | Palesa Tsa Cuba Lodge & Guest House |
| | Bomme Tshenolo Projects & suppliers |
| | Kgalagadi Women in Mining production drilling & projects |
| | BFMS Mining and Drilling Solutions |
| | SHE Sanitation Solutions |
| | Tsantsabane Youth Maths & Science Academy |
| Councillor: L.N Makoke | Phitlhelelo Driving School Black Blazer Building Construction and Projects |
| Councillor :MF Disang | Director at MMA- Mpelegele Ngwana Daycare<br>Director - Disangkitso Entreprise |

**39. Related parties (continued)**

| | |
|---|---|
| Councillor :NG Ngesi | Director- One way Maruping Recycling Project primary Co-operative Limited |
| | Director- Letlotlo Lame Trading and Projects |
| | Director-Tsogang Moreetsi Trading and Projects |
| | Director-Joyful Attempt Construction and Production |
| | Director-Bokone Minning Primary Co-operative |
| | Limited |
| | Director-Nkavutha Transport Services and projects |
| | Director-Mpho ya Basadi Suppliers and Projects |
| | Director-Bangeko Construction and projects |

| | |
|---|---|
| | Director-Gamotinye Investment Holding |
| | Director-Ditukus Projects |
| | Director-Abotype |
| | Director-Tulasign |
| | Director-Abotrim |
| | Director-Ladospace |
| | Director-Batlharo le Batlhaping Minning Solutions |
| | Director-NC Women Minning Projects |
| | Director-Retsogile Minning Resources |
| Councillor SK Lesley | S K Lesley General Trading |
| Close family members of key management or council | RM Meyers |
| | G Nels |
| | O Nels |
| | G Sibi |
| | KV Makoke |
| | D Baepi |
| | KM Modise |
| | SP Disipi |

## Notes to the Annual Financial Statements

| | 2021 | 2020 |
|---|---|---|
| | R | R |

**39. Related parties (continued)**

**Related party transactions**

**Salaries paid to related parties of councillors**

| | | |
|---|---|---|
| R.M. Meyers (Wife to Councillor T.E. Meyers) | 432 521 | 396 290 |
| G.Nels( Son to Councillor K. Nels) | 658 484 | 490 233 |
| O. Nels(Son to Councillor K. Nels) | 661 612 | 490 371 |
| G. Sibi (Daughter to Councillor N.G Thupaemang) | 453 788 | 419 659 |
| K.V. Makoke (Brother to Councillor L.N. Makoke) | 389 666 | 458 342 |
| D. Baepi (Brother to Councillor L.C. Moseki) | 540 951 | 503 467 |
| K.M. Modise (Daughter to Councillor B.E. Modise) | 299 223 | 276 925 |
| S.P Disipi(Wife to N.G Disipi) | 387 654 | 270 942 |

**Related party transactions**

| **Related party transactions - Councillors** | | 2021 |
|---|---|---|
| | | Transactions for the year |
| Councillor :NG Ngesi | MABENAKI JR PROJECTS JV | 2 630 435 |

The municipality supply municipal services and rates and taxes to councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager that is deemed related parties. These municipal services and rates and taxes are supplied on terms and conditions within the normal operating parameters established by that municipalities entity's legal mandate, and is not more or less favourable than to the general public.

**Remuneration of council and key management**

**Councillors/Mayoral committee members**

Refer to note "Remuneration of councilors" 29

**Key management**

*Refer to note "Employee related costs" 28

**Councillors arrear accounts**

Refer to note "Additional disclosure in terms of Municipal Finance Management Act" 45

**40. Risk management**

**Financial risk management**

**40. Risk management (continued)**

**Liquidity risk**

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

| At 30 June 2021 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| Trade and other payables | 69 365 733 | - | - | - |
| Finance lease obligation | 739 380 | 611 547 | - | - |
| Other financial liabilities | 2 186 412 | 8 351 230 | - | - |
| Consumer deposits | 5 669 875 | - | - | - |
| Employee benefit obligation | 1 683 000 | - | - | - |
| Unspent conditional grants and receipts | 14 183 837 | - | - | - |
| | - | - | - | - |

| At 30 June 2020 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| Trade and other payables | 63 520 768 | - | - | - |
| Finance lease obligation | 2 202 988 | 1 404 317 | - | - |
| Other financial liabilities | 2 103 672 | 10 537 615 | - | - |
| Consumer deposits | 5 226 811 | - | - | - |
| Employee benefit obligation | 1 683 000 | 28 111 000 | - | - |
| Unspent conditional grants and receipts | 35 632 576 | - | - | - |

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents, and accounts receivable. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to these customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the group of customers, taking into account their financial position, past experience and other factors

Credit risk arises from cash deposits, cash equivalents, and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument | 30 June 2021 | 30 June 2020 |
|---|---|---|
| Receivables from exchange transactions | 57 531 406 | 52 906 301 |
| Receivables from non-exchange transactions | 22 042 599 | 19 609 479 |
| Cash and cash equivalents | 90 466 140 | 59 270 087 |

**Market risk**

**Interest rate risk**

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

The municipality analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the municipalty calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

## Notes to the Annual Financial Statements

**41. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the municipality will continue to receive grants from National and Provincial Governments as well as continue to levy rates and charge for services provided to consumers. The proceeds are presumed to be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The following indicators have a negative outlook on the going concern of the municipality:

Non-compliance (30 days) - The municipality is currently not paying all their creditors within the accepted 30 days. This also resulted in fruitless and wasteful expenditure due to interest on overdue creditors account:

-Material electricity losses to the amount of R13 846 389 (2020: R9 253 915) was incurred which represents 21,83% (2020: 14,38%) of total bulk electricity purchased.

-Material water losses to the amount of R33 144 921 (2020: R22 856 119) was incurred which represents 69% (2020: 68%) of water purchased.

-Material impairment of R45 395 094 (2020: R33 383 770) as a result of a debt impairment of receivables from exchange transactions, due to non-collection of outstanding balances owned to the municipality.

-Material impairment of R15 807 920 (2020: R14 244 211) as a result of a debt impairment of receivables from non-exchange transactions, due to non-collection of outstanding balances owned to the municipality.

-Material losses under disposals of R18 409 888 on property, plant and equipment due to assets that were written off.

-Material impairment of R8 847 786 on property, plant and equipment, due to assets that reached it's useful lives.

Despite the above negative indicators, the municipality is a going concern because of the following:

| | 2020/21 | 2021/22 | 2022/23 |
|---|---|---|---|
| Finance Management Grant (FMG) | 3 000 000 | 3 200 000 | 3 300 000 |
| Expanded Public Works Program (EPWP) | 1 580 000 | - | - |
| Municipal Infrastructure Grant (MIG) | 52 954 000 | 57 449 000 | 60 738 000 |

## Notes to the Annual Financial Statements

| | | | |
|---|---|---|---|
| Integrated National Electrification Grant | 40 751 000 | 15 000 000 | 10 000 000 |
| Water Services infrastructure (WSIG) | 40 000 000 | 45 000 000 | 50 000 000 |
| Library grant | 1 797 000 | - | - |
| Equitable Share | 174 760 000 | 191 857 000 | 208 236 000 |
| | **314 842 000** | **312 506 000** | **332 274 000** |

It is a state entity set up by the Constitution of the Republic of South Africa to provide basic services to the community and is also funded by the state for that purpose. Failure to provide these services will prompt National Government intervention to ensure it stays functional and able to deliver basic services and consequently compliance with the Constitution

There was an outbreak of COVID-19 which was declared an epidemic by the World Health Organisation and following that, the South Africa Government declared 21 days of lockdown. Inspite of the COVID-19 outbreak, the municipality will continue as a going concern as it is part of the institutions that supply critical services to the communities it serves. The President of South Africa also pledged support for all institutions that supply critical services and a fund has also been set up to support these institutions. Unemployment Insurance Fund (UIF) was also used to support salaries during this period. The municipality has also received their grants (Equitable share) and they will continue to receive grants in the foreseable future.

### 42. Unauthorised expenditure

| | | |
|---|---|---|
| Opening Unauthorised expenditure | 21 355 929 | 178 074 976 |
| Current year | 67 810 223 | 24 243 389 |
| Written-off | (21 355 929) | (180 962 436) |
| | **67 810 223** | **21 355 929** |

## Notes to the Annual Financial Statements

**42. Unauthorised expenditure (continued)**

**Reconciliation of operating and capital expenditure versus actual**

Operating expenditure budget

| Vote Description | | Actual spent | Variance | Budget vs actual |
|---|---|---|---|---|
| Expenditure by Vote | Adjusted Budget | GL amount by vote | | Unauthorised |
| Vote 1 - EXECUTIVE & COUNCIL | 16 268 156,00 | 14 777 861,00 | (1 490 295,00) | - |
| Vote 2 - FINANCE AND ADMINISTRATION | 189 266 671,00 | 223 416 435,00 | 34 149 764,00 | 34 149 764,00 |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES | 25 152 012,00 | 12 590 385,00 | (12 561 627,00) | - |
| Vote 4 - SPORTS & RECREATION | 10 362 880,00 | 8 560 990,00 | (1 801 890,00) | - |
| Vote 5 - PUBLIC SAFETY | 19 806 739,00 | 20 204 288,00 | 397 549,00 | 397 549,00 |
| Vote 6 - PLANNING AND DEVELOPMENT | 43 186 629,00 | 47 806 484,00 | 4 619 855,00 | 4 619 855,00 |
| Vote 7 - ROAD TRANSPORT | 11 456 308,00 | 9 904 908,00 | (1 551 400,00) | - |
| Vote 8 - ENVIRONMENTAL PROTECTION | 217 740,00 | 184 651,00 | (33 089,00) | - |
| Vote 9 - ENERGY SOURCES | 111 231 400,00 | 118 664 899,00 | 7 433 499,00 | 7 433 499,00 |
| Vote 10 - WATER MANAGEMENT | 43 228 716,00 | 39 182 340,00 | (4 046 376,00) | - |
| Vote 11 - WASTE WATER MANAGEMENT | 9 023 160,00 | 4 966 403,00 | (4 056 757,00) | - |
| Vote 12 - WASTE MANAGEMENT | 18 661 388,00 | 21 391 551,00 | 2 730 163,00 | 2 730 163,00 |
| Vote 13 - OTHER | 6 476,00 | - | (6 476,00) | - |

## Notes to the Annual Financial Statements

| | | | | |
|---|---|---|---|---|
| Total Expenditure by Vote | 497 868 275,00 | 521 651 195,00 | 23 782 920,00 | 49 330 830,00 |

| Capital expenditure budget Vote Description | | Actual spent | Variance | Budget vs actual |
|---|---|---|---|---|
| Single-year expenditure to be adjusted | Adjusted Budget | GL amount by vote | | Unauthorised |
| Vote 1 - EXECUTIVE & COUNCIL | - | - | - | - |
| Vote 2 - FINANCE AND ADMINISTRATION | 3 107 000,00 | 7 753,00 | (3 099 247,00) | - |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES | 11 272 227,00 | 9 163 105,00 | (2 109 122,00) | - |
| Vote 4 - SPORTS & RECREATION | 1 068 788,00 | 982 395,00 | (86 393,00) | - |
| Vote 5 - PUBLIC SAFETY | 19 088 385,00 | 10 079 134,00 | (9 009 251,00) | - |
| Vote 6 - PLANNING AND DEVELOPMENT | - | - | - | - |
| Vote 7 - ROAD TRANSPORT | 18 967 851,00 | 23 463 841,00 | 4 495 990,00 | 4 495 990,00 |
| Vote 8 - ENVIRONMENTAL PROTECTION | - | - | - | - |
| Vote 9 - ENERGY SOURCES | 49 305 393,00 | 47 373 764,00 | (1 931 629,00) | - |
| Vote 10 - WATER MANAGEMENT | 71 473 723,00 | 81 181 476,00 | 9 707 753,00 | 9 707 753,00 |
| Vote 11 - WASTE WATER MANAGEMENT | - | 4 275 650,00 | 4 275 650,00 | 4 275 650,00 |
| Vote 12 - WASTE MANAGEMENT | - | - | - | - |
| Capital single-year expenditure sub-total | 174 283 367,00 | 178 250 351,00 | 3 966 984,00 | 18 479 393,00 |

## Notes to the Annual Financial Statements

| | | |
|---|---|---|
| Total Unauthorised | | 67 810 223,00 |

### 43. Fruitless and wasteful expenditure

| | | |
|---|---|---|
| Opening balance | 150 693 | 2 425 25 |
| Fruitless and wasteful expenditure | - | 2 220 66 |
| Current year AGSA adjustment | - | 150 69 |
| Written off -current year | - | (4 645 924 |
| Written off- prior year | (150 693) | |

The fruitless and wasteful expenditure relates to interest charged on overdue accounts.

## Notes to the Annual Financial Statements

| | 2021 | 2020 |
|---|---|---|
| | R | R |
| **44. Irregular expenditure** | | |
| Opening balance | 3 249 015 | 61 447 144 |
| Add: Irregular Expenditure - current year | 18 864 640 | 54 797 672 |
| Add: Irregular Expenditure - current year identified during the audit | - | 1 511 878 |
| Less: Write-off | (2 469 833) | |
| | **19 643 822** | 14 507 679) |
| **Analysis of irregular expenditure - Current year** | | **3 249 015** |
| Bid Adjudication Committee not compliant with regulations | 11 378 198 | 49 843 881 |
| SCM Regulation 32 Appointment | 4 687 417 | 4 599 178 |
| Court nullified appointment of the Department of Transport | - | 100 014 |
| Declaration of Interest (MBD4) not made | - | 26 375 |
| Unit rates | 2 799 025 | 254 599 |
| Suppliers who were not tax compliant at the date of order | - | 29 181 |
| Award not made to the lowest price quotation as per SCM Policy | - | 15 585 |
| Bid did not specify the minimum threshold for local production and content | - | 1 440 737 |
| **Details of irregular expenditures under assessment (not included in the main note)** | **18 864 640** | **56 309 550** |

| | | |
|---|---|---|
| The regulation of the use of panels (work allocation within the pan | 23 802 589 | 4 690 760 |
| Exceeding contract value | 5 972 043 | - |
| MBD4 | 16 042 | - |
| | **29 790 674** | **4 690 760** |

The expenditure above was incurred through a panel appointment syste reporting it was not clear if these may be regarded as irregular expenditure or not as the process for listing through a competitive bidding process. Management has requested guidelines from National Treasury a asury, however, at the time of reporting no feedback was received by the municipality. A formal dispute National Treasury for interpretation and clarity.

Further instances of Irregular Expenditure that might have resulted from with SCM processes are under investigation to determine the full extent of the amount.

The irregular expenditure figures in the note are inclusive of VAT.

## Notes to the Annual Financial Statements

### 45. Additional disclosure in terms of Municipal Finance Management

**Bulk Electricity and water Losses in terms of section 125 (2)(d)(i) of the**

| **30 June 2021** | its | Tariff | Value |
|---|---|---|---|
| Unaccounted electricity losses | 146 | 0,95 | 13 846 389 |

| **30 June 2020** | its | Tariff | Value |
|---|---|---|---|
| Unaccounted electricity losses | | 0,95 | 9 253 915 |

| **Volume in KWH/year** | 30 June 2021 | 30 June 2020 |
|---|---|---|

| | | | |
|---|---|---|---|
| System Input Volume | | 81 329 689 | 77 493 944 |
| Billed Consumption | | 66 754 543 | 67 752 981 |
| Distribution Loss | | 14 575 146 | 9 740 963 |
| Percentage Distribution Loss (%) | | 21,83% | 14.38% |
| **30 June 2021** | Lost units | Tarriff | Value |
| Unaccounted for water losses | 4 076 866 | 8,13 | 33 144 921 |
| **30 June 2020** | Lost units | Tarrif | Value |
| Unaccounted for water losses | 5 416 142 | 4.22 | 22 856 119 |

| **Volume in Kl/year** | 30 June 2021 | 30 June 2020 |
|---|---|---|
| System Input Volume | 5 884 075 | 5 796 468 |
| Billed Consumption | 1 807 209 | 1 861 251 |
| Distribution Loss | 4 076 866 | 4 051 060 |
| % Distribution loss | 69% | 68.00% |

Included in both water and electricity losses is the municipal own consumption at various municipal facilities.

**SDL**

| | | |
|---|---|---|
| Opening balance | 180 800 | - |
| Current year subscription / fee | 1 039 037 | 941 115 |
| Amount paid - current year | (1 419 823) | (760 315) |

| | | |
|---|---|---|
| **PAYE and UIF** | **(199 986)** | **180 800** |
| Current year subscription / fee Amount paid - current year | 20 859 716 | 18 315 829 |
| **Pension and Medical Aid Deductions** | (20 859 716) | (18 315 829) |
| Current year subscription / fee | - | - |
| Amount paid - current year | | |
| **45. Additional disclosure in terms of Municipal Finance Management Act (continued)** | 21 294 742 | 18 348 831 |
| **Councillors' arrear consumer accounts** | | |
| The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2021: | (21 294 742) | (18 348 831) |
| | - | - |

| **30 June 2021** | **Outstanding less than 90 days** | **Outstanding more than 90 days** | **Total** |
|---|---|---|---|
| | **R** | **R** | **R** |
| N.G Masegela | 7 115 | 10 895 | 18 010 |
| G.C. Assegaai | 231 | 6 100 | 6 331 |
| D.T Mpata | 620 | 19 607 | 20 227 |
| A.W.P Van der Westhuizen | 4 301 | 10 332 | 14 633 |
| L.R. Nelson | 298 | 575 | 873 |
| K.A. Nels | 1 673 | 25 708 | 27 381 |
| N.G.Thupaemang | 566 | 555 | 1 121 |

| | | | |
|---|---|---|---|
| | **14 804** | **73 772** | **88 576** |

**30 June 2020**

| | Outstanding less than 90 days | Outstanding more than 90 days | Total |
|---|---|---|---|
| | R | R | R |
| D.T Mpata | | | |
| E.B Modise | | | |
| N.G. Masengela | 434 | 18 135 | 18 569 |
| G.N. Mntuyedwa | 2 | 78 | 80 |
| G.C Assegaai | 26 310 | 465 | 26 775 |
| B.A. Eiman | - | 12 | 12 |
| L.R Nelson | 119 | 5 380 | 5 499 |
| N.G Thupaemang | 2 095 | 604 | 2 699 |
| K.A Nels | 613 | 701 | 1 314 |
| AWP Van Der Westhuizen | 85 | 3 023 | 3 108 |
| | 2 471 | 25 688 | 28 159 |

Key management and Councillors receive and pay for services on the same terms and conditions as other rate payers and residents.

| | | | |
|---|---|---|---|
| | 6 906 | 19 746 | 26 652 |
| | **39 035** | **73 832** | **112 867** |

**46. Auditors' remuneration**

| | | |
|---|---|---|
| External Audit | 5 721 484 | 4 877 253 |
| Internal Audit | 2 994 221 | 1 554 988 |
| | **8 715 705** | **6 432 241** |

## Notes to the Annual F tements

**47. Financial instruments dis**

**Categories of financial instrum**

**2021**

**Financial assets**

| | At fair value | At amortised cost | At cost | Total |
|---|---|---|---|---|
| Receivables from exchange | - | 57 531 406 | - | 57 531 406 |
| Cash and cash equivalents | - | - | 90 466 140 | 90 466 140 |

## Notes to the Annual Financial Statements

48. Deviations (continued)

| | | | |
|---|---|---|---|
| - | **57 531 406** | **90 466 140** | **147 997 546** |

| At fair value | At amortised cost | At cost | Total |
|---|---|---|---|
| - | 10 537 642 | - | 10 537 642 |
| - | 70 064 798 | - | 70 064 798 |
| - | 1 404 318 | - | 1 404 318 |
| - | 5 310 255 | - | 5 310 255 |
| **-** | **87 317 013** | **-** | **87 317 013** |

| At fair value | At amortised cost | At cost | Total |
|---|---|---|---|
| - | 40 624 158 | - | 40 624 158 |
| - | - | 59 270 087 | 59 270 087 |
| **-** | **40 624 158** | **59 270 087** | **99 894 245** |

| At fair value | At amortised cost | At cost | Total |
|---|---|---|---|

## Notes to the Annual Financial Statements

**48. Deviations (continued)**

**Financial liabilities**

| | | |
|---|---|---|
| | - 12 641 | - 12 641 287 |
| Other financial liabilities | - 63 520 | - 63 520 |
| Payables from exchange transactions | | 768 |
| Finance lease liability Consumer deposits | - 3 607 | - 3 607 305 |
| | - 4 814 | - 4 814 761 |
| **2020** | | |
| | **- 84 584** | **- 84 584** |
| **Financial assets** | | **121** |

Receivables from exchange transactions Cash and cash equivalents

**Financial liabilities**

Other financial liabilities

Payables from exchange transactions

Finance lease liability Consumer deposits

**Credit quality of other assets that are neither past due nor impaired**

The municipality evaluates the credit risk of all its customers on an on-going basis taking in financial position, past payment history and also considers the municipality's internal control systems on de credit risk management.

**Supply chain management regulations**

## Notes to the Annual Financial Statements

**48. Deviations (continued)**

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council. The expenses incurred as listed hereunder have been approved by the Accounting Officer and have noted by Council. Furthermore, management did

not note any material non-compliance with the Municipal Finance Management Act.

| Reason | Month | Supplier |
|---|---|---|
| Sole Supplier:Only Mercedes Benz can do services on the vehicle without compromising its warranty and guarantee, and without compromising the life of the car. No three quotations can be sourced as the dealer has to diagnose the car on what needs to changed/ replaced and do the normal service. | 16 July 2020 | John WilliamsBloemfontein |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 17 July 2020 | Prodiba |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 23 July 2020 | Prodiba |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 28 July 2020 | Prodiba |
| Strip and QuoteThe service provider, (being the initial provider who supplied and installed the stair lift) was requested to determine the faults that caused the stir lift not to function.The service provider had to detect the faults on the lift and | 29 July 2020 | Omogolo Consulting CC |

## Notes to the Annual Financial Statements

**48. Deviations (continued)**

thereafter fix them

| | | |
|---|---|---|
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 30 July 2020 | Prodiba |
| Sole Supplier:Only Mercedes Benz can do services on the vehicle without compromising its warranty and guarantee, and without compromising the life of the car. No three quotations can be sourced as the dealer has to diagnose the car on what needs to changed/ replaced and do the normal service. | 11 August 2020 | John WilliamsBloemfontein |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 28 August 2020 | Prodiba |
| Sole Supplier:The supplier has the sole rights to the machine. They are the manufacturers of the machines, and they are the only one permitted to service the machine. | 07 September 2020 | Workshop Electronics |
| Sole Supplier (Only Mercedes Benz Dealerships)The car has to be taken in for car services/ routine maintenance, where it can only be serviced at the Mercedes Benz<br>Dealership. It must be noted that the service plan on the car has lapsed and every time the car is serviced, the municipality pays per service. | 08 September 2020 | Gariep Motors |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 17 September 2020 | Prodiba |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 23 September 2020 | Prodiba |

## Notes to the Annual Financial Statements

**48. Deviations (continued)**

| | | |
|---|---|---|
| Car diagnosis at John Williams - Bloemfontein. Only a Mercedes Benz oulet can proivde a diagnosis on the car as the car make is from the dealer. | 08 October 2020 | John WilliamsBloemfontein |

| | Amount | Description |
|---|---|---|
| 110 089 Car Service and Maintenance | | |
| 16 590 Driving Licenses | | |
| Card Issues | | |
| 10 191 Driving Licenses | | |
| Card Issues | | |
| 10 112 Driving Licenses | | |
| Card Issues | | |
| 38 500 Maintenance and Service of Stairs Lift | | |
| 24 885 Driving Licenses | | |
| Card Issues | | |
| 3 175 Car Service and Maintenance | | |
| 31 679 Driving Licenses | | |
| Card Issues | | |
| 45 238 Calibration Machine | | |
| Service | | |
| 11 733 Car Service and Maintenance | | |
| 18 012 Driving Licenses | | |
| Card Issues | | |
| 16 353 Driving Licenses | | |

## Notes to the Annual Financial Statements

**48. Deviations (continued)**

Card Issues

15 699 Car Services

Sole Provider The municipality received a donation in a form of a compactor truck. This truck came without a service and maintenance plan. The made of the truck is Isuzu. Only Isuzu manufacturer/ agent can provide the maintenance and service plan without losing the vehicle warranty, hence only one quotation is sourced from the service provider

| | |
|---|---|
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 13 Oct |
| Strip and Quote | 20 Oct |
| The money counting machines used by the cashiers are not functional. At this stage we cannot detect the faults. Page Automation supplied the municipality with these machines, and as a result it is economic and sensible to enlist their services to find any fault that might need fixing. It is impractical to source quotations from other service providers as the supplier has to strip down the machines and find faults. | |
| The prices as quoted are for the call out mainly. Possibility is upon fixing the machines, prices might go up | |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 22 Oct |
| Strip and Quote | 23 Oct |
| The money counting machines used by the cashiers are not functional. At this stage we cannot detect the faults. Page Automation supplied the municipality with these machines, and as a result it is economic and sensible to enlist their services to find any fault that might need fixing. It is impractical to source quotations from other service providers as the supplier has to strip down the machines and find faults.The prices as quoted are for the call out mainly. Possibility is upon fixing the machines, prices might go | |

# Notes to the Annual Financial Statements

## 48. Deviations (continued)

| | |
|---|---|
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 29 Oct |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 19 Nov 2020 |
| Emergency<br><br>On the 04th November 2020, Kuruman experienced a storm.<br><br>In the process it destroyed a power line at Moffat Mission. This left the residence of that particular part of the town without electricity on the day.On the 05th November<br><br>2020, the services of Bright Point (Pty) Ltd was requested to provide the municipality with the services to fix the power line. This not only provided a blackout to the residents but it posed danger to the citizens as the cables were lying down on the floor. | 26 Nov 2020 |

## Notes to the Annual Financial Statements

**48. Deviations (continued)**

Emergency / Strip and Quote

15 Dec 2020

On the weekend of the 20th November 2020, the pump station (boreholes) situated in Mothibistad experienced electrical shots, where pumps and other electrical appliances were damaged. As a result, the residents of the affected area are without water since Saturday (21/11/2020).The service provider was requested to repair the pump, where he needs to strip the pump, find the fault and fix it thereafter.It is therefore impractical to source three quotations or follow regulation 18 procurement processes

15 December 2020 Motus Group

51 246 Purchase Service and Maintenance Plan

## Notes to the Annual Financial Statements

**48. Deviations (continued)**

| | | | |
|---|---|---|---|
| Emergency<br><br>During December 2019, sewerage pump station was vandalised and a contractor was requested to fix the pumps on an emergency basis. Attached hereto please find the deviation request from the Director – Technical services, who requested the service provider to provide service at the time. | 15 December 2020 | HT Pelatona | 194 994 Repairs to Sewerage<br><br>Pumps |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 18 December 2020 | Prodiba | 37 051 Driving<br><br>Licenses<br><br>Card Issues |
| Strip and Quote<br><br>The service provider, (being the initial provider who supplied and installed the stair lift) was requested to determine the faults that caused the stir lift not to function.The service provider had to detect the faults on the lift and thereafter fix them | 18 December 2020 | Omogolo Consulting | 34 150 Stair Lift<br><br>Services/<br><br>Maintenance |
| Sole Provider - Only Mercedes Benz can maintan and service the car. It was a mileage service done on intervals.<br><br>CRF 957 NC | 22 January 2021 | JOHN<br><br>WILLIAMS<br><br>BLOEMFONT<br><br>EIN | 13 168 Supply of Coffin |
| Sole Provider. The municipality received a donation in a form of a Skip Loader (FX SERIES FYH 33-360 TIP). This truck came without a service and maintenance plan. The made of the truck is Isuzu. Only Isuzu manufacturer/ agent can provide the maintenance and service plan without losing the vehicle warranty, hence only one quotation is sourced from the service provider | 08 January 2021 | Motus Group | 47 535 Maintence and Services |
| Emergency: During thje lockdown as aresult of the pandemic caused by covid 19 the Municipality | 14 December 2020 | HT Pelatona | 251 169 Fixing Sewerage |

## Notes to the Annual Financial Statements

**48. Deviations (continued)**

| | | | |
|---|---|---|---|
| experienced somne damages to its sewerage as at Cilliers street. | | | blockage |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 21 January 2021 | Prodiba | 25 833 Driving Licenses Card Issues |
| Sole Provider - Only Mercedes Benz can maintan and service the car. It was a mileage service done on intervals.<br>CLF 286 NC & CRF 959 NC. | 26 February 2021 | Gariep Motors | 43 696 Vehicle Maintenance & Services |
| Strip and Quote: The service provider had to strip the pump and diagnose the fault and thereafter fix the fault. | 12 February 2021 | Newgen Pumps and Valves | 51 591 Strip & Quote - Boreholes |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 21 February 2021 | Prodiba | 31 363 Driving Licenses Card Issues |
| No other service provider can be utilised as the PRODIBA is apppointed by the National Department of Roads. | 25 March 2021 | Prodiba | 25 596 Driving Licenses Card Issues |
| Strip and Quote: The service provider had to strip the pumps and diagnose the fault and thereafter fix the fault.Pump<br>2.2kw FluidPump 7.5kw Robot x 2 | 04 March 2021 | Newgen Pumps and Valves | 101 756 Strip & Quote - Boreholes |
| Strip and Quote: The service provider stripped the wipe machine to diagnose the fault, and thereafter fixed the machine. | 15 March 2021 | Acorn Projects 51 (Pty) Ltd | 3 030 Strip & Quote - Wipe Machine |

## Notes to the Annual Financial Statements

**48. Deviations (continued)**

| | | | |
|---|---|---|---|
| Strip and Quote: The service provider has strip the machine, diagnose the problem and fix the problem thereafter. It is impossible to request the different suppliers to provide quotations as the works cannot be predetermined | 11 May 2021 | Workshop Electronics | 20 957 Testing Machine Calibration |
| Car Service and Maintenance<br>The car can only be taken to the dealer for service and maintenance. At the time of the service and maintenance, the works to be executed cannot be pre-determined, hence no Reg 18 cannot be followed. | 12 May 2021 | John Williams - Bloemfontein | 53 186 Car Services & Maintenance |
| Strip & Quote:The service provider has strip the machine, diagnose the problem and fix the problem thereafter. It is impossible to request the different suppliers to provide quotations as the works cannot be pre-determined. | 23 June 2021 | Workshop Electronics | 25 960 Testing Machine Calibration |
| Strip & Quote :The service provider has strip the pumps, diagnose the problem and fix the problem thereafter. It is impossible to request the different suppliers to provide quotations as the works cannot be predetermined.Different pumps were diagnosed. | 24 June 2021 | Newgen Pumps & Valves (Pty) Ltd | 305 681 Strip and Quote Water and Sewer Pumps |
| Strip & Quote:The service provider has strip the aircons (corporate services department) diagnose the problem and fix the problem thereafter. It is impossible to request the different suppliers to provide quotations as the works cannot be pre-determined. | 29 June 2021 | L P Refrigiration | 12 650 Strip and Quote - Airconditions |
| Strip & Quote:The service provider has strip the aircons (corporate services department) diagnose the problem and fix the problem thereafter. It is impossible to request the different suppliers to provide quotations as the works cannot be pre-determined. | 29 June 2021 | Prodiba | 53 246 Driving Licenses Card Issues |
| | | | **1 923 451** |

## Notes to the Annual Financial Statements

**48. Deviations (continued)**
**49. Prior period errors**

| | Note(s) | Previously reported R | Adjustment R | Re-classification R | Restated R | Re |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| **Current Assets** | | | | | | |
| Inventories | 3 | 75 258 924 | 7 256 000 | - | 82 514 924 | [3] |
| Receivables from non-exchange transactions | 4 | 20 325 641 | (716 162) | - | 19 609 479 | [2] |
| Receivables from exchange transactions | 6 | 52 977 683 | (71 382) | - | 52 906 301 | [2] |
| VAT | 5 | 3 248 938 | 902 709 | - | 4 151 647 | [1] |
| Cash and cash equivalents | 7 | 59 270 087 | - | - | 59 270 087 | |

## Notes to the Annual Financial Statements

| | | | |
|---|---|---|---|
| **48. Deviations (continued)** | **211 081 273** | **7 371 165** | **- 218 452 438** |
| | 18 229 634 | - | - 18 229 634 |
| | 1 443 786 809 | 48 569 392 | - 1 492 356 201 |
| | 284 613 | - | - 284 613 |
| | | - | - 1 655 642 |
| | 1 655 642 | **48 569 392** | **- 1 512 526 090** |
| | **1 463 956 698** | | |
| | **1 675 037 971** | **55 940 557** | **- 1 730 978 528** |
| | 2 103 672 | - | - 2 103 672 |
| | 2 202 988 | - | - 2 202 988 |
| | 62 947 608 | (2 350 523) | - 60 597 085 |
| | 5 226 811 | (412 050) | - 4 814 761 |
| | 1 683 000 | - | - 1 683 000 |
| | 35 632 576 | - | - 35 632 576 |
| | **109 796 655** | **(2 762 573)** | **- 107 034 082** |
| | 10 537 615 | - | - 10 537 615 |
| | 1 404 317 | - | - 1 404 317 |
| | 28 111 000 | - | - 28 111 000 |
| | 18 808 913 | - | - 18 808 913 |
| | **58 861 845** | **-** | **- 58 861 845** |

## Notes to the Annual Financial Statements

**48. Deviations (continued)**

| | | | | |
|---|---|---|---|---|
| **Non-Current Assets** | | | | |
| | | | **(2 762 573** | **165 895 927** |
| Investment property | 8 | **168 658 500** | **58 703 130** | **565 082** |
| Property, plant and equipment | | **1 506 379 471** | **91** | **1** |
| Intangible assets | 10 | 1 506 379 471 | 58 703 130 | 565 082 |
| Heritage assets | 11 | | | 1 |
| **Total Assets** | | | | |
| **Liabilities** | | | | |
| **Current Liabilities** | | | | |
| Other financial liabilities | 12 Finance lease obligation | 13 | | |
| Payables from exchange transactions | | | 14 | |
| Consumer deposits | | | 15 | |
| Employee benefit obligation | 16 | | | |
| Unspent conditional grants and receipts | 17 | | | |
| **Non-Current Liabilities** | | | | |
| Other financial liabilities | 12 Finance lease obligation | 13 Employee benefit obligation | | |
| Provisions | 18 | | | |
| **Total Liabilities** | | | | |
| **Net Assets** | | | | |
| Accumulated surplus[6] | | | | |

## ment of Financial Performance

| | | Previously reported | Adjustment | Re-ation | Restated | Referenc classific |
|---|---|---|---|---|---|---|
| | Note(s) | R | R | R | R | R |
| e | | | | | | |
| e from exchange transactions | | | | | | |
| Stands | | 2 378 515 | - | - | 2 378 515 | |
| charges | 20 | 157 478 628 | 190 689 | - | 157 669 317 | [8] |
| f facilities and equipment | 21 | 2 351 079 | - | - | 2 351 079 | |
| on outstanding receivables | | 4 466 344 | 371 606 | - | 4 837 950 | [11] |
| nnections and administration fees | | - | - | - | - | |
| s and permits | | 3 235 544 | 8 812 | - | 3 244 356 | [8] |
| come | | 3 854 160 | 19 352 | - | 3 873 512 | [5] |
| received - investment | 25 | 3 707 754 | - | - | 3 707 754 | |

| | | | |
|---|---|---|---|
| **177 472 024** | **590 459** | **-** | **178 062 483** |
| 45 094 777 | - | - | 45 094 777 |
| 3 145 398 | - | - | 3 145 398 |
| 385 548 478 | - | - | 385 548 478 |
| - | - | - | - |
| 4 845 325 | - | - | 4 845 325 |
| **438 633 978** | **-** | **-** | **438 633 978** |
| **616 106 002** | **590 459** | **-** | **616 696 461** |
| (130 928 705) | - | - | (130 928 705) |
| (9 860 821) | - | - | (9 860 821) |
| (60 575 361) | (2 688 264) | - | (63 263 625) |
| - | - | - | - |
| (9 438 769) | - | - | (9 438 769) |
| (18 699 403) | 11 034 677 | - | (7 664 726) |
| (634 575) | (2 064 706) | - | (2 699 281) |
| (113 208 832) | - | - | (113 208 832) |
| - | (2 591 600) | - | (2 591 600) |
| - | - | - | - |
| | 4 682 339 | - | (88 427 110) |

* See Note 49

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

| | | | | | |
|---|---|---|---|---|---|
| | | (93 109 449) | ~~8 372 446~~ | - | ~~(428 083~~ |
| **Total revenue from exchange transactions** | | **(436 455 915)** | | | **469)** |
| **Revenue from non-exchange transactions** | | **179 650 087** | **8 962 905** | - | **188 612 992** |
| **Taxation revenue** | | | | | |
| Property rates | 26 | (4 939 617) | - | - | (4 939 617) |
| Interest on outstanding receivables | | 136 000 | - | - | 136 000 |
| **Transfer revenue** | | 6 552 491 | - | - | 6 552 491 |
| Government grants & subsidies | 27 | 129 187 | - | - | 129 187 |
| Public contributions and donations | | **1 878 061** | - | - | **1 878 061** |
| Fines, Penalties and Forfeits | | **181 528 148** | **8 962 905** | - | **190 491 053** |
| **Total revenue from non-exchange transactions** | | | | | |
| **Total revenue** | 19 | | | | |
| **Expenditure** | | | | | |
| Employee related costs | 28 Remuneration of councillors | 29 Depreciation and amortisation | 30 | | |
| Impairment loss | | | | | |
| Finance costs | 31 | | | | |
| Debt Impairment 32[2] Bad debts written off[2] | | | | | |
| Bulk purchases | 34 | | | | |
| Cost of land sold | | | | | |
| General Expenses | | | 35[9] | | |
| **Total expenditure** | | | | | |
| **Operating surplus** | | | | | |
| Gains/(Loss) on disposal of assets | | | | | |
| Fair value adjustments | 52 | | | | |
| **ACTUARIAL GAINS/LOSSES** | **16** | | | | |
| Gains/(Loss) on impairement | | | | | |

* See Note 49

| | | | 2021 | 2020 Restated* |
|---|---|---|---|---|
| | | Note(s) | R | R |
| **49. Prior period errors (continued)** | | | | |
| **Other** | | | | |
| Related parties | 2 054 683 | 1 251 546 | - | 3 306 229 |

[12]

[1] Vat receivable increased by R902 709 due to vat output written off as a result of write off of long outstanding receivables approved by council. Furthermore the sale of stands was adjusted.

[2] The council approved long outstanding debtors as at 30 June 2020 which resulted to decrease in receivables fromexchange and non exchange transactions. The adjustment also resulted in increase in bad debts write off and increase in accumulated surplus.

[3] Inventory increased by R7 256 000 due to an understament in the prior year resulting in an increase in inventory anddecrease in accumulated surplus, other income and payables by the same amount

[4] Property plant and equipment increased by R55 109 091 due to recognition of Property, Plant and Equipment initially not in the recognised in the prior years.

[5] Other income increased by R190 689 due to remapping of other votes to service charges and lecences and permits.

[6] Accumulated surplus increased by R 60 875 050 due to write off of long outstanding debtors.(bad debt write off was written off against accumulated surplus. The adjustment resulted in decrease in debtors balance. The debt impairment provision for such debtors was also reversed. The adjustment on Property plant and equipment also resulted in the change.

[7] Customer deposits were adjusted by R412 050 as prior year amount was not reconciling the register.

[8] Licences and permits was increased by R8 812 and service charges by were increased by R190 689 due to remapping.

[9] General expenditure decreased by 2 090 739 due to prior year restatements processed.

[11] Interest revenue from outstanding receivables increased by R371 606 due to interest accrued on outstanding debtorpreviously not recognised in prior years.

[12] Management identified children of appointed councillors who are receiving salaries from the municipality resulting inadjustment on related parties.

* See Note 49

### 50. Statutory receivables

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. The receivables within the scope of GRAP 108, effective for all periods started on or after 1 April 2019. .

The following are regarded as statutory receivables;

**Statutory Receivable**

| | | |
|---|---|---|
| Vat receivables | 8 241 249 | 4 151 647 |
| Receivables from non exchange transactions | 22 042 599 | 19 609 479 |
| | **30 283 848** | **23 761 126** |

### 51. Events after the reporting date

The Transnet property (Municipal building) which form part of the investment property in the statement of financial statements was burnt down after the reporting date. The netbook value of the property is R5 260 000 at the reporting date. As such a result the value of investment property reported does not reflect the effect of the fire.

## Statement of Financial Performance

| | | 2021 | 2020 Restated* |
|---|---|---|---|
| | Note(s) | R | R |

### 51. Events after the reporting date (continued)

The estimate of the effects of the fire could not be determined.

Furthermore there was local government elections held on 01 November 2021 and a new council (governance) will be appointed.

### 52. Fair value adjustments

* See Note 49

| | | |
|---|---|---|
| Investment property (Fair value model) | - | 136 000 |

## 53. Segment information General information

### Identification of segments

The segments were organised based on the type and nature of service delivered by the Municipality.These services are delivered in various municipal departments, which for reporting purposes are allocated to a standarised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments isused by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

### Types of goods and/or services by segment

The Municipality has several departments/functional areas and accordingly the segments were aggregated for reporting purposes as set out below:

| Reportable segment | Goods and/or services |
|---|---|
| Municipal governance and administration services | This segment consists of services such as executive services, support services to the executive and finance & administration services |
| Finance and administration | Provision of financial and administrative services to other segments of the municipality |
| Public Safety, Community and Social Services | Provision of public safety, an acceptable standard of Social<br>Services, Emergency Services, Environmental and Health<br>Services, Community Safety and Road Traffic Management |
| Sports and Recreation | Provision of advancement of participation in sport and recreation, Fast-tracking the revival ofsport, Talent identification and optimization of talent, Empowerment programmes |
| Planning and Development | Provision of planning and development including policy and procedures. Co-ordination work relating to the preparation of the Annual Development Programme and its review |
| Road Transport | Construction and maintenance of roads and |

* See Note 49

| | |
|---|---|
| | infrastructure owned by the municipality |
| Environmental Protection | This segment consists of environmental services such as planning & development, environmental protectin and roads & storm water |
| Energy Sources | This segment consists of all services for energy supply to the community |
| Trading Services | This segment consists of all services for the management of waste water,water, refuse, electricity, in the municipal area. |

* See Note 49

## Notes to the Annual Financial Statements

**53. Segment information (continued)**

**Segment surplus or deficit**

**2021**

| | Executive and Council | Finance and Administration | Public Safety, Community and Social Services | Sports and Recreation | Planning and Development | Road Transport | Environmental Protection | Energy Sources | Trading Services | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | |
| **Revenue from nonexchange transactions** | - | - | - | - | - | - | - | - | - | - |
| Property rates | - | 49 763 478 | - | - | - | - | - | - | - | 49 763 478 |
| Interest on outstanding receivables | - | 1 628 503 | - | 38 860 | - | - | - | - | - | 1 667 363 |
| Grants and subsidies realised | 6 990 996 | 14 896 200 | 28 197 429 | 2 582 403 | 8 660 448 | 23 324 794 | 500 004 | 136 232 017 | 168 173 661 | 389 557 952 |
| Fines, penalties and forfeits | - | 7 494 | 3 333 254 | - | - | - | 22 270 | 54 892 | - | 3 417 910 |
| **Revenue from exchange transactions** | - | - | - | - | - | - | - | - | - | - |

## Notes to the Annual Financial Statements

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Sale of stands | - | - | - | - | 7 209 208 | - | - | - | - | 7 209 208 |
| Service charges | - | - | - | - | - | - | - | 113 097 210 | 45 056 059 | 158 153 269 |
| Rental of facilities | - | 307 376 | 21 757 | 1 377 767 | 305 171 | - | - | - | - | 2 012 071 |
| Interest on outstanding receivables | - | 3 848 481 | - | - | - | - | - | - | - | 3 848 481 |
| Licences and permits | - | - | 3 329 543 | - | 21 935 | - | - | - | - | 3 351 478 |
| Other revenue | - | 3 422 064 | 114 248 | 54 865 | 973 957 | - | - | 927 | - | 4 566 061 |
| | **6 990 996** | **77 738 430** | **34 996 231** | **4 053 895** | **17 170 719** | **23 324 794** | **522 274** | **249 385 046** | **213 229 720** | **627 412 105** |
| | | | | | | | | | | **627 412 105** |
| Interest on investments | - | 3 864 834 | - | - | - | - | - | - | - | 3 864 834 |
| **Total segment revenue** | | | | | | | | | | |
| **Entity's revenue** | | | | | | | | | | |

**Restated***

| | Executive and Council | Finance and Public Safety, Administration and Social Services | Community | Sports and Recreation | Planning and Development | Road Transport | Environmental Protection | Energy Sources | Trading Services | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **53. Segment information (continued)** | | | | | | | | | | |
| **Expenditure** | | | | | | | | | | |
| Employee related costs | (3 375 486) | (58 065 729) | (30 704 991) | (8 415 840) | (17 516 281) | (6 507 173) | (171 253) | (6 823 720) | (19 814 678) | (151 395 151) |
| Remuneration of councillors | (9 842 705) | - | - | - | - | - | - | - | - | (9 842 705) |
| Depreciation, amortisation and impairment loss | - | (65 944 055) | - | - | - | - | - | - | - | (65 944 055) |
| Finance costs | - | (3 937 781) | (25 068) | (42 381) | (162 103) | (152 160) | (251) | (457 272) | (5 685 736) | (10 462 752) |
| Debt impairment | - | (13 774 273) | - | - | - | - | - | - | (48 719) | (13 822 992) |
| Bad debts written off | - | (640 423) | - | - | - | - | - | (828 942) | - | (1 469 365) |

## Notes to the Annual Financial Statements

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Bulk purchases | - | - | - | - | - | - | - | (99 409 275) | (26 225 000) | (125 634 275) |
| Consumables Land cost | - | - | - | - | (15 105 401) | - | - | - | - | (15 105 401) |
| General expenses | (1 559 669) | (72 568 019) | (2 249 415) | (244 716) | (2 873 930) | (3 245 575) | (13 148) | (10 812 533) | (13 394 604) | (106 961 609) |
| Gains/(Loss) on disposal of assets | - | (18 409 890) | - | - | - | - | - | - | - | (18 409 890) |
| Fair value adjustments | - | - | - | - | - | - | - | - | - | |
| Actuarial gains/(losses) | | (2 603 000) | | | | | | | | (2 603 00 |
| Expenditure | | (235 943 170) | | | | 908) | | (118 331 742) | | (521 651 1 |
| **Total segmental surplus/(deficit)** | | | | | | | | | | **105 760 910** |

**53. Segment information (continued)**

**2020**

## Notes to the Annual Financial Statements

| Revenue | Executive and Council | Finance and Administration | Public Safety, Community and Social Services | Sports and Recreation | Planning and Development | Road Transport | Environmental Protection | Energy Sources | Trading Services | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue from nonexchange transactions** | - | - | - | - | - | - | - | - | - | - |
| Property rates | - | 45 094 777 | - | - | - | - | - | - | - | 45 094 777 |
| Interest on outstanding receivables | - | 2 997 427 | - | - | - | - | - | 28 939 | 119 032 | 3 145 398 |
| Grants and subsidies realised | 6 851 000 | 13 980 000 | 5 501 504 | 7 498 712 | 8 075 547 | 31 643 060 | 300 000 | 95 702 834 | 215 995 821 | 385 548 478 |
| Fines, penalties and forfeits | - | 103 457 | 4 722 010 | - | - | - | 15 858 | 4 000 | - | 4 845 325 |
| **Revenue from exchange transactions** | - | - | - | - | - | - | - | - | - | - |
| Sale of stands | - | - | - | - | 2 378 515 | - | - | - | - | 2 378 515 |
| Service charges | - | - | - | - | - | - | - | 112 011 218 | 45 658 099 | 157 669 317 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Rental of facilities | - | 1 011 770 | 34 119 | 447 292 | 857 898 | - | - | - | - | 2 351 079 |
| Interest on outstanding receivables | - | 4 837 950 | - | - | - | - | - | - | - | 4 837 950 |
| Licences and permits | - | - | 3 234 504 | - | 8 812 | - | - | 1 040 | - | 3 244 356 |
| Other revenue | - | 2 836 256 | 124 087 | 81 469 | 831 700 | - | - | - | - | 3 873 512 |
| | **6 851 000** | **74 569 391** | **13 616 224** | **8 027 473** | **12 152 472** | **31 643 060** | **315 858** | **207 748 031** | **261 772 952** | **616 696 461** |
| | | | | | | | | | | **616 696 461** |
| Interest on investments | - | 3 707 754 | - | - | - | - | - | - | - | 3 707 754 |

**Total segment revenue**

**Entity's revenue**

**Restated***

| | Executive and Council | Finance and Public Safety, Administration and Social Services | Community | Sports and Recreation | Planning and Development | Road Transport | Environmental Protection | Energy Sources | Trading Services | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **53. Segment information (continued)** | | | | | | | | | | |
| **Expenditure** | | | | | | | | | | |
| Employee related costs | (2 452 838) | (49 586 191) | (26 010 630) | (8 260 736) | (15 096 305) | (6 357 393) | (162 615) | (5 275 023) | (17 726 974) | (130 928 705) |
| Remuneration of councillors | (9 860 821) | - | - | - | - | - | - | - | - | (9 860 821) |
| Depreciation, amortisation and impairment loss | - | (63 263 625) | - | - | - | - | - | - | - | (63 263 625) |
| Finance costs | - | (6 095 025) | - | - | (217 614) | (179 872) | (606) | (2 632 436) | (313 216) | (9 438 769) |
| Debtors impairment | - | - | - | - | - | - | - | (3 412 630) | (4 252 096) | (7 664 726) |
| Bad debts written-off | - | (2 699 281) | - | - | - | - | - | - | - | (2 699 281) |

## Notes to the Annual Financial Statements

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Cost of land sold | - | - | - | - | (2 591 600) | - | - | - | - | (2 591 60 |
| General expenses | (1 703 991) | (63 191 314) | (1 869 219) | (290 575) | (2 639 988) | (959 931) | (32 781) | (7 179 782) | (10 559 529) | (88 427 110) |
| Gains/(Loss) on disposal of assets | - | (4 939 617) | - | - | - | - | - | - | - | (4 939 61 |
| [redacted] | | | | | | | | | | |
| **Total segment expenditure** | **(14 017 650)** | 129 187 **182 957 375)** | **(27 879 849)** | **(8 551 311)** | **(20 545 507)** | **(7 497 196)** | **(196 002)** | - **106 708 703)** | **(57 851 815)** | 129 1 **(426 205 4** |
| **Total segmental surplus/(deficit)** | | | | | | | | | | **190 491 053** |

**Reporting on segment assets and liabilities**

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

**53. Segment information (continued)**

**Information about geographical areas**

Although the Municipality operates in a number of geographical areas (i.e.wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

**Measurement of specific segment information**

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes to the structure of its internal organisation in a manner that caused

thecomposition of its reportable segments to change from the prior year.

## Notes to the Annual Financial Statements