



GA-SEGONYANA LOCAL MUNICIPALITY

Annual Report

2021-2022



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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 are 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.

Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

Our 2021/2022 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.

In the year 2021/2022, we have encountered many challenges that have impacted on our service delivery. The population of Ga-Segonyana has greatly increased which has put a strain in providing basic bulk services of Water, Electricity, Sanitation, Housing and Roads. Ga-Segonyana Local Municipality continues to build partnerships with Local Mines, National and Provincial Government Department in order to ensure achievement of the core objective of the Municipality to deliver quality services.

The Ownership transition from Sedibeng Water to Bloem Water as well as continuous escalating loadshedding has seen Ga-Segonyana faced with a serious Water Crisis. We furthermore encountered Vandalism to Municipal Properties (Water pumps, Boreholes, Electric Cables). In a manner of intervening to the matter, we made available municipal water truck to deliver water to communities, introduction of Water Prepaid System and maintenance of Water Pumps and Boreholes. To curb the high rate of crime, the Ga-Segonyana Street Patrol initiative was introduced, creating employment to at least 14 Young people while strengthening working relations with the John Taolo Gaetsewe Security Clusters.

Chapter 1

It is notable that in the year 2021/2022 Ga-Segonyana Local Municipality in Partnership with Eskom was able to complete and energise the Mothibistad Sub-Station, providing many households with electricity.

Public participation remains one of the key wheel of change that we utilise in ensuring that the needs of the communities is attended to. The political administration implemented successful IDP roadshows, Mayoral Imbizo and Crime Indaba, which have facilitated the process of restoring safety and security in our Ga-Segonyana. As per legislation, Ward Councillors continue to hold Ward Meetings.

We have improved the communication platforms to engage the public through various partnerships with the local community radio station and local Newspapers. The Public is able to easily access Municipality information and express concerns using our Municipal Website, Active Official Municipal Social Media pages and Municipal Call Centre.

As Ga-Segonyana Local Municipality remain committed to provide Progressive Sustainable Development and upholds key policies of good governance, transparency and accountability to our communities.

.....
Mayor Neo George Masegela

T 1.0.1

Chapter 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

Chapter 1

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.

.....
Municipal Manager
Mr Martin Tsatsimpe

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

Chapter 1

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,

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

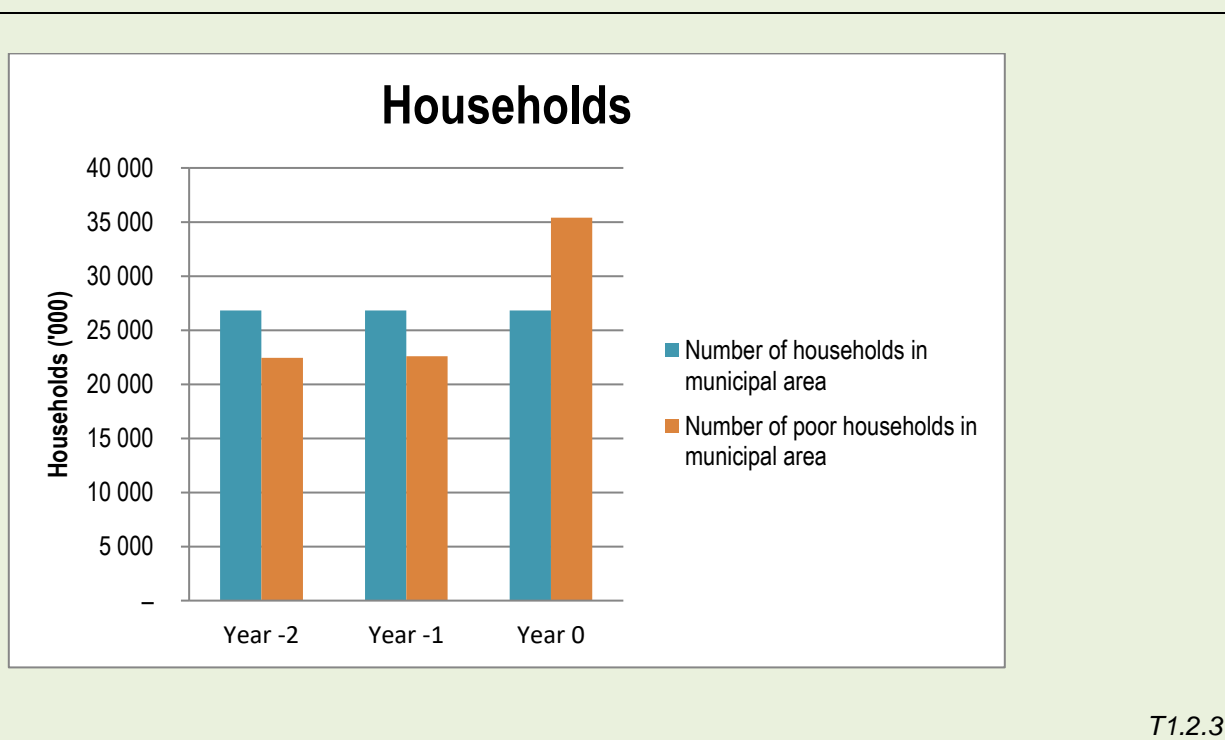
The Municipality remove an average of 12-ton waste per day from business premises and 18,45 ton from domestic premises.

T 1.2.1

Chapter 1

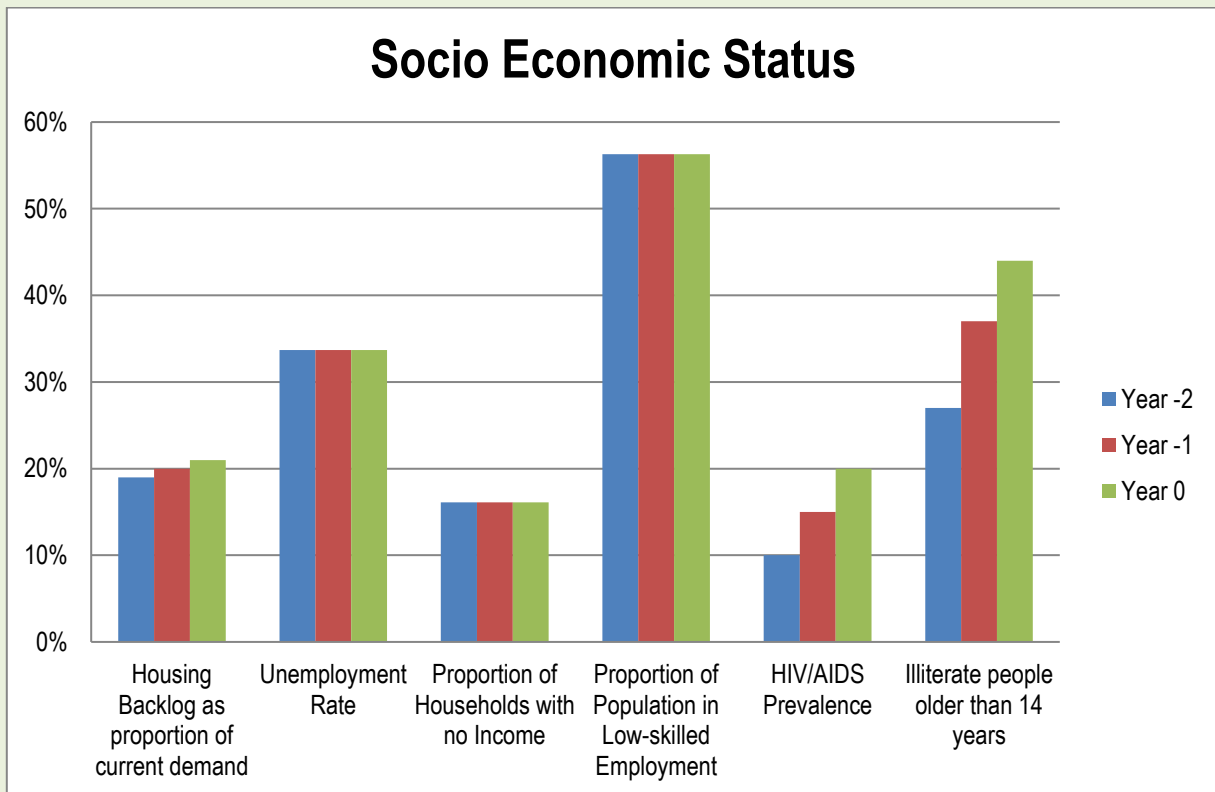
Population Details									
Age	Year 2020			Year 2021			Year 2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	5806	5432	11238	5806	5432	11238	5806	5432	11238
Age: 5 - 9	4964	4964	9927	4964	4964	9927	4964	4964	9927
Age: 10 - 19	9459	9459	18918	9459	9459	18918	9459	9459	18918
Age: 20 - 29	8335	8803	17138	8335	8803	17138	8335	8803	17138
Age: 30 - 39	6462	7305	13767	6462	7305	13767	6462	7305	13767
Age: 40 - 49	4495	4776	9271	4495	4776	9271	4495	4776	9271
Age: 50 - 59	3184	3933	7117	3184	3933	7117	3184	3933	7117
Age: 60 - 69	1592	2060	3652	1592	2060	3652	1592	2060	3652
Age: 70+	937	1686	2622	937	1686	2622	937	1686	2622

Source: Statistics SA T 1.2.2



Chapter 1

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%	34%	16%	56%	10%	27%
Year - 1	20%	34%	16%	56%	15%	37%
Year 0	21%	34%	16%	56%	20%	44%
T 1.2.4						



Chapter 1

Overview of Neighbourhoods within 'Ga-Segonyana'		
Settlement Type	Households	Population
Towns		
Kuruman	3188	13057
Mothibistad	3318	9616
Sub-Total	6506	22673
Rural settlements		
Bankhara	2325	7972
Ga-Lotolo	108	355
Ga-Motsamai	174	533
Ga-Ntatelang	379	1614
Ga-Sebolao	47	150
Ga-Segonyana NU	1173	3200
Ga-Sehubane	100	404
Ga-Tihose	20	47
Gariele	114	397
Harvard	608	295
Kollie	18	68
Kudumane	199	894
Lophala-phala	19	17
Magobe	2745	9111
Maruping	596	2266
Mokala-Mosesane	65	202
Ntsweng	279	1014
Phakane	37	1178
Piet se bos	80	297
Sedibeng	565	2184
Seoding	2448	7266
Thamoeache	171	691
West Derby	659	2669
Sub-Total	12929	42824
Total	19435	65497
T 1.2.6		

Chapter 1

COMMENT ON BACKGROUND DATA:

Delete Directive note once comment is completed - Set out Key challenges and opportunities for the municipality arising from the data provided in this demographic section. Discuss the relevance of the 5 Major resources and the ways in which your municipality is trying to improve the positive impact they have on the local community.

T 1.2.8

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.

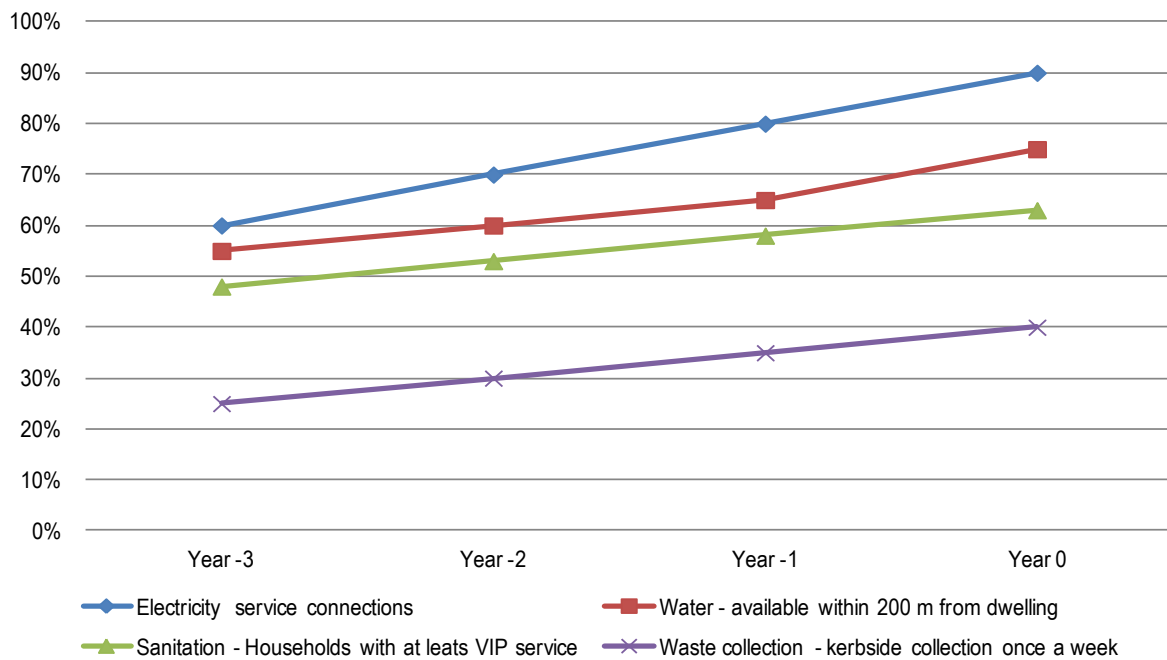
There are no budget provisions to attend to basic infrastructure as funding must be sourced by grant funding and it takes time to plan and source such funding. The disaggregation of families causes an even larger increase in number of people needing basic services.

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

Chapter 1

Proportion of households with access to basic services



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

Chapter 1

1.4. FINANCIAL HEALTH OVERVIEW

The financial year 2021/22 saw the world coming out of the pandemic called COVID-19 and long restrictions of lockdown.

This period brought with it many economic downfalls of unemployment, job losses, closure of businesses and some industries as well surge in prices of basic commodities and necessities. This impact also affected the efficient provision of services by the municipality as some revenue bases decline as a result.

Furthermore, the payment of services by residents and businesses also took a knock.

Attention is drawn to Note 45 Irregular expenditure of the annual financial statements, regarding Supply chain management compliance, there was an error detected after the audit was concluded and signed off, where the auditors erroneously included in the irregular expenditure disclosure (Note 45) an amount of R65 201 236 relating to a supplier appointed for electrification. The error meant that the service provider was appointed as part of panels when it was not. The relevant supporting documentation were submitted to the auditors in this regard to prove that this was not a panel appointment but a straightforward appointment in terms of PPPF Act. The audited figure disclosed in Note 45 of the annual financial statements is therefore overstated by this amount. The net irregular expenditure is therefore R73 208 050 in the current financial year.

Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	312 940 000	397 971 000	412 811
Taxes, Levies and tariffs	220 724 000	219 233 000	439 957 000
Other	27 667 000	27 242 000	54 909 000
Sub Total	561 331 000	644 446 000	1 205 777 000
Less: Expenditure	478 571 756	497 868 275	497 869
Net Total*	82 759 244	146 577 725	1 205 279 131
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	30%
Repairs & Maintenance	1%
Finance Charges & Impairment	5%
T 1.4.3	

Chapter 1

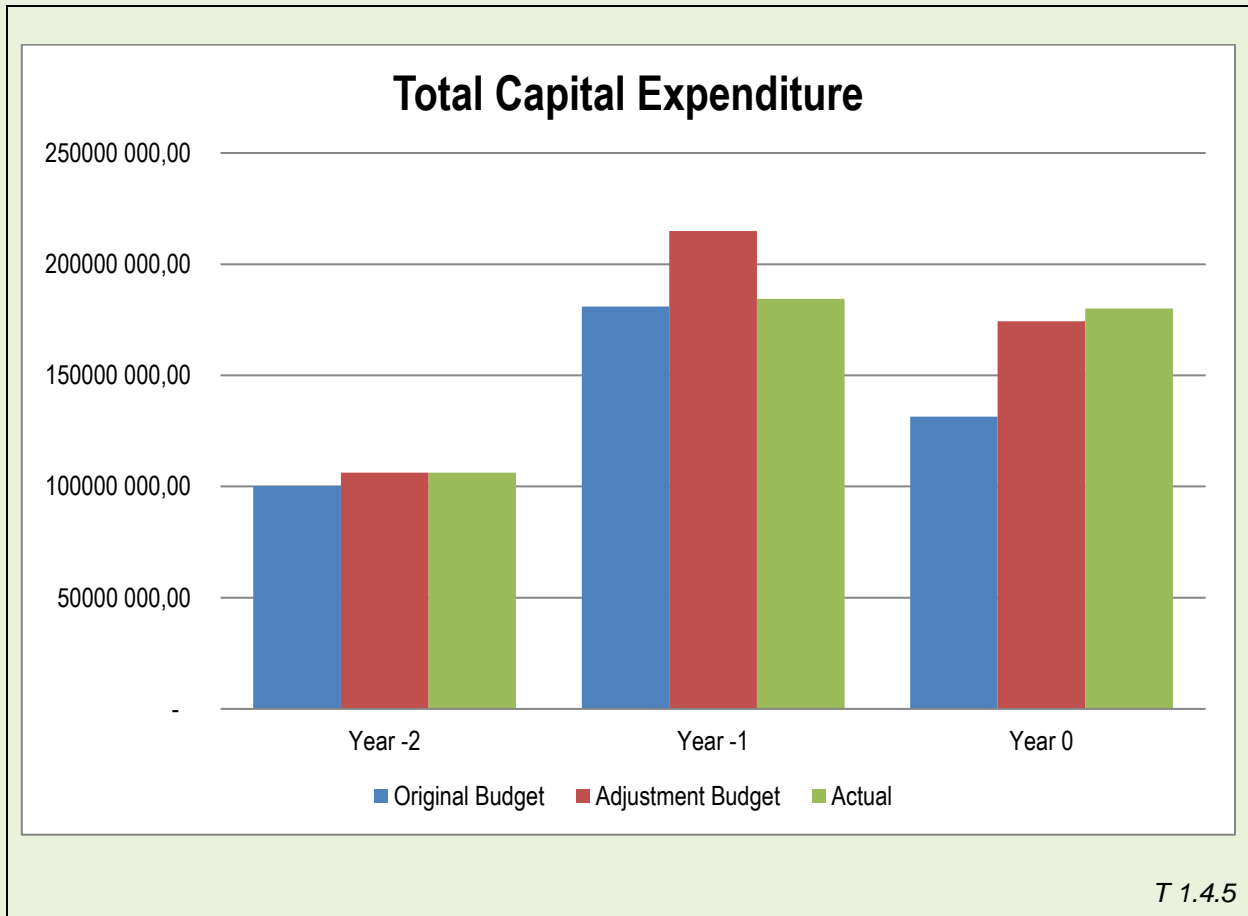
COMMENT ON OPERATING RATIOS:

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	100 176 217,00	180 997 927,00	131 488 999,00
Adjustment Budget	106 200 217,00	214 858 215,00	174 283 350,00
Actual	106 200 217,00	184 397 401,12	180 089 394,00
			<i>T 1.4.4</i>

Chapter 1



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

Chapter 1

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

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

Chapter 1

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	January
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

T 1.7.1

Chapter 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

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The Constitution of the Republic of South Africa Act 108 of 1996 stipulated that public administration should adhere to several 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.

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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.

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

Chapter 2

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

Chapter 2

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 are 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 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

Chapter 2

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 procedure 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

COUNCILLORS

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

Chapter 2



Cllr. Neo Masegela
Mayor & PR Councillor
(ANC)

COUNCIL OF GA-SEGONYANA LOCAL MUNICIPALITY



Cllr. Keamogetse Madikiza
Speaker & PR Councillor
(ANC)



Cllr. Lesangang Moagi
Chairperson of Finance
Standing Committee
(ANC)



Cllr. Braam Van Der Westhuizen
Ward 1 Councillor &
Chairperson of Human
Resource Standing
Committee (DA)



Cllr. Kaseboga Mathole
Ward 14 Councillor &
Chairperson of IDP
Standing committee
(ANC)



Cllr. Mojamienang Reetsang
PR Councillor &
Chairperson of
Community Service
(EFF)



Cllr. Thabiso Maramenti
Chairperson of MPAC
Ward 4 Councillor
(ANC)



Cllr. Charles Phillips
Council Whip & Ward 13
Councillor
(ANC)



Cllr. Piet Moepeng
Ward 2 Councillor
(ANC)



Cllr. Lorato Molosi
Ward 3 Councillor
(ANC)



Cllr. Kagiso Moloka
Ward 5 Councillor
(ANC)



Cllr. Kgatoetse Reuben Makhubo
Ward 6 Councillor
(ANC)



Cllr. Tshoganyetso Lesley Diphatse
Ward 7 Councillor
(ANC)



Cllr. Tebogo Nyathi
Ward 8 Councillor
(ANC)



Cllr. Nametseng Moseotho
Ward 9 Councillor
(ANC)



Cllr. Gomolomo Chere
(Ward 10 Councillor)
(ANC)



Cllr. Maria Tseng
Ward 11 Councillor
(ANC)



Cllr. Seiso Ingrid Kok
Ward 12 Councillor
(ANC)



Cllr. Mthuthuzeli Valele
Ward 15 Councillor
(ANC)



Cllr. Maseno Kapeledi
PR Councillor
(EFF)



Cllr. Madinwanje Lebesane
PR Councillor (EFF)



Cllr. Kasebela Setshedi
PR Councillor
(EFF)



Cllr. Tshapo Ellis
PR Councillor
(EFF)



Cllr. Mathibane Mmamala
PR Councillor
(EFF)



Cllr. Kasebela Cawu
PR Councillor
(EFF)



Cllr. Sarah Ryan
PR Councillor
(DA)



Cllr. Okende Mofube
PR Councillor
(DA)



Cllr. Clement Mofaji
PR Councillor
Forum 4 Service Delivery
(F4SD)



Cllr. Molebogo Dikang
PR Councillor
(SARKO)

Chapter 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 management of the whippyery of the ANC. It is also his responsibility to chair the Caucus and ensure that members of the Party speak with one voice.

Chapter 2

T 2.1.

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.

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Chapter 2

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.



Kagiso Noke
Chief Financial Officer



Martin Tsatsimpe
Municipal Manager



Hendrik Smit
Director Infrastructure Services



Kelibone Baloyi
Director Community Services



Clifford Pule
Director Corporate Services

Chapter 2

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—

Chapter 2

- 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

Chapter 2

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

Chapter 2

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

[illegible]

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Delete Directive note once comment is completed –There were no community meetings held for the year under review due to covid 19 restriction.

T 2.4.3.1

Chapter 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

Chapter 2

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

Chapter 2

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
	Electrical Supply By-Law	Yes	04 May 2022 to 12 May 2022	No	N/A
	Combating Vandalism of Properties By Law	Yes	04 May 2022 to 12 May 2022	No	N/A
	Fire Bridgate Services By Law	Yes	04 May 2022 to 12 May 2022	No	N/A
	Parking and Loading Management By Law	Yes	04 May 2022 to 12 May 2022	No	N/A
	Sewage Disposal By Law	Yes	04 May 2022 to 12 May 2022	No	N/A
	Building Regulations By Law	Yes	04 May 2022 to 12 May 2022	No	N/A
	Refuse Removal By Law	Yes	04 May 2022 to 12 May 2022	No	N/A
Keeping of Wild Animals, Poultry and Bees		Yes	04 May 2022 to 12 May 2022	No	N/A
*Note: See MSA section 13.					T 2.9.1

Chapter 2

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.

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	yes	19/07/2021
All current budget-related policies	yes	30/06/2021
The previous annual report (Year -1)	yes	31-Jan-20
The annual report (Year 0) published/to be published	yes	14/03/2021
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	no	
All service delivery agreements (Year 0)	no	
All long-term borrowing contracts (Year 0)	no	
All supply chain management contracts above a prescribed value (give value) for Year 0	no	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	no	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	no	
Public-private partnership agreements referred to in section 120 made in Year 0	no	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	yes	24/05/2022
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		

T 2.10.1

Chapter 2

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

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

Delete Directive note once comment is completed - Provide a brief overview of public satisfaction with municipal service delivery.

T 2.11.1

Satisfaction Surveys Undertaken during: Year -1 and Year 0				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality				
(b) Municipal Service Delivery				
(c) Mayor				
Satisfaction with:				
(a) Refuse Collection				
(b) Road Maintenance				
(c) Electricity Supply				
(d) Water Supply				
(e) Information supplied by municipality to the public				
(f) Opportunities for consultation on municipal affairs				
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T 2.11.2

Concerning T 2.11.2:

Chapter 2

Delete Note once table T 2.11.2 is complete - It is not intended that municipalities should necessarily commission new surveys to complete the above table (T 2.11.2). This material should be obtained from existing surveys undertaken during year -1 and year 0 and by analysing complaints and other service feedback. The services specified in the table (a. Refuse; b. Road Maintenance; c. Electricity; d. Water) are provided for illustration only. Although they are key services and should be included if data is available, other services should be included too where data exists. Where future questionnaires are planned then municipalities should have regard to national priorities; demographic variations; and poverty.

T 2.11.2.1

COMMENT ON SATISFACTION LEVELS:

Delete Directive note once comment is completed – Indicate the efforts that were made to improve satisfaction levels and to communicate successfully with the public on key issues of service delivery. It is not intended that municipalities should commission new surveys to complete the above table (T2.11.2). This material should be obtained from existing survey undertaken during year -1 and year 0 and by analyzing complaints and other service feedback. The services specified in the table (a. Refuse; b. Road Maintenance; c. Electricity; d. Water) are provided for illustration only. Although they are key services and should be included if data is available, other services should be included too where data exists.

T 2.11.2.2

Chapter 3

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

INTRODUCTION

- A total 8.4 Km of gravel internal road to paved roads were completed in Batlharos Kagung Harvard and Magojaneng Block D in 2021/2022 financial year.
- Extension of bulk water supply in Mokalamosesane and Geelboom was completed to eradicate the backlog of 850 households.
- Construction of Batlharos Nanana community hall was completed in 2021 /2022.
- 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.

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 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 finalised. We have started to provide electrical household connection in Promise Land using INEP Funding.

Chapter 3

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.

MIG and WSIG funding are the main government grants that allow the Municipality to render 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.

T 3.1.0

Chapter 3

3.1. WATER PROVISION

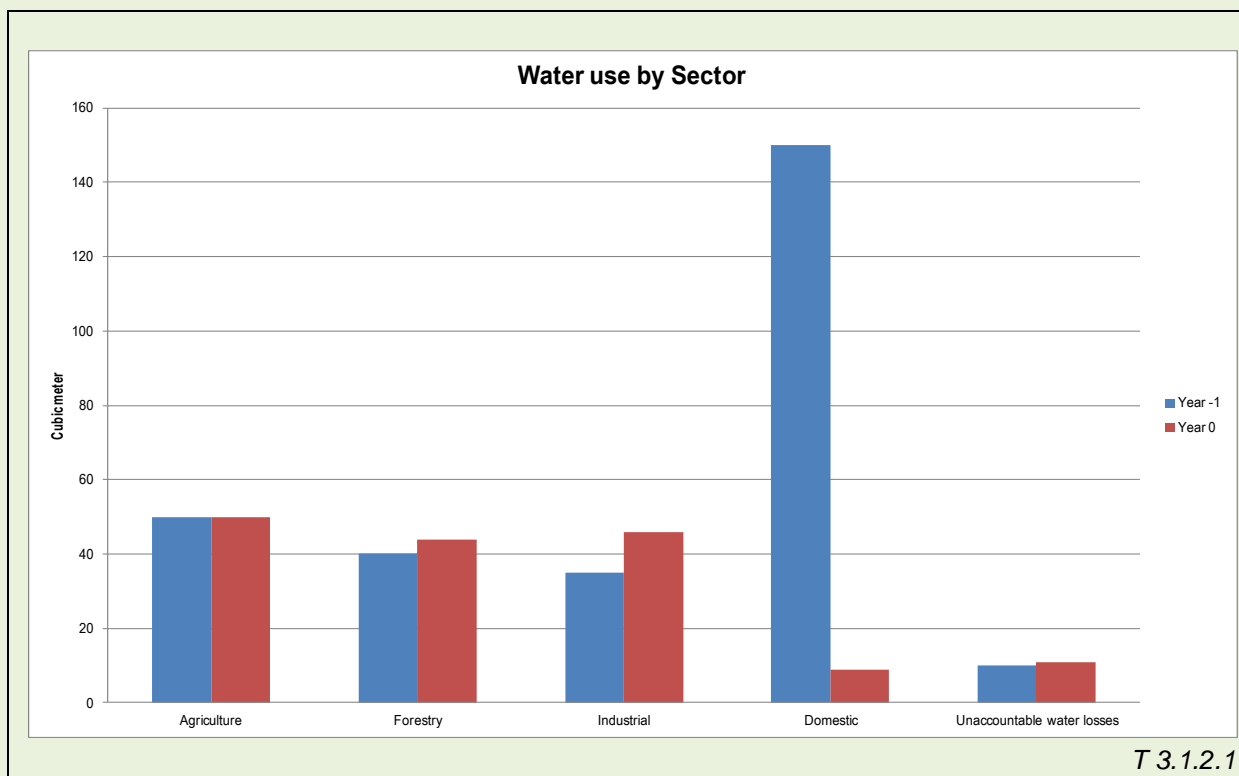
INTRODUCTION TO WATER PROVISION

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

Chapter 3

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

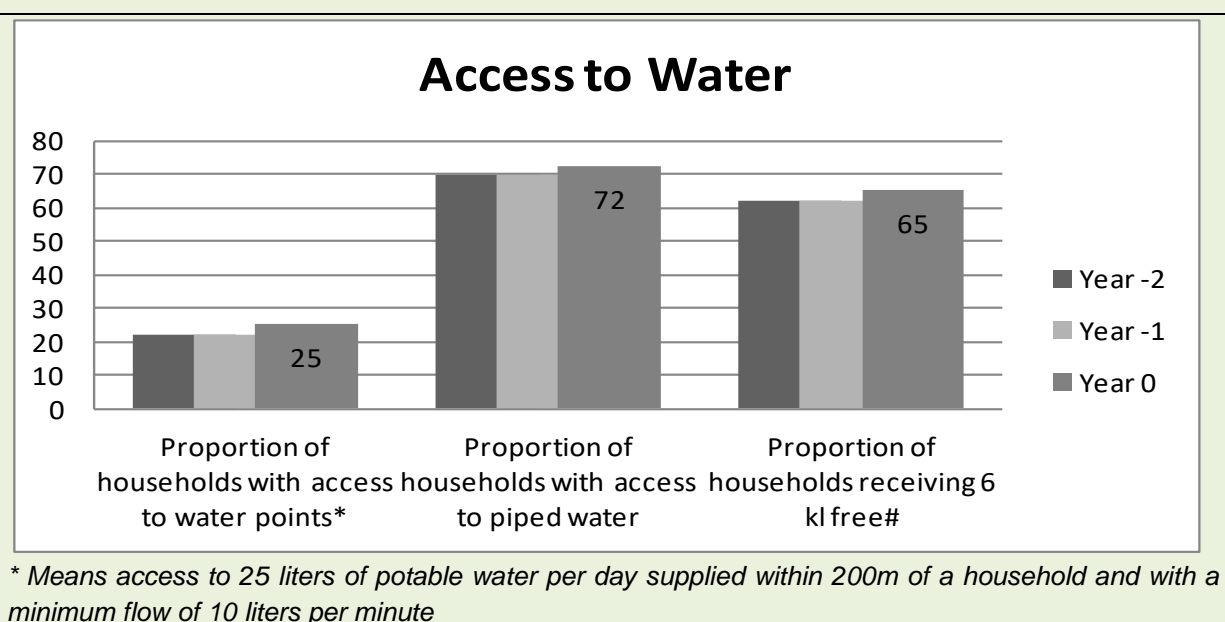
Water Service Delivery Levels				
Description	2018-2019	2019-2020	2020-2021	Households 2021-2022
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Water: (above min level)</u>				
Piped water inside dwelling	6	8	9	20
Piped water inside yard (but not in dwelling)	6	10	13	0
Using public tap (within 200m from dwelling)	10	12	14	50
Other water supply (within 200m)	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	23	30	35	35
<i>Minimum Service Level and Above Percentage</i>	65%	63%	61%	66%
<u>Water: (below min level)</u>				
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	–
<i>Below Minimum Service Level sub-total</i>	12	12	18	18
<i>Below Minimum Service Level Percentage</i>	35%	35%	37%	34%
Total number of households*	35	35	48	53

* - To include informal settlements

T 3.1.3

Chapter 3

Households - Water Service Delivery Levels below the minimum						
Description	2016-2017	2017-2018	2018-2019	2020-2021		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget No.	Budget No.	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%



Chapter 3

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

T 3.1.5

Chapter 3

Chapter 3

Water Service Policy Objectives Taken From IDP									
Service Objectives <div>Service Indicators</div> (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									
Households without minimum water supply	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	xxxxxxxx additional HHs (xxxxxx HHs outstanding)	xxxxxxxx additional HHs (xxxxxx HHs outstanding)	xxxxxxxx additional HHs (xxxxxx HHs outstanding)	xxxxxxxx additional HHs (xxxxxx HHs outstanding)	xxxxxxxx additional HHs (xxxxxx HHs outstanding)	xxxxxxxx additional HHs (xxxxxx HHs outstanding)	xxxxxxxx additional HHs (xxxxxx HHs outstanding)	xxxxxxxx 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 interruptions of one hour or more during the yr)	T0% (xxxxxx Ints)	A0% (xxxxxx Ints)	T1% (xxxxxx Ints)	T1% (xxxxxx Ints)	A1% (xxxxxx Ints)	T2% (xxxxxx Ints)	T5% (xxxxxx Ints)	T5% (xxxxxx Ints)
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)
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 incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -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

T 3.1.6

Chapter 3

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	2021 – 2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R40 382 000.00	R 0.00	R 32 812 023.55	7 569 976.45	
Extension of water supply to new Mokalamosesane	R 14 234 516,39	R 0.00	R 12 753 974.77	1 480 541.62	R 14 983 701,46
Upgrading of water supply scheme and related works for Geelboom	R 12 056 067,65	R 14 996 089,7	R 13 245 620.58	1 750 469.12	R 14 996 089,7
Extension of Bankhara Bodulong bulk water supply	R 0.00	R 7 619 413,64	R 7 569 976.45	4 082 692.53	R 33 450 902.83
					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.

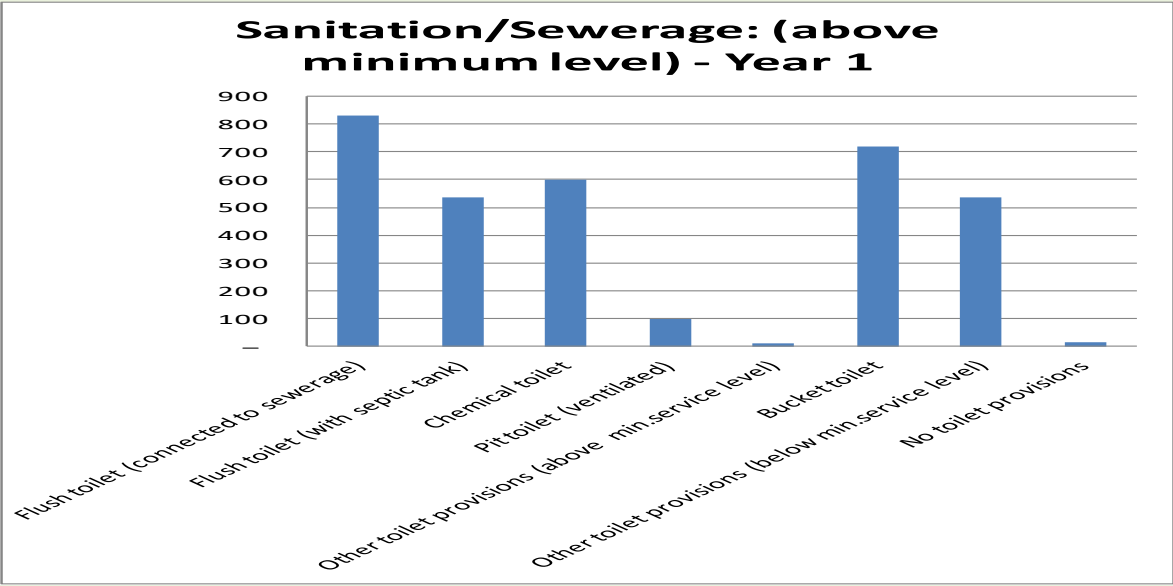
T 3.1.1

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. The Municipality has not implemented VIP sanitation project for the year 2021/2022 Sewer suction services are also provided to some parts of privately owed septic tanks in rural villages

T 3.2.1



T 3.2.2

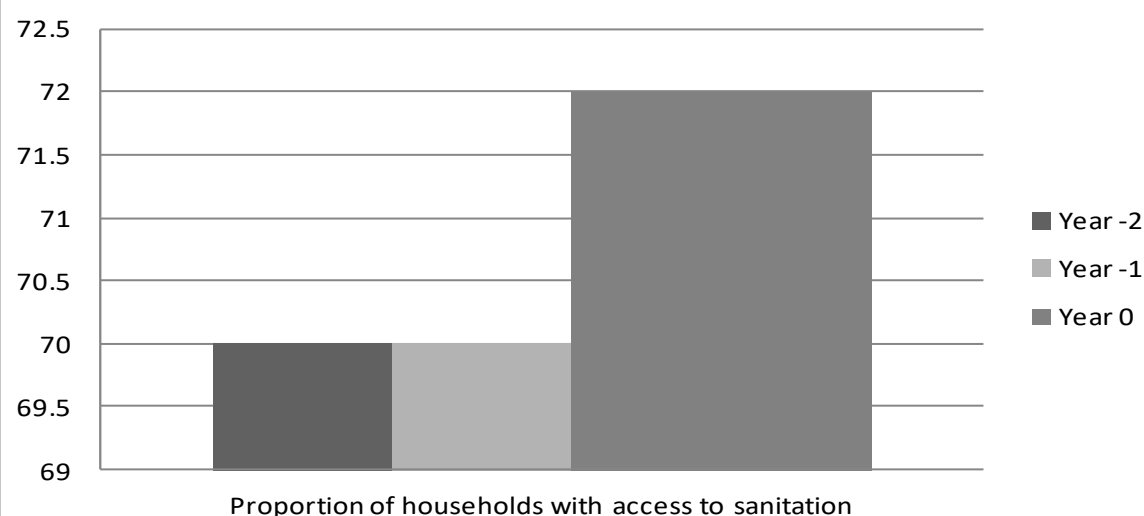
Chapter 3

Sanitation Service Delivery Levels				
Description	2017-2018	2018-2019	2019-2020	*Households 2020-2021
	Outcome No.	Actual No.	Actual No.	Actual 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				

Description	Households					
	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						
Description	Households					
	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



Chapter 3

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Chapter 3

Employees: Sanitation Services					
Job Level	2019-2020	2021-2022			
	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%
					T 3.2.7

Financial Performance Year 2019-2020: Sanitation Services					
					R'000
Details	2019-2020	2020-2021			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 72 483.00	R 67 781.00	R 71 282.00	R 72 483.00	2%
Expenditure:					
Employees	R 3 494.00	R 4 049.00	R 3 283.00	R 3 494.00	6%
Repairs and Maintenance	R 68.00	R 120.00	R 67.00	R 68.00	1%
Other	R 10 260.00	R 11 802.00	R 13 301.00	R 10 260.00	-23%
Total Operational Expenditure	R 13 822.00	R 15 971.00	R 16 651.00	R 13 822.00	-17%
Net Operational Expenditure					
					T 3.2.8

Chapter 3

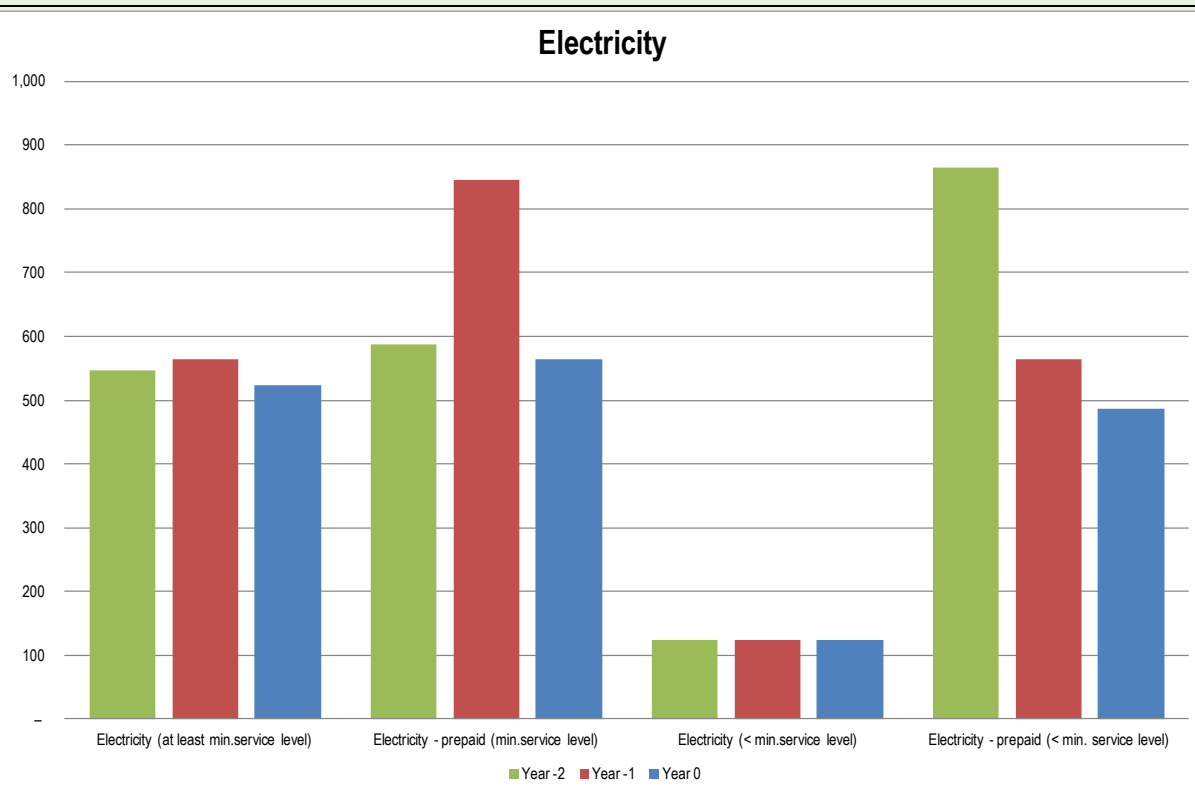
Capital Expenditure 2020-2021: Sanitation Services					
R' 000					
Capital Projects	2020-2021				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 4 971 088.00	R 0	R 12 111 148.21	0%	
Refurbishment of Barnard Avenue Pump Station	R 4 971 088.00	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
<p>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.</p> <p>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</p>
T 3.3.1

Chapter 3



T 3.3.2

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

T 3.3.3

Chapter 3

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	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

Chapter 3

Chapter 3

Electricity Service 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									
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)
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -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

Chapter 3

Employees: Electricity 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	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%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p>T 3.3.6</p>					

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%
<p>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.</p>					T 3.3.7

Chapter 3

Capital Expenditure Year 0: Electricity 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 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The Municipality's electrical infrastructure has improved and the NMD increased from 16,9 NMD to 22 NMD to accommodate future projects in the CBD and new electrification connections. The Municipality has been able to electrify 2200 connections in Promise Land and 120 connections in Wrenchville. Bankhara-Bodulong had to be omitted due to technical difficulties experienced on site. The final approval for the extension of License distribution from NERSA for Promise land is approved. The municipal operational budget is unable to cover major maintenance programs for networks, mini-substations and transformers. The available funds are only adequate to cover items such as pole mounted transformers and cables to address short term challenges of periodic cut-offs which are consequences of ageing infrastructure.

T 3.3.9

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

INTRODUCTION TO WASTE MANAGEMENT

Household refuse collection is done weekly in Kuruman town, Mothibistad and Wrenchville. **Business refuse collection** is done on daily basis from Monday to achieve according to the National 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 branded with (# Keep Ga-Segonyana Clean)
- 2 Weekly Clean-up and awareness campaigns

Chapter 3

3 The installation of information boards with directional arrows to show residents where the landfill site is situated.

4 The municipality is registered with SAWIC and is currently reporting on monthly basis without any interruption.

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

Chapter 3

Solid Waste Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	14 184	13 317	13 447	14 951
<i>Minimum Service Level and Above sub-total</i>	14 184	13 317	13 447	14 951
<i>Minimum Service Level and Above percentage</i>	39.1%	37.6%	37.8%	40.4%
<u>Solid Waste Removal: (Below minimum level)</u>				
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
<i>Below Minimum Service Level sub-total</i>	22 102	22 102	22 102	22 102
<i>Below Minimum Service Level percentage</i>	60.9%	62.4%	62.2%	59.6%
Total number of households	36 286	35 419	35 549	37 053
T 3.4.2				

Chapter 3

Solid Waste Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above sub-total</i>	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above percentage</i>	50.9%	47.1%	51.5%	44.8%
<u>Solid Waste Removal: (Below minimum level)</u>				
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
<i>Below Minimum Service Level sub-total</i>	2,790	3,015	2,678	2,755
<i>Below Minimum Service Level percentage</i>	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						
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	13	13			14
Households below minimum service level	184	317	447	–	–	951
Proportion of households below minimum service level	444	406	407			407
	3%	3%	3%	#DIV/0!	#DIV/0!	3%
Informal Settlements						
Total households	22	22	22			22
Households below minimum service level	102	102	102	–	–	102
Proportion of households below minimum service level	22	22	22			22
	102	102	102	–	–	102
	100%	100%	100%	#DIV/0!	#DIV/0!	100%
						T 3.4.3

Chapter 3

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	No.
	No.	No.	No.	No.	No.	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

Chapter 3

Waste Management Service Policy Objectives Taken From IDP					
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year -1			Year 0
		Target		Actual	Target
		*Previous Year (iii)			*Previous Year (v) *Current Year (vi)
Service Objective xxx					
Provision of weekly collection service per household (HH)	Weekly collection per household for (Kuruman, Mothibstad and Wrenchville)	12 480 households	13447 households	12 480 households	12 480 households
Future capacity of existing and earmarked (approved use 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
Proportion 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
Proportion of landfill sites in compliance with the Enviromental 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

Chapter 3

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the target set in the 2019/20 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 Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for IDPs to play a key role.*

Chapter 3

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

Chapter 3

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					
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

Chapter 3

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

Chapter 3

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

Delete Directive note once comment is completed –Explain the priority of the four largest capital projects and explain variances from budget for 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 3.4.10

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 Municipality are characterised by small pockets of villages that are often far from basic services and provide a challenge in responding to housing needs in terms 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

Chapter 3

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

Chapter 3

[illegible]

Chapter 3

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

Chapter 3

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:

Delete Directive note once comment is completed – Explain the priority of the four largest capital projects and explain variances from budget for 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 3.5.7

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.

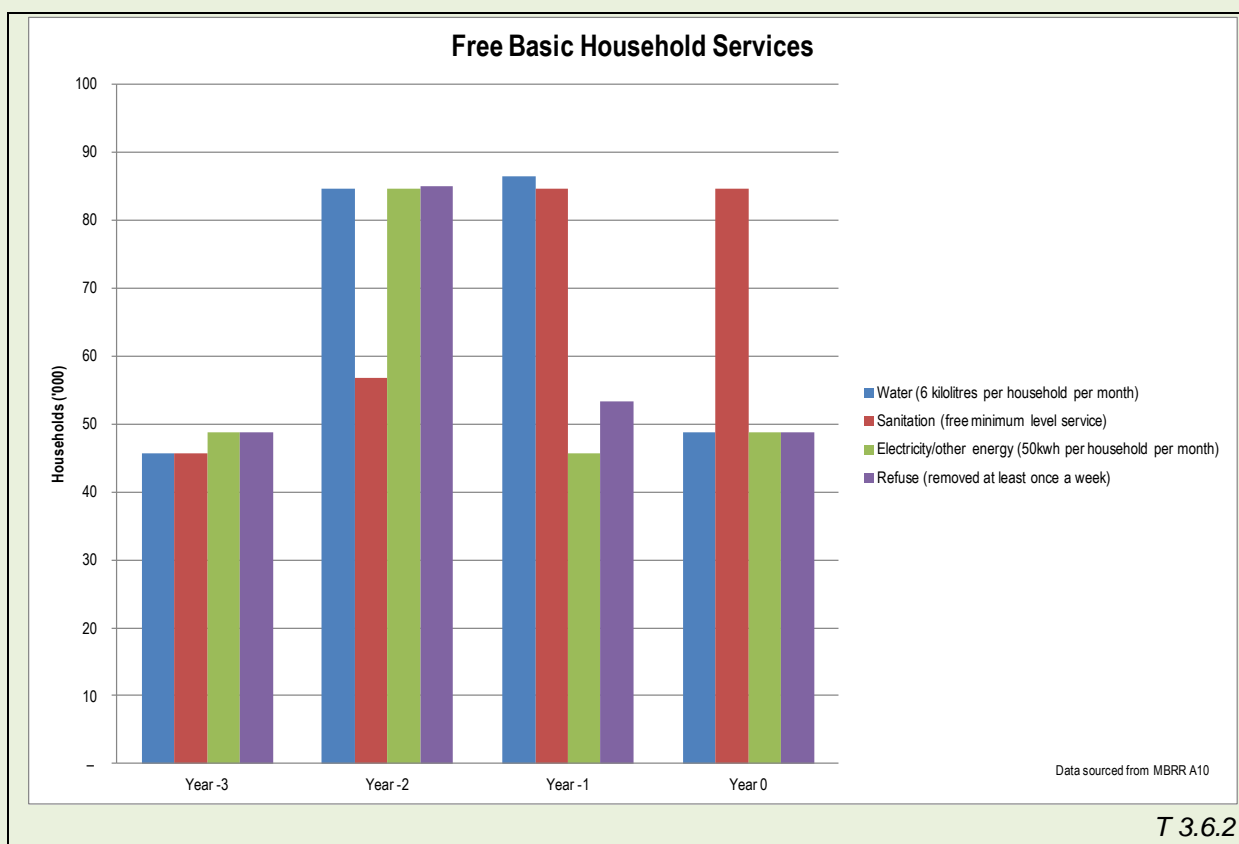
Chapter 3

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

Chapter 3

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
			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		930 063,27	930 063,27	850 000,00	-9%
Waste Water (Sanitation)		524 500,00	524 500,00	-	#DIV/0!
Electricity	971 523,00	1 238 254,00	1 238 254,00	604 216,00	-105%
Waste Management (Solid Waste)		524 500,00	524 500,00	-	#DIV/0!
Total	971 523,00	3 217 317,27	-	1 454 216,00	-121%
T 3.6.4					

Chapter 3

Chapter 3

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).

INTRODUCTION TO ROAD TRANSPORT

Delete Directive note once comment is completed - Provide brief introductory comments on the strategy, priorities and provision regarding road development and maintenance and transport including public bus services.

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

Delete Directive note once comment is completed – Explain in brief your Roads strategy, the steps taken towards the implementation of the strategy 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 those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Roads Services within the municipality.

T 3.7.1

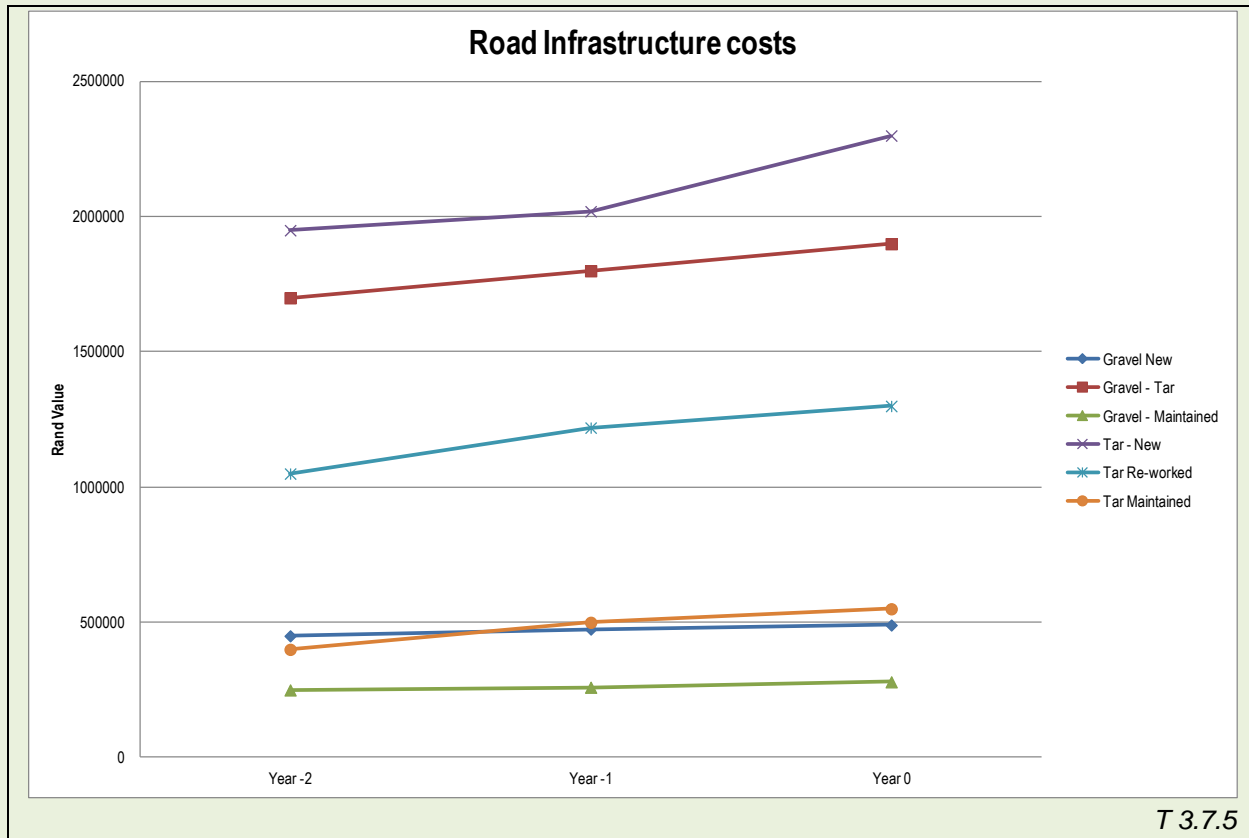
Chapter 3

Gravel Road Infrastructure				
	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					
	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						
	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

Chapter 3



Chapter 3

Chapter 3

[illegible]

Chapter 3

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%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p style="text-align: right;">T3.7.7</p>					

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%

Chapter 3

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 Expenditure Year 0: Road 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 3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The Municipality has so far been addressing the roads backlog with the grant funding from MIG mainly focusing in the rural areas. Mining houses have also assisted the Municipality significantly with regards to the eradication of potholes in the Municipal areas. The District Municipality has also embarked on a programme of assisting the locals with the Roads assets Management Plan to manage the roads assets.. 1.8 kilometres of roads were upgraded from gravel to paved in Kagung

T 3.7.10

Chapter 3

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

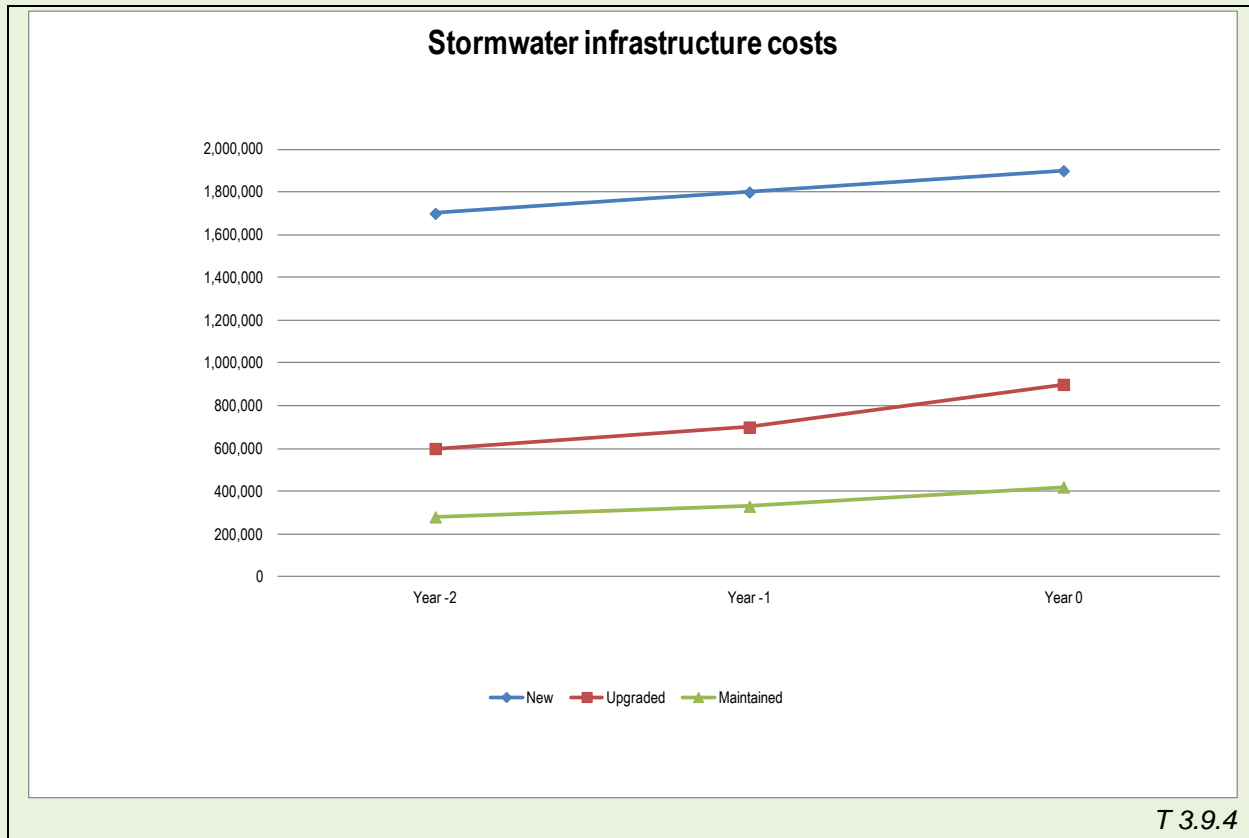
Delete Directive note once comment is completed – Provide brief introductory comments on the progress being made to improve stormwater drainage and discuss the major successes achieved and challenges faced in year 0 (include your top 3 service delivery priorities and the impact you have had on them during 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

Chapter 3



Chapter 3

T 3.9.5

Chapter 3

Employees: Stormwater 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					
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

Chapter 3

Capital Expenditure Year 0: Stormwater Services					
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

Chapter 3

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

Chapter 3

T 3.10.3

Chapter 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

Chapter 3

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 DEVELOPMENT

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-

Chapter 3

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

Chapter 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

Chapter 3

[illegible]

Chapter 3

Chapter 3

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	1 408 812.00	812 592.00	827 592.00	1 621 942.00	50%
Expenditure:					
Employees	3 064 108.00	2 143 548.00	2 096 548.00	3 820 565.00	44%
Repairs and Maintenance	36 675.00	0	0	12 560.00	100%
Other	32 873.00	76 572.00	76 572.00	39 544.00	-94%
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!

Chapter 3

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

Chapter 3

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 2021/ 2022 financial year

Activity	Totals
1. Circulation of library materials	- 4321
2. Un-shelved library materials	- 2492
3. Library users	- 727
4. Library visitors	- 6170
5. Total Library memberships	- 6474

T 3.12.2

Chapter 3

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP									
Service Objectives 									

Chapter 3

<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -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.</i></p>									
									T 3.12.3

Chapter 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?
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p style="text-align: right;">T 3.12.4</p>					

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
<p>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</p> <p style="text-align: right;">T 3.12.6</p>					

Chapter 3

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 CREMATORIALS

INTRODUCTION TO CEMETORIES & CREMATORIALS

The municipality is providing services to Kuruman (Ward 1), Wrenchville (Ward 13) and Mothibistad (Ward 15). There is a tariff schedule for graves developed every financial year. The municipality is allocating indigent graves as per request.

T 3.13.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIALS

Kuruman Cemetery

Work plan is in place to clean the cemetery
05 graves were bought for 2021/2022
No indigent graves allocated for 2021/2022

Wrenchville Cemetery

Work plan in place to clean graves
36 graves were bought for 2021/2022
31 indigent graves were allocated for 2021/2022

Mothibistad Cemetery

Work plan in place to clean the cemetery
16 graves were bought for 2021/2022
05 indigent graves were allocated for 2021/2022

Chapter 3

The road to the graveside in bad condition paving is recommended

T 3.13.2

Chapter 3

Cemeteries and Crematoriums Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (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									
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 incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -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

Chapter 3

Employees: Cemeteries					
Task Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
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%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p style="text-align: right;">T 3.13.4</p>					

Chapter 3

Employees: Cemeteries and Crematoriums					
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: Cemeteries 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:					

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Employees	1 629 411.00	1 925 364.00	1 902 364.00	1 776 015.00	-8%
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!
<i>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.</i>					
T 3.13.5					

Capital Expenditure Year 0: Cemeteries 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
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
T 3.13.6					

Chapter 3

3.20 POLICE

INTRODUCTION TO POLICE

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

Functions of driving license testing centre (DLTC)

1. Appointment for learners licenses for all codes
2. Appointment for driving licenses for all codes
3. Testing for learners licenses for all codes
4. Testing for driving licenses for all codes
5. Issuing for learner licenses
6. Issuing temporary driving licenses
7. Issuing duplicate learners 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

Chapter 3

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	- 2848
Renewal of PrDP	- 1903
Application for Driving License	- 796
Application for Learners License	- 3511

DLTC was visited by 9058 clients for the financial year of July 2021 until June 2022

Vehicle Testing Station (VTS) Statistics for July 2021 until June 2022

Number of roadworthy tests	- 2292
Number of roadworthy certificates issued	- 1900

Law Enforcement Statistics for July 2021 until June 2022

Number of Summons issued	- 2317
Art 341 Notice issued	- 1591
J534	- 0

Total of 3908 Charges were laid for the financial year July 2021 until June 2022

Registration and Licensing Statistics for July 2021 until June 2022

Number of transactions	- 16570
Number of special permits issued	- 120
Number of temporary permits issued	- 5
Duplication registration certificate issued	- 272
Application for roadworthy	- 2292
Number of roadworthy certificates issued	- 1900
PRDP's issued	- 1903

T 3.20.2.1

Chapter 3

Chapter 3

Police Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (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									
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

Chapter 3

Employees: Police Officers					
Job Level	Year -1	Year 0			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
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					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		7 629 756.00	7 629 756.00		#DIV/0!
Expenditure:					
Police Officers					
Other employees		15 261 000.00	14 884 183.00		#DIV/0!
Repairs and Maintenance		646 596.00	646 596.00		#DIV/0!
Other		431 580.00	481 580.00		#DIV/0!
Total Operational Expenditure					#DIV/0!

Chapter 3

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 3.20.5					

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

Chapter 3

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.

T3.21.2.1

Chapter 3

Chapter 3

Fire Service 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									
Turnout time compared to National guidelines	% turn out within guidelines (total number of turn outs)	T0% within guidelines	A0% within guidelines or x if x is larger	T1% within guidelines or A0% if that is larger	70% within guidelines or A0% if that is larger	A1% within guidelines	75% within guidelines or A1 if that is larger; (xxxxx emergency turn outs in year)	95% within guidelines or A4 if that is larger; (xxxxx emergency turn outs in year)	95% within guidelines or A4 if that is larger; (xxxxx emergency turn outs in year)
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -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									

Chapter 3

Employees: Fire Services					
Tasks Level	Year -1	Year 0			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
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%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p>T 3.21.4</p>					

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%

Chapter 3

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), 2021/2022 (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)

Chapter 3

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 24hour 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 assists 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.

T 3.22.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT,

13 x House Fires
07 x Informal settlement fires (Shacks)
163 x Veld Fires
10 x Rubbish Fires
05 x Electrical related Fires
22 x Motor Vehicle Fires
01 x Tree Fires
04 x Building Fires
02 x False alarm

NB!!! The Fire & Disaster Management Officials has attended to **229** incidents for the financial year of July 2021 until June 2022

T 3.22.2

Chapter 3

T 3.22.3

Chapter 3

Financial Performance Year 0: Disaster 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: Disaster 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					

Chapter 3

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

Chapter 3

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

Chapter 3

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

Chapter 3

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:

Chapter 3

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 approved 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
	Year -1 2018/19	Year 0 2019/20	Year 1 2020/21

Chapter 3

Details of the types of account raised and recovered	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 %	Estimated 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

Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	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									
<i>Increase in speed of payment of tariffs, tax demands, invoices</i>	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
<i>Reducing the number of invoices raised by increasing advance payment for services rendered (A project requiring participation by all departments but let by the central finance department)</i>	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
<i>Improving speed of legal measures to recover revenues</i>	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
<i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -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.</i>									T 3.25.3

Chapter 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!
<i>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.</i>					
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%
<i>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.</i>					
T 3.25.5					

Chapter 3

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

Chapter 3

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

Chapter 3

T 3.25.

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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%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T3.26.4</p>					

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!

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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

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T 3.27.2

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T327:

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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%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p style="text-align: right;">T3.27.4</p>					

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%
<p>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.</p>					T 3.27.5

Chapter 3

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

Chapter 3

[illegible]

Chapter 3

Chapter 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%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p>T 3.28.4</p>					

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%
<p>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.</p>					T 3.28.5

Chapter 3

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 PERFORMANCE 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
Note: Set out key plans as per performance scorecard e.g Plan 1: Sustain and build natural environment, Plan 2: Economic Development and job creation, Plan 3: Quality living enviroment, Plan 4: Safe, healthy and secure environment, 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

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

INTRODUCTION

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

Chapter 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
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 & Regulatory)	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	%
Environmental Protection	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

Chapter 4

Vacancy Rate: Year 0			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
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
<p>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>			
			T 4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	50	18	36%
Year -1	50	12	24%
Year 0	50	10	20%
<p>* 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</p>			
			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:
.
T 4.1.4

Chapter 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

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Chapter 4

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	n/a	Using provisions of the EEA
2	Attraction and Retention	100%	100%	approved 30/09/2021
3	Code of Conduct for employees	100%	100%	Using Schedule 2 of MSA
4	Delegations, Authorisation & Responsibility	100%	100%	Reviewed 30/11/2017
5	Disciplinary Code and Procedures	100%	100%	Collective Agreement 1/02/2018
6	Essential Services	n/a	n/a	Negotiations in progress with Unions
7	Employee Assistance / Wellness	100%	100%	Reviewed 30/03/22
8	Employment Equity	100%	100%	Using provisions of the EEA
9	Exit Management	n/a	n/a	n/a
10	Grievance Procedures	100%	100%	Collective Agreement
11	HIV/Aids	n/a	n/a	n/a
12	Human Resource and Development	100%	100%	Approved 29/03/2018
13	Information Technology	100%	100%	29/06/2017
14	Job Evaluation	100%	100%	Approved 30/09/2021
15	Leave	100%	100%	Reviewed 30/03/2021
16	Occupational Health and Safety	100%	100%	Reviewed 29/06/2017
17	Official Housing	100%	100%	Main Collective Agreement
18	Official Journeys	100%	100%	Reviewed 30/01/2022
19	Official transport to attend Funerals	n/a	n/a	n/a
20	Official Working Hours and Overtime	n/a	n/a	n/a
21	Organisational Rights	100%	100%	Collective Agreement
22	Payroll Deductions	100%	100%	Provisions of the BCEA
23	Performance Management and Development	100%	100%	Reviewed 29/06/2017
24	Recruitment, Selection and Appointments	100%	100%	Approved 30/01/2022
25	Remuneration Scales and Allowances	100%	100%	Collective Agreement
26	Resettlement	100%	100%	Provided for in Recruitment Policy
27	Sexual Harassment	100%	100%	Approved 30/03/2022
28	Skills Development	100%	100%	Using provisions of the SDA
29	Smoking	100%	100%	Approved 30/06/2016
30	Special Skills	100%	100%	Provided for in Skills Retention Policy
31	Work Organisation	n/a	n/a	Approved 30/09/2022
32	Uniforms and Protective Clothing	100%	100%	Provided for in the Health & Safety Policy
33	Other: Dress code	n/a	n/a	Approved 30/03/2016
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

Chapter 4

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 Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	60	5	8%	12	60
Temporary total disablement					
Permanent disablement					
Fatal					
Total	60	5	8%	12	60

T 4.3.1

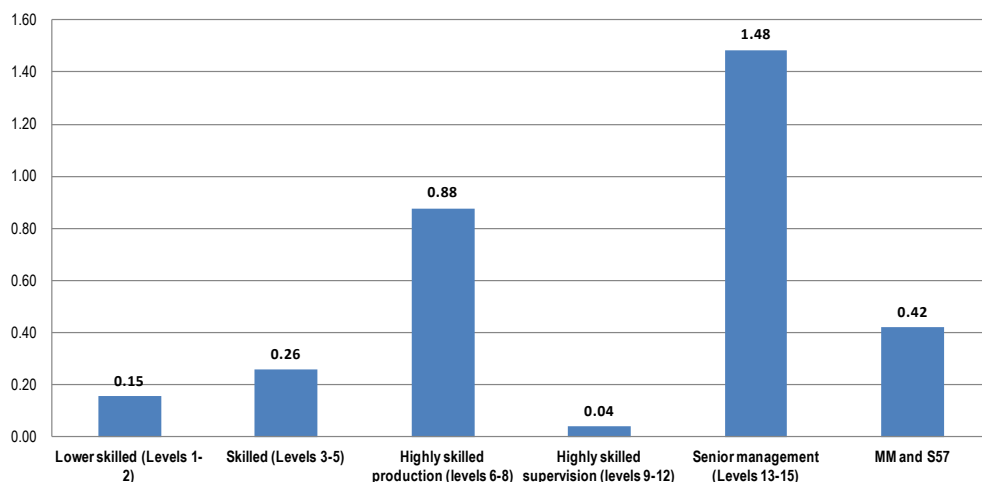
Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	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 column 2 divided by total employees in column 5

T 4.3.2

Chapter 4

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

Chapter 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 Worker Proof of Residence	Posting of inciting statements on Facebook	15/07/2021	Suspension lifted with a verbal warning	07/10/2021
Fire-Fighter	Refusal to carry out lawful instruction, insubordination, insolence and intimidation	03/12/2021	The matter was escalated to the Bargaining Council and was settled	18/02/2022
Fire-Fighter	Refusal to carry out a lawful instruction, insubordination, insolence and intimidation	03/12/2021	The matter was escalated to the Bargaining Council and was settled	18/02/2022
Fire-Fighter	Refusal to carry out a lawful instruction, insubordination, insolence, and intimidation	03/12/2021	The matter was escalated to the Bargaining Council and was settled	18/02/2022
Fire-Fighter	Refusal to carry out a lawful instruction, insubordination, insolence and intimidation	03/12/2021	The matter was escalated to the Bargaining Council and was settled	18/02/2022
T 4.3.5				

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
	None this financial year		
T 4.3.6			

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

There were no cases of suspensions and misconduct for the current financial year under review.

T 4.3.7

Chapter 4

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

Individual performance has not yet been implemented in the municipality

T 4.4.1.1

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
<p>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).</p>					

T 4.4.1

Chapter 4

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

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Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Chapter 4

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	

Chapter 4

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						
<i>Accounting officer</i>	0	0	0	0	0	0
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	0	0	0	0	0	0
<i>Any other financial officials</i>	0	0	0	0	0	0
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	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

Chapter 4

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

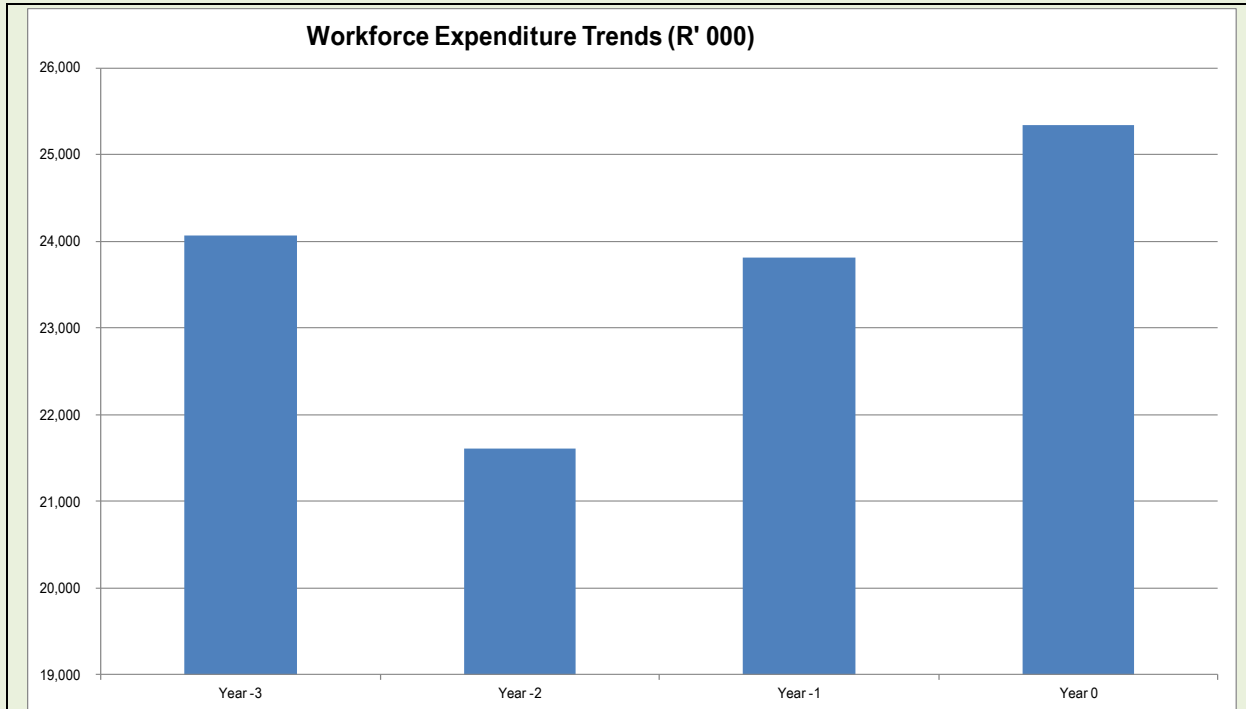
INTRODUCTION TO WORKFORCE EXPENDITURE

Chapter 4

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

Chapter 4

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 (Levels 9-12)	Female	
	Male	
Senior management (Levels 13-16)	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 appointment	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.

The municipality has not yet conducted the job evaluation as yet the process is to unfold.

Chapter 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

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**.*

T 5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Chapter 5

Description	Year 0											Year -1			
	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
R thousands	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

T 5.1.1

Chapter 5

Financial Performance of Operational Services						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment s 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 & Regulatory)	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 Protection	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 against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

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

T5.1.3

Chapter 5

5.2 GRANTS

Grant Performance						
Description	R' 000					
	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

Chapter 5

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

Chapter 5

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	Batlharos road
Description	Upgrading of gravel internal road to paved road
Asset Type	Road
Key Staff Involved	Project Management Unit

Chapter 5

Staff Responsibilities	Construction of roads			
	Year -3	Year -2	Year -1	Year 0
Asset Value				33 456 913
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Construction of fire station			
Description	Construction of fire station			
Asset Type	Fire station (Building)			
Key Staff Involved	Project Management Unit			
Staff Responsibilities				
	Year -3	Year -2	Year -1	Year 0
Asset Value				32 498 255
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Magojaneng Internal Road			
Description	Upgrading of gravel internal road to paved road			
Asset Type	Road			
Key Staff Involved	Project Management Unit			
Staff Responsibilities				
	Year -3	Year -2	Year -1	Year 0
Asset Value				20 688 422
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
T 5.3.2				

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

Chapter 5

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:

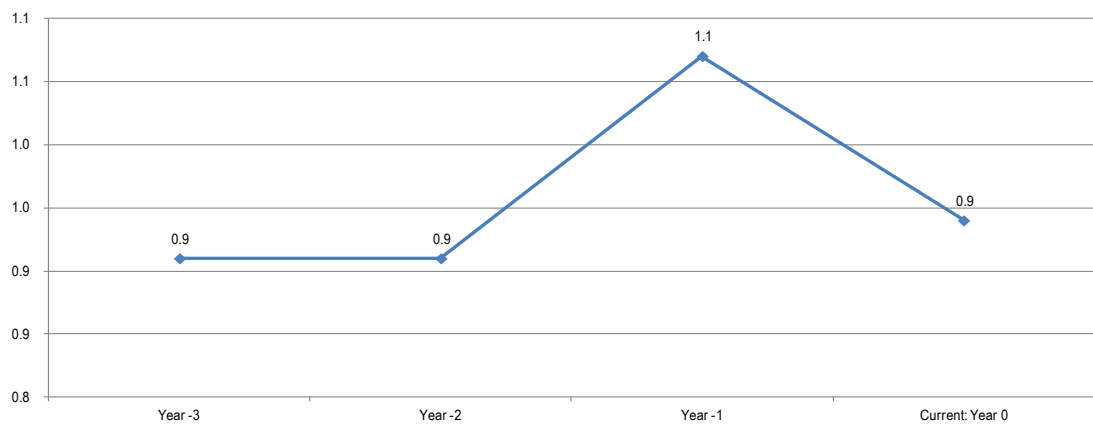
Delete Directive note once comment is completed – Comment on adequacy of Repair & Maintenance Expenditure and variances show in T5.3.4 above and on the implications of the proportion of operating budget spend on repairs and maintenance over the past four years set out below. Note that the repairs and 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

Chapter 5

Liquidity Ratio

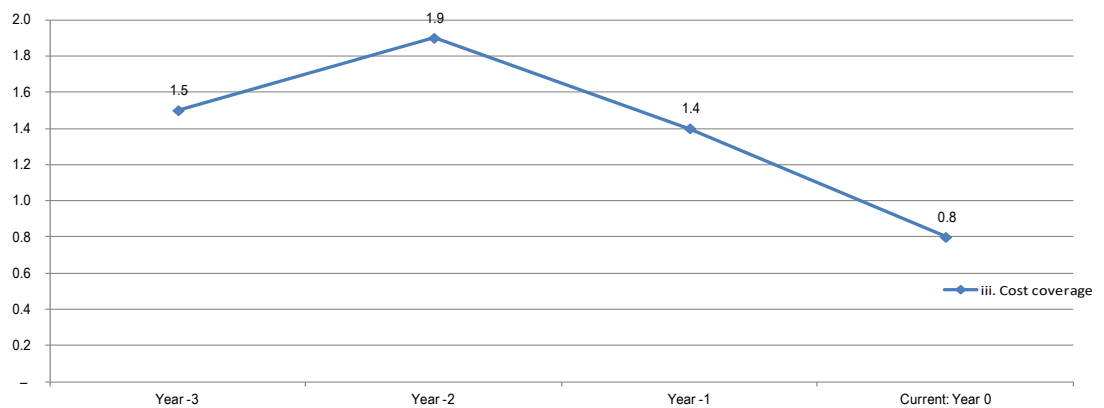


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

T 5.4.1

Cost Coverage



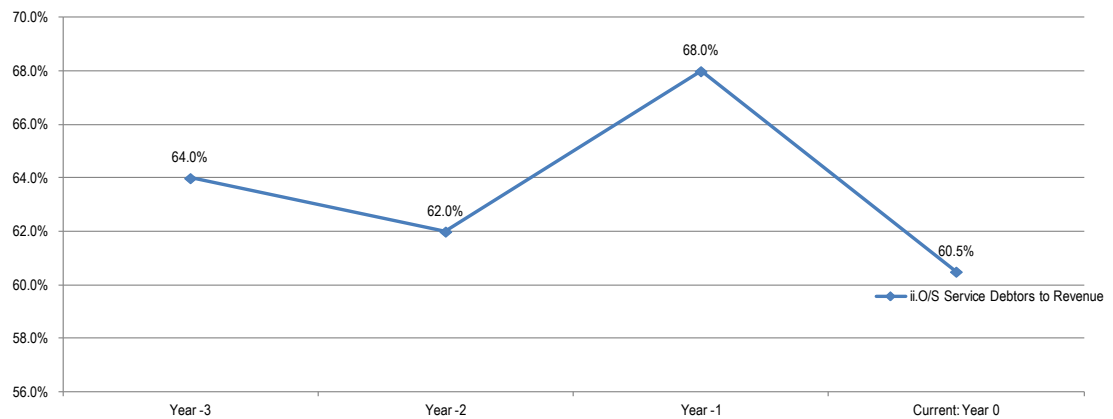
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

Chapter 5

Total Outstanding Service Debtors

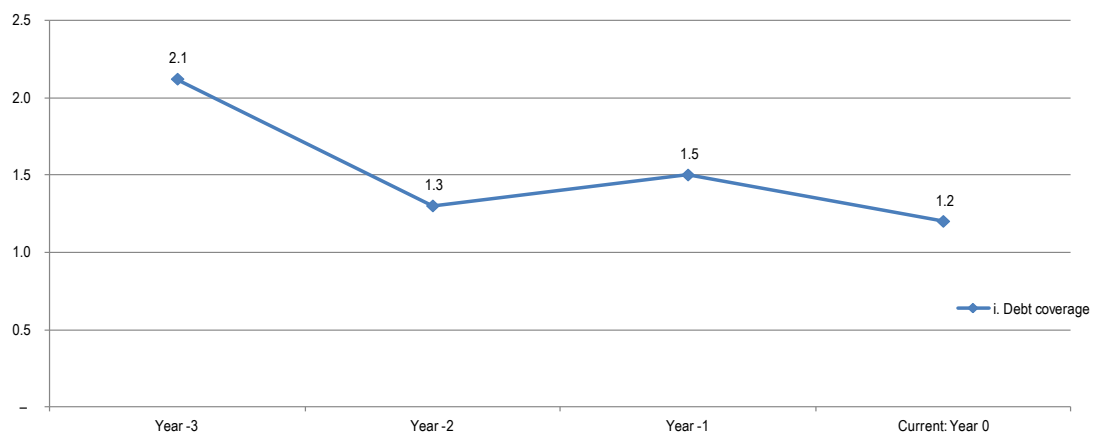


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

Data used from MBRR SA8

T 5.4.3

Debt Coverage



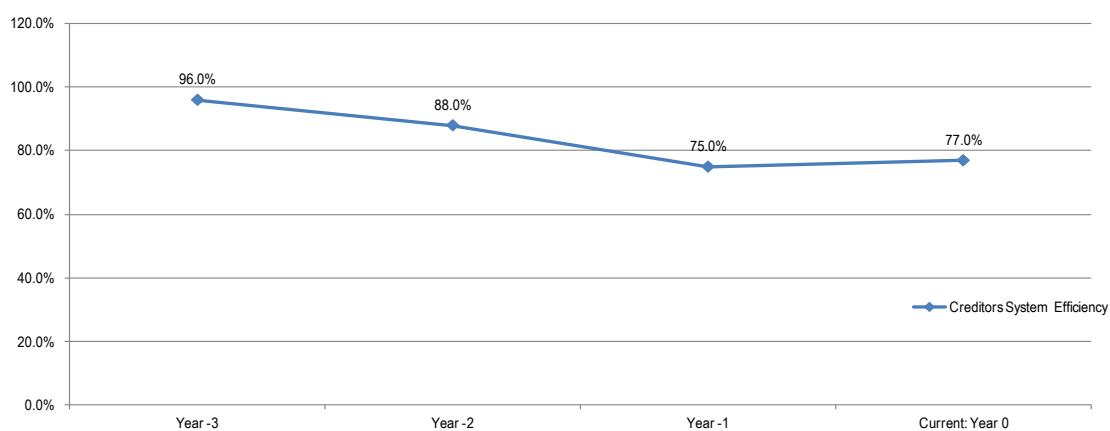
Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

Chapter 5

Creditors System Efficiency

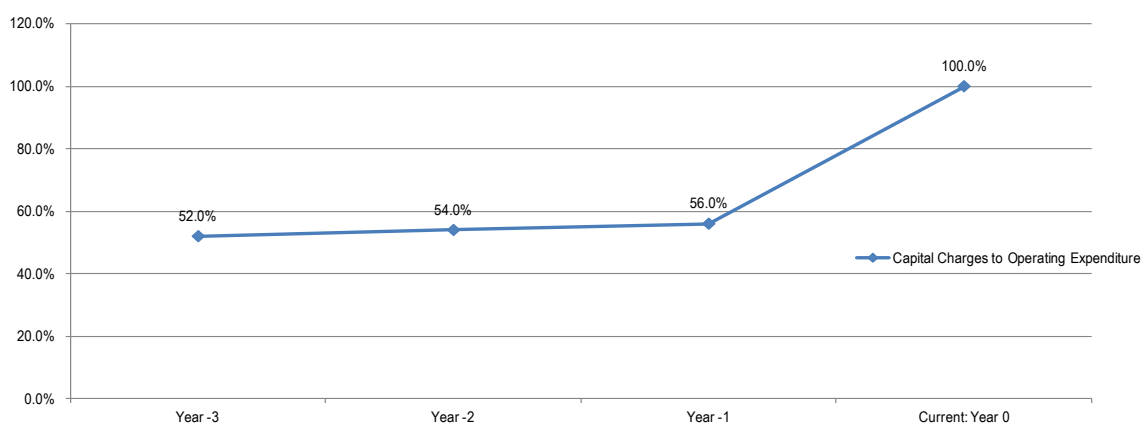


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

Capital Charges to Operating Expenditure



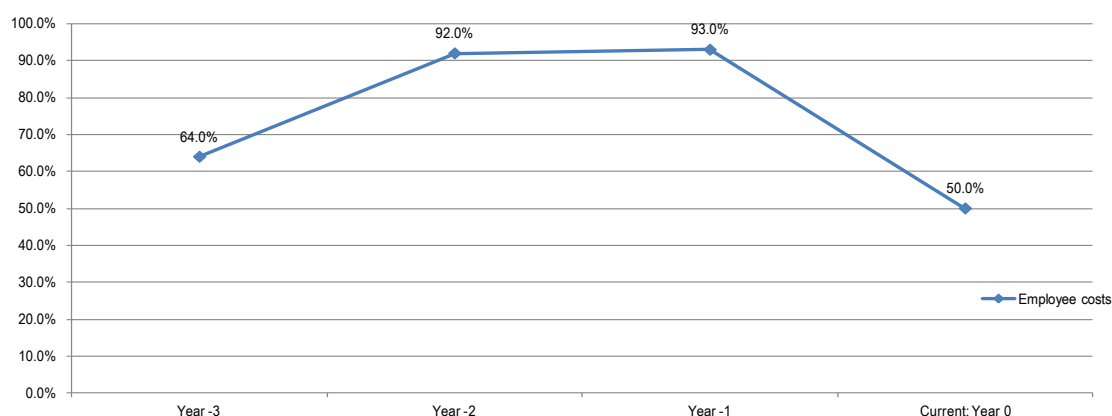
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

Chapter 5

Employee Costs

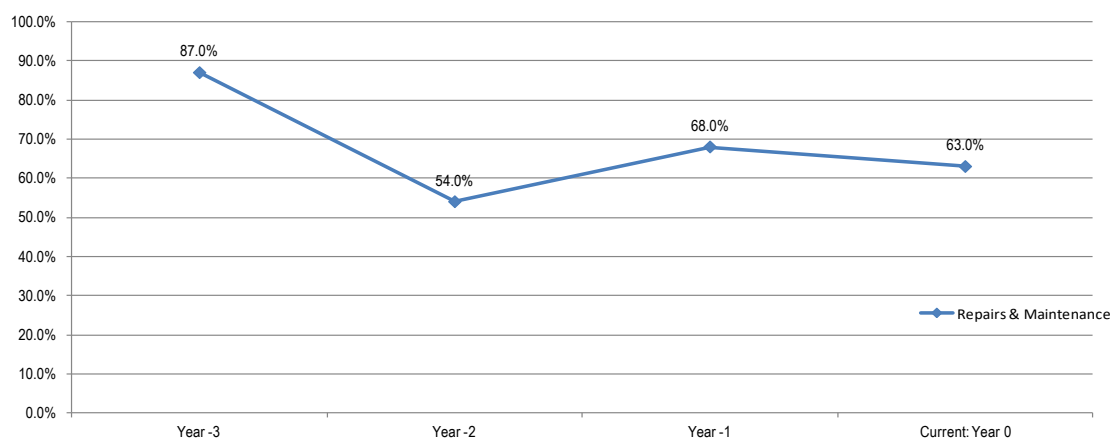


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

Repairs & Maintenance



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

Data used from MBRR SA8

T 5.4.8

COMMENT ON FINANCIAL RATIOS:

Chapter 5

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

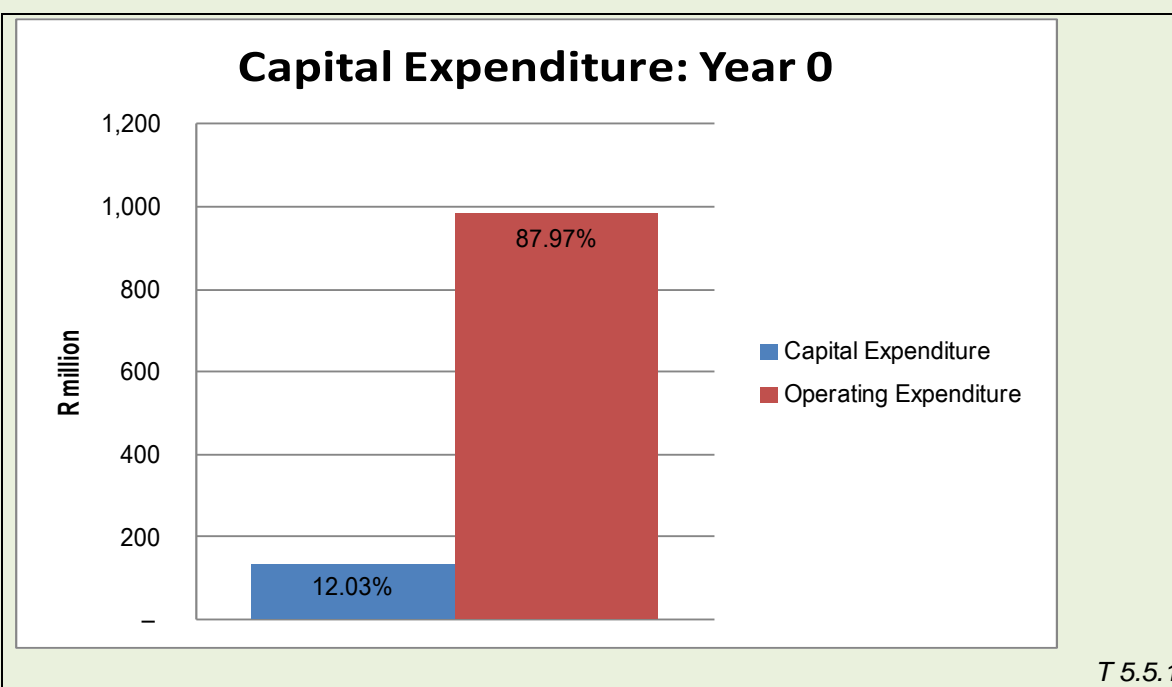
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

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



5.6 SOURCES OF FINANCE

Chapter 5

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' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)

Chapter 5

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 5.7.1					

Chapter 5

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

Chapter 5

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	Adjust-ments 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				%	%	

Chapter 5

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				
	*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 standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.

T 5.8.2

COMMENT ON BACKLOGS:

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

T 5.8.4

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

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

T 5.9

Chapter 5

5.9 CASH FLOW

NET CASH FROM/(USED) OPERATING ACTIVITIES	241 225	270 385	185 350	214 863
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				–
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables		19 401	22 401	
Decrease (increase) in non-current investments				
Payments				
Capital assets	(175 169)	(131 489)	(177 157)	(178 250)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(175 169)	(112 088)	(154 756)	(178 250)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(7 337)	–	(3 500)	(5 416)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(7 337)	–	(3 500)	(5 416)
NET INCREASE/ (DECREASE) IN CASH HELD	58 719	158 296	27 094	31 196
Cash/cash equivalents at the year begin:	551	18 000	58 949	59 270
Cash/cash equivalents at the year end:	59 270	176 296	86 043	90 466

Source: MBRR 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

Chapter 5

INTRODUCTION TO BORROWING AND INVESTMENTS

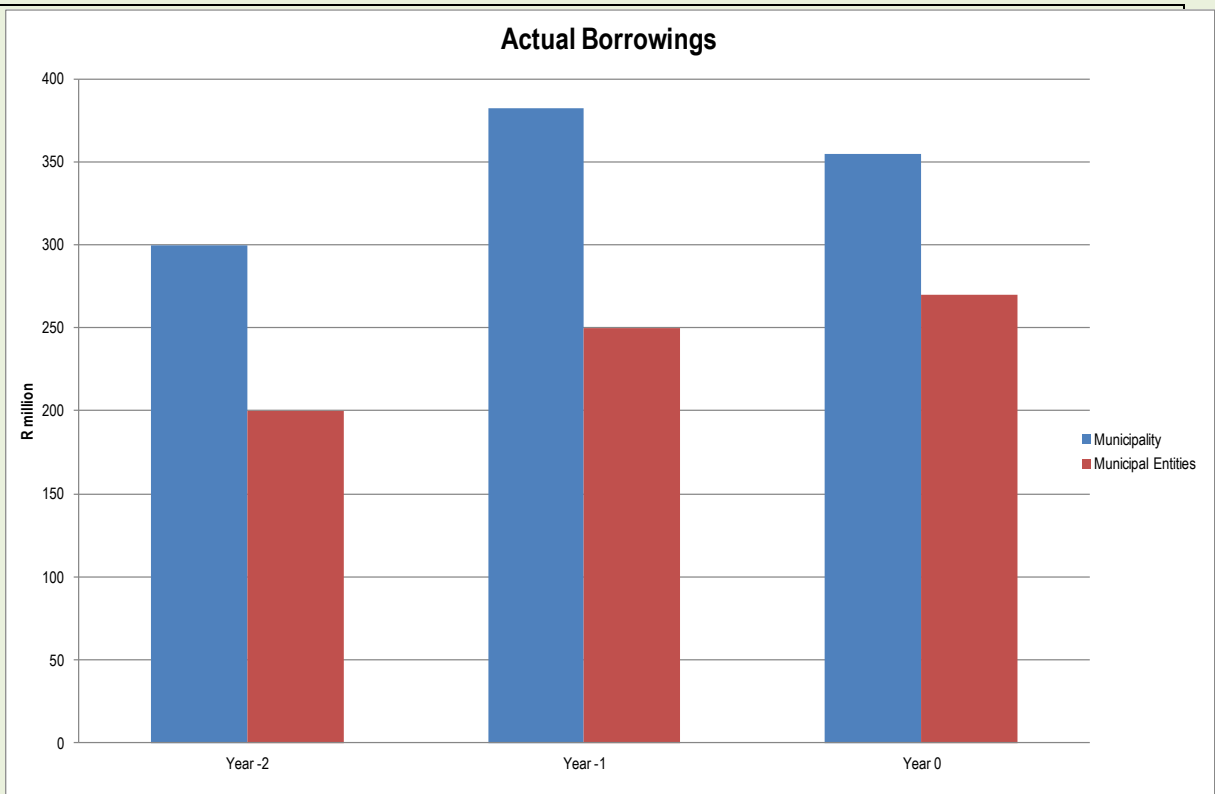
Delete Directive note once comment is completed – Explain briefly the relevance of borrowing and investments to you municipality with reference to the tables below and your municipality's requirements in the year. Information may be sourced from **table SA3 AND SA15 in the MBRR**.

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

Chapter 5



T 5.10.3

Chapter 5

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

Chapter 5

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.

Delete Directive note once comment is completed – Follow the above with information on progress with GRAP compliance at your municipality. Detail any instances where the municipality has deviated from the GRAP standards currently applicable.

T 5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements, and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

Delete Directive note once comment is completed - Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September, then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained.

T 6.0.1

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

6.1 AUDIT ACTION PLAN 2021/2022

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

Chapter 6

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	
<u>Delete Directive note once comment is completed</u> - Attach report.	T 6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0:	
<u>Delete Directive note once comment is completed</u> - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on year 0 if it provides useful context.	

Chapter 6

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

GLOSSARY

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

GLOSSARY

Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators	Key After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National performance areas	Key <ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by

GLOSSARY

	legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
	FT/PT			%	%

*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

APPENDICES

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	Mrs B Dirhupe
Intergrated Development Plan Manager	Mrs T Teise
INSTITUTIONAL DEVELOPMENT AND TRANFROMATION	
Head of Department	Mr C Pule
Legal Services Manager	Ms M Molale
Human Resource Manager	Mr M Gaselebelwe
Labour Relations Manager	Mr O Lencoe
Information and Technology Manager	Mr M Segoje
Records Manager	Mr G Motlhoiwa
Office of the Mayor's Manager	Mr L Fourie
FINANCIAL VIABILITY AND ACCOUNTABILITY	
Chief financial Officer	Mr K Noke
Revenue & Debt Collection	Mrs T Jarvis
Manager payroll & Expenditure	Mr T Sehloho
Budget Manager	Ms D Pelele
Supply Chain Management Manager	Mr B Sechogela
Assest Manager	Ms N Keswa
COMMUNITY SERVICES	
Head of Department	Mrs F Baloyi
Waste management Manager	Mr A Keetile
Chief Traffic	Mr L Lungile
Chief Librarian	Mrs M Moetsi
Disaster Management Mnager	Mr Mosweu
Basic Services delivery and Infrastructure	
Acting directors	Mr H Smith, Mr B Kgosieng & Mr V Seane
Roads & Strom Water Manager	Mrs M Manhe
Project Management Unit Manager	Mrs G Monchwwe
Town Planner	Mr T Molauzi
Electricity & Fleet Manager	Mr B Kgosieng
Water & Sanitation Manager	Mr V Seane
Human Settlement, Planning & Building Manager	Mr O Monchusi
Use as a spill-over schedule if top 3 tiers cannot be accomodated in chapter 2 (T2.2.2).	

T C

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution		
Building regulations		
Child care facilities		
Electricity and gas reticulation		
Firefighting services		
Local tourism		
Municipal airports		
Municipal planning		
Municipal health services		
Municipal public transport		
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		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto		
Stormwater management systems in built-up areas		
Trading regulations		
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems		
Beaches and amusement facilities		
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisances		
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs		
Licensing and control of undertakings that sell food to the public		
Local amenities		
Local sport facilities		
Markets		
Municipal abattoirs		
Municipal parks and recreation		
Municipal roads		
Noise pollution		
Pounds		
Public places		
Refuse removal, refuse dumps and solid waste disposal		
Street trading		
Street lighting		
Traffic and parking		
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		T D

APPENDICES

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Counc+B2:B6illor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr Braam Van Der Westhuiizen Petrus Du Toit Johanna Van Der Westhuiizen Janetta Strauss Andries Petrus Fouche Viviers Marelize Viviers Alwyn Johannes Nieuwoudt Corne Kruger Karin Van Der Walt Hendriena Fourie Noeline Du Toit	Yes	12	12	4
2	Cllr Piet Moepeng Masego Methe Selinah Lesley Julia Diteko Mapapathi Frans Dichaba Bongani Ncayivutshwa Ogomotseng Wilfred Dince Nonofo Selao	Yes	12	12	4
3	Lorato Molusi Kentsheng Molefe Kegomoditswe Caroline Botsime Lorato Comfort Mokgosi Kelebogile Onicah Makatong Lesego Augustine Tamose Meshack Archie Bosman Kealaletso Moacwi Kebueleng Mothate Elvis Mothibantwa	Yes	12	12	4
4	Cllr Thabiso Merementsi Magdeline Monnapule Tshepang Baikedi Katlego Bosman Sejeng Kelehetswe Keorapetse Jacobs Lesego Patricia Moletsane Goitseone Florence Sesinyi Kealeboga Lesang	Yes	12	12	4

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5	Cllr Kagiso Molokwe Maitiso Masunda Meleko Joel Maroro Gomolemo Tamose Matlakala Mogatle Tebogo Given Visagie Boitumelo Setlhodi Mmoloki Tlhabanelo Nametsegang Tlhobolo Keitumetse Makoke Emily Lebona	Yes	12	12	4
6	Cllr Reuben Makhubo Kealeboga Letticia Kenosi Lesedi Margaret Leburu Molatlhegi Akende Ontatlhile Maria Kgatlhane Thando Theresa Maroro Salvation Anneta Dikhwena Onkabetse Mumsy Antoni Bakang Mabutlwane Kelebogile Ireen Otletseng Phenyo Edwin Petrus Moloagae	Yes	12	12	4
7	Cllr Lesley Diphatse Thataone Wildebees Kemmonye Keikabile Olebogeng Makatong Kelebogile Felicia Tlhomedi Galaletsang Morubisi Tshepo Sam Fobbs Tshepang Cecilia Tumaletse Boikanyo Brexsten Majebeke Keineetse Hantise	Yes	12	12	4
8	Cllr Tebogo Nyathi Boitumelo Masigo Mpho Brenda Tshwene Kegomoditswe Morubisi Kegomoditswe Virginia Leserwane Kealeboga Maria Seleke Keotshepile Kgaje Karagane Ruth Makatong Onkgomoditse Mohanyehanye Kehilwe Tau Jona Marumo	Yes	12	12	4

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9	Cllr Nametsegang Mereothle Olorato Collin Sehularo Olebogeng Holele Leranotswe Claudia Boitlthomo Gadinamothibi Seile Seanokeng Nancy Baipone Dimakatso Suzan Chere Kelebogile Bahentse Goitseone Kgosienewang Keromeng Selinah Gaotlhokwe Kelebogile Morakile	Yes	12	12	4
10	Cllr Gomolemeo Chere Refilwe Sekgabetlele Jerry Deleki Lorato Morapedi Kedimetse Agnes Motlatsi Refilwe Tshipagaebonwe Tebogo Baasjan Irene Bear Chankie Joseph Simango Patricia Thamage Sanyenaeng Irene Modise	Yes	12	12	4
11	Cllr Maria Taeng Keorapetse Selumi Boimetse Moses Tsinyane Poloko Pitso Mpho Moleele Boitumelo Baikedi Onalenna Koikoi Keitumetse Gaserekwe Boitumelo Elsa Plaatjie Mary Maureen Free	Yes	12	12	4
12	Cllr Ingrid Kok Rapelang Matiti Boihang Simon Mabundza Patricia Leeme Kgomotsego Orapeleng Aobakwe Ernest Phore Kedibone Gloria Moseo Kgomotso Charity Jood Mpho Tiny Moikwatlhai Gobuamang Mocwane Meiki Lizzie Magano	Yes	12	12	4

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13	Cllr Charles Phillip Dimakatso Bok Boipelo Ruth Mogiba Netsie Kameel Emerencia Botha Jane Lizette Saal Elizabeth Mittah Hoskin Lesang Veronica Morwagae Gomolemo Cynthia Deli Vivian Titus	Yes	12	12	4
14	Cllr Kealeboga Matlhole Masego Kawuma Nametso Moalahi Bakgantsang Mokgalaje Tshegofatso Moabi Boitumelo Senyatso Gaolatlhe Metswi Gaabalwe Segami Kesebeditswe Dinalemang Kagisho Nkonyane	Yes	12	12	
15	Cllr Mthuthuzeli Valela Bonolo Tshetlho Tshegofatso Moraladi Poloko Mogaswa Freddy Koi Phenyo Melato Kelebogile Gloria Pheko Pakiso Botepe Mmapaseka Gabaatlhole Amogelang Dihemo Dipuo Doreen Keeme	Yes	12	12	4

APPENDICES

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 0 (Full List at Appendix O)				
No.	Project Name and detail	Start Date	End Date	Total Value R' 000
				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

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
23/08/2021	Note 4: Receivables from non-exchange transactions Impairment factor report to be standing item on quarterly agenda. Report to be submitted to APC.	No
23/08/2021	Note 46: Auditors' Remuneration The APC resolved to engage the district municipality on the invoicing concerns raised. IA to include a report on this in the next meeting.	Yes
23/08/2021	The APC resolved that the amended set be resubmitted to the APC for final review. A next sitting will be done on Friday, virtually.	Yes
23/08/2021	DRAFT ANNUAL PERFORMANCE REPORT (2021/2022) APC to sit tomorrow for review of Draft APR.	Yes
23/08/2021	2021/2022 DRAFT ANNUAL FINANCIAL STATEMENTS Note 3: Inventory APC resolved that management should narrate method of stock valuations and also indicate stock reconciliations from opening to closing balance under this note.	Not sure.
23/08/2021	Note 4: Receivables from non-exchange transactions APC resolved that management should submit Monthly Payment Factor Report to APC for revenue collections monitoring and evaluations. APC resolved that management should put more credit control measures in place in order to maximise revenue collections.	Quarterly reports are submitted to APC.
23/08/2021	Note 5: Value Added Tax APC resolved that management should submit VAT reconciled spreadsheet for reviews.	Yes

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23/08/2021	<p>Note 6: Receivables from exchange transactions APC resolved that management should submit Monthly Payment Factor Report to APC for revenue collections monitoring and evaluations.</p> <p>APC resolved that management should put more credit control measures in place in order to maximise revenue collections.</p> <p>Management to remove last sentence on narrations which states that based on assessment conducted by municipality, quality of debtors is considered to be satisfactory, because it is clear that collection is unsatisfactory resulting from non-payment culture hence high value of impairments.</p>	Yes
23/08/2021	<p>Note 7: Conditional grant overspent APC resolved that management should revisit disclosure and treatment of this transaction by considering raising a debt against Department of Sport if there is a contract in place to transfer money from department to municipality, instead of reporting this transaction as unauthorised expenditure or over-expenditure.</p>	Yes
23/08/2021	<p>Note 8: Cash and cash equivalents APC resolved that management should keep bank confirmations of transactions and provide them to auditors when requested for audit purposes.</p>	Yes
23/08/2021	<p>Note 10: Property, plant and equipment APC resolved that management should resolve difference between the amounts disclosed in Statement of Financial Position, Note 10 of PPE, Disclosure Note 30 for Depreciation & amortisations and reconciliations of work-in-progress.</p> <p>Management disclaimed the amounts disclosed under PPE as work-in-progress and agreed to rectify errors by Wednesday 25 August 2021.</p>	Yes

APPENDICES

23/08/2021	<p>Note 15: Payables from exchange transactions Management to down-manage accruals by properly communicating with suppliers who rendered services for municipality to submit their invoices on time for processing within 30 days from receipt of invoices.</p> <p>Management to advertise in October 2021 for community to come forward to claim their deposits and in the absence of response, the related amounts will be allocated to revenue.</p> <p>Management to improve leave management processes, policy reviews and implementations in order to down-manage leave liability.</p>	Not sure.
23/08/2021	<p>Note 17: Employee benefit obligation Management disclaimed the amount disclosed as work-in-progress and agreed to improve reporting on this note by Wednesday the 25 August 2021.</p> <p>APC resolved that management should continue monitoring database of post-retirement medical aid benefits by eliminating non-qualifying deceased and non-qualifying individuals beneficiaries who reached age limits in order to down manage current and long term liabilities of employee benefit obligations.</p>	Yes
23/08/2021	<p>Note 22: Fines, penalties and forfeits Management to resolve difference between amounts disclosed in Statement of Financial Performance and corresponding Note 22 for fines, penalties and forfeits.</p>	Yes
23/08/2021	<p>Note 30: Depreciation and Amortisations Management disclaimed amounts disclosed as work-in-progress and agreed to rectify errors by Wednesday the 25 August 2021.</p>	Yes
23/08/2021	<p>Note 35: General expenses Big variances should be supported by sound explanations and proper documentations.</p>	Yes
23/08/2021	<p>Note 38: Contingent liabilities APC resolved that management should revisit the amounts disclosed and request their attorneys to provide complete and reliable estimates, including possible claimed amounts and related legal costs.</p>	Not sure.

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23/08/2021	Note 39: Related parties transactions APC resolved that management should disclose all known business transactions which were concluded with relatives of senior management and amounts paid to relatives and also all known business transactions concluded with state employees.	Yes
23/08/2021	Note 40: Risk Management (liquidity risk) APC resolved that management should include ratios analysis in order to improve explanation of liquidity risk status of municipality.	Not sure.
23/08/2021	Note 41: Going Concern APC resolved that management should include COVID-19 negative impact on the operations of municipality in qualitative, quantitative and financial terms for user to understand damage caused by COVID-19 Pandemic.	Not sure.
23/08/2021	Notes 42, 43 and 44: Unauthorised, Fruitless & Wasteful and Irregular Expenditures APC resolved that management should ensure accuracy and completeness of amounts disclosed and compliance to Section 32 of MFMA ensuring that proper investigations are conducted and followed by consequence management. Preventative measures to be put in place.	Not sure.
23/08/2021	Note 45: Additional disclosures Acting Director: Basic Services & Infrastructure to report to APC on control measures to be put in place to minimise water and electricity losses.	Yes
23/08/2021	Note 46: Auditors' Remuneration Billing problem and payment of invoices is to be resolved between JTGD and GSLM. APC to monitor billing and payments of internal audit shared services fees between GSLM and JTGD.	Yes
23/08/2021	Note 48: Deviations APC resolved that management should disclose only those deviations permitted or which meet criteria in terms of legislations and non-compliance with supply chain management policies and regulations should be disclosed as irregular expenditure.	Yes

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23/08/2021	APC resolved that the Reviewed set of AFS be re-submitted to APC for final review virtually on Friday the 27 August 2021.	Yes
23/08/2021	2021/2022 DRAFT ANNUAL PERFORMANCE REPORT APC resolved to hold meeting tomorrow the 24 August 2021 for review of Draft APR at 8:00 AM	Yes
24/08/2021	The corrected Draft APR to be submitted to APC by Thursday, final sitting for review to be Friday.	Yes
24/08/2021	Management to submit evaluation of service providers once completed to APC for reviews.	No
24/08/2021	Management to ensure that portfolio of evidence is sufficient to support actual achievements of targets reported.	Yes
24/08/2021	Management to incorporate statistical summary of performance highlights in Annual Performance Report.	Not sure.
24/08/2021	Management to implement reviewed corrections on APR and submit reviewed APR to APC by Thursday the 26 August 2021 to prepare for final review session to be held virtually by Friday the 27 August 2021.	Yes
24/08/2021	Annual Report to be shared with APC for inputs before submission to AGSA for audit purposes.	Yes
29/09/2021	IMPLEMENTATION OF RESOLUTIONS REGISTER Updates to be made and progress reported during next APC meeting.	Yes
29/09/2021	Progress with Current AGSA External Audit. Communication from AGSA to be shared with the APC, after the meeting of next Friday.	Yes
29/09/2021	Internal Audit Reviews or Validation Report of Q4 Performance Report The PMS Manager to coordinate the responses from management. Finalised report to be submitted to APC, with management responses	Yes
29/09/2021	UIFW, Deviations, COVID-19, Dora Expenditure (including Planned Projects Targets and Achievements Reports) and Q4 Payment Factor. Project management report to be tabled in the next APC meeting.	No

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29/09/2021	Risk Management Reports (01 April 2021 to 30 June 2021) Separate meeting to be scheduled to table items related to risk management.	Yes
29/09/2021	Q4 Internal Audit Progress Reports Adjustments to the Internal Audit plan to be made and submitted to APC by end of October 2021. All amended IA reports to be tabled to the APC in the next meeting. PMS Manager to prepare an audit action plan on the quarterly performance validations. This to be presented in the next meeting.	Yes
29/09/2021	Three Year ICT Plan or Strategy APC resolved that the final strategy be shared with the committee.	Yes
29/09/2021	Leave and Overtime Reports Revised leave report to be submitted to the APC. Summary report on overtime to be revised and submitted to the APC. No names of employees to be disclosed. The report should include section on the compliance with the policy.	Yes
29/09/2021	Legal and Litigations Matters Updated contract register to be tabled in the next meeting.	Yes
29/09/2021	Disaster Management Policy and Plans for COVID-19 and Implementations Statistics report should be kept and updated, including vaccination statistics. This should be reported to the APC. Roles should be clearly identified between Community services and Corporate services.	Not sure.
30/11/2021	PRESENTATION OF AUDIT REPORT APC to sit tomorrow for review of Draft APR.	Yes
30/11/2021	2021/2022 AUDITED AFS APC resolved that management should share the final 2021/2022 Audited AFS with the committee once audit report is finalised.	Yes

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13/12/2021	IMPLEMENTATION OF RESOLUTIONS REGISTER APC resolved that management should update Resolution Register with progress made and report on implementations in the next APC meeting. Risk Management to facilitate the update of Resolution Register, with the support of the MM.	No
13/12/2021	Audit Action Plan Implementations against AGSA audit findings APC resolved that management should develop the summary Terms of Reference which guides operations or functioning of Audit Steering Committee and management must ensure that Audit Steering Committee is meeting on the monthly basis to discuss and resolve audit findings.	Not sure.
13/12/2021	Q1 Performance Information Report APC resolved that management should ensure that KPIs are aligned to targets being reported on and that targets are reliably or correctly measured by avoiding measuring inputs costs as outputs.	Yes
13/12/2021	Reviewed Key Performance Indicators and Performance Targets in SDBIP. APC resolved that management should implement reviewed corrections on Quarter 1 performance report and re-submit to APC.	Yes
13/12/2021	Internal Audit Reviews or Validation Report of Q1 Performance Report APC resolved that IA should submit Q1 Performance Validations Report.	Yes
13/12/2021	Quarterly Financial Statements APC resolved that management should compile a complete set of financial statements which are GRAP compliant for presentation to APC for reviews.	Yes

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13/12/2021	<p>UIFW Expenditure APC resolved that management should thoroughly check at sub-votes levels or departmental structural levels for any unauthorised expenditure which might have been incurred to ensure completeness and accuracy of information declared.</p> <p>APC resolved that management should pay service providers on time within 30 days in order to prevent interest charges and to implement Section 32 of MFMA for interest incurred.</p> <p>APC resolved that management should include information regarding end date of these contracts in the register, monitor and eliminate these non-compliant contracts on expiry.</p> <p>APC resolved that management should develop and implement preventative strategy in order eliminate irregular expenditure to zero level and to implement Section 32 of MFMA for irregular expenditure incurred.</p>	Yes
13/12/2021	<p>Deviations expenditure APC resolved that management should look in the central supplier database to obtain as many quotations as they can before the decision to deviate from supply chain management processes is taken.</p> <p>APC resolved that management should deviate from SCM processes as matter of last resort whenever it is legally permitted to do so.</p> <p>APC resolved that management should arrange the meeting between APC and AGSA in order to discuss concern of AGSA regarding appointments and utilisations of panel for service providers.</p>	Yes
13/12/2021	<p>COVID-19 expenditure APC resolved that management should comply with price lists ceilings of PPE prescribed by National Treasury and to ensure proper quality control, distributions and utilisations of PPE.</p>	Yes

APPENDICES

13/12/2021	<p>Grants expenditure APC resolved that management should put interventions measures in place to improve spending on grants during remaining period of financial year in order to prevent material underspending.</p> <p>APC resolved that management should make written follow-ups with Kimberley Offices for them to allocate library grant.</p> <p>Projects Performance Report and Q1 Payment Factor Report are deferred to the next meeting.</p>	Yes
13/12/2021	<p>Risk Management Reports (01 July 2021 to 30 September 2021) APC resolved that management should implement reviewed corrections on Strategic and Operational Risk Registers as well as Q1 Progress Report and re-submit to APC.</p>	Yes
13/12/2021	<p>2021/2022 Risk Management Implementation Plan APC resolved that 2021/2022 Risk Management Implementation Plan should be aligned to the planning, budgeting, implementations and reporting cycles of the municipality in order to ensure integrated planning, budgeting and implementations approaches.</p> <p>APC resolved that management should conduct risk workshops in order to identify fraud risks and ICT risks and respectively develop fraud risk register and ICT Risk Register to be presented to APC for reviews.</p>	Not sure.
13/12/2021	<p>Q1 Internal Audit Progress Reports APC resolved that management should provide IA with all outstanding responses which address root cause of audit findings and correct control deficiencies in the populations for IA to finalise their reports for presentation in the next meeting.</p>	Yes

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13/12/2021	Combined Assurance Model with Implementation Plan APC resolved that IA should develop Combined Assurance Model with clear implementation plan and share it with APC once finalised for reviews.	Yes
13/12/2021	ICT Business Continuity & Disaster Recovery Policies and ICT Policies Register APC noted that IT Manager is on sick leave and therefore ICT Reports are deferred to the next APC meeting.	Yes
13/12/2021	Leave report APC resolved that management should put more interventions in reducing sick leave escalations and to ensure regular overall compliance with leave policy. Leave report to include PMS, Risk Office and MM Office in order to ensure completeness and accuracy of information reported.	Yes
13/12/2021	Overtime report APC resolved that management should compile a summary spreadsheet of overtime budgeted amounts per department and the related overtime expenditure and also indicating whether overtime paid were pre-approved, budgeted for and to ensure regular overall compliance with overtime policy.	Yes
13/12/2021	Appointments and Service Terminations Reports APC resolved that management should effectively manage appointments and service terminations by managing staff intakes and exits as well as to maintain an acceptable vacancy rate.	Not sure.
13/12/2021	Contract Register/Database APC resolved to refer back the Contract Register to management for reviews to ensure completeness, quality checks and accuracy as well as to re-submit it back to APC.	Yes
13/12/2021	Litigation Register APC resolved that management should ensure completeness of litigation register by including labour litigations matters and to ensure reliable estimates of costs including legal costs.	Yes

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14/03/2022	IMPLEMENTATION OF RESOLUTIONS REGISTER APC resolved that management should update Resolution Register with progress made and report on implementations in the next APC meeting. Risk Management to facilitate the update of Resolution Register, with the support of the MM.	No
14/03/2022	Audit Action Plan Implementations against AGSA audit findings APC resolved that management should develop the brief summary Terms of Reference which guides operations or functioning of Audit Steering Committee. Management must ensure that Audit Steering Committee meet on a monthly basis to discuss and resolve audit findings. The steering committee must sit before the month end and MM to chair the steering committee meeting.	Not sure.
14/03/2022	Q2 Performance Information Report APC resolved that KPIs should be aligned to targets being reported on and that targets are reliably or correctly measured by avoiding measuring inputs costs as outputs. The corrected Q2 report will be sent to APC.	Yes
14/03/2022	Reviewed Key Performance Indicators and Performance Targets in SDBIP. APC resolved that management should implement reviewed corrections on Quarter 3 performance report. APC Resolved that, all the indicators that must be rectified on the SDBIP it must be corrected on the 2022/23 SDBIP since additions cannot be made now. APC resolved that, KPI's that are regulated by law, they need to be measured in terms of the timeline allocated by the law. APC resolved that the PMS manager interrogate reporting done by departments to ensure that the consolidate report is done properly and all should departments assist accordingly.	Yes

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14/03/2022	<p>Internal Audit Reviews on Validation Report of Q2 Performance Report</p> <p>APC resolved that, all issues must be corrected in the new audit and the APC is expecting a clean audit from PMS.</p> <p>The Q2 final report was sent to management and SIA to forward the final report to the chairperson.</p>	Yes
14/03/2022	<p>Q Financial Statements; UIFW, Deviations, COVID-19, Dora Expenditure (including Planned Projects Targets and Achievements Reports) and Q4 Payment Factor Report</p> <p>Quarterly Financial Statements – GRAP Compliant</p> <p>APC resolved that management should compile a complete set of financial statements which are GRAP compliant for presentation to APC for reviews in Q3.</p>	Yes
14/03/2022	<p>UIFW Expenditure</p> <p>APC resolved that management should thoroughly check at sub-votes levels or departmental structural levels for any unauthorized expenditure which might have been incurred to ensure completeness and accuracy of information declared.</p> <p>MM suggested that the municipality start using the invoice register per department to avoid the delay in the payment of suppliers and to assign accountability.</p> <p>APC resolved that management should pay service providers on time within 30 days in order to prevent interest charges and to implement Section 32 of MFMA.</p> <p>APC resolved that management should include information regarding end date of these contracts in the register, monitor and eliminate these non-compliant contracts on expiry.</p>	Yes
14/03/2022	<p>Deviations</p> <p>APC resolved that management and internal audit unit arrange a meeting between APC and AGSA, in order to discuss concern of AGSA regarding appointments and utilizations of panel for service providers.</p>	Yes

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14/03/2022	COVID-19 expenditure APC advised management to encourage the employees to vaccinate.	Yes
14/03/2022	Grants expenditure APC resolved that management should put interventions/measures in place to improve spending on grants during the remaining period of financial year, to prevent material underspending. Acting director for basic services and infrastructure to make a follow-up on the withheld grant.	Yes
14/03/2022	Payment Factor Report APC resolved that management should cut the supply of electricity for non-paying customers and director basic services and infrastructure to furnish the committee with the report in the next meeting, detailing how the municipality address illegal connections and mitigation of illegal connections in both water and electricity; as well as meters that are not working.	Yes
14/03/2022	Quarter 2 Planned Projects Performance Targets & Achievements Reports To be tabled in next meeting.	Yes
14/03/2022	Risk Management Reports (01 July 2021 to 31 December 2021) APC resolved that the 2021/2022 Risk Management Implementation Plan be aligned to the planning, budgeting, implementations and reporting cycles of the municipality in order to ensure integrated planning, budgeting and implementations approaches. APC resolved that management should conduct risk workshops in order to identify fraud risks and ICT risks and respectively develop fraud risk register and ICT Risk Register to be presented to APC for reviews, APC resolved that CRO to meet with MM for the implementation of strategic risk register for the identified risk that was not implemented in MM's office and this will be reported in Q3 report.	Not sure.

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14/03/2022	<p>Internal Audit Reports (01 July 2021 to 31 December 2021) Q2 Internal Audit Progress Reports APC resolved that internal audit complete AGSA audit action plan in Q4. APC referred back the HR Management report to management, in order to provide IA with responses which address root-causes of the audit findings and to correct control deficiencies.</p>	Yes
14/03/2022	<p>Combined Assurance Model with Implementation Plan APC will forward email with inputs made on the proposed model.</p>	Yes
14/03/2022	<p>ICT Business Continuity & Disaster Recovery Policies and ICT Policies Register APC resolved that the IT manager develop a register of all policies to be reviewed in the next meeting, especially ICT strategic policy. The corporate director, in absence of MM will chair the ICT steering committee meetings.</p>	Yes
14/03/2022	<p>Leave report APC advised the corporate director to ensure that the leave report is complete, especially in terms of special leave and all other leaves taken.</p> <p>APC resolved that management identify abuse of sick leave and implement measures to manage that.</p>	Not sure.
14/03/2022	<p>Funded, Filled, Vacant Posts, Vacancy Rate & Service Termination Report APC resolved that management should effectively manage appointments and service terminations by managing staff intakes and exits as well as to maintain an acceptable vacancy rate.</p>	Not sure.
14/03/2022	<p>Contract Register/Database APC resolved that management should try to find ways to terminate those contract that has over five years and find other suppliers.</p> <p>APC further advised the management to write notice of termination for those contracts that are running month to month basis and by September the municipality must be able to find some other suppliers.</p>	Yes

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20/04/2022	<p>Implementations of 2021/2022 Audit Action Plan to resolve Previous AGSA Audit Findings</p> <p>APC resolved that target dates should be revised, especially those stated as 30/06/2022.</p> <p>IA to coordinate a meeting with AGSA, APC and management to discuss the use of panels.</p>	Yes
20/04/2022	<p>Progress on Development of Fraud Risk Register</p> <p>Fraud risk register to be tabled in next meeting.</p>	No
28/06/2022	<p>Basic Services and Infrastructure Reports (01 July 2021 to 31 March 2022) Q3 Planned Projects Performance Targets & Q3 Projects Achievements Reports</p> <p>Progress reports</p> <p>APC resolved progress per project be reported on a quarterly basis.</p>	No
28/06/2022	<p>Water Revenue Losses Mitigation Implementation Plan</p> <p>APC resolved that mitigation plans be prepared and presented in the next meeting. It should detail technical and non-technical losses.</p>	No
28/06/2022	<p>2022/2023 Fraud and Corruptions Implementation Plan / Strategy</p> <p>APC resolved that CRO submit Fraud and corruptions implementation plan/strategy to APC by 30 June 2022.</p>	Not sure.
28/06/2022	<p>2022/2023 Reviewed Strategic Risk Register & Operational Risk Registers</p> <p>APC encouraged the CRO to hold the monthly meetings with Risk Champions; and that the agenda be shared with the APC for every meeting.</p>	Not sure.

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose (i)	(a) Service Indicators	Year 0		Year 1			Year 2	Year 3	
	(b) Service Targets (ii)	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)
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 <i>italics</i>) then the Service Target underneath (not in bold - standard type face) to denote the difference.									

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* (Nil / Or details)
(Executive) Mayor		
Member of MayCo / Exco		
Councillor		
Municipal Manager		
Chief Financial Officer		
Deputy MM and (Executive) Directors		
Other S57 Officials		

* 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						
Description	R '000					
	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%
Environmental Protection	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					
Details	R' 000				
	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
Neighbourhood Development Partnership Grant					
Public Transport Infrastructure and Systems Grant					
Other Specify:					
Total					
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.					T L

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*							
Description	R '000						
	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*							
Description	R '000						
	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					
Capital Project	Original Budget	Adjustment Budget	Actual	R' 000	
				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					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
ICT and Other					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
T N					

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		
		T O

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 Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:		
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
* 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		
<i>* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.</i>		
T S		

Key Performance Area: Institutional Development and Organistional Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative	Actual expenditure spent	Achieved / Not Achieved	Reason for non-achievement	
Strategic Goals	Programme (IDP)	Objectives	Key Performance Indicators	Proposed Adjusted Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
Municipal Capacity and Infrastructure Development	Labour relations	To ensure labour peace and industrial harmony in the municipality	KPI 1 Litigation cases attended by 30 June 2022.	N/A	80% Litigation cases attended to expressed as a % of total number of litigations submitted by 30 June 2021.	4 Quarterly reports on litigation cases attended to by 30 June 2022.	Number	1	1	1	1	R4 000 000,00	Summary reports	1	1	1	1	4	R30 926 596.59	Target achieved	n/a
	Legal Services	To continuously ensure the municipality comply to legislation	KPI 2 Signed Contracts/Service Level Agreements (SLA) by 30 June 2022.	N/A	100% Signed Contracts/Service Level Agreements (SLA) expressed as % of the total number of service providers appointed by 30 June 2021.	4 Quarterly reports on Signed Contracts/Service Level Agreement by 30 June 2022.	Number	1	1	1	1	Operational	Appointed services providers report on signed SLAs	1	1	1	1	1	Operational	Target achieved	n/a
			KPI 3 Contract management	N/A	New	4 Quarterly reports on monitoring of contracts.	Number	1	1	1	1	Operational	Quarterly monitoring report on contract management	1	1	1	1	4	Operational	Target achieved	n/a
			KPI 4 Signed lease agreements by 30 June 2022.	N/A	100% Signed lease agreements expressed as a% of number of tenants by 30 June 2021.	4 Quarterly reports on Signed lease agreements by 30 June 2022.	Number	1	1	1	1	Operational	Signed lease agreement report and rental properties	0	1	1	1	3	Operational	Not achieved	Target dependent on the municipal authority
						Establishment of the rental properties															

Key Performance Area: Institutional Development and Organistional Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative	Actual expenditure spent	Achieved / Not Achieved	Reason for non-achievement		
Strategic Goals	Programme (IDP)	Objectives	Key Performance Indicators	Proposed Adjusted Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
Municipal Capacity and Infrastructure Development	Legal Services	To continuously ensure	KPI 5 By-laws public awareness campaigns conducted by 31 March 2022.	N/A	1 By-laws public awareness campaigns conducted by 31 March 2021.	By-laws public awareness campaigns conducted by 31 March 2022.	Number			1		Operational	Advertisement/public	n/a	n/a	1	n/a	1	Operational	Target achieved	n/a	n/a
	Employee Assistance	To ensure that the	KPI 6 Employee wellness campaigns conducted by 30 June 2022.	N/A	2 Employee wellness campaigns conducted by 30 June 2021.	2 Biannual employee wellness campaigns conducted by 30 June 2022.	Number		1		1	R80 000,00	Notices, invitations, awareness and	n/a	1	n/a	1	2	R 47 135,79	Target achieved	n/a	n/a
	Training and Skills Development	Adherence to the Skills Development Act and related regulations at all times	KPI 7 Employment equity reports submitted to the Department of labour by the 15th of January 2022.	N/A	1 Employment equity reports submitted to the Department of labour by the 15th of January 2021.	Employment equity report submitted to the Department of labour by the 15th of January 2022.	Number			1		Operational	Department of Labour	n/a	n/a	n/a	1	1	Operational	Target achieved	n/a	n/a

Key Performance Area: Institutional Development and Organistional Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative Actual expenditure spent	Achieved / Not Achieved	Reason for non-achievement
Strategic Goals	Programme (IDP)	Objectives	Key Performance Indicators	Proposed Adjusted Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			
Municipal Capacity and Infrastructure Development	Training and Skills Development	Adherence to the Skills Development Act and	KPI 8 Work skills plan developed and submitted to LGSETA by 30 April 2022.	N/A	Works skill plan developed and submitted to LGSETA by 30 April 2021.	Work skills plan developed and submitted to LGSETA by 30 April 2022.	Number				1	Operational	n/a	n/a	n/a	1	1	Operational	Target achieved
			KPI 9 Employees trained by 30 June 2022.	N/A	100 Employees trained by 30 June 2021.	100 employees trained by 30 June 2022.	Number	25	25	25	25	R 600 000.00	25	0	25	0	50	R 641 691,26	Target not achieved
	Labour relations	To ensure labour peace and	KPI 10 LLF meetings held by 30 June 2022.	N/A	4 LLF meetings held by 30 June 2021.	4 Quarterly LLF meetings held by 30 June 2022.	Number	1	1	1	1	Operational	1	1	0	1	3	Operational	Target not achieved
Municipal Capacity and Infrastructure Development	Labour relations	To ensure labour peace and	KPI 11 Grievance cases attended to within 30 days by 30 June 2022.	N/A	100% Grievance cases attended to within 30 days expressed as % of grievance cases received by 30 June 2021.	4 Quarterly reports on grievance cases attended to within 30 days 30 June 2022.	Days	1	1	1	1	Operational	1	1	1	1	4	Operational	Target achieved
																		n/a	No training could be conducted for Q2 as only limited training was planned due to the unavailability of the new chairperson to be appointed during the financial year
																		n/a	The meeting could not take place due to the unavailability of the new chairperson to be appointed during the financial year

Key Performance Area: Institutional Development and Organistional Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative	Actual expenditure spent	Achieved / Not Achieved	Reason for non-achievement
Strategic Goals	Programme (IDP)	Objectives	Key Performance Indicators	Proposed Adjusted Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
Occupational Health and safety (OHS)	To ensure that there is a healthy and safe workplace by 30 June 2022.	KPI 12 Disciplinary cases finalised within 90 days by 30 June 2022.	N/A	100% Disciplinary cases finalised within 90 days expressed as a % of total disciplinary cases received by 30 June 2021..	4 Quarterly reports on Disciplinary cases finalised within 90 days expressed as a % of total disciplinary cases received by 30 June 2022.	Number	1	1	1	1	Operational	Disciplinary case report.	1	1	1	1	4	Operational	Target achieved	n/a
							1		1		Operational	Programmes and attendance registers	1	n/a	1	n/a	2	Operational	Target achieved	n/a

Key Performance Area: Institutional Development and Organistional Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative	Actual expenditure spent	Achieved / Not Achieved	Reason for non-achievement		
Strategic Goals	Programme (IDP)	Objectives	Key Performance Indicators	Proposed Adjusted Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
Municipal Capacity and Infrastructure Development	Training and Skills Development	Adherence to the skills development Act and related regulations at all times	KPI 14 Section 54A Manager, Section 56 Manager, and Finance officials sent to training for minimum competency level by 30 June 2022.	N/A	50% 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.	Report on Section 54A Manager, Section 56 Manager, and Finance officials sent to training for minimum competency level by 30 June 2022.	Number				1	R 240 000.00	Proof of enrolment or results.	n/a	n/a	n/a	1	1	R 208 695,65	Target achieved	n/a	n/a
	IT and support	Constantly support the flow of and access to information through available resources	KPI 15 ICT queries/Incidents attended to within 16 working hours expressed as a % of total number of requests received by 30 June 2022.	KPI 15 ICT queries/Incidents attended to within 8 working hours expressed as a % of total number of requests received by 30 June 2022.	100% of ICT queries/Incidents attended to within 16 working hours expressed as a % of total number of requests received by 30 June 2021.	ICT queries/Incidents attended to within 8 working hours expressed as a % of total number of requests received by 30 June 2022.	%	100%	100%	100%	100%	Operational	ICT queries/incident register and questionnaire	100%	100%	100%	100%	100%	Operational	Target achieved	n/a	n/a

Key Performance Area: Institutional Development and Organistional Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative	Actual expenditure spent	Achieved / Not Achieved	Reason for non-achievement		
Strategic Goals	Programme (IDP)	Objectives	Key Performance Indicators	Proposed Adjusted Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
			KPI 16 ICT queries/Incidents resolved within 72 working hours expressed as a % of total number of incidents/quires attended to by 30 June 2022.	KPI 16 ICT queries/Incidents resolved within 24 working hours expressed as a % of total number of incidents/quires attended to by 30 June 2022.	90% of ICT queries/Incidents resolved within 72 working hours expressed as a % of total number of incidents/quires attended to by 30 June 2021.	90% of ICT queries/Incidents resolved within 24 working hours expressed as a % of total number of incidents/quires attended to by 30 June 2022.	%	90%	90%	90%	90%	Operational	ICT queries/incident register and Support tickets	100%	100%	100%	100%	100%	Operational	Target achieved	n/a	n/a
	IT and support	Constantly support the flow of and access to information through	KPI 17 Documents uploaded on the Municipal website by 30 June 2022.	N/A	4 Documents uploaded on the Municipal website by 30 June 2021.	Documents uploaded on the Municipal website by 30 June 2022.	Number	1	1	1	1	Operational	Screenshots of uploads and support tickets	1	1	1	1	4	Operational	Target achieved	n/a	n/a
	Records and Archives	To ensure that all municipal documentation are kept	KPI 18 Records storage inspections conducted by registry by 30 June 2022.	N/A	4 Records storage inspections conducted by registry by 30 June 2021.	4 Quarterly reports on records storage inspections conducted by registry by 30 June 2022.	Number	1	1	1	1	Operational	Inspection report and checklist	1	1	1	1	4	Operational	Target achieved	n/a	n/a

Key Performance Area: Institutional Development and Organistional Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative	Actual expenditure spent	Achieved / Not Achieved	Reason for non-achievement
Strategic Goals	Programme (IDP)	Objectives	Key Performance Indicators	Proposed Adjusted Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
Create a conducive environment for business licenses / Commercial Lead	Communication	Dissemination of information to the community and stakeholders as detailed in the communication plan	KPI 19 Records management trainings conducted by 30 June 2022.	N/A	2 Records management trainings conducted by 30 June 2021.	2 biannually records management trainings conducted by 30 June 2022.	Number		1		1	Operational	n/a	1	n/a	0	1	Operational	Target not achieved	Training could not be conducted due to the
			KPI 20 Newsletters developed by 30 June 2022.	N/A	4 Newsletters developed by 30 June 2021.	4 Quarterly Newsletters developed by 30 June 2022.	Number	1	1	1	1	R80 000,00	1	1	1	1	4		Target achieved	n/a
	To continuously monitor compliance of businesses		KPI 21 Businesses inspected conducted for compliance by 30 June 2022.	N/A	160 Businesses inspected for compliance by 30 June 2021.	160 Businesses inspected conducted for compliance by 30 June 2022.	Number	40	40	40	40	Operational	44	42	40	40	166	Operational	Target achieved	n/a

Key Performance Area: Institutional Development and Organistional Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative	Actual expenditure spent	Achieved / Not Achieved	Reason for non-achievement
Strategic Goals	Programme (IDP)	Objectives	Key Performance Indicators	Proposed Adjusted Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			
	SMMEs	To continuously provide support to SMMEs by offering training and	KPI 22 SMMEs trainings/session held by 30 June 2022.	KPI 22 SMMEs trainings/information sessions held by 30 June 2022.	4 SMMEs trainings/session held by 30 June 2021.	4 Quarterly SMMEs trainings/session held by 30 June 2022.	Number	1	1	1	1	Operational	Invitation, programmers attended, no registration	1	1	2	1	5	Operational	Target achieved
	Tourism	To create greater awareness amongst stakeholders about	KPI 23 Tourism awareness campaigns conducted by 30 June 2022.	N/A	8 Tourism awareness campaigns conducted by 30 June 2021.	8 Quarterly tourism awareness campaigns conducted by 30 June 2022.	Number	2	2	2	2	Operational	Invitation, programs and attendance registered	2	2	2	2	8	Operational	Target achieved
																			n/a	n/a
																			n/a	n/a

Key Performance Area: Good Governance and Public Participation								Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual expenditure	Achieved / Not achieved	Reason for non-achievement	Corrective action		
Strategic Goals	Programme / IDP	Objectives	Key Performance Indicators	Proposed Adjusted	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter							
Foster Participative Cohesion and Collaboration			Special Projects	To continuously engage and provide opportunities for the ward committees to make contributions to the work of the council.	KPI 24 Mayor's special projects held by 30 June 2022.	N/A	28 Mayor's special projects held by 30 June 2021.	Number	6	6	6	6	R 357 405.00	Programmes and attendance register.	6	3	6	6	21	R 351 586,95	Target not achieved	The other projects could not be achieved due to the unavailability of the mayor	Projects to be attained all in the new financial year	
			Ward Committees	Continuously allow ward committees to make contributions to the work of the council.	KPI 25 Meetings held per ward committee by 30 June 2022.	N/A	56 Meetings held per ward committee by 30 June 2021.	Number	15	15	15	15	Operational	Minutes and attendance register	0	2	0	15	17	Operational	Target not achieved	Non functionality of the other wards and New committee members to ensure		
Foster Participative Cohesion and Collaboration			Integrated Development Planning		To annually develop /review a credible IDP that is aligned to national, provincial and national initiatives and that addresses the needs of the community.	KPI 75 Draft IDP tabled to council by 31 March 2022.	N/A	Draft IDP tabled to council by 31 March 2021.	Date			31-Mar-21		Operational	Draft IDP and Council	n/a	n/a	31-Mar-22	n/a	31-Mar-22	Operational	Target achieved	n/a	n/a
					KPI 76 Final IDP submitted and approved by council by 31 May 2022.	N/A	Final IDP submitted and approved by council by 31 May 2021.	Date				31-May-21		Operational	Approved IDP and council	n/a	n/a	n/a	31-May-22	31-May-22	Operational	Target achieved	n/a	n/a
					KPI 77 IDP Rep forum meetings held by 30 June 2022.	N/A	4 IDP Rep forum meetings held by 30 June 2021.	Number	1	1	1	1		Operational	Agenda, minutes and attendance	1	1	1	1	4	Operational	Target achieved	n/a	n/a
					KPI 78 IDP steering committee meetings held by 30 June 2022.	N/A	4 IDP steering committee meetings held by 30 June 2021.	Number	1	1	1	1		Operational	Agenda, minutes and attendance	1	1	1	1	4	Operational	Target achieved	n/a	n/a

Key Performance Area: Good Governance and Public Participation								Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual expenditure	Achieved / Not achieved	Reason for non-achievement	Corrective action
Strategic Goals	Programme / IDP	Objectives	Key Performance Indicators	Proposed / Adjusted	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
Foster Participative Cohesion and Collaboration			KPI 79 Wards represented at IDP/budget community participation meetings by 30 June 2022.	N/A	14 Wards represented at IDP/budget community participation meetings by 30 June 2021.	15 Wards represented at IDP/budget community participation meetings by 30 June 2022.	Number				15 wards	R106 368,00	Public notice, agenda, minutes and attendance	n/a	n/a	n/a	14 wards	Operational	Target not achieved	Community participation could not be held for ward	Community participation to be held for the	
	Performance Measurement	To plan, monitor, report and evaluate	KPI 80 Audit, Risk and Performance Committee reports submitted to council by 30 June 2022.	N/A	4 Audit, Risk and Performance Committee reports submitted to council by 30 June 2021.	4 Quarterly Audit, Risk and Performance Committee reports submitted to council by 30 June 2022.	Number	1	1	1	1	Operational	Audit, Risk and Performance Committee	1	1	1	1	4	Operational	Target achieved	n/a	n/a
			KPI 81 Internal Audit reports submitted to the Audit, Risk and Performance Committee by 30 June 2022.	N/A	4 Number of Internal Audit reports submitted to the Audit, Risk and Performance Committee by 30 June 2021.	4 Quarterly Internal Audit reports submitted to the Audit, Risk and Performance Committee by 30 June 2022.	Number	1	1	1	1	Operational	Minutes of Audit, Risk and Performance Committee	3	3	1	3	10	Operational	Target achieved	n/a	n/a
			KPI 82 Audit, Risk and Performance Committee meetings held by 30 June 2022.	N/A	4 Number of Audit, Risk and Performance Committee meetings held by 30 June 2021.	4 Quarterly Audit, Risk and Performance Committee meetings held by 30 June 2022.	Number	1	1	1	1	Operational	Agenda, attendance register, minutes	3	2	1	3	9	Operational	Target achieved	n/a	n/a
			KPI 83 Section 46 MSA report submitted to AGSA by 31 August 2021.	N/A	Section 46 MSA report submitted to AGSA by 31 October 2020.	Section 46 MSA report submitted to AGSA by 31 August 2021.	Date	31-Aug-21				Operational	Section 46 report and acknowledgment letter	31-Aug-21	n/a	n/a	n/a	31-Aug-21	Operational	Target achieved	n/a	n/a
	Risk Management	Improve risk management processes by ensuring that all identified risks are mitigated																				

Key Performance Area: Good Governance and Public Participation								Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative	Actual expenditure	Achieved / Not Achieved	Reason for non-achievement	Corrective Action
Strategic Goals	Programme / Unit	Objectives	Key Performance Indicators	Proposed / Adjusted	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
Foster Participative Cohesion and Collaboration	Auditing	To obtain unqualified audit results	KPI 84 Progress reports on the implementation of Audit Action Plan submitted to Council by 30 June 2022.	N/A	2 Progress reports on the implementation of Audit Action Plan submitted to Council by 30 June 2021.	2 Bi-annual progress reports on the implementation of Audit Action Plan submitted to Council by 30 June 2022.	Number			1	1	Operational	Audit Action Plan	n/a	n/a	1	1	2	Operational	Target achieved	n/a	n/a
			KPI 85 2022-2023 Service Delivery Budget and Implementation Plan (SDBIP) approved by the Mayor by 28 June 2022.								28-Jun-22			n/a	n/a	n/a	28-Jun-22					
	Performance Management	To plan, monitor, report and evaluate performance of the Municipality and its divisions with the service providers	KPI 86 5 2022-2023 performance agreements signed by the Directors/ Accounting Officer/ Mayor and by the 30 June 2022.	N/A	5 2021-2022 performance agreements signed by the Directors/ Accounting Officer/ Mayor and by the 30 June 2021.	5 2022-2023 performance agreements signed by the Directors/ Accounting Officer/ Mayor and by the 30 June 2022.	Number				5	Operational	Copies of signed Performance Agreements	n/a	n/a	n/a	5	5	Operational	Target achieved	n/a	n/a
			KPI 88 Mid-Year performance review session conducted and submitted to COGHSTA by 31 January 2022.							31-Jan-22				n/a	n/a	31-Jan-22	n/a					
Foster Participative Cohesion and Collaboration	Performance Management	To plan, monitor, report and evaluate performance of the Municipality and its divisions with the service providers	KPI 88 Mid-Year performance review session conducted and submitted to COGHSTA by 31 January 2022.	N/A	Mid-Year performance review session conducted and submitted to COGHSTA by 31 January 2021.	2021-2022 Mid-Year performance review session conducted and submitted to COGHSTA by 31 January 2022.	Date			31-Jan-22		Operational	Minutes, attendance register and proof of participation	n/a	n/a	31-Jan-22	n/a	31-Jan-22	Operational	Target achieved	n/a	n/a

Key Performance Area: Good Governance and Public Participation								Quarterly Targets				Annual Budget	Portfolio of	Actual quarterly performance				Actual Cumulative	Actual expenditure	Achieved / Not	Reason for non-	Corrective
Strategic Goals	Programme / IDP	Objectives	Key Performance Indicators	Proposed Adjusted	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
	Integrated Development Planning	To annually develop /review a	KPI 89 Performance evaluation of the accounting officer and senior management for 2021-2022 by 31 January 2022.	N/A	1 Performance evaluation of the accounting officer and senior management for 2019-2020 by 30 June 2021.	Performance evaluation of the accounting officer and senior management for 2021-2022 by 31 January 2022.	Date			31-Jan-22		Operational	Agenda, attendance	n/a	n/a	31-Jan-22	n/a	31-Jan-22	Operational	Target achieved	n/a	n/a
			KPI 90 IDP/PMS/Budget process plan approved by 31st August 2021.	N/A	IDP/PMS/Budget process plan approved by 31st August 2020.	IDP/PMS/Budget process plan approved by 31st August 2021.	Date	31-Aug-21				Operational	Approved IDP/PMS/Budget process	31-Aug-21	n/a	n/a	n/a	31-Aug-21	Operational	Target achieved	n/a	n/a
	Risk Management	Improve risk management	KPI 91 Risk management policy annually reviewed by 30 June 2022.	N/A	New	Risk management policy annually reviewed by 30 June 2022.	Date				30-Jun-22	Operational	Policy and	n/a	n/a	n/a	30-Jun-22	30-Jun-22	Operational	Target achieved	n/a	n/a
			KPI 92 2022.-2023 Risk assessment annually completed by 30 June 2022.	N/A	New	2022-2023 Risk assessment annually completed by 30 June 2022.	Date				30-Jun-22	Operational	Risk assessment	n/a	n/a	n/a	30-Jun-22	30-Jun-22	Operational	Target achieved	n/a	n/a

Key Performance Area: Good Governance and Public Participation										Quarterly Targets				Actual quarterly performance				Actual Cumulative	Actual expenditure	Achieved / Not	Reason for non-	Corrective
Strategic Goals	Programme / Unit	Objectives	Key Performance Indicators	Proposed / Adjusted	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual Budget	Portfolio of Evidence	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Cumulative	Actual expenditure	Achieved / Not	Reason for non-	Corrective
			KPI 93 Strategic risk assessments/reviews conducted by 30 June 2022.	N/A	4 strategic risk assessments/reviews conducted by 30 June 2021.	4 Quarterly report on Strategic risk assessments/reviews conducted by 30 June 2022.	Number	1	1	1	1	Operational	4 strategic risk assessment reports and attendance register	1	0	1	1	3	Operational	Target not achieved	Unavailability of management and limited resources	Monthly schedule to be prepared and sent on time to management to ensure commitment
			KPI 94 Operational risk assessments/reviews conducted by 30 June 2022.	N/A	New	4 Quarterly reports on operational risk assessments/reviews conducted by 30 June 2022.	Number	1	1	1	1	Operational	4 operational risk assessment reports and attendance register	1	0	1	1	3	Operational	Target not achieved	Unavailability of management and limited resources	Monthly schedule to be prepared and sent on time to management to ensure commitment

Key Performance Area: Good Governance and Public Participation								Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual expenditure	Achieved / Not Achieved	Reason for non-achievement	Corrective action
Strategic Goals	Programme / Unit	Objectives	Key Performance Indicators	Proposed / Adjusted	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
			KPI 95 Fraud Prevention Policy Annually reviewed and submitted to council by 30 June 2022.	N/A	2 Fraud and Corruption prevention awareness campaign conducted by 30 June 2021.	2 Biannual fraud and corruption prevention awareness campaign conducted by 30 June 2022.	Number	1		1		Operational	Public notice, agenda, minutes and attendance register/level invitation	0	n/a	0	n/a	0	Operational	Target not achieved	Awaiting the response from treasury to assist on conducting the awareness	Treasury and office of the premiere to assist on conducting a workshop
			KPI 97 Ethics Management Policy submitted to council by 30 June 2022.	N/A	New	Ethics Management Policy submitted to council by 30 June 2022.	Date	n/a	n/a	n/a	2022/06/30	Operational	Ethics Management	n/a	n/a	n/a	0	0	Operational	Target not achieved	The policy is completed	The policy to be presented
			KPI 98 Final Annual Report submitted to council by 31 Jan 2022.	N/A	Final Annual Report submitted to council by 31 Jan 2021.	Final Annual Report submitted to council by 31 Jan 2022.	Date	n/a	n/a	2022/01/31	n/a	Operational	Annual Report and	n/a	n/a	2022/01/31	n/a	2022/01/31	Operational	Target achieved	n/a	n/a

Key Performance Area: Basic Services Delivery And Infrastructure Development								Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual	Achieved / Not Achieved	Reason for non-achievement
Program	Program	Objective	Key Performance Indicators	Proposed / Adjusted Key Performance	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
Develop and maintain	Building Plan Administration	To continuously	KPI 26 Building completion certificates issued within 30 days by 30 June 2022.	KPI 26 Building occupational certificates issued within 30	100% building completion certificates issued within 30 days by 30 June 2021.	4 Quarterly reports on building completion certificates issued within	Number	1	1	1	1	Operational	Progress report, inspection	1	1	1	1	4	Operational	Target achieved	n/a

Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets					Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual	Achieved / Not Achieved	Reason for non-achievement	
Program	Program	Objective	Key Performance Indicators	Proposed Adjusted Key Performance	Baseline	Target output (Annual target)	Unit of Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
Develop and maintain infrastructure	Building Plan Administration and	To continuously assess and maintain the quality of infrastructure		days by 30 June 2022.		30 days by 30 June 2022.																
			KPI 27 Notices served on contraventions reported by 30 June 2022.	N/A	100% Notices served expressed as a % of contraventions reported by 30 June 2021.	number of notices served on contraventions by 30 June 2022.	Number	1	1	1	1	Operational	Contravention	1	1	1	1	4	Operational	Target achieved	n/a	n/a
			KPI 28 Households provided with electricity connections by 30 June 2022.	N/A	100% Households provided with electricity connections expressed as a % of applications received by 30 June 2021..	4 Quarterly reports on households provided with electricity connections 30 June 2022.	Number	1	1	1	1	operational	Report on electricity	1	1	1	1	4	Operational	Target achieved	n/a	n/a
	Roads and Storm	To upgrade 35.85k	KPI 29 Upgrading of gravel internal roads to paved for Magojaneng & Batlharos funded MIG at 30 June 2022.	N/A	1.8 km of Newly surfaced/paved roads completed by 30 June 2021.	Report on upgrading of gravel internal roads to paved for Magojaneng & Batlharos funded MIG at 30 June 2022.	Number				1	R 41 073 502.78	Progress report on	n/a	n/a	n/a	1	1	R 39 306 441.43	Target achieved	n/a	n/a
	Building Plan		KPI 30 Building plans assessed within 30 days 30 June 2022.	N/A	100% Building plans assessed within 30 days expressed as a % of total applications received by 30 June 2021.	4 Quarterly reports on Building plans assessed within 30 days 30 June 2022.	Number	1	1	1	1	Operational	Report o building plans	1	1	1	1	4	Operational	Target achieved	n/a	n/a

Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance		Actual	Achieved / Not Achieved	Reason for non-achievement	
Program	Program	Objective	Key Performance Indicators	Proposed Adjusted Key Performance	Baseline	Target output (Annual target)	Unit of Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
	Sport Facilities	Maintenance of parks and sports grounds	KPI 31 Construction of Batlharos community hall by 30 June 2022.	N/A	1 Expenditure on Construction of Batlharos community hall expressed as a % of the MIG allocated budget by 30 June 2021.	Report on construction of Batlharos community hall funded by MIG at 30 June 2022.	Number				1	R 10 922 225.65	Progress report, last quarter	n/a	n/a	n/a	1	1	R 11 093 024.78	Target achieved	n/a	n/a
			KPI 32 Extension of bulk water supply in Geelboom & Mokala mosesane by 30 June 2022.	N/A	New	Report on extension of bulk water supply in Geel boom & Mokala Mosesane.	Number				1	R 29 230 606.09	Progress report, last quarter	n/a	n/a	n/a	1	1	R 25 999 595.35	Target achieved	n/a	n/a
		KPI 33 Resealing of existing tarted roads by 30 June 2022.	N/A	New	Report on meters of resealing of existing tarted roads by 30 June	Number	n/a	150m	150m	700m	Operational	progress	n/a	1.65km	1,50km	1,90km	5.05KM	Operational	Target achieved	n/a	n/a	
Develop and maintain infrastructural community services	Water Infrastructure	To supply at least basic water services to all households in the municipality by 30 June 2022.	KPI 34 Households provided with full water borne sewer by 30 June 2022.	N/A	100% Households provided with full water borne sewer expressed as a % of the total number of applications received by 30 June 2021.	4 Quarterly reports on Households provided with full water borne sewer by 30 June 2022.	Number	1	1	1	1	operational	Report on water borne sewer connections done	1	1	1	1	4	operational	Target achieved	n/a	n/a
			KPI 35 Households provided with New water yard connection by the municipality by 30 June 2022.	N/A	100% Households provided with New water yard connection by the municipality expressed as a % of applications received by 30 June 2021.	4 Quarterly reports on Households provided with New water yard connection by the municipality by 30 June 2022.	Number	1	1	1	1	operational	Report on New water yard connections	1	1	1	1	4	operational	Target achieved	n/a	n/a

Key Performance Area: Basic Services Delivery And Infrastructure Development								Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance		Actual	Achieved / Not Achieved	Reason for non-achievement
Program	Program	Objective	Key Performance Indicators	Proposed Adjusted Key Performance	Baseline	Target output (Annual target)	Unit of Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
			KPI 36 Households provided with new water yard connection done by Sedibeng Water by 30 June 2022.	N/A	1 Households provided with new water yard connection done by Sedibeng Water by 30 June 2021.	Report on households provided with new water yard connection done by Sedibeng Water by 30 June 2022.	Number				1	Operational	Report on water yard connections done by Sedibeng Water by 30 June 2022.	n/a	n/a	n/a	0	operational	Target not achieved	Connection could not be established due to the municipality has not been able to allocate the necessary resources.		
			KPI 37 Laboratory reports on quality of drinking water according to SANS 241 standards.	N/A	Average blue-drop water quality standard achieved (at least 70%) by 30 June 2021	12 Monthly laboratory reports on quality of drinking water.	Number	3	3	3	3	Operational	Copies of lab reports	1	2	3	3	9	Operational	Target not achieved	DUE to contractual requirements by Sedibeng Water to be completed by 30 June 2022. The testing program had to be reconfigured to align it to SANS 241.	
Develop and maintain infrastructural community		Electricity connections	Provision of basic level of services to the community by 30 June 2022.	N/A	1700 Electrical connections to be done in Wrenchville, Bankhara Bodulong and Promise Land by 30 June 2021.	2000 Electrical connections to be done in Wrenchville, Bankhara Bodulong and Promise Land by 30 June 2022.	Number			500	1500	R56 000 000,00	PCS file provided by Sedibeng Water by 30 June 2022.	n/a	n/a	1101	933	2034	R56 000 000,00	Target achieved	n/a	
	Fire Services	To establish fully functional fire services by 30 June 2022.	KPI 39 Construction of fire station funded by MIG at 30 June 2022.	N/A	100% Expenditure on Construction of fire Station spent expressed as a % of the MIG allocated budget by 30 June 2021.	Report on construction of fire station funded by MIG at 30 June 2022.	Number				1	R13 365 186.51	Progress Reports and proof of payment	n/a	n/a	n/a	1	1	R13 365 186.51	Target achieved	n/a	
Develop and maintain infrastructural community		To create a safe and healthy environment by 30 June 2022.	KPI 40 EPWP Jobs created by 30 June 2022.	N/A	278 EPWP Jobs created by 30 June 2021.	278 EPWP Jobs created by 30 June 2022.	Number				278	R1 421 000,00	Copies of evidence	n/a	n/a	n/a	287	287	R1 421 000,00	Target achieved	n/a	

Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets					Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual	Achieved / Not Achieved	Reason for non-achievement
Program	Program	Objective	Key Performance Indicators	Proposed Adjusted Key Performance	Baseline	Target output (Annual target)	Unit of Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
			KPI 41 In-situ houses constructed by the Department of COGHSTA by 30 June 2022.	N/A	1 Report on number of in-situ houses constructed by the Department of COGHSTA by 30 June 2021.	Report on in-situ houses constructed by the Department of COGHSTA by 30 June 2022.	Number				1	Operational	Report on in-situ houses constructed by the Department of COGHSTA by 30 June 2022.	n/a	n/a	n/a	1	Operational	Target achieved	n/a	
Create a conducive environment for outdoor advertising		To ensure that outdoor advertising is conducted in a safe and secure manner	KPI 42 Audits on outdoor advertising conducted by 30 June 2022.	N/A	1 Audits on outdoor advertising conducted by 30 June 2021.	Audits on outdoor advertising conducted by 30 June 2022.	Number				1	Operational	Outdoor advertising conducted by 30 June 2022.	n/a	n/a	n/a	0	Operational	Target not achieved	Awaiting on the report to the request send to the	
Develop and main infrastructure Lead	Licensing and vehicle	To continuously ensure that vehicles are roadworthy	KPI 43 Learners licenses test conducted by 30 June 2022.	N/A	100% Learners licenses test conducted expressed as a total % of appointments made by 30 June 2021.	12 Monthly reports on Learners licenses test conducted by 30 June 2022.	Number	3	3	3	3	Operational	Enatis report	3	3	3	3	12	Operational	Target achieved	n/a
Develop and maintain infrastructural and community services	Licensing and vehicle	To continuously ensure that vehicles are roadworthy	KPI 44 Drivers licenses tests conducted by 30 June 2022.	N/A	100% Drivers licenses test conducted expressed as a total % of appointments made by 30 June 2021.	12 Monthly reports on Drivers licenses tests conducted by 30 June 2022.	Number	3	3	3	3	Operational	Enatis report	3	3	3	3	12	Operational	Target achieved	n/a
	Security	To	KPI 45 Number of security reports submitted by 30 June 2022.	N/A	4 Security reports submitted by 30 June 2021.	4 Quarterly security reports submitted by 30 June 2022.	Number	1	1	1	1	Operational	Submission of security reports	1	1	1	1	4	Operational	Target achieved	n/a
	Parks	Continuously	KPI 46 Number of parks maintained by 30 June 2022.	N/A	20 Parks maintained by 30 June 2021.	4 Quarterly reports on parks maintained by 30 June 2022.	Number	1	1	1	1	Operational	Reports on parks maintained by 30 June 2022.	1	1	1	1	4	Operational	Target achieved	n/a

Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual	Achieved / Not Achieved	Reason for non-achievement
Program	Program	Objective	Key Performance Indicators	Proposed Adjusted Key Performance	Baseline	Target output (Annual target)	Unit of Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
Develop and maintain infrastructural and community services	Disaster Services	To establish fully functional disaster	KPI 47 Emergency incidents attended to within an hour expressed as a % of incidents reported by 30 June 2022.	KPI 49 Emergency incidents attended to within an hour expressed as a % of incidents reported by 30 June 2021.	100% Emergency incidents attended to within an hour expressed as a % of incidents reported by 30 June 2021.	100% of Emergency incidents attended to within an hour expressed as a % of incidents reported by 30 June 2022.	%	100%	100%	100%	100%	Operational	Incident report	97%	99%	100%	95%	98%	Operational	Target not achieved
	Business licenses	To continuously monitor	KPI 48 Business premises inspections conducted expressed as a % of request received (hazardous premises and fire safety) by 30 June 2022.	KPI 50 Business premises inspections conducted by 30 June 2022.	100% Business premises inspections conducted expressed as a % of request received (hazardous premises and fire safety) by 30 June 2021.	Report on business premises inspections conducted by 30 June 2022.	Number	1	1	1	1	Operational	Inspection request register and	1	1	1	1	4	Operational	Target achieved
	Licensing and vehicle	To continuously ensure	KPI 49 Roadworthy tests conducted expressed as a total % of appointments made by 30 June 2022.	N/A	100% Roadworthy tests conducted expressed as a total % of appointments made by 30 June 2021.	100% of Roadworthy tests conducted expressed as a total % of appointments made by 30 June 2022.	%	100%	100%	100%	100%	Operational	Roadworthy Register	100%	100%	100%	100%	100%	Operational	Target achieved
	Road	Provide	KPI 50 Road blocks conducted by 30 June 2022.	N/A	8 Road blocks conducted by 30 June 2021.	12 Quarterly road blocks conducted by 30 June 2022.	Number	3	3	3	3	Operational	Stop and	3	3	3	3	12	Operational	Target achieved

Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance		Actual	Achieved / Not Achieved	Reason for non-achievement
Program	Program	Objective	Key Performance Indicators	Proposed Adjusted Key Performance	Baseline	Target output (Annual target)	Unit of Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
Develop and maintain infrastructural and community services	Waste Management	To provide weekly kerbside waste collection by 30 June 2022.	KPI 51 Households provided with door-to-door waste collection by 30 June 2022.	N/A	4600 Households provided with door-to-door waste collection by 30 June 2021.	8000 households provided with door-to-door waste collection by 30 June 2022.	Number	8000	8000	8000	8000	Operational	Control levy sheets and weekly schedules	8389	8240	8637	8325	8637	Operational	Target achieved	n/a
	Revenue Generation/The Eye	To continuously preserve, maintain and collect revenue related to the eye	KPI 52 Revenue generated from Caravan Park by 30 June 2022.	N/A	1 000 000, 00 Revenue generated on guests from Caravan Park by 30 June 2021.	250 000 revenue generated from Caravan Park by 30 June 2022.	Number				1	Operational	Financial report of revenue	n/a			1	1	Operational	Target achieved	n/a
			KPI 53 Visitors and revenue generated from 1st eye by 30 June 2022.	N/A	60000 reports on visitors and revenue generated from 1st eye by 30 June 2021.	60 000 Revenue generated from 1st eye by 30 June 2022.	Number				1	Operational	Financial report of revenue	n/a			1	1	Operational	Target achieved	n/a
	Libraries	Improved literacy knowledge levels of the community	KPI 54 Membership & circulation of library materials by 30 June 2022.	N/A	New	4 Quarterly reports on new Membership & circulation of library materials by 30 June 2022.	Number	1	1	1	1	Operational	Report on new membership	1	1	1	1	4	Operational	Target achieved	n/a
			KPI 55 Library awareness campaigns conducted by 30 June 2022.	N/A	Library awareness campaigns conducted by 30 June 2021.	4 Quarterly reports on Library awareness campaigns conducted by 30 June 2022.	Number	1	1	1	1	Operational	Reports on Library	1	1	1	1	4	Operational	Target achieved	n/a
	Cemeteries	To provide and maintain burial services	KPI 56 Maintenance of cemeteries on monthly basis by 30 June 2022.	N/A	New	4 Quarterly reports on Maintaining of cemeteries on monthly basis by 30 June 2022.	Number	1	1	1	1	Operational	Report on Maintenance of	1	1	1	1	4	Operational	Target achieved	n/a

Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual	Achieved / Not Achieved	Reason for non-achievement
Program	Program	Objective	Key Performance Indicators	Proposed Adjusted Key Performance	Baseline	Target output (Annual target)	Unit of Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
	Disaster	To establish fully functional disaster center by 2022	KPI 57 Emergency evacuation plan	N/A	New	4 quarterly [emergency evacuation monitoring plan	Number				1	operational	n/a	n/a	n/a	1	1	Operational	Target achieved	n/a
												Report on emergency evacuation Plan.								

Key Performance Area: Financial Viability and Accountability								Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual	Achieved / Not Achieved	Reason for non-achievement	
Strategic Goals	Programme Objectives	Key Performance Indicators	Proposed Adjusted	Baseline	Target output (Annual target)	Unit of Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter						
Enhance revenue and financial management	Free Basic Services	To ensure	KPI 58 Number of indigents registered by 30 June 2022.	N/A	3500 Indigents registered by 30 June 2021.	1500 Indigents registered by 30 June 2022.	Number				1500	Operational	Indigent registered	n/a			2955	2955	Operational	Target achieved	n/a	n/a
	Expenditure Management	Reduce unnecessary spending on travelling, overtime	KPI 59 Unauthorised expenditure expressed as a % of total expenditure by 30 June 2022.	N/A	8% Unauthorised expenditure expressed as a % of total expenditure by 30 June 2021.	8% Unauthorised expenditure expressed as a % of total expenditure by 30 June 2022.	%				8%	Operational	Unauthorised expenditure	n/a			8%	8%	Operational	Target achieved	n/a	n/a
			KPI 60 Irregular expenditure expressed as a % of total expenditure on New procumbent by 30 June 2022.	N/A	20% Irregular expenditure expressed as a % of total expenditure on New procumbent by 30 June 2021.	20% Irregular expenditure expressed as a % of total expenditure on New procumbent by 30 June 2022.	%				20%	Operational	Irregular expenditure	n/a			20%	20%	Operational	Target achieved	n/a	n/a
			KPI 61 Fruitless expenditure expressed as a % of total expenditure by 30 June 2022.	N/A	2% Fruitless expenditure expressed as a % of total expenditure by 30 June 2021.	2% Fruitless expenditure expressed as a % of total expenditure by 30 June 2022.	%				2%	Operational	Fruitless expenditure	n/a			2%	2%	Operational	Target achieved	n/a	n/a
				KPI 62 % of rates clearance certificates issued within 10 days of customer applications by 30 June 2022.	N/A	100% % of rates clearance certificates issued within 10 days of customer applications by 30 June 2021.	100% % of rates clearance certificates issued within 10 days of customer applications by 30 June 2022.	%				100%	Operational	Customer application forms and clearance	n/a			100%	100%	Operational	Target achieved	n/a

Key Performance Area: Financial Viability and Accountability								Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual	Achieved / Not Achieved	Reason for non-achievement	
Strategic Goals	Programme Objectives	Objectives	Key Performance Indicators	Proposed Adjusted	Baseline	Target output (Annual target)	Unit of Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
Enhance revenue and financial management	Budgeting	To promote Financial Viability and Accountability	KPI 63 Net debtors' days by 30 June 2022.	N/A	Net debtors' days by 30 June 2021.	Net debtors' days by 30 June 2022.	Days	60	60	60	60	Operational	Debtors age analysis, Revenue/Billing Department	372	181	120	120	372	Operational	Target not achieved.	This is due to culture of non-payment and covid 19 implications.	To encourage debtors to make and register as indigents.
		To compile a funded and realistic budget annually for 2021/2022.	KPI 64 2021/2022. Adjusted budget submitted to Council for approval by 28 February 2022.	N/A	2020/2021. Adjusted budget submitted to council.	2021./2022. Adjusted budget submitted to Council for approval by 28 February 2022.	Date			28-Feb-22		Operational	Approved adjusted budget and council	n/a	n/a	31-Jan-22	n/a	31-Jan-22	Operational	Target achieved	n/a	n/a
		KPI 65 2022/2023 draft budget tabled to council by 31 March 2022.	N/A	2021/22 Draft budget tabled to council by 31 March 2021.	2022./2023 draft budget tabled to council by 31 March 2022.	Date			31-Mar-22		Operational	Draft Budget and Council	n/a	n/a	31-Mar-22	n/a	31-Mar-22	Operational	Target achieved	n/a	n/a	
		KPI 66 2022/2023 budget tabled to council for approval by the 31 May 2022.	N/A	2021/2022. Budget tabled to council by 31 May 2021.	2022./2023 budget tabled to council for approval by the 31 May 2022.	Date			31-May-22		Operational	Budget and Council	n/a	n/a	n/a	31-May-22	31-May-22	Operational	Target achieved	n/a	n/a	
		To ensure 100% Performance and budget reports submitted to council by 30 June 2022.	KPI 67 Performance and budget reports submitted to council by 30 June 2022.	N/A	4 Performance and budget reports submitted to council by 30 June 2021.	4 Quarterly performance and budget reports submitted to council by 30 June 2022.	Number	1	1	1	1	Operational	Section 52 (d) Performance and budget reports submitted to council by 30 June 2022.	1	0	2	1	4	Operational	Target achieved	No council meeting was held for Q2 due to the postponement of training for the	The report to send on the next council.

Key Performance Area: Financial Viability and Accountability										Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual	Achieved / Not Achieved	Reason for non-achievement
Strategic Goals	Programme Objectives	Objectives	Key Performance Indicators	Proposed Adjusted	Baseline	Target output (Annual target)	Unit of Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
Enhance revenue and financial management		To promote Financial Viability and accountability	KPI 68 Section 71 reports submitted within 10 working days after month end by 30 June 2022.	N/A	12 Section 71 reports submitted within 10 working days after month end by 30 June 2021.	12 Quarterly section 71 reports submitted within 10 working days after month end by 30 June 2022.	Number	3	3	3	3	Operational	Section 71 reports, proof of submission to AG	31st Quarter	3	3	3	3	12	Operational	Target achieved	n/a	n/a
	Budgeting	To ensure 100% Financial Accountability	KPI 69 Annual Financial Statements submitted to the Auditor General by 31 August 2021.	N/A	AFS submitted to AG by 31 October 2020.	Annual Financial Statements submitted to the Auditor General by 31 August 2021	Date	31-Aug-21				R10 000 000,00	Copy of the AFS	31-Aug-21		n/a	n/a	n/a	31-Aug-21	R 10 521 571,00	Target achieved	n/a	n/a
		To promote Financial Viability and accountability	KPI 70 Municipal Property Rates Act submitted to council by 30 June 2022.	N/A	4 Quarterly reports on Municipal Property Rates Act submitted to council by 30 June 2021.	4 Quarterly reports on Municipal Property Rates Act submitted to council by 30 June 2022.	Number	1	1	1	1	Operational	Report and resolution of council	1	1	1	1	4	Operational	Target achieved	n/a	n/a	
Enhance revenue and financial management	Debt collection	To promote Financial Viability and accountability.	KPI 71 Receipts from debtors expressed as a % of total revenue for the period from 1 July 2021 to 30 June 2022.	N/A	90% Receipts from debtors expressed as a % of total revenue for the period from 1 July 2020 to 30 June 2021.	90% Receipts from debtors expressed as a % of total revenue for the period from 1 July 2021 to 30 June 2022.	%	90%	90%	90%	90%	Operational	List of debtors' receipts	93%	91%	104%	99.35%	97%	Operational	Target achieved	n/a	n/a	
			KPI 72 Supplementary valuations conducted by 30 June 2022.	N/A	1 Supplementary valuation conducted by 30 June 2021.	Supplementary valuations conducted by 30 June 2022.	Number				1	Operational	Supplement	n/a	n/a	n/a	1	1	Operational	Target achieved	n/a	n/a	
			KPI 73 Cash/trade creditors coverage ratio by 30 June 2022.	N/A	01:01Cash/trade creditors coverage ratio by 30 June 2021.	Cash/trade creditors coverage ratio by 30 June 2022.	Ratio	01:01	01:01	01:01	01:01	Operational	Bank Statement	1.96:1	2.78:1	8.09:1	1.37:1	3.55:1	Operational	Target achieved	n/a	n/a	
			KPI 74 Net creditors' days	N/A	30 days Net creditors' days	Net creditors' days by 30 June 2022.	Days	30	30	30	30	Operational	Creditors' days	120	120	120	30	96	Operational	Target not achieved	Late submission of invoices	To encourage suppliers	

Key Performance Area: Financial Viability and Accountability											Quarterly Targets				Annual Budget	Portfolio of Evidence	Actual quarterly performance				Actual Cumulative performance	Actual	Achieved / Not Achieved	Reason for non-achievement
Strategic Goals	Programme Objectives	Key Performance Indicators	Proposed Adjusted	Baseline	Target output (Annual target)	Unit of Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter						1st Quarter	2nd Quarter	3rd Quarter	4th Quarter					
		by 30 June 2022.		by 30 June 2021.																			from suppliers	to submit invoices on time

Receivables from ISS 100 Receivables C	Receivables from exchange ISS 100 Differences between C	Line Item Finding Annexure Amount Finding Details
2 624 819	21 944 999	
During the audit of receivables from non-exchange the following differences were identified between the debtors listing and statement:	During the audit of receivables from exchange the differences in the attached annexure A were identified between the debtors' listing & age analysis, the general ledger and the trial balance.	

The course to the above finding is Management disagree with the audit finding there are no differences between the age- analysis and the statements	The finding was as a result of the lack of the proper review Management disagrees with the differences in the audit finding; however, we have noted differences between the GL/TB and the AFS due to mapping on the AFS. Refer to proposed AFS adjustments. Management further	Root Cause Management Response
GRAP non- BTO	GRAP non-compliance BTO	Nature of Module
TSHEGO JARVIS THAPELO BOSIAME, 09-Jan-2023 30-Jun-2023 Not Yet Started	TSHEGO JARVIS SEGOMOTSI MOSALA 09-Jan-2023 30-Jun-2023 Not Yet Started	Response ble Assigned Due Date Action Impleme Impleme Impleme
Not Yet Started N/A	Not Yet Started N/A	

APPENDICES

Other

ISS 102- Expenditure journals- Journals passed in incorrect accounts
n

Contrary to the above, the following restatement was found to not have adequate supporting documentation to confirm its occurrence.
During the testing of the journals (contracted services- Sedibeng) it was confirmed through inspection of the supporting documentations that the journals were incorrectly classified in the incorrect accounts

The cause of the finding is the lack of the proper review of passed journals before being authorised

8696- Management disagree with the finding. The journal was passed to move the Sedibeng water from bulk to inventory water which was incorrect. Journal 8819 was then passed to correct the journal (removing the Sedibeng water from the inventory vote to water takers.

8819- Management disagree with the finding. The journal was passed to move the Sedibeng water from the Inventory consumed vote to the correct vote (water takers- contracted services). The journal is passed to correctly classify the Sedibeng water as

Internal control deficiency

BTO

TAFITA SEHLOHO

09-Jan-2023

30-Jun-2023

Not Yet Started

Not Yet Started

N/A

APPENDICES

Other

ISS 119- Completeness of interest on receivables

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2024-216

During the testing of the completeness of interest on outstanding receivables, it was noted that the Municipality did not charge interest on overdue accounts for the following debtors:

- AccountNo Customer Name
- 10652181 GABA FAST FOOD
- 10652262 J A KRUGER BRICK FORCE (PTY) L
- 10652271 NGAMOLE M M
- 10652239 PALESA'S HAIR SALON
- 10652284 SIAMISANG N
- 10652290 SEPALAMELO DO
- 10652291 PITSO MJ
- 10652293 SEOKWANG MS
- 10652294 BOYISE ZM
- 10652297 EVELYN'S HAIR SALON
- 10652250 MPHOSI V
- 10652252 SEJAKE T A
- 10652253 LEBO FASHION DESIGNS
- 10652254 K-FALTS FASHION DESIGN
- 10652256 BOKAMOSO DANIEL GOMOTSEGANG

The municipality does not keep up to implement the proper controls to ensure that the interest is charged for all the Management agrees with the Audit finding and we request to adjust the AFS, however the Municipality is still determining the extent and the total amount that should have been charged. We kindly request to submit the reconciliations of the interest and proposed adjustments on Monday.

Internal control deficiency

Revenue Management

TSHEGO JARVIS, THAPELO BOSIAME, SEGOMOTSI MOSALA

09-Jan-2023

30-Jun-2023

Not Yet Started

Not Yet Started

N/A

APPENDICES

Reported information not reliable ISS 16: Internal control deficiency: SDBIP not F	General expenses ISS 129: Expenditure- Cut-off D 127 190 During the execution it was confirmed the following transactions were not recorded in the correct accounting period
[A] During audit planning, Ga-Segonyana Local Municipality revised SDBIP for the year ended 30 June 2022 that was approved by the Mayor on 28 February 2022 was compared to Ga-Segonyana Local Municipality original SDBIP for 30 June 2022 that was approved by the Mayor on 28 June 2021 and it was noted that the following two key performance indicators were removed from the original SDBIP (are not included in the revised SDBIP) on 28 February 2022:	
[B] It was also noted that the SDBIP for 2021/22 is not aligned with quarterly performance reports for 2021/22 due to the fact that Ga-Segonyana Local Municipality continued to incorrectly include the above two(2) indicators in Q1, Q2 and Q3 performance reports for 2021/22.	
[A]. Lack of sufficient internal controls to ensure that SDBIP is aligned with quarterly reports on Proper monitoring to be implemented in ensuring that there' s effective alignment between SDBIP & Quarterly reporting.	Management record the expenditure on the cash basis and Management disagrees with the audit finding. The expenditure relates to the month of June 2022.
Internal control deficiency Annual Reports Boipelo Dithupe	Insurance claim: Invoice dated 30/06/2022 for services rendered and received in the 2022 financial Internal control deficiency Expenditure Management TAFITA SEHLOHO, Saartjie Smith
10-Jan-2023 30-Jun-2023 Not Yet Started	10-Jan-2023 30-Jun-2023 Not Yet Started
Not Yet Started N/A	Not Yet Started N/A

APPENDICES

Reported
ISS 7A: PDD: Prior
F

During the audit of pre-determined objectives, KPA – Basic Service Delivery and Infrastructure Development, the following was identified:

- There is no comparison of current and prior year performance.

Through discussion with PMS Manager Management disagrees with the finding. Prior year achievements are included in the SDBIP and used as a baseline for setting targets for the

Internal control
Annual Reports
Boipelo Dithupe

10-Jan-2023
30-Jun-2023
Not Yet Started

Not Yet Started
N/A

APPENDICES

Reported information not reliable
ISS 78- PPO- Key performance indicators not well defined
F

[1] During the audit of predetermined objectives, the following was noted resulting in key performance indicators not being well defined:

A well-defined indicator (target) is an indicator that meet all requirements of SMART (specific, measurable, achievable, and relevant and time bound) principle.

It should also be noted that the annual target is used to measure the target.

[A]. The following key performance indicators have ambiguous definition:

[B] It was also noted that targets of below key performance indicators are not specific due to the fact that the nature and required level of performance of the target is not clearly identifiable:

KPI 33 - Resealing of existing tarted roads by 30 June 2022

Annual Target say: reports on meters of resealing of existing tarted roads by 30 June 2022, however the below actually targets in the APR:

Q2 - 150m

Q3 - 150m

Q3 - 700m

Lack of proper review of the Annual performance Report.

Management takes note of the finding however its not well defined as 3 points have been noted as below:

The indicator is not well defined: The auditor failed to indicate which of the SMART principle is not met amongst the 5 letters.

The indicator is ambiguous: the auditor failed to indicate if the target output has been considered as how does management intend to achieve the target. It should also be noted that the report reads as report on that specific target and should the target not be achieved it not reported as such

Internal control deficiency

Annual Reports

Boipelo Dithupe

10-Jan-2023

30-Jun-2023

Not Yet Started

Not Yet Started

N/A

APPENDICES

Rev from non-cash transactions: Fines	
ISS 9. Prior year Iss 2/Iss 38/ISS 11 - Possible	
A	
70 950	
In the prior year the below finding was raised and management agreed to the finding "Management will investigate this issue and revisit the entire population if these fines are not on the register".	
This prior year finding was valid and impacted the management report of last year. Inspected the prior year corrections made to the financial statements in note 49, and it was noted that the municipality did not correct the finding.	
1. Completeness of fines could not be confirmed as we could not trace all the fines selected to the register of fines provided by the client. This resulted in the projected misstatement amounting to R70 950.23.	
Not all fines issued were captured on the register for fines.	
Management agrees	
Internal control deficiency	
Revenue Management	
TSHEGO JARVIS, FLORA BALOYI	
10-Jan-2023	
20-Jun-2023	
Not Yet Started	
Not Yet Started	
N/A	

APPENDICES

Rev from ISS 11- Prior A 758 000	Other ISS 10- Prior year Iss 3/ 44 /140 - Property inappropriately classified as A
It was noted during the recalculation performed for revenue billed that the KVA consumption levied for the following consumer does not agree to the KVA consumption as per the meter reading register:	In the 2018/19 year the below finding was raised and management agreed to the finding "Management will investigate this issue and revisit the entire population if these fines are not on the register ". This prior year finding was valid and impacted the management report of last year. Inspected the prior year corrections made to the financial statements in note 49, and it was noted that the municipality did not correct the finding. During the audit of property rates, it was noted that the properties listed below per the valuation roll do not actually belong to the municipality per the title deeds search performed. As such property rates should have been charged on these properties.
Regular, accurate and Management does agree with the finding, Electricity conventional reconciliation was done	Management did not implement proper record keeping in a timely manner to ensure that complete relevant and accurate information is Management response 2020 Management disagrees with the finding. Management did reconcile municipal properties to deeds search report (full population revised) to address the finding. Based on the work performed management noted that all properties registered under the Municipality as per the deeds search were not billed. Billing was also done on properties which were classified as Municipality but not registered under the municipality as per deeds office report for eason (7) properties on the reconciliation
Internal	Internal control deficiency
Revenue	Revenue Management
TSHEGO JARVIS	TSHEGO JARVIS, THAPELO BOSIAME
10-Jan-2023	10-Jan-2023
30-Jun-2023	30-Jun-2023
Not Yet	Not Yet Started
Not Yet N/A	Not Yet Started N/A

APPENDICES

Rev from non-each ISS 27- Prior year A	Rev from each transaction- Service ISS 17- Prior year Iss 5/49/155 - A
218 232	388 690
During execution of Revenue Non- Exchange: Property Rates the following differences were identified during recalculations:	In the prior year, the below finding was raised and management agreed to the finding "Management will investigate this issue and revisit the entire population if these fines are not on the register ". This prior year finding was valid and impacted the management report of last year. Inspected the prior year corrections made to the financial statements in note 49, and it was noted that the municipality did not correct the finding. The municipality estimated the consumption for the following accounts. The consumption was recalculated, and the following differences identified:

[A] Difference was identified between Management disagree with the finding as the property a building clause of R40000 which implies that the property value will be R80 000 and GRAP non- Revenue TSHEGO JARVIS THAPELO BOSIAME 10-Jan-2023 30-Jun-2023 Not Yet Started Not Yet Started N/A	Regular, accurate and complete financial and performance reports that Management agrees with the finding. However, management revised the entire population on sewerage and managed to quantify the misstatement. Refer to working papers attached on work performed. Based on the work performed Internal control deficiency Revenue Management TSHEGO JARVIS SEGOMOTSI MOSALA 10-Jan-2023 30-Jun-2023 Not Yet Started Not Yet Started N/A
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APPENDICES

Other ISS 39- Prior A	Property ISS 34- A	Rev from exch transactions: Service charges ISS 28- Prior year ISS 63 - Conventional A 6 212
Received a section 42 transfer letter for assets transferred from DPW to Ga- Segonyana local municipality, relating to 'Root out the Dust' projects done by DWP, The section 42 transfer letter was signed by the municipal manager on 30 June 2021 that is the in the 2020/21 financial year of	The following assets could not be physically verified: 1. Office equipment t	Contrary to the above the following differences were noted during the recalculation of conventional electricity: 1. Different consumption used for billing of the month: Refer to Annexure A for more details 2. Basic charge incorrectly charged for the below listed debtors: Refer to Annexure A for more details 3. Prior year tariff used to bill for the below listed debtor: Refer to Annexure A for more details
Lack of controls over daily and To only account for projects that we have sufficient support that satisfies the recognition and measurement	This is due to a Managem ent agrees with the audit findings. Assets will be Internal	1. Incorrect consumption used to bill for electricity Ongoing verification is being performed to ensure that electricity charged is billed on the correct consumption and tariffs monthly. Inspected the statement and tariffs for the months January 2021 and the tariffs and noted the municipality used the correct tariffs for billing however incorrect basic charge was billed
Internal control Asset	Internal Asset	Internal control deficiency Revenue Management
NONTLANTLA KESWAKagiso	NONTLAN TLA	TSHEGO JARVIS
11-Jan-2023 30-Jun-2023 Not Yet Started	11-Jan- 30-Jun- Not Yet	11-Jan-2023 30-Jun-2023 Not Yet Started
Not Yet Started N/A	Not Yet N/A	Not Yet Started N/A

APPENDICES

Other		
ISS 2: Control deficiency: No evidence that policies were reviewed by the	ISS 1: R	
		1). While obtaining an understanding of the entity and its environment of the municipality for 2021/22 financial year it was noted that the performance review of the senior managers (Section 56 & 57) was not done during the current reporting
[A] During the audit planning phase, no evidence could be obtained that confirms that the following policies were approved/reviewed by the council or the delegated official in the current year under audit: Change management policy Fraud prevention User account management policy Awards policy Acting allowance Anti-fraud and anti-corruption Bulk contributions Subsistence and travel IT Data system security Backup policy Disaster recovery Formal and informal Trade policy Integrated Transport usage policy/ Fleet policy		Inadequate controls over SALGA still to provide training on individual performance , however Management to ensure Internal Reporting Boipelo Dithupe 11-Jan-2023 30-Jun-2023 Not Yet
[B] It was also noted that Ga-Segonyana Local Municipality did not Develop Related party Policy during 2021/22 to ensure that related party relationships and transactions are identified, accounted for and disclosed in accordance with GRAP.		Not Yet N/A
Lack of internal controls to ensure that all policies are approved by the council or the delegated official		
[A] Management disagree with the finding. The above listed policies does not have to be reviewed and approved annually as there is no requirement for the municipality to review the policies. Policies are reviewed only if there were changes made to the relevant policy. The finance related policies are the only policies that are reviewed annually by council.		
[B] Management disagree with the finding. Municipality developed a related party policy and included under the current to the action plan		
Internal control deficiency		
Reporting Clifford Pule		
11-Jan-2023 30-Jun-2023 Not Yet Started		
Not Yet Started N/A		

APPENDICES

Other ISS 31- Internal R	Other ISS 4- Incomplete contract register R
During the understanding of the municipality environment, it was noted that below leave transactions were not pre-approved: 1. Annual leave	During the audit planning of Ga-segonyana local municipality for 2021-22 financial year we have obtained contract register and two contract files and we have performed validity and completeness test of the information received. Contrary to the above requirement it was noted that the following contracts were not included in the contract register: 1. Pro-pan Consulting Engineering 2. ITEC
Lack of sufficient Management agrees with the finding that the leave forms were not pre-approved. Management will ensure Internal control Human	The cause of this finding is management oversight over completeness of the contract register prior to submit it Management agrees with the audit finding the contract register has been adjusted to include the following contracts. • ITEC • Q Tique 27/Pakakgolo JV • FT & HOPE Trading • TVM Electrical • Pakamoho Electrical Internal control deficiency Reporting
FLORA BALOYI Bonolo Kgosieng 11-Jan-2023 30-Jun-2023 Not Yet Started	MASABATA MOLALE 11-Jan-2023 30-Jun-2023 Not Yet Started
Not Yet Started N/A	Not Yet Started N/A

APPENDICES

Other
ISS 44- Procurement and
R

During the audit of
Procurement and contract
management it was noted
that the following contracts
are expiring within 6 months
and these contracts relates
to the continuing needs of
the municipality and no
procurement process has
commenced to appoint new
service providers:
No Service provider Contract
end date
1 Koikanyang Attorneys 30-
Nov-22
2 Metsi chem international
Pty Ltd 30-Nov-22
3 Motheo technical and
business service 30-Nov-22

Management did not ensure
proper monitoring of
Management does not agree
to the finding. Please see
attached the memo that was
sent to the municipal
manager' s office informing
him of those contracts
coming to an end.

Internal control deficiency
Reporting

MASABATA MOLALE

11-Jan-2023
30-Jun-2023
Not Yet Started

Not Yet Started
N/A

APPENDICES

Other ISS 57- R	Other ISS 56- Employee costs - No appointment letters R
1. During the audit of employee costs, it was noted that there was no appointment letters in the employee files to extend initial employment contract of the below employees: [B] Upon further inspection of 12 Months Payslips for 2021/22, we noted that the above employees continued to receive remuneration until November 2021 which was not supposed to happen due to the fact that they were not given new employment contract after 31/12/2021 (termination - there is no evidence in the employee files). [C] We further inspected employee files of the above two(2) employees and noted that their files include termination of service as Driver of the Speaker dated 26 October 2021, with the below details: • Your fixed-term contract dated 03 August 2022 has reference • You are hereby informed that your Fixed-Term Contract as Personal Assistant to the Speaker is coming to end on the 29 October 2021. • Council would like to thank you for your services and wish you good luck on your future endeavours.	[A] During the audit of employee costs, it was noted that there was no appointment letters in the employee files to extend initial employment contract of the below employees: [B] Upon further inspection of 12 Months Payslips for 2021/22, we noted that the above employees continued to receive remuneration until November 2021 which was not supposed to happen due to the fact that they were not given new employment contract after 31/12/2021 (termination - there is no evidence in the employee files). [C] We further inspected employee files of the above two(2) employees and noted that their files include termination of service as Driver of the Speaker dated 26 October 2021, with the below details: • Your fixed-term contract dated 03 August 2022 has reference • You are hereby informed that your Fixed-Term Contract as Personal Assistant to the Speaker is coming to end on the 29 October 2021. • Council would like to thank you for your services and wish you good luck on your future endeavours.
Lack of proper Management agrees to the audit finding, management will in ensure	[A] Poor record keeping. Management disagrees to the impact of unauthorised expenditure on the employee's salary as the municipality had a contractual obligation with the employees and thus paid salaries in terms of that agreement, however, agree to the internal control that the extension letters were not filed in the employees file when submitted to the auditors. See attached extension letter for the employee
Internal Human Keabetswe Kopang 12-Jan-2023 30-Jun-2023 Not Yet	Internal control deficiency Human Resources Keabetswe Kopang Clifford Pule 12-Jan-2023 30-Jun-2023 Not Yet Started
Not Yet N/A	Not Yet Started N/A

APPENDICES

Other ISS 59: Financial costs - not not advertised R	Other ISS 58: R
According to the advertisement with closing date 30 November 2021, the municipality advertised Library Assistant X2. On 1 February 2022, 3 candidates who applied for these vacancies were hired. Library AssistantX2 Requirements: Grade 12 or NQF level 4 Computer Literacy Experience in administration	During the audit of employee costs (appointments), it was noted that the below employee s did not meet minimum requirement as per the job advertise ment but Lack of proper Managem ent agree to the audit finding. Managem ent will ensure
Candidates Employed Engagement date Mr TH Lekgetho 01-Feb-22 Miss E Kasebidile 01-Feb-22 Ms KG Mamapula 01-Feb-22	
Management did not adhere to the recruitment policy when making Management agree to the audit finding. Management will ensure that going forward all vacant positions are advertised before appointments are made.	
Internal control deficiency Human Resources Keabetswe Kopang Clifford Pule 12-Jan-2022 30-Jun-2022 Not Yet Started Not Yet Started N/A	Internal Human Keabetsw e Kopang 12-Jan- 30-Jun- Not Yet Not Yet N/A

APPENDICES

Other ISS 08: Employee cost - Allowances R	Other ISS 60: Employee costs - screening R
<p>[A] During the audit of acting allowances, it was noted that the following employees acting were authorized by Municipal Manager or assigned delegate after acting:</p> <p>[B] The following employees were informed in writing of appointment to act more than 3 days of acting:</p> <p>[C] The following employees did not consent to the acting appointment prior to acting:</p>	<p>The following employees who were appointed during the 2021/22 financial were not screened: Management did not adhere to the recruitment policy when making appointments.</p> <p>As a result of not screening shortlisted employee the municipality:</p> <ul style="list-style-type: none"> -can employ candidates that have overstated their experience per their CV. -Candidates that have been dismissed by previous employer for misconduct or poor performance. -Candidates with invalid qualifications
<p>[A] Management failed to ensure sure that MM or assigned delegate Management agrees with the finding raised. Management will implement the recommendation going forward.</p>	<p>Leadership did not exercise their oversight responsibility regarding Management agree to the audit finding. Management will ensure that going forward all vacant positions are advertised before appointments are made.</p>
Internal control deficiency Human Resources Keabetswe Kopang Clifford Pule 12-Jan-2023 30-Jun-2023 Not Yet Started Not Yet Started N/A	Internal control deficiency Human Resources Keabetswe Kopang Clifford Pule 12-Jan-2023 30-Jun-2023 Not Yet Started Not Yet Started N/A

APPENDICES

Other
ISS 104-Fmnlnvpa
R

During the audit of employee appointments, it was noted that there was no evidence that the following employees attended the interview.

Management failed to keep records of
Management agrees to the audit finding.
Management will ensure that going forward records of every panel member's
Internal control
Human Resources
Keabetswe Kopang Clifford Pule
12-Jan-2023
30-Jun-2023
Not Yet Started

Not Yet Started
N/A

APPENDICES

Other

ISS 96: Cash and cash equivalent - reconciliations not dated and reconciling items not
R

During the audit of cash and cash equivalent, it was noted that some bank reconciliations were not dated and reconciling items were not cleared timeously.

FNB Cheque Account - 62649722883

Bank reconciling month Bank recon performed date Reconciling items timeously cleared

(Yes/ No)

Jul-21 17-Aug-21 No

Aug-21 08-Sep-21 No

Sep-21 Not dated No

Oct-21 03-Nov-21 No

Nov-21 07-Dec-21 No

Dec-21 13-Jan-22 No

Jan-22 08-Feb-22 No

Feb-22 10-Mar-22 No

Mar-22 11-Apr-22 No

Apr-22 12-May-22 No

May-22 Not dated No

Jun-22 Not dated No

FNB Call Account - 62671219048

Management did not in all instances exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls

Management agrees to the audit finding and going forward will date sign the reconciliation and ensure reconciling items are cleared timeously.

Internal control deficiency

Bank, Cash and Investments

TSHEGO JARVIS

Eunice Borake

17-Jan-2023

30-Jun-2023

Not Yet Started

Not Yet Started

N/A

APPENDICES

Other	Other
ISS 1123 Receivable -Notice for	ISS 1123 Internal control
R	R
<p>During the testing of receivable, it was confirmed that the following debtors has debt outstanding longer than 90 days and the notice for discontinuance of services was not issued:</p>	
Acc No	Consumer name
5001744	Edrich Trust
3515897	Bankhara High
School	
3009938	Bophirima Dcouncil
3009776	Traffic department
3008484	Iketeletso MS
School	

The course to the above finding is due to management not	>There is lack of segregation of duties at
No response	Management agrees to the audit findings and ongoing management will implement segregation of duties in terms of journals review and authorisation

Internal control deficiency	Internal control deficiency
Revenue Management	BTO
TSHEGO JARVIS	DESIREE PELELE
SEGOMOTSI MOSALA	Saartjie Smith
12-Jan-2023	12-Jan-2023
30-Jun-2023	30-Jun-2023
Not Yet Started	Not Yet Started
Not Yet Started	Not Yet Started
N/A	N/A

APPENDICES

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Line Item	Finding	Annexure	Amount	Finding Details	Root Cause	Manage ment Response	Nature of Risk	Module	Respon sible Person	Assigned	Due Date	Action	Impleme ntation	Impleme ntation	Impleme ntation	Progress
-----------	---------	----------	--------	--------------------	---------------	----------------------------	-------------------	--------	---------------------------	----------	----------	--------	--------------------	--------------------	--------------------	----------

APPENDICES

Cash and cash equivalents	
ISS.130: Bank reconciliation	
C	
916 515	
After further investigation and communication with management it was noted that deposits and payments made after yearend were recorded in the 2021/22 financial year.	
- Payments on the bank reconciling were only authorised for payment after yearend.	
o valid bank reconciling items are payments authorised before yearend and went off the bank after yearend.	
- Deposits and transfers after yearend was included in the reconciling items	
o Valid bank reconciling items are deposits and transfers made before yearend.	
o	
Eskom is only an example to explain the issue, the billing date on the Eskom invoice is 2 July 2022, at 30 June 2022 you did not now the amount to pay Eskom and was captured and approved after yearend (6 July 2022).	
• You are removing the financial liability form the AFS on yearend and was not extinguished at yearend (GRAP 104 par 80)	
• Offsetting is not allowed of assets and liabilities - cash and cash equivalent balances that are available for use by the municipality at yearend is understated (GRAP 1 par 39)	
According to us the below transactions must be removed from the bank reconciliations for payments, deposits and transfers approved after yearend. After your assessment please provide:	
• Invalid bank reconciliation	
Management did not in all instances prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	
Management does not agree.	
GRAP non-compliance	
BTO	
TSHEGO JARVIS	
Eunice Borake	
09-Jan-2023	
30-Jun-2023	
Not Yet Started	
Not Yet Started	
N/A	

APPENDICES

Taxation	Other	Other
ISS	ISS.114: Cash flow statement Difference' s noted and	ISS.124: Accuracy of
D	E	E
281 290	133 949 635	1 009 508
Through our procedures performed it was noted that the supplier did not charge VAT on the invoices and the supplier is registered VAT vendor, further the municipality included the amount inclusive of VAT for expenditure.	During the audit review of the annual financial statements it was noted that the amount as per note 4 does not reconcile to the net amount and the amount disclosed in the face of the financial statement for the prior year.	
Expenditure: consultant and	Lack of proper review of the AFS to ensure	
Management disagree with the finding. Mabenaki JR Project is not a	Management agrees with the audit finding however the issues were addressed on COMAF 10 the amount	
Internal control deficiency	Internal control deficiency	
BTO	BTO	
TAFITA	DESIREE PELELE	
SEHLOHO	TSHEGO JARVIS	
09-Jan-2023	09-Jan-2023	
30-Jun-2023	30-Jun-2023	
Not Yet Started	Not Yet Started	
Not Yet Started	Not Yet Started	
N/A	N/A	N/A

APPENDICES

Rev from exch transactions: Service	Other
ISS.122: Accuracy of revenue from	ISS 94 Expenditure: incorrect
D	D
200 531	
Contrary to the above during the audit of conventional electricity it was noted that the Municipality used the tariff for the households in billing the below business	<p>During the audit execution of expenditure transactions, we selected a sample of transactions from the general ledger and the supporting documented thereof were obtained.</p> <p>We further inspected the supporting documents and determined the appropriateness of the account to which the transaction was allocated.</p> <p>1) Based on the record of work performed it was noted that the below transactions were incorrectly classified as sundry expenses.</p>
This is as a result of the incorrect tariff having been used in billing the	Lack of proper review of financial statements.
[B] Management agrees to the audit finding. Management revisited the enter population on the sale of stands revenue register to correct the error and following	Management agrees with the finding. A vote will be created and the transactions will be moved to the correct vote. Below is a proposed journal for the
Internal control deficiency	GRAP non-compliance
Revenue Management	BTO
TSHEGO JARVIS SEGOMOTSI MOSALA	TAFITA SEHLOHO
10-Jan-2023	09-Jan-2023
30-Jun-2023	30-Jun-2023
Not Yet Started	Not Yet Started
Not Yet Started	Not Yet Started
N/A	N/A

ISS.36: Internal control deficiencies - control environment

Requirement	
Section 41 of the Municipal Systems Act No. 32 of 2000 states:	
41. Core components.	
(1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed	
(a) set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;	
(b) set measurable performance targets with regard to each of those development priorities and objectives;	
(c) with regard to each of those development priorities and objectives and against the key performance indicators and targets set in terms of paragraphs (a) and (b)	
(i) monitor performance; and	
(ii) measure and review performance at least once per year;	
(d) take steps to improve performance with regard to those development priorities and objectives where performance targets are not met; and	
(e) establish a process of regular reporting to	
(i) the council, other political structures, political office bearers and staff of the municipality; and	
(ii) the public and appropriate organs of state.	
(2) The system applied by a municipality in compliance with subsection (1) (c) must be	
1) Inadequate controls over the planning, monitoring and evaluation of the employees performance.	
Finding 1	
Management does not agree with the finding. Performance reviews for senior managers was done in the 2020/21 financial year. The reviews performed were for 2019/20 as the Municipality can only measure performance based on results after the end of the period. The 2020/21 performance is measured in the 2021/22 financial year.	
Internal control deficiency	
Annual Reports	
25-May-2022	
30-Jun-2022	
Not Yet Started	
Not Yet Started	
N/A	

APPENDICES

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED 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 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Ga-Segonyana Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

BASIS FOR QUALIFIED OPINION

CASH FLOW STATEMENT

3. The municipality did not correctly prepare and disclose the net cash flows from operating activities and net cash flows from investing activities as required by GRAP 2, *Cash Flow Statements*. This was due to multiple errors in determining cash flows from operating activities and cash flows from investing activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities and net cash flows from investing activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to net cash flows from operating activities as stated at R162 606 004 and net cash flows from investing activities as stated at (R155 504 934) in the financial statements were necessary.

APPENDICES

EXPENDITURE

4. The municipality did not recognise and classify expenses in accordance with GRAP 1, *Presentation of Financial Statements* as the municipality did not have adequate systems in place to ensure that expenses are recorded in the correct accounting period and are classified correctly. Consequently, consulting and professional services in note 35 was understated with R7 442 576 and sundry expenses included in general expenditure in note 36 was overstated by R7 161 954.

CURRENT ASSETS

5. Current assets was materially misstated by R6 822 708 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Receivables from exchange transactions stated at R43 140 739 was understated by R2 992 033
- Cash and cash equivalents stated at R95 153 067 is understated with R125 261
- VAT stated at R16 346 766 was overstated by R129 255

In addition, I was unable to obtain sufficient appropriate audit evidence to confirm current assets by alternative means:

- Receivables from exchange transactions of R43 140 739 included in the disclosed balance of R247 253 761
- Receivables from non-exchange transactions of R29 994 036 included in the disclosed balance of R247 253 761
- VAT of R16 346 766 included in the disclosed balance of R247 253 761

Consequently, I was unable to determine whether any further adjustments was necessary to current assets.

CONTEXT FOR THE OPINION

6. 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.

APPENDICES

7. 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.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

EMPHASIS OF MATTERS

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

Material losses - electricity

10. As disclosed in note 46 to the financial statements, material electricity losses to the amount of R18 502 841 (2021: R16 382 794) was incurred which represents 23% (2021: 18%) of total bulk electricity purchased.

Material losses - water

11. As disclosed in note 46 to the financial statements, material water losses to the amount of R4 022 217 (2021: R33 144 921) was incurred which represents 32% (2021: 69%) of water purchased.

Material impairments – receivables from exchange transactions

12. As disclosed in note 6 of the financial statements, the municipality reported a material impairment of R49 781 617 (2021: R45 395 094) 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

13. As disclosed in note 4 of the financial statements, the municipality reported a material impairment from property rates of R19 356 082 (2021: R15 807 920) as a result of a debt impairment of receivables from non-exchange transactions, due to non-collection of outstanding balances owned to the municipality.

Underspending of votes

14. As disclosed in note 43 to the financial statements, the municipality materially underspent the operating expenditure budget for water management by R9 373 000 (Vote 10) and the capital expenditure budget for energy sources by R10 323 000 (Vote 9) and water management by R10 658 000 (Vote 10) on acquisition of property, plant and equipment.

APPENDICES

Restatement of corresponding figures

15. As disclosed in note 50 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2022.

OTHER MATTER

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

UNAUDITED DISCLOSURE NOTES

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

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

18. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
19. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

APPENDICES

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

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

Development priority	Pages in the annual performance report
<i>Key Performance Area 3 - Basic Service Delivery and Infrastructure Development</i>	x – x

25. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
26. The material findings on the usefulness and reliability of the performance information of the selected development priorities are as follows:

APPENDICES

KEY PERFORMANCE AREA 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

VARIOUS INDICATORS

27. The planned target and reported achievement are not consistent with the planned and reported indicator.

Indicator description	Planned indicator	Report achievement
KPI 28: HOUSEHOLDS PROVIDED WITH ELECTRICITY CONNECTIONS BY 30 JUNE 2022	Number of Households provided with electricity connections by 30 June 2022	4 Quarterly reports on households provided with electricity connections by 30 June 2022
KPI 29: UPGRADING OF GRAVEL INTERNAL ROADS TO PAVED FOR MAGOJANENG & BATLHAROS FUNDED MIG AT 30 JUNE 2022	Upgrading of gravel internal roads to paved for Magojaneng & Batlharos funded MIG at 30 June 2022	1 Report on upgrading of gravel internal roads to paved for Magojaneng & batlaharos funded MIG at 30 June 2022
KPI 31: CONSTRUCTION OF BATLHAROS COMMUNITY HALL EXPRESSED BY 30 JUNE 2022	Upgrading of gravel internal roads to paved for Magojaneng & Batlharos funded MIG at 30 June 2022'	1 Report on upgrading of gravel internal roads to paved for Magojaneng & batlaharos funded MIG at 30 June 2022
KPI 32: EXTENSION OF BULK WATER SUPPLY IN GEELBOOM& MOKALA MOSESANE BY 30 JUNE 2022	Extension of bulk water supply in Geelboom & Mokala mosesane by 30 June 2022	1 report on extension of bulk water supply in Geelboom & Mokala mosesane by 30 June 2022'
KPI 34: HOUSEHOLDS PROVIDED WITH FULL WATER BORNE SEWER BY 30 JUNE 2022	Number of Households provided with full water borne sewer by 30 June 2022'	4 Quarterly reports on households provided with full water borne sewer by 30 June 2022'
KPI 35: HOUSEHOLDS PROVIDED WITH NEW WATER YARD CONNECTION BY THE MUNICIPALITY BY 30 JUNE 2022	Number of Households provided with new water yard connection by the municipality by 30 June 2022	4 Quarterly reports on households provided with new water yard connection by the municipality by 30 June 2022
KPI 36: HOUSEHOLDS PROVIDED WITH NEW WATER YARD CONNECTION DONE BY SEDIBENG WATER BY 30 JUNE 2022	Number of Households provided with new water yard connection done by Sedibeng water by 30 June 2022	1 Report on households provided with new water yard connection done by Sedibeng water by 30 June 2022
KPI 39: CONSTRUCTION OF FIRE STATION FUNDED BY MIG AT 30 JUNE 2022	Construction of fire station funded by MIG at 30 June 2022'	1 Report on construction of fire station funded by MIG at 30 June 2022

APPENDICES

VARIOUS INDICATORS

28. There was no clear and logical link on how the indicators and targets listed below will contribute to achieving the planned outcomes or will measure the actual service delivery and the planned output to which they relate. The indicators focused on preparing monitoring reports instead of the actual service delivery.

Indicator description	Planned indicator	Report achievement
KPI 28: HOUSEHOLDS PROVIDED WITH ELECTRICITY CONNECTIONS BY 30 JUNE 2022	Number of Households provided with electricity connections by 30 June 2022	4 Quarterly reports on households provided with electricity connections by 30 June 2022
KPI 29: UPGRADING OF GRAVEL INTERNAL ROADS TO PAVED FOR MAGOJANENG & BATLHAROS FUNDED MIG AT 30 JUNE 2022	Upgrading of gravel internal roads to paved for Magojaneng & Batlharos funded MIG at 30 June 2022	1 Report on upgrading of gravel internal roads to paved for Magojaneng & batlaharos funded MIG at 30 June 2022
KPI 31: CONSTRUCTION OF BATLHAROS COMMUNITY HALL EXPRESSED BY 30 JUNE 2022	Upgrading of gravel internal roads to paved for Magojaneng & Batlharos funded MIG at 30 June 2022'	1 Report on upgrading of gravel internal roads to paved for Magojaneng & batlaharos funded MIG at 30 June 2022
KPI 32: EXTENSION OF BULK WATER SUPPLY IN GEELBOOM& MOKALA MOSESANE BY 30 JUNE 2022	Extension of bulk water supply in Geelboom & Mokala mosesane by 30 June 2022	1 report on extension of bulk water supply in Geelboom & Mokala mosesane by 30 June 2022'
KPI 34: HOUSEHOLDS PROVIDED WITH FULL WATER BORNE SEWER BY 30 JUNE 2022	Number of Households provided with full water borne sewer by 30 June 2022'	4 Quarterly reports on households provided with full water borne sewer by 30 June 2022'
KPI 35: HOUSEHOLDS PROVIDED WITH NEW WATER YARD CONNECTION BY THE MUNICIPALITY BY 30 JUNE 2022	Number of Households provided with new water yard connection by the municipality by 30 June 2022	4 Quarterly reports on households provided with new water yard connection by the municipality by 30 June 2022
KPI 36: HOUSEHOLDS PROVIDED WITH NEW WATER YARD CONNECTION DONE BY SEDIBENG WATER BY 30 JUNE 2022	Number of Households provided with new water yard connection done by Sedibeng water by 30 June 2022	1 Report on households provided with new water yard connection done by Sedibeng water by 30 June 2022

APPENDICES

Performance indicator	Planned target	Reported achievement
KPI 28: Households provided with electricity connections by 30 June 2022	4 Quarterly reports on households provided with electricity connections by 30 June 2022	4 Quarterly reports on households provided with electricity connections by 30 June 2022
KPI 33: Resealing of exciting tarted roads by 30 June 2022	1 Report on meters (1 000m) of resealing of existing tarted roads by 30 June 2022	1 Report on meters (5.05KM) of resealing of existing tarted roads by 30 June 2022
KPI 34: Households provided with full water borne sewer by 30 June 2022	4 Quarterly reports on households provided with full water borne sewer by 30 June 2022	4 Quarterly reports on households provided with full water borne sewer by 30 June 2022
KPI 51: HOUSEHOLDS PROVIDED WITH DOOR TO DOOR WASTE COLLECTIONS	8 000 households provided with door-to-door waste collection by 30 June 2022	8 637 households provided with door-to-door waste collection by 30 June 2022
KPI 37: LABORATORY REPORTS ON QUALITY OF DRINKING WATER ACCORDING TO SANS 241 STANDARDS	Laboratory reports on quality of drinking water according to SANS 241 standards	12 Monthly laboratory reports on quality of drinking water
KPI 39: CONSTRUCTION OF FIRE STATION FUNDED BY MIG AT 30 JUNE 2022	Construction of fire station funded by MIG at 30 June 2022	1 Report on construction of fire station funded by MIG at 30 June 2022

VARIOUS INDICATORS

29. The source information, evidence and method of calculation for achieving the planned indicator was not clearly defined.

OVERALL PRESENTATION OF PERFORMANCE INFORMATION IN THE APR NOT COMPARABLE

30. A comparison between the planned and actual performance of the year under review and previous year was not included in the annual performance report.

OTHER MATTERS

31. I draw attention to the matters below.

APPENDICES

ACHIEVEMENT OF PLANNED TARGETS

32. Refer to the annual performance report on pages X to X for information on the achievement of planned targets for the year of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs X to X of this report.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

33. 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 only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

34. 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.

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

ANNUAL FINANCIAL STATEMENTS

35. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion

EXPENDITURE MANAGEMENT

36. Reasonable steps were not taken to prevent irregular expenditure amounting to R166 902 636 as disclosed in note 45 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by the contravention of the supply chain management requirements (SCM) relating to panel awarding.
37. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R181 140, as disclosed in note 44 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of fruitless and wasteful expenditure was caused by interest paid to suppliers due to late payments.
38. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R33 915 000, as disclosed in note 43 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on the approved budget.

REVENUE MANAGEMENT

39. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

APPENDICES

STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

40. Performance targets were not set for each of the KPIs for the financial year, as required by section 41(1)(b) of the MSA and municipal planning and performance management regulation 12(1).
41. The performance management system and related controls were inadequate as it did not describe how the performance planning, monitoring, measurement, review, reporting, improvement processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

PROCUREMENT AND CONTRACT MANAGEMENT

42. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c).
43. The preference point system was not applied on procurement of goods and services above R30 000 as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
44. Awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of MFMA 112(1)(j) and SCM Regulation 44.

OTHER INFORMATION

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

INTERNAL CONTROL DEFICIENCIES

49. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the performance report and the findings on compliance with legislation included in this report.

APPENDICES

50. The municipality did not have sufficient monitoring controls, exercise oversight responsibility and did not implement effective human resource management to ensure adherence to the internal policies and procedures at a programme level and for purpose of taking corrective action. This is evident from material misstatements and corrections to the financial statements, findings on performance information and non-compliance with relevant law and regulations that were identified during the audit process.
51. Management failed to monitor and adequately review the financial statements and performance information to ensure the achievement of the fair presentation and this resulted in material misstatement on the annual financial statements and annual report.
52. Management did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information.

MATERIAL IRREGULARITIES

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

STATUS OF PREVIOUSLY REPORTED MATERIAL IRREGULARITIES

MUNICIPAL ACCOUNTS NOT PAID WITHIN 30 DAYS

54. Eskom invoices received during the period 1 April 2019 to 29 March 2020, for bulk electricity were not all not paid within the prescribed 30 day period, in contravention of section 65(2)(e) of the MFMA. The non-compliance resulted in a financial loss in the form of interest of R2 906 968 being levied and paid to the supplier on the outstanding balances.
55. 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.
56. 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 during the 2021 financial year.
57. On 5 September 2022 we submitted a request for information on progress in addressing the MI. We received your written submission on 12 September 2022. We considered the representations made and the substantiating documents provided and have concluded that appropriate actions have been taken to address the material irregularity and it is considered resolved.

APPENDICES

Kimberley

06 December 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the 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.

APPENDICES



GA-SEGONYANA LOCAL MUNICIPALITY

**ANNUAL FINANCIAL STATEMENTS FOR THE
YEAR ENDED JUNE 30, 2022**

Ga Segonyana Local Municipality

General Information

Mayoral committee

Mayor

Speaker

Councillors

Cllr. N. Masegela (Chairperson EXCO)

Cll. K. Madikiza

Cllr C. Phillips (Chief Whip)

Councillors appointed 9 November 2021

Cllr. T. Merementsi (Chairperson MPAC) Cllr. K. Matlhole (EXCO Member)

Cllr. L. Moagi (EXCO Member)

Cllr. B vd Westhuizen (EXCO Member) Cllr. M. Reetsang

(EXCO Member) Cll. C.O.

Mojaki

Cllr. C.

Phillips Cllr.

P. Moepeng

Cllr. L. Molusi

Cllr. K. Gloria

Cllr. K.

Reuben

Cllr. T. L.

Diphatse Cllr. T.

Nyathi

Cllr. N.

Mereotlhe

Cllr. G. Chere

Cllr. M. Taeng

Cllr. S.I. Kok

Cllr. M. Valela

Cllr. M.

Kapoledi

Cllr. M.

Leberegane

Cllr. K. Setlhodi

Cllr. T. Ellis

Cllr.M.

Mamapula

Cllr. K. Chweu

Cllr M Disang

Cllr. S. Ryan

Cllr. O. Mathibe

COUNCILORS TERM ENDED 8 NOVEMBER 2021

Cllr T.E Meyers
(Speaker) Cllr. N.G.
Masegela
Cllr. Van Der
Westhuizen Cllr. BE
Modise
Cllr. L Moagi
Cllr. GN
Mntuyedwa Cllr.
KB Madikiza
Cllr. NG Disipi
Cllr. DT
Mpata Cllr.
K.R Makwati
Cllr. B.E Leserwane
Cllr. I
Tshetshemeserogwe
Cllr. K.F Kanjeruba
Cllr LC
Moseki Cllr
KA Nels
Cllr NG Thupaemang

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30
June 2022

Cllr OD
Mathibe Cllr
LR Nelson Cllr
BE Gaetsewe
Cllr MF
Disang Cllr
MG Reetsang
Cllr MP
Galeboe Cllr
KH Chweu
Cllr WA
Aucamp
Cllr TR
Ncayivutshwa Cllr.
LN Makoke
Cllr. BA
Eiman Cllr.
NG Ngesi

Cllr GC Assegaai

CHIEF FINANCIAL OFFICER (CFO) K NOKE

Accounting officer	M. Tsatsimpe
Registered office	Corner Voortrekker and School Street Kuruman
Business address	Corner Voortrekker and School Street Kuruman
Postal address	Private Bag X1522 Kuruman 8460

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30
June 2022

Bankers First National Bank
ABSA Bank

Auditors Auditor General (South Africa)

Jurisdiction The Ga-segonyana Local Municipality includes the following 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 Africa (Act No. 108 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) Unemployment 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 Management Regulations Municipal Supply Chain Management Regulations
Municipal Collective Agreements
Municipal Budget and Reporting Regulations MFMA Circulars and Regulations

Attorneys Mogaswa
Attorneys Peyper
Attorneys

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30
June 2022

Sifumba
Attorneys
Koikanyang
Attorneys
Motshabi
Attorneys

Ga Segonyana Local Municipality

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	8
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Cash Flow Statement	10
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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

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to June 30, 2023 and, in the light of this review and the current financial position, he is satisfied that the municipality has adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, the annual financial statements are supported by the municipality's external auditors.

The annual financial statements set out on pages 7 to 103, which have been prepared on the going concern basis were approved by the Accounting Officer on 31 August 2022.

M. TSATSIMPE
ACCOUNTING
OFFICER

Ga Segonyana Local Municipality

AUDIT, RISK AND PERFORMANCE COMMITTEE REPORT

The Committee is honored to present its report for the financial period ending June 30, 2022.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

Audit, Risk and Performance Committee consisted of the members listed below and should meet at least 4 times during the financial year as per its approved Terms of Reference. Audit, Risk and Performance Committee held six meetings during 2021/2022 financial year and attendances were as follows:

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
R. Tshimomola(Chairperson)	6
F. Buys: Member	3
M. Mashati: Member	4

Audit committee responsibility

Audit, Risk and Performance Committee has formally adopted its formal terms of reference and discharged its responsibility during the year in compliance with its charter and section 166 of the MAFMA as follows:

- Reviewed and adopted Audit, Risk and Performance Committee Charter as approved by council;
- Reviewed and approved Internal Audit Charter and Methodology;
- Reviewed and approved the three year rolling risk-based Internal Audit Plan and Annual Operational Audit Plan and monitored their implementations;
- Reviewed Risk Management documents presented by management and made appropriate recommendations for management to implement;
- Evaluated the findings raised by internal and external audit and made recommendations on addressing the root cause of findings for management to implement
- Reviewed monthly and quarterly financial information reports presented by management and made recommendations on financial management improvements and reporting ;
- Reviewed quarterly and annual financial statements and gave council the credible view of the technology, contingent liabilities, human resources management reports presented by management and recommended appropriate actions for management to implement;
- Reviewed audit action plans emanating from internal and external audit findings and recommended appropriate actions for management to implement;
- Liaised with the Auditor-General South Africa to discuss and resolve external audit matters.

INTERNAL AUDIT

Audit, Risk and Performance Committee is satisfied that the internal audit functions were performed independently and objectively in line with the approved annual internal audit risk-based plan and Section 165 of MFMA. Internal Audit functionally reported to audit committee during 2021/2022 financial year.

EFFECTIVENESS OF INTERNAL CONTROL SYSTEM

Audit, Risk and Performance Committee is satisfied that the internal audit functions were performed independently and objectively in line with the approved annual audit risk-based plan and Section 165 of MFMA. Internal control systems is partially effective.

Audit, Risk and Performance Committee concurs with and accepts the Auditor-General South Africa's Audit Report on the Annual Financial Statements and is of the opinion that the Audited Annual Financial

Ga Segonyana Local Municipality

Statements should be accepted and read together with the Report of the Auditor-General South Africa.

Chairperson of the Audit, Risk and Performance
Committee

Date: _____

Ga Segonyana Local Municipality

Statement of Financial Position as at June 30, 2022

		2022	2021
	Note(s)	R	Restated* R
Assets			
Current Assets			
Inventories	3	62,619,153	66,979,464
Receivables from non-exchange transactions	4	29,994,036	23,488,090
VAT	5	16,346,766	8,103,998
Receivables from exchange transactions	6	43,140,739	38,197,626
Cash and cash equivalents	7	95,153,067	90,466,140
		247,253,761	227,235,318
Non-Current Assets			
Investment property	8	20,253,699	20,253,699
Property, plant and equipment	9	1,703,035,553	1,593,600,069
Intangible assets	10	485,656	722,012
Heritage assets	11	1,655,642	1,655,642
		1,725,430,550	1,616,231,422
Total Assets		1,972,684,311	1,843,466,740
Liabilities			
Current Liabilities			
Other financial liabilities	12	2,275,769	2,181,862
Finance lease obligation	13	744,098	739,380
Payables from exchange transactions	14	93,952,195	72,781,131
Consumer deposits	15	5,914,289	5,310,255
Employee benefit obligation	16	2,904,000	1,452,000
Unspent conditional grants and receipts	17	17,399,799	31,595,764
		123,190,150	114,060,392
Non-Current Liabilities			
Other financial liabilities	12	6,080,009	8,355,780
Finance lease obligation	13	427,942	664,938
Employee benefit obligation	16	35,435,000	34,131,000
Provisions	18	27,717,355	24,173,786
		69,660,306	67,325,504
Total Liabilities		192,850,456	181,385,896
Net Assets		1,779,833,855	1,662,080,844
Accumulated surplus		1,779,833,855	1,662,080,844

* See Note 50

Ga Segonyana Local Municipality

Statement of Financial Performance

		2022	2021
	Note(s)	R	Restated* R
REVENUE			
Revenue from exchange transactions			
Sale of stands		1,786,942	8,232,638
Service charges	20	174,461,354	157,439,871
Rental of facilities	21	3,272,540	2,012,071
Interest on outstanding receivables	23	2,839,606	3,848,481
Licences and permits		3,680,421	3,351,478
Other revenue	24	12,610,581	4,566,061
Interest on investments	25	5,054,603	3,864,834
Total revenue from exchange transactions		203,706,047	183,315,434
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	50,222,676	49,763,478
Interest on outstanding receivables	23	1,668,827	1,667,363
Transfer revenue			
Grants and subsidies realised	27	402,315,155	389,557,952
Fines, penalties and forfeits	22	4,898,223	3,417,910
Total revenue from non-exchange transactions		459,104,881	444,406,703
Total revenue	19	662,810,928	627,722,137
EXPENDITURE			
Employee related costs	28	(173,049,555)	(151,395,151)
Remuneration of councillors	29	(10,472,326)	(9,842,705)
Depreciation, amortisation and impairment loss/(reversal)	30	(55,465,290)	(66,980,683)
Finance costs	31	(6,515,349)	(10,465,786)
Debtors impairment	32	(7,703,540)	(13,822,992)
Bad debts written-off	33	(4,017,292)	(1,469,365)
Bulk purchases	34	(120,721,658)	(99,409,275)
Contracted Services	35	(71,559,365)	(65,829,276)
Cost of land sold	3.1	(2,902,000)	(15,105,400)
General expenses	36	(89,595,154)	(67,354,297)
Total expenditure		(542,001,529)	(501,674,930)
Operating surplus			
Gains/(Loss) on disposal of assets		(4,915,395)	(18,376,515)
Fair value adjustments		-	-
Actuarial gains/(losses)	16	1,859,000	(2,603,000)
		(3,056,395)	(20,979,515)
SURPLUS FOR THE YEAR		117,753,004	105,067,692

* See Note 50

Ga Segonyana Local Municipality

Statement of Changes in Net Assets

	Accumulated surplus R	Total net assets R
Opening balance as previously reported	1,565,082,612	1,565,082,612
Adjustments		
Correction of error	(8,069,458)	(8,069,458)
Balance at July 1, 2020 as restated*	1,557,013,152	1,557,013,152
Surplus for the year ended 30 June 2021	105,067,692	105,067,692
Total changes	105,067,692	105,067,692
Opening balance as previously reported	1,662,774,064	1,662,774,064
Prior year adjustments	(693,220)	(693,220)
Restated* Balance at July 1, 2021 as restated*	1,662,080,851	1,662,080,851
Changes in net assets		
Surplus for the year ended 30 June 2021	117,753,004	117,753,004
Total changes	117,753,004	117,753,004
Balance at June 30, 2022	1,779,833,855	1,779,833,855

* See Note 50

Ga Segonyana Local Municipality

Cash Flow Statement

		2022	2021
	Note(s)	R	Restated* R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		218,278,576	226,508,669
Grants		388,119,189	385,521,140
Interest on investments		5,054,603	3,864,834
		611,452,368	615,894,643
Payments			
Suppliers		(266,402,394)	(225,453,705)
Employee Costs		(179,396,621)	(159,357,334)
Finance costs		(3,047,349)	(2,272,913)
		(448,846,364)	(387,083,952)
Net cash flows from operating activities	37	162,606,004	228,810,691
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(155,361,747)	(177,417,589)
Purchase of intangible assets	10	(143,187)	(832,760)
Net cash flows from investing activities		(155,504,934)	(178,250,349)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in other financial liabilities		(2,181,864)	(2,103,645)
Finance lease payments		(232,278)	(2,202,987)
Net cash flows from financing activities		(2,414,142)	(4,306,632)
Net increase/(decrease) in cash and cash equivalents		4,686,927	31,196,053
Cash and cash equivalents at the beginning of the year		90,466,140	59,270,087
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	95,153,067	90,466,140

* See Note 50

Ga Segonyana Local Municipality

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
STATEMENT OF FINANCIAL PERFORMANCE REVENUE						
Revenue from exchange transactions						
Sale of stands	-	-	-	1,786,942	1,786,942	1
Service charges	211,937,000	2,700,000	214,637,000	174,461,354	(40,175,646)	2
Rental of facilities	2,074,000	(674,000)	1,400,000	3,272,540	1,872,540	3
Interest on outstanding receivables	-	-	-	2,839,606	2,839,606	17
Licences and permits	3,319,000	-	3,319,000	3,680,421	361,421	39
Other revenue	13,392,000	9,028,000	22,420,000	12,610,581	(9,809,419)	5
Interest on investments	3,495,000	150,000	3,645,000	5,054,603	1,409,603	4
Total revenue from exchange transactions	234,217,000	11,204,000	245,421,000	203,706,047	(41,714,953)	
Revenue from non-exchange transactions						
Property rates	55,522,000	(1,871,000)	53,651,000	50,222,676	(3,428,324)	38
Interest on outstanding receivables	7,912,000	(3,000,000)	4,912,000	1,668,827	(3,243,173)	17
Grants and subsidies realised	205,753,000	8,291,000	214,044,000	402,315,155	188,271,155	11
Fines, Penalties and Forfeits	1,572,000	-	1,572,000	4,898,223	3,326,223	5
Total revenue from non-exchange transactions	270,759,000	3,420,000	274,179,000	459,104,881	184,925,881	
Total revenue	504,976,000	14,624,000	519,600,000	662,810,928	143,210,928	
EXPENDITURE						
Employee related costs	(167,732,000)	(640,000)	(168,372,000)	(173,049,555)	(4,677,555)	12
Remuneration of councillors	(10,838,000)	-	(10,838,000)	(10,472,326)	365,674	13
Transfers and subsidies	(60,000)	-	(60,000)	-	60,000	15
Depreciation and amortisation	(60,375,000)	-	(60,375,000)	(55,465,290)	4,909,710	10
Finance costs	(901,000)	(15,000)	(916,000)	(6,515,349)	(5,599,349)	7
Debt Impairment	(12,950,000)	950,000	(12,000,000)	(7,703,540)	4,296,460	21
Bad debts written-off	-	-	-	(4,017,292)	(4,017,292)	14
Bulk purchases	(94,417,000)	(17,000,000)	(111,417,000)	(120,721,658)	(9,304,658)	
Contracted services	(56,543,000)	(14,127,000)	(70,670,000)	(71,559,365)	(889,365)	
Cost of land sold	(46,727,000)	8,837,000	(37,890,000)	(2,902,000)	34,988,000	
General expenses	(55,182,000)	236,000	(54,946,000)	(89,595,154)	(34,649,154)	
Total expenditure	(505,725,000)	(21,759,000)	(527,484,000)	(542,001,529)	(14,517,529)	

Ga Segonyana Local Municipality

Operating surplus	(749,000)	(7,135,000)	(7,884,000)	120,809,399	1,212,696,457	
Gain/(Loss) on disposal of assets	102,654,000	69,617,000	172,271,000	(4,915,395)	(177,186,395)	8
Actuarial gains/losses	-	-	-	1,859,000	1,859,000	9

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
	102,654,000	69,617,000	172,271,000	(3,056,395)	(175,327,395)	
SURPLUS FOR THE YEAR	101,905,000	62,482,000	164,387,000	117,753,004	(46,633,996)	

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Statement of Financial Position						
Assets						
Current Assets						
Inventories	48,011,000	629,000	48,640,000	62,619,153	13,979,153	20
Receivables from non-exchange transactions	20,644,000	18,000	20,662,000	29,994,036	9,332,036	35
Receivables from exchange transactions	79,230,000	1,996,000	81,226,000	43,140,739	(38,085,261)	22
VAT	-	-	-	16,346,766	16,346,766	23
Cash and cash equivalents	155,525,000	(20,826,000)	134,699,000	95,153,067	(39,545,933)	24
	303,410,000	(18,183,000)	285,227,000	247,253,761	(37,973,239)	
Non-Current Assets						
Investment property	20,549,000	-	20,549,000	20,253,699	(295,301)	18
Property, plant and equipment	1,495,674,000	69,197,000	1,564,871,000	1,703,035,553	138,164,553	25
Intangible assets	285,000	-	285,000	485,656	200,656	26
Heritage assets	1,656,000	-	1,656,000	1,655,642	(358)	
	1,518,164,000	69,197,000	1,587,361,000	1,725,430,553	138,069,550	
	0		0	0		
Total Assets	1,821,574,000	51,014,000	1,872,588,000	1,972,684,311	100,096,311	
	0		0	1		
Liabilities						
Current Liabilities						
Other financial liabilities	4,307,000	(3,450,000)	857,000	2,275,769	1,418,769	27
Finance lease obligation	-	-	-	744,098	744,098	28
Payables from exchange transactions	110,136,000	(1,470,000)	108,666,000	93,952,187	(14,713,813)	29
Consumer deposits	5,227,000	-	5,227,000	5,914,289	687,289	32
Employee benefit obligation	-	-	-	2,904,000	2,904,000	30
Unspent conditional grants and receipts	-	-	-	17,399,799	17,399,799	31
	119,670,000	(4,920,000)	114,750,000	123,190,142	8,440,142	
Non-Current Liabilities						
Other financial liabilities	9,442,000	2,500,000	11,942,000	6,080,009	(5,861,991)	27
Finance lease obligation	-	-	-	427,942	427,942	28
Employee benefit obligation	-	-	-	35,435,000	35,435,000	30
Provisions	46,920,000	-	46,920,000	27,717,355	(19,202,645)	37
	56,362,000	2,500,000	58,862,000	69,660,306	10,798,306	
Total Liabilities	176,032,000	(2,420,000)	173,612,000	192,850,448	19,238,448	

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Net Assets	1,645,542,00	53,434,000	1,698,976,00	1,779,833,86	80,857,863
	0		0	3	

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Budget on Accrual Basis

	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET ACTUAL	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	Reference
	R	R	R	R	
Net Assets					
Reserves					
Accumulated surplus	1,645,542,000	53,434,000	1,698,976,000	1,779,833,863	80,857,863

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

BUDGET ON ACCRUAL BASIS	APPROVE D BUDGE T	ADJUSTMENTS	FINAL BUDGET ACTUAL	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	Reference
			amounts on comparable basis		
	R	R	R	R	

Narration area

Sale of stands

1) The variance is due to lack of demand for stands.

Service charges

2) Under recovery is mainly as a result of the challenges experienced regarding the installation of prepaid meters and also due to overbudgeting.

Rental of facilities

3) The variance is due to the delay in signing of contracts for SMME Hub tenants, the budget was understated.

Interest on Investments

4) Actual revenue was higher than the budget due to high bank balance. This has resulted in higher interest being accrued

Fines, Penalties and Forfeits

5) Variance is due to more fines issued in the 2021/22 financial year Other Revenue

6) Variance is as a result of expected benefit investing for Employees obligation that was not budgeted for.

Finance Costs

7) Variance is due to interest on landfill site and Interest on Employee Obligation that was not budgeted for.

Gains/(Loss on disposal of assets

8) Gains/(loss) on disposal of assets was not budgeted for.

Actuarial gains/(Losses)

9) Actuarial gains or losses were not budgeted for.

Depreciation and amortisation and impairment loss/(reversal)

10) Variance is due to the impairment reversal done on assets that had less than 1year of remaining useful and still in good condition.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Grants and subsidies realised

11) Variances is due to the municipality only budgeting for operational grants(i.e. Equitable share) and received additional grants for capital projects in terms of DORA Act.

Employee Related Costs

12) Variance is due to current service costs in terms of the valuation of GRAP 25 and appointment of new employees

Remuneration of councillors

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Annual Financial Statements for the year ended 30 June 2022

BUDGET ON ACCRUAL BASIS	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET ACTUAL	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	REFERENCE
			amounts on comparable basis		
	R	R	R	R	

13) Variance is due to no anticipated increase to the gazetted remuneration of councillors in the current year under review..

14) Bad Debts write off

The municipality did not budget for bad debt
write-off Transfers and subsidies

15) No expenditure incurred relating to transfer and subsidies.

Gains/(loss) on disposal of assets

16) Gains/(loss) on disposal of assets was not budgeted for.

Interest on outstanding receivables

17) Variance is due to no interest on sundry debtors being levied for the current year under review.

Investment property

18) Variance is due to the correction of error in the figure of investment property which increased the figure of investment property.

General expenses.

19) General expenses increased due to increases in repairs and maintenance from capital projects.

Inventory

20) Inventory variance due to RDP land derecognised and no other land transferred to owner.

Debt Impairment

21) Actual amount less than budgeted.

Receivables from exchange transactions

22) The trade receivables are less than budgeted amounts due to the increase in the actual write-offs made during the financial year.

VAT

23) VAT receivable is lower than the budget amount as the municipality was refunded most of the outstanding returns as at year end.

Cash and cash equivalents

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

24) The cash and cash equivalents of the municipality was less than budgeted, the municipality improved in paying its creditors debt on time

Property, plant and equipment

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

Intangible assets

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

BUDGET ON ACCRUAL BASIS	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET ACTUAL	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	REFERENCE
			amounts on comparable basis		
	R	R	R	R	

26) Variance due to additional computer software on new laptops bought for municipal officials. Other

Financial liabilities

27) This balance is composed of loans from DBSA and the municipality managed to repay part of the loan in the 2021/22 financial year.

Finance Leases

28) The Municipality did not budget for finance leases.

Payables from exchange transactions

29) Management improved in settling outstanding debts to its suppliers.

Employee benefit obligation

30) Difference due to the valuation in terms of Grap 25 not budgeted for by the municipality.

Unspent Conditional grants and receipts

31) Unspent grant was not budgeted for by the municipality, as initial anticipation is to spend total grants allocation, and also due to the fact that the unspent grants are to possibly be refunded to treasury based on the response on the application of the roll over of unspent grants.

Customer Deposits

32) The municipality had more customers who opened new customer accounts during the year than anticipated. This resulted in an increase in customer deposits.

Cost of land sold

33) The actual value for cost of land sold was lesser than budgeted due to RDP houses land which were transferred to owners .

Bulk Purchases

34) The variance is due to changes in NERSA tariff changes which increased in the current financial year by 14.59% Receivables from non-exchange transactions

35) Variance is due to more fines issued in the 2021/22 financial year and increase in tariff rate for property rates.

Contracted Services

36) The movement of contracted services and General Expenses was due to MSCOA classification. Items that were classified as general

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

~~expenditure had to be reclassified as contracted services.~~

Provision.

37) Budget amount less than Actual amount due no new rehabilitation site being developed during the financial year under review.

Property rates.

38) The actual amount was less than budgeted amount.

Licence and Permits.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

BUDGET ON ACCRUAL BASIS						REFERENCE
	APPROVE D BUDGE T	ADJUSTMENTS	FINAL BUDGET ACTUAL	amounts on comparable basis	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	
	R	R	R	R	R	

39) The municipality did recognised more license and permits than anticipated due to improved collections by the traffic department.
Additional text

ACCOUNTING POLICIES

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 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.

Ga Segonyana Local Municipality

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

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30
June 2022

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

1.3.4 Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the 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. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of 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 obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. This unavoidable 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 provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised

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in the Statement of Financial Performance as a finance cost as it occurs.

1.3.6 USEFUL LIVES OF ASSETS

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

The estimation of residual values of assets is based on management's judgment as to whether the assets will be sold or used at the end of their useful lives, and in what condition they will be at that time.

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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.

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

- 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 are considered to be past due

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1.3 Significant judgements and sources of estimation uncertainty (continued)

CALCULATION AND RECOGNITION OF IMPAIRMENT LOSS

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

INDIVIDUALLY SIGNIFICANT RECEIVABLES

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

For sundry receivables management will assess on an annual basis which accounts are considered to be individually 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 nature and past payment history:

- Government receivables, excluding government 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

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of these receivables. Summary of risk groups for consumer receivables:

1.3 Significant judgements and sources of estimation uncertainty (continued)

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1.3 Significant judgements and sources of estimation uncertainty (continued)

HIGH RISK	MEDIUM RISK	LOW RISK
Approved indigents	Remainder of consumer receivable accounts receivables,	Government
schools Tenant accounts	Remainder of consumer receivable accounts Government	excluding government receivables, excluding government
schools Non-active accounts	Remainder of consumer receivable accounts Government	receivables, excluding government

schools 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:

- 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 knowledge of these receivables. Summary of risk groups for consumer receivables:

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HIGH RISK	MEDIUM RISK	LOW RISK
1.5 Significant judgements and sources of estimation uncertainty (continued)		
Motor vehicle accidents	Remainder of consumer receivable accounts	Main service contributions
Library books	Remainder of consumer receivable accounts	Main service contributions
Bursary costs	Remainder of consumer receivable accounts	Reallocation costs
Closed accounts	Remainder of consumer receivable accounts	Reallocation costs
Marked to be written off	Remainder of consumer receivable accounts	Reallocation costs
Non-active accounts	Remainder of consumer receivable accounts	Reallocation costs

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

DISCOUNT RATE

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1.3 Significant judgements and sources of estimation uncertainty (continued)

The discount rate is set as the yield of the R157 South African government bond as at the reporting date. The actual 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 account in determining the premium:

- 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	Premium adjustment
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:

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1.3 Significant judgements and sources of estimation uncertainty (continued)

GROUP	EXPECTED FUTURE CASH FLOW
Accounts with no payment received in the last No payment expected six months	
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 Fully recoverable and/or 60 days	
High risk consumer receivables	Will be determined using the following: -Geographical area -Category (Business, household, etc) -Payment history -Any other factors applicable (e.g. debtors handed over)
Medium risk consumer receivables	Will be determined using the following: -Geographical area -Category (Business, household, etc) -Payment history -Any other factors applicable (e.g. debtors handed over)
Low risk consumer receivables	Will be determined using the following: -Geographical area -Category (Business, household, etc) -Payment history -Any other factors applicable (e.g. debtors handed over)
High risk sundry receivables	Will be determined using the following: -Geographical area -Category (Business, household, etc) -Payment history -Any other factors applicable (e.g. debtors handed over)
Medium risk sundry receivables	Will be determined using the following: -Geographical area -Category (Business, household, etc) -Payment history -Any other factors applicable (e.g. debtors handed over)
Low risk sundry receivables	Will be determined using the following: -Geographical area -Category (Business, household, etc) -Payment history -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

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1.4.1 Initial Recognition

1.3 Significant judgements and sources of estimation uncertainty (continued)

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
- 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.

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1.4 INVESTMENT PROPERTY (CONTINUED)

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

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

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

1.4.2 SUBSEQUENT MEASUREMENT

Subsequent to initial measurement investment property is measured at fair value in line with the asset management 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

period in which it arises. 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 permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

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

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus 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) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.

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

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Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, 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.

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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:

Item	Depreciation method	Average useful life
Land		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
- 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.

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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.

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.

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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 entity 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 entity 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 entity 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

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:

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- 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.

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1.7 Intangible assets (continued)

Item	Amortisation method	Average useful life
Computer software	Straight line	3 to 5 years

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 entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

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.

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.

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1.8.4 IMPAIRMENT

The municipality 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 amortised cost.

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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.

1.9.1 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

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 municipality initially measures statutory receivables at their transaction amount.

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SUBSEQUENT MEASUREMENT

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

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

ACCRUED INTEREST

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

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

OTHER CHARGES

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1.10 Statutory receivables (continued)

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

IMPAIRMENT LOSSES

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

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

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

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

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

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

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

DERECOGNITION

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

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

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

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

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1.11 TA

X 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.

1.12.1 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.

1.12.2. OPERATING LEASES - LESSEE

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.13 INVENTORIES

1.13.1 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

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1.13.2 SUBSEQUENT MEASUREMENT

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

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.

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1.13 INVENTORIES (CONTINUED)

1.13.3 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. 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-cash-generating assets, are as follows:

1.14.1 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.

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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.

1.14.2 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.

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1.14 IMPAIRMENT OF CASH-GENERATING ASSETS (CONTINUED)

1.14.3 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.

1.14.4 COMPOSITION OF ESTIMATES OF FUTURE CASH FLOWS

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset.
- 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 entity 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 (amortization).

Carrying amount is the amount at which an asset is recognized 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 (;) is the systematic allocation of the depreciable amount of an asset over its useful life.

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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:

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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 cash-generating assets, are as follows:

1.15.1 IDENTIFICATION

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

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

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 recognized during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

1.15.2 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:

1.15.3 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 "optimized" basis. The rationale is that the entity 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 optimized basis thus reflects the service potential required of the asset.

1.15.4 RESTORATION COST APPROACH

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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.

1.15.5 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.

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1.15 IMPAIRMENT OF NON-CASH-GENERATING ASSETS (CONTINUED)

1.15.6 Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognized 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 (amortization) 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.

1.16.1 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 subsidized goods or services such as housing, cars and cellphones) for current employees.

The expected cost of compensated absences is recognized 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.

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1.16.2 POST-EMPLOYMENT BENEFITS: DEFINED CONTRIBUTION PLANS

Defined contribution plans are post-employment benefit plans under which a municipality pays fixed contributions into a separate municipality (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the 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.

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1.17 PROVISIONS AND CONTINGENCIES

1.17.1 Initial Recognition

Provisions are recognized 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.

1.17.2 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 recognized as an interest expense.

A provision is used only for expenditures for which the provision was originally

recognized. Provisions are not recognized for future operating deficits.

Contingent assets and contingent liabilities are not recognized. Contingencies are disclosed by way of a note.

1.18 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognized contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.19 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.

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

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

The municipality's main sources of revenue from exchange transactions income include service charges, rental of facilities, sale of stands, licenses and permits and interest income.

1.18.1 MEASUREMENT

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

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1.19 REVENUE FROM EXCHANGE TRANSACTIONS (CONTINUED)

1.18.2 Sale of goods (stands and licenses and permits)

Revenue from the sale of goods is recognized 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.

1.18.3 RENDERING OF SERVICES

Rendering of services includes the following service charges: refuse removal billed at a fixed fee per collection, electricity (i.e. conversional and prepaid electricity) based on consumption, water based on consumption and sewerage based on water consumption. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized 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 recognized 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 recognized only to the extent of the expenses recognized that are recoverable.

1.18.4 INTEREST

Revenue arising from the use by others of the municipality's assets yielding interest is recognized when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest revenue is recognized on a time proportion basis.

1.18.5 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.

1.18.6 Other Income

Other income shall be accounted for when the cash, asset or service is received by the municipality.

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1.20 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

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 municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

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1.20 REVENUE FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

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.

1.19.1 RECOGNITION

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As the municipality satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognises an amount of revenue equal to that reduction.

1.19.2 MEASUREMENT

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognized 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 recognize a liability. Where a liability is required to be recognized 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, recognized 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 recognized as revenue.

1.19.3 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.

1.19.4 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.

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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.

1.19.5 FINES

Revenue from fines will be accounted on accrual basis based on IGRAP 1.

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.

The municipality recognises the full amount of revenue from fines at the transaction date and subsequently recognise the impairment loss for revenue not expected to be collected, as there is uncertainty about the entities ability to collect such revenue based on past history. The municipality considered the past history in assessing the likelihood of the discounts or reductions being taken up by the debtors

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1.20 REVENUE FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

1.19.6 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.

1.21 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.

1.22 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.23 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.

1.24 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.

1.25 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.

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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.

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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 7/1/2021 to 6/30/2022.

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.

Material differences between the original budget and final budget as well as between the final budget and the actual are explained in the Annual Financial Statements. Deviations are regarded as material when they are greater than or equal to 10%. Deviations between approved budget and final budgets well as deviations between final budget and actual, are regarded as material differences.

1.27 EVENTS AFTER REPORTING DATE

Events after reporting date are those events, both favorable and unfavorable, that occur between the reporting date and the date when the Annual Financial Statements are authorized for issue. Two types of events can be identified:

-those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date)
-those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date). There were no significant post balance sheet events that affected the Annual Financial Statements as at 30 June 2022.

1.28 EXPENDITURE

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets.

An expense is recognised in the municipality's Statement of Financial Performance when, and only when, the following criteria are satisfied:

- The cost or value may involve estimation. Where an item possesses the essential characteristics of an expense but fails to meet the criteria for recognition it is disclosed in the note; and
- All expenditure has been dealt with in terms of the above definition and recognition criteria.

Where an outflow of economic benefits does not result in future benefits, it is disclosed as fruitless and wasteful expenditure. The point at which an expense is recognised is dependent on the nature of the transaction or other event that gives rise to the expense. Where future economic benefits are consumed immediately or soon after acquisition, for example, repairs and maintenance expenditure, bulk purchases and general expenses, the expense is recognised in the reporting period in which the acquisition of the future economic benefit occurs. Where future economic benefits are expected to be consumed over several reporting periods e.g. non-current assets, expenses (depreciation) is allocated systematically to the reporting period during which the future economic benefits are expected to be consumed; where expenditure produces no future economic benefits e.g. fines paid, an expense is recognised immediately; and where a liability is incurred without the recognition of an asset an expense is recognised simultaneously with the recognition of the liability.

Generally, expenses are accounted for on an accrual basis at fair value. Under the accrual basis of accounting expenses are recognised when incurred usually when goods are received or services are consumed. This may not be when the goods or 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.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

1.28 EXPENDITURE (CONTINUED)

- 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.

1.29 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 number 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.
 - 7) The provision is calculated as follows:

Gross fines debtors x average discount rate in 5) above.

Ga Segonyana Local Municipality

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2022	2021
R	R

2. New standards and interpretations

2.1 Standards and interpretations issued and effective in the current year.

There are no new standards that were issued and effective in the current year. The municipality has applied all standards and interpretations that were issued by the accounting standards board that are applicable to the municipality consistently with prior year.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Grap 25	01 April 2021	Unlikely there will be a material impa
Grap 104	01 April 2022	Unlikely there will be a material impa
Grap 104	01 April 2021	Unlikely there will be a material impa
iGrap 7	01 April 2022	Unlikely there will be a material impa
iGrap 21	01 April 2022	Unlikely there will be a material impa

3. INVENTORIES

Other inventories held for sale (land)	60,669,783	63,571,783
Consumable stores	2,675,987	3,342,879
Water	98,213	64,802
	63,443,983	66,979,464
Inventories (write-downs)	(824,830)	-
	62,619,153	66,979,464

3.1 Other Inventory held for sale (land)

Opening balance	63,571,783	78,677,183
Cost of land sold	(2,902,000)	(15,105,400)
	60,669,783	63,571,783

The cost of inventories is assigned using the weighted average cost formula. Subsequently inventories are measured at the lower of cost nad net realisable value.

INVENTORY PLEDGED AS SECURITY

No inventory was pledged as security.

4. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Fines	13,370,567	9,490,109
Property Rates	16,623,469	13,997,981
	29,994,036	23,488,090

Included in receivables from non-exchange transactions are balances owing from property rates as follows:

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June
2022

	2022	2021
	R	R
4. Receivables from non-exchange transactions (continued)		
Current (0-30 days)	215,401	142,148
31 - 60 days	2,290,352	1,846,436
61 - 90 days	1,602,221	1,574,834
91 - 120 days	1,504,544	1,423,849
121 - 365 days	8,321,143	10,020,117
> 365 days	22,045,882	14,798,517
	35,979,543	29,805,901
Less: Allowance for impairment	(19,356,082)	(15,807,920)
Net Balance	16,623,461	13,997,981
Fines		
Gross fines	14,540,689	10,362,634
Impairment	(1,170,122)	(872,525)
	13,370,567	9,490,109
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	16,346,766	8,103,998
Amounts outstanding from SARS at year end	5,931,299	4,871,809
VAT on accrual basis	10,415,467	3,232,189
	16,346,766	8,103,998

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June
2022

	2022	2021
	R	R
6. Receivables from exchange transactions		
Gross balances		
Electricity	28,811,408	31,447,499
Water	11,413,885	11,026,539
Sewerage	19,325,553	16,968,875
Refuse	10,485,433	9,223,856
Sundry debtors	22,886,077	14,925,951
	92,922,356	83,592,720
Less: Allowance for impairment		
Less: Allowance for impairment	(49,781,617)	(45,395,094)
Net balance	43,140,739	38,197,626
Included in above is Sundry receivables from exchange transactions.		
Rental	5,392,337	7,404,561
Accrued Income	9,373,604	2,793,646
Staff Recovery	160,363	281,744
Land sales (Sobray CC)	4,446,000	4,446,000
Peyper Attorneys	3,513,773	-
	22,886,077	14,925,951

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June
2022

	2022	2021
	R	R

6. Receivables from exchange transactions (continued)

Net balance	22,886,077	14,925,951
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Sundry Receivables Ageing 2022	Rental	Accrued Income	Staff Recovery	Land Sale and Peyper Attorneys	Total
Current (0-30 days)	725,321	681,102	5,124	-	1,411,547
31-60 days	99,144	1,993	3,217	-	104,354
61-90 days	1,981,343	1,985	1,961	-	1,985,289
91-120 days	34,981	630	2,108	-	37,719
121-365 days	380,278	18,184	28,935	-	427,397
>365 days	2,171,270	8,669,710	119,018	7,959,773	18,919,771
	5,392,337	9,373,604	160,363	7,959,773	22,886,077

Sundry receivable Ageing 2021	Rental	Accrued Income	Staff Recovery	Land Sale and Peyper Attorneys	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	29,926	3,189	-	135,003
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	2,602,316	237,010	4,446,000	12,598,727
	7,404,561	2,793,645	281,744	4,446,000	14,925,950

Rates

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June
2022

	2022	2021
	R	R
6. Receivables from exchange transactions (continued)		
Electricity		
Current (0 -30 days)	6,220,337	5,336,488
31 - 60 days	1,500,450	1,851,801
61 - 90 days	1,049,815	1,470,246
91 - 120 days	846,586	1,277,885
121 - 365 days	4,894,869	10,755,993
> 365 days	14,299,351	10,755,086
	28,811,408	31,447,499
Water		
Current (0 -30 days)	2,133,724	1,890,499
31 - 60 days	1,359,608	845,849
61 - 90 days	821,369	682,849
91 - 120 days	518,740	650,282
121 - 365 days	2,570,315	2,874,622
> 365 days	4,010,129	4,082,439
	11,413,885	11,026,540
Sewerage		
Current (0 -30 days)	1,352,796	1,213,111
31 - 60 days	931,893	751,601
61 - 90 days	775,062	685,247
91 - 120 days	597,899	670,715
121 - 365 days	3,680,409	3,688,502
> 365 days	11,987,494	9,959,699
	19,325,553	16,968,875
Refuse		
Current (0 -30 days)	818,323	699,750
31 - 60 days	454,367	438,872
61 - 90 days	369,972	390,366
91 - 120 days	343,901	408,307
121 - 365 days	2,882,925	2,083,044
> 365 days	5,615,945	5,203,517
	10,485,433	9,223,856
Sundry debtor		
Current (0 -30 days)	1,411,547	280,794
31 - 60 days	104,354	108,817
61 - 90 days	1,985,289	135,003

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June

2022		
91 - 120 days	37,719	185,211
121 - 365 days	427,397	1,617,398
> 365 days	17,583,789	12,598,728

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June
2022

	2022	2021
	R	R

6. Receivables from exchange transactions (continued)

	21,550,095	14,925,951
Reconciliation of allowance for impairment		
Balance at beginning of the year	(45,395,096)	(33,383,770)
Contributions to allowance	(4,386,521)	(12,011,324)
	(49,781,617)	(45,395,094)

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	3,400
Other cash and cash equivalents	95,149,667	90,462,740
	95,153,067	90,466,140

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2022	June 30, 2021	June 30, 2020	30 June 2022	June 30, 2021	June 30, 2020
FNB BANK - CHEQUE ACCOUNT - 62649722883	87,963,239	18,567,378	1,068,873	86,623,775	18,557,833	1,068,273
FNB BANK - CHEQUE ACCOUNT - 6265254632	298,149	170,602	(11,911)	795,204	234,947	84,744
FNB BANK - 7 DAY CALL - 74690806392	507,492	60,225,856	40,035,293	507,492	60,225,857	40,035,293
FNB BANK - CALL ACCOUNT - 62671219048	100,634	11,444,103	18,048,747	100,634	11,444,103	18,048,747
ABSA BANK - 4103242034	1,234,245	-	-	672,756	-	-
ABSA BANK - CHEQUE ACCOUNT - 4103241868	6,421,781	-	-	6,449,806	-	-
Total	96,525,540	90,407,939	59,141,002	95,149,667	90,462,740	59,237,057

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

8. Investment property

	2022			2021		
	Cost /	Accumulated	Carrying value	Cost /	Accumulated	Carrying value.
	Valuation	depreciation and accumulated impairment		Valuation	depreciation and accumulated impairment	
Investment property	20,253,699	-	20,253,699	20,253,699	-	20,253,699

Reconciliation of investment property - 2022

	Opening balance	Total
Investment property	20,253,699	20,253,699

Reconciliation of investment property - 2021

	Opening balance	Total
Investment property	20,253,699	20,253,699

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 entity.

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).

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

9. Property, plant and equipment

	2022			2021		
	Cost /	Accumulated Carrying value		Cost /	Accumulated Carrying value.	
	Valuation	depreciation and accumulated impairment		Valuation	depreciation and accumulated impairment	
Land	13,748,463	-	13,748,463	13,748,463	-	13,748,463
Operational Buildings	73,244,071	(19,388,457)	53,855,614	60,828,751	(18,200,444)	42,628,307
Plant and machinery	4,234,569	(2,933,308)	1,301,261	4,075,157	(2,780,217)	1,294,940
Furniture and fixtures	9,956,848	(7,658,137)	2,298,711	9,747,884	(7,292,018)	2,455,866
Motor vehicles	17,169,018	(10,475,514)	6,693,504	17,237,744	(9,479,235)	7,758,509
Office equipment	8,577,750	(6,252,748)	2,325,002	7,941,230	(5,530,198)	2,411,032
Infrastructure	2,353,172,54	(827,805,743)	1,525,366,80	2,214,230,89	(785,233,886)	1,428,997,00
	5		2	5		9
Community	165,276,627	(67,830,431)	97,446,196	166,000,780	(71,694,837)	94,305,943
Total	2,645,379,89	(942,344,338)	1,703,035,553	2,493,810,904	(900,210,835)	1,593,600,069
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GA SEGONYANA LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Impairment reversal	Total
Land	13,748,463	-	-	-	-	-	13,748,463
Buildings	42,628,308	12,415,319	-	(1,188,013)	-	-	53,855,614
Plant and machinery	1,294,940	345,710	(48,434)	(276,889)	(14,066)	-	1,301,261
Furniture and fixtures	2,455,866	824,467	(290,493)	(685,045)	(6,084)	-	2,298,711
Motor vehicles	7,758,509	-	(7,592)	(1,055,927)	(1,486)	-	6,693,504
Office equipment	2,411,032	1,118,499	(98,497)	(1,105,969)	(63)	-	2,325,002
Infrastructure	1,428,997,009	147,641,068	(4,424,176)	(51,038,449)	-	4,191,350	1,525,366,802
Community	94,305,943	7,091,568	(46,201)	(3,786,576)	(118,538)	-	97,446,196
	1,593,600,070	169,436,631	(4,915,393)	(59,136,868)	(140,237)	4,191,350	1,703,035,553

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	13,748,463	-	-	-	-	13,748,463
Buildings	45,392,078	10,755,033	(11,915,686)	(1,478,809)	(124,309)	42,628,307
Plant and machinery	1,452,617	169,286	(39,253)	(283,046)	(4,664)	1,294,940
Furniture and fixtures	2,680,827	688,709	(103,673)	(805,344)	(4,653)	2,455,866
Motor vehicles	5,322,756	3,475,820	-	(1,040,067)	-	7,758,509
Office equipment	4,311,816	136,869	(59,329)	(1,972,906)	(5,418)	2,411,032
Infrastructure	1,336,768,511	155,650,746	(6,205,797)	(48,518,260)	(8,698,191)	1,428,997,009
Community	91,467,245	6,665,438	(52,776)	(3,649,655)	(124,309)	94,305,943
	1,501,144,313	177,541,901	(18,376,514)	(57,748,087)	(8,961,544)	1,593,600,069

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Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June
2022

	2022	2021
	R	R
9. Property, plant and equipment (continued)		
Assets subject to finance lease (Net carrying amount)		
Furniture and fixtures	-	2,228,639
Community	97,446,196	94,305,943
Office Equipment	865,502	2,701,836
	98,311,698	99,236,418
Additions Reconciliation		
Property, plant and equipment that was not used for any period of time during the reporting period that significantly impacted the delivery of goods and services of the entity (Carrying amount)		
Property, plant and equipment procured through cash received by the municipality	155,361,749	139,445,022
Property, plant and equipment procured through mining donations	14,074,885	37,972,567
	169,436,634	177,417,589
Property, plant and equipment in the process of being constructed or developed		
Cumulative expenditure recognised in the carrying value of property, plant and equipment.		
Infrastructure	147,641,069	155,650,746
Community	19,506,888	12,395,163
	167,147,957	168,045,909
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected.		
Gravel to Paved Road Gamopedi	9,219,618	-
The project was running since the year 2019/2020 financial year and the supplier for the brick material declared insolvent in 2021 and went under voluntary liquidation which caused a delay in the project.	-	-
	9,219,618	-
Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)		
	-	-

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June
2022

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June
2022

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Work-in-Progress 2022

	Included within Infrastructure	Included within Community	Total
Opening balance	264,916,678	20,755,480	285,672,158
Additions/capital expenditure	146,279,112	19,506,888	165,786,000
Transferred to completed items	(161,129,510)	(9,733,487)	(170,862,997)
	250,066,280	30,528,881	280,595,161

Reconciliation of Work-in-Progress 2021

	Included within Infrastructure	Included within Community	Total
Opening balance	243,018,707	8,360,317	251,379,024
Additions/capital expenditure	160,551,745	12,395,163	172,946,908
Transferred to completed items	(138,653,774)	-	(138,653,774)
	264,916,678	20,755,480	285,672,158

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	93,704	165,702
Plant and Equipment	16,524,396	4,990,998
	16,618,100	5,156,700

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.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June
2022

	2022	2021
	R	R

10. Intangible assets

	2022			2021		
	Cost /	Accumulated Carrying value		Cost /	Accumulated Carrying value.	
	Valuation	amortization and accumulated impairment		Valuation	amortization and accumulated impairment	
Computer software	2,101,651	(1,615,995)	485,656	1,985,531	(1,263,519)	722,012

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Amortization	Total
Computer software	722,012	143,187	(7)	(379,536)	485,656

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortization	Total
Computer software	284,613	832,760	-	(395,361)	722,012

11. Heritage assets

	2022			2021		
	Cost / Valuation	Accumulated impairment. losses	Carrying value	Cost / Valuation	Accumulated impairment. losses	Carrying value
Mayoral chain	5,642	-	5,642	5,462	-	5,462
The Eye	1,650,000	-	1,650,000	1,650,180	-	1,650,180
Total	1,655,642	-	1,655,642	1,655,642	-	1,655,642

Reconciliation of heritage assets 2022

	Opening balance	Total
Mayoral chain	5,462	5,462

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June
2022
The Eye

1,650,180	1,650,180
1,655,642	1,655,642

Reconciliation of heritage assets 2021

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

11. Heritage assets (continued)

	Opening balance	Total
Mayoral chain	5,462	5,462
The Eye	1,650,180	1,650,180
	1,655,642	1,655,642
	2022 R	2021 R

12. Other financial liabilities

At amortized cost

DBSA Bank loan

8,355,778 10,537,642

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.

Non-current liabilities

At amortized cost

6,080,009 8,355,780

Current liabilities

At amortized cost

2,275,769 2,181,862

As at 30 June 2022, 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 2022	Interest rate per annum
61000632	102568/2	2007/11/19	2027/12/31	20	3,512,071	1,343,577	5.00 %
61000505	102274/2	2006/06/30	2026/02/28	20	12,109,500	4,221,736	8.46 %
61000357	101738/2	2005/03/24	2025/06/30	20	7,183,596	2,039,921	9.34 %
61003307	13891/201	2001/12/20	2021/12/31	20	3,849,273	-	2.10 %
61000038	100234/1	2003/08/07	2023/12/31	20	4,341,243	750,544	11.50 %

Contract number: 102568/2

- Grace period: 1 year

Contract number: 102274/2

- Grace period: 0 years

Contract number: 101738/2

- Grace period: 0 years

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

Contract number: 13891/201

Grace period: 0 years

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

12. OTHER FINANCIAL LIABILITIES (CONTINUED)

Contact number: 100234/1

- Grace period: 0 years

Maturity analysis

At June 30, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
DBSA Bank loan	2,275,771	3,538,225	1,246,006	1,190,422
At June 30, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
DBSA Bank loan	2,181,862	8,091,444	264,335	-

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 utilized borrowing facilities are monitored.

13. Finance lease obligation

Minimum lease payments due		
- within one year	770,361	1,078,380
- in second to fifth year inclusive	-	770,650
	<hr/>	<hr/>
	770,361	1,849,030
less: future finance charges	(105,713)	(444,712)
	<hr/>	<hr/>
Present value of minimum lease payments	664,648	1,404,318
	<hr/>	<hr/>
Present value of minimum lease payments due		
- within one year	739,380	739,380
- in second to fifth year inclusive	427,942	664,938
	<hr/>	<hr/>
	1,167,322	1,404,318
	<hr/>	<hr/>
Non-current liabilities	427,942	664,938
Current liabilities	744,098	739,380
	<hr/>	<hr/>
	1,172,040	1,404,318
	<hr/>	<hr/>

It is entity policy to lease certain equipment under finance leases.

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% (2021: 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.

Notes to the Annual Financial Statements

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 9.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
14. Payables from exchange transactions		
Trade payables	28,558,564	20,296,559
Accruals	7,582,088	1,506,583
Unallocated deposits	1,605,021	1,892,301
Retention monies	18,520,313	15,405,571
Sale of stands - (pending transfer)	5,289,721	5,980,153
Sundry payables	2,249,426	936,233
Debtors with credit balances	7,959,195	7,554,124
Employee costs accrual	1,503,335	532,298
Group life Insurance	3,667,109	4,902,164
Leave pay	12,614,609	9,870,134
Bonus	4,402,814	3,905,011
	93,952,195	72,781,131
15. Consumer deposits		
Service accounts	4,903,359	4,790,877
Housing rental	1,010,930	519,378
	5,914,289	5,310,255

Consumer deposits represent amounts received in advance and held as surety for service accounts and other services.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 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	(29,945,000)	(28,407,000)
Present value of the defined benefit obligation- wholly unfunded	(8,394,000)	(7,176,000)
	(38,339,000)	(35,583,000)
Non-current liabilities	(35,435,000)	(34,131,000)
Current liabilities	(2,904,000)	(1,452,000)
	(38,339,000)	(35,583,000)

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 continue 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 2022 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 as at 30 June 2021	345	316
New Entries	53	35
Exits	(18)	(6)
	380	345

Movements in the present value of the defined benefit obligations were as follows:

Opening balance	7,176,000	6,031,000
Total annual expenditure	1,218,000	610,000
Actuarial loss/(gains)	53,000	535,000
	8,447,000	7,176,000

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	894,000	717,000
Interest cost	654,000	431,000
Actuarial (gains) losses	53,000	535,000

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Expected vesting benefits	(383,000)	(538,000)
	1,218,000	1,145,000

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022	2021
	R	R

16. Employee benefit obligations (continued)

Movements in the present value of the defined benefit obligation were as follows:

Assumptions used at the reporting date:

Discount rate	11,08%	935.00 %
Net discount	3.50 %	3.35 %
General earning inflation rate	7.32 %	5.81 %
Average retirement age	62	62
Pre-retirement mortality	SA85-90	

The basis used to determine the overall expected rate of return on assets is as follows:

A discount rate of 11.08% 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 4.00%. 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 2022. The duration of the total liability was estimated to be 9.25 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 4.00%. 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 2022. The duration of the total liability was estimated to be 9.25 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:

The history of experienced adjustments is as follows:

	2022 R	2021 R	2020 R	2019 R	2018 R
Defined benefit obligation	8,447,000	7,176,000	6,031,000	5,550,717	4,862,913
Surplus (deficit)	(8,447,000)	(7,176,000)	(6,031,000)	(5,550,717)	(4,862,913)
Experience adjustments on plan liabilities	180,000	621,000	55,820	300,806	193,943

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		8,394,000	
General earnings inflation rate	+1%	8,869,000	6%

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	-1%	7,692,000	-5%
Discount rate	+1%	7,950,000	-5%
	-1%	8,891,000	6%
Average retirement age	+2 yrs.	8,965,000	7%
	-2 yrs.	7,678,000	-9%
Withdrawal rates	x2	6,747,000	-20%
	x0,2	6,523,000	13%

Sensitivity Analysis on Current-Service and Interest Costs for year ending 30/06/2022.

Assumption	Change	Current service costs.	Interest cost	Total	% Change
Central assumptions		894,000	654,000	1,548,000	
General earnings inflation rate	+1%	963,000	696,000	1,659,000	7%
	-1%	833,000	615,000	1,448,000	-6%
Discount rate	+1%	840,000	680,000	1,520,000	-2%

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

				2022	2021
				R	R
16. Employee benefit obligations (continued)					
	-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 30/06/2023.

Assumption	Change	Current service cost	Interest cost	Total	% Change
Central assumptions		921,000	830,000	1,751,000	
General earnings inflation rate	+1%	993,000	883,000	1,876,000	7%
	-1%	857,000	782,000	1,639,000	-6%
Discount rate	+1%	864,000	852,000	1,716,000	-2%
	-1%	987,000	805,000	1,792,000	2%
Average retirement age	+2 yrs.	980,000	894,000	1,874,000	7%
	-2 yrs.	840,000	753,000	1,593,000	-9%
Withdrawal rates	x2	668,000	648,000	1,316,000	-25%
	x0,5	1,104,000	955,000	2,059,000	18%

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.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

The members of the post-employment health care benefit plan are made up as follows:

In-service (employee) members	263	225
In-service (employee) non-members	117	120
Continuation (retiree and widow) members	23	24
	<hr/>	<hr/>
	403	369
	<hr/>	<hr/>

Movements in the present value of the defined benefit obligations were as follows:

Opening balance	28,407,000	23,763,000
Contributions by plan participants	1,538,000	4,644,000
	<hr/>	<hr/>
	29,945,000	28,407,000
	<hr/>	<hr/>

The amounts recognised in the Statement of Financial Performance are as follows:

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
16. Employee benefit obligations (continued)		
Current service cost	1,705,000	1,324,000
Interest cost	2,814,000	2,397,000
Actuarial (gains) losses	(1,912,000)	2,068,000
Settlement	(1,069,000)	(1,145,000)
	1,538,000	4,644,000

Movements in the present value of the defined benefit obligation were as follows:

Assumptions used at the reporting date:

Discount rates used	11.84 %	10.09 %
Health care cost inflation rate	8.45 %	6.81 %
Net-of health-care-cost-inflation discount rate	3.13 %	3.07 %
Maximum subsidy inflation rate	5.96 %	4.73 %
Net-of-maximum-subsidy-inflation discount rate	5.55 %	5.12 %
Proportion with a spouse dependent 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	15.00 %	15.00 %
Average retirement age	62	62
	-	-

Mortality during employment SA 85-90:

The basis used to determine the overall expected rate of return on assets is as follows.

A discount rate of 11.84% per annum has been used. The corresponding index-linked yield at this term is 4.10%. 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 2022.

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 8.45% has been assumed. This is 1.50% in excess of expected CPI inflation over the expected term of the liability, namely 6.95%. A larger differential would be unsustainable, eventually forcing members to less expensive options. This implies a net discount rate of 3.13% which derives from $((1+11.84\%)/(1+8.45\%))-1$.

The expected inflation assumption of 6.95% was obtained from the differential between market yields on index-linked bonds consistent with the estimated term of the liabilities (4.10%) and those of fixed interest bonds (11.84%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). This was therefore determined as follows: $((1+11.84\%-0.50\%)/(1+4.06\%))-1$.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

The next contribution increase was assumed to occur with effect from 1 January 2023.

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:

The history of experienced adjustments is as follows:

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022	2021
	R	R
16. Employee benefit obligations (continued)		
	2022	2021
	R	R
Defined benefit obligation	29,945,000	28,407,000
Surplus (deficit)	(29,945,000)	(28,407,000)
Experience adjustments on plan liabilities	-	28,400
		2020
		R
		2019
		R
		2018
		R
Defined benefit obligation	29,945,000	23,763,000
Surplus (deficit)	(29,945,000)	(23,763,000)
Experience adjustments on plan liabilities	-	1,188,000
		2019
		R
		2018
		R
		2017
		R

Sensitivity Analysis on the Accrued Liability (R Millions)

Assumption	Change	Eligible Employees	Continuation Members	Total	% Change
Central assumptions		18.245	11.700	29.945	
Health care inflation rate	+1%	19.663	12.097	31.760	6%
	-1%	16.280	11.200	27.480	-8%
Discount rate	+1%	15.376	10.830	26.206	-12%
	-1%	21.905	12.706	34.611	16%
Post-employment mortality	+1 yr.	17.825	11.334	29.159	-3%
	-1 yr.	18.655	12.064	30.719	3%
Average retirement age	-1 yr.	20.363	11.700	32.063	7%
Membership continuation	10%	15.945	11.700	27.645	-8%

Sensitivity Analysis on Current-Service and Interest Costs for year ending 30/06/2022.

Assumption	Change	Current-service cost	Interest cost	Total	% Change
Central assumptions		1,705,000	2,814,000	4,519,000	
Health care Inflation rate	+1%	1,875,000	3,012,000	4,887,000	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 mortality	+1 yr.	1,665,000	2,735,000	4,400,000	-3%
	-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%

Sensitivity Analysis on Current-Service and Interest Costs for year ending 30/06/2023.

Assumption	Change	Current service cost	Interest Cost	Total	% Change
Central assumptions		2,223,000	3,484,000	5,707,000	
Health care inflation rate	+1%	2,407,000	3,699,000	6,106,000	7%

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	-1%	1,964,000	3,193,000	5,175,000	-10%
				0	
Discount rate	+1%	1,866,000	3,299,000	5,165,000	-9%
				0	
	-1%	2,681,000	3,696,000	6,377,000	12%
				0	
Post-employment mortality	+1 yr.	2,171,000	3,391,000	5,562,000	-3%
				0	
	-1 yr.	2,271,000	3,576,000	5,847,000	2%
				0	
Average retirement age	+1 yr.	2,330,000	3,735,000	6,065,000	6%
				0	
Membership contribution	-10%	1,941,000	3,212,000	5,153,000	-10%
				0	

Impact of COVID-19

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022	2021
	R	R

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 health care cost inflation rate, or an increase in the discount rate, 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 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.

17. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant	50,598	10,397,696
Finance Management Grant	-	703,812
Expanded Public Works Program Grant	-	287,618
Integrated National Electrification Programmed Grant	2,054,159	190,769
Covid-19 Additional Equitable Share	-	20,015,869
Neighborhood Development Partnership	7,594,105	-
Water Service Infrastructure Grant	7,700,937	-
	17,399,799	31,595,764

18. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Change in discount factor.	Total
Provision for rehabilitation of landfill sites	24,173,786	3,543,569	27,717,355

Reconciliation of provisions - 2021

	Opening Balance	Reversed during the year.	Change in discount factor.	Total
Provision for rehabilitation of landfill sites	18,808,913	-	5,364,873	24,173,786

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.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

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 12.08%.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022	2021
	R	R

18. Provisions (continued)

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 material settle the obligation.

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.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022	2021
	R	R
18. Provisions (continued) Key assumptions		
Total Site Area	61 826 m ²	
Area of waste body to be rehabilitated in future (waste footprint) (m ²)	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 2022) (years)	approximately 6 years	
Estimated annual airspace consumption (2022) (m ³)	7084	
Estimated total airspace (m ³)	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.	9,025% (based on Government Bond yield rate of 8,875% and an Adjustment for risk of 0,15%)	
Estimated airspace remaining (m ³)	4543	76 %
3		
Airspace consumed to date.		

19. Revenue

Sale of stands	1,786,942	8,232,638
Service charges	174,461,354	157,439,871
Rental of facilities	3,272,540	2,012,071
Interest received on outstanding receivables	2,839,606	3,848,481
Licenses and permits	3,680,421	3,351,478
Other revenue	12,610,581	4,566,061
Interest investment	5,054,603	3,864,834
Property rates	50,222,676	49,763,478
Interest on outstanding receivable	1,668,827	1,667,363
Government grants & subsidies	402,315,155	389,557,952
Fines, penalties and forfeits	4,898,223	3,417,910
	662,810,928	627,722,137

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of stands	1,786,942	8,232,638
Service charges	174,461,354	157,439,871
Rental of facilities	3,272,540	2,012,071
Interest on outstanding receivables	2,839,606	3,848,481
Licenses and permits	3,680,421	3,351,478
Other revenue	12,610,581	4,566,061
Interest on investments	5,054,603	3,864,834
	203,706,047	183,315,434

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
19. Revenue (continued)		
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	50,222,676	49,763,478
Interest on outstanding receivables	1,668,827	1,667,363
Transfer revenue		
Government grants & subsidies	402,315,155	389,557,952
Fines, Penalties and Forfeits	4,898,223	3,417,910
	459,104,881	444,406,703
20. Service charges		
Sewer levied	15,004,285	14,020,283
Sale of electricity	126,340,468	112,701,421
Sale of water	23,393,501	22,429,781
Refuse removal	11,106,505	9,799,645
Less: Income forgone	(1,383,405)	(1,511,259)
	174,461,354	157,439,871
21. Rental of facilities		
Premises		
Premises	3,029,429	632,912
Facilities and equipment		
Rental of facilities	243,111	1,379,159
	3,272,540	2,012,071
22. Fines, Penalties and Forfeits		
Disconnection fees	195,802	7,494
Illegal Connections Fines	142,156	54,892
Pound Fees Fines	16,653	22,270
Traffic fines	4,543,612	3,333,254
	4,898,223	3,417,910
23. Interest on outstanding receivables		
Interest revenue from non-exchange transactions	1,668,827	1,667,363
Interest revenue from exchange transactions	2,839,606	3,848,481
	4,508,433	5,515,844

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
24. Other revenue		
Administration and handling fees	8,142	6,451
Breakages and Losses Recovered	582	926
Collection Charges	21,000	1,944
Incidental Cash Surpluses	6,157	952
Skills Development Levy Refund	458,023	95,026
Staff Recoveries	382,806	422,310
Insurance Claims	8,973,798	123,691
Application Fees for Land Usage	124,502	140,189
Building Plan Approval	766,444	757,869
Cemetery and Burial	69,640	113,257
Clearance Certificates	93,487	103,008
Encroachment Fees	-	8,050
Entrance Fees	42,226	54,865
Advertisements	44,447	67,848
Bad debts recovered	144,241	928,951
Movement in Employee Benefit obligation	1,451,999	1,683,000
Facilities	-	991
Inspection fees	11,615	-
Photocopies and Faxes	4,783	16
Publications: Tender Documents	-	36,522
Valuation Services	6,770	20,195
	12,610,662	4,566,061
25. Investment revenue		
Interest revenue		
Bank	5,054,603	3,864,834
26. Property rates		
Rates levied		
Property rates levied	51,637,446	51,239,557
Less: Income foregone	(1,414,770)	(1,476,079)
	50,222,676	49,763,478
27. Government grants and subsidies realized		
Operating grants		
Equitable share	205,034,872	174,760,000
Library Grant	2,095,032	1,015,969
Finance Management Grant (FMG)	3,100,000	2,296,188
Expanded Public Works Program Grant (EPWP)	1,708,610	1,460,440
	211,938,514	179,532,597

CAPITAL GRANTS

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
27. Government grants and subsidies realized (continued)		
Municipal Infrastructure Grant (MIG)	66,474,679	45,747,968
Neighborhood Development Partnership Grant	19,751,895	-
Covid-19 Additional Equitable Share	-	10,814,131
Integrated National Electrification Programme (INEP)	53,945,841	44,520,412
Water Services Infrastructure Grant (WSIG)	32,607,458	70,970,278
Public Contributions	17,596,768	37,972,566
	190,376,641	210,025,355
	402,315,155	389,557,952

Conditional and Unconditional

Included in above are the following grants and subsidies received and or spent:

Conditional grants received	179,734,113	214,797,952
Unconditional grants received	205,034,872	174,760,000
	384,768,985	389,557,952

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	10,397,696	3,841,664
Grant withheld	(139,419)	-
Current-year receipts	56,267,000	52,304,000
Conditions met - transferred to revenue	(66,474,679)	(45,747,968)
	50,598	10,397,696

Conditions still to be met - remains a liability and included under Unspent Conditional Grants.

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	2,095,031	-
Conditions met - transferred to revenue	(2,095,031)	-
	-	-

The purpose is to fund capital projects and maintenance of library facilities the community.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
27. Government grants and subsidies realised (continued)		
Finance Management Grant (FMG)		
Balance unspent at beginning of year	703,812	-
Current-year receipts	3,100,000	3,000,000
Conditions met - transferred to revenue	(3,100,000)	(2,296,188)
Prior year unspent grant-withheld	(703,812)	-
	-	703,812

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.

Expanded Public Works Program (EPWP)

Balance unspent at beginning of year	287,618	168,058
Current-year receipts	1,421,000	1,580,000
Conditions met - transferred to revenue	(1,708,618)	(1,460,440)
	-	287,618

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	190,769	726,181
Prior year unspent grant - withheld	(190,769)	-
Current-year receipts	56,000,000	43,985,000
Conditions met - transferred to revenue	(53,945,841)	(44,520,412)
	2,054,159	190,769

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

Balance unspent at beginning of year	20,015,869	-
Current-year receipts	-	30,830,000
Conditions met - transferred to revenue	-	(10,814,131)
Transferred to equitable share	(20,015,869)	-
	-	20,015,869

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022	2021
	R	R
27. Government grants and subsidies realised (continued)		
Neighborhood Development Partnership Grant		
Current-year receipts	27,346,000	-
Conditions met - transferred to revenue	(19,751,894)	-
	7,594,106	-

The purpose of the grant is to plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's targeted locations, under-served neighborhoods, townships and rural towns.

Water Services Infrastructure Grant (WSIG)

Balance unspent at beginning of year	-	30,896,673
Grant overspent reimbursement	-	73,605
Current-year receipts	40,308,397	40,000,000
Conditions met - transferred to revenue	(32,607,458)	(70,970,278)
	7,700,939	-

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.

28. Employee related costs

Basic	106,880,915	98,006,752
Bonus - 13th Cheque	7,833,993	6,325,941
Medical aid - company contributions	7,784,666	9,962,632
UIF	825,844	675,523
Leave pay	3,338,313	2,947,065
Employee benefit obligations	4,415,843	1,766,922
Defined contribution plans	16,327,139	13,373,112
Travel, motor car, accommodation, subsistence and other allowances	4,601,025	3,340,575
Overtime payments	6,737,026	4,869,530
Long-service awards	241,399	281,475
Acting Allowance	3,836,853	491,387
Transport allowance	458,440	447,379
Housing benefits and allowances	4,266,199	3,931,087
Bonus Provision	897,238	1,212,191
Industrial Council Contributions	45,536	40,709
Standby Allowance	1,329,712	1,041,411
Telephone Allowance	608,252	568,457
Group Insurance	2,621,162	2,113,003
	173,049,555	151,395,151

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
28. Employee related costs (continued)		
Remuneration of Municipal Manager: M Tsatsimpe		
Annual Remuneration	1,345,494	1,345,498
Travel Allowance	181,146	181,146
Performance Bonuses	166,688	166,688
Contributions to UIF, Medical and Pension Funds	2,125	1,813
Covid-19 Allowance	6,000	-
Cellphone allowance	43,176	43,176
Other contributions	97,086	97,065
	1,841,715	1,835,386
Remuneration of Chief Financial Officer: Kagiso Noke		
Remuneration of Chief Financial Officer: Kagiso Noke	961,010	1,048,379
Travel Allowance	178,779	195,032
Performance Bonuses	136,130	136,130
Contributions to UIF, Medical and Pension Funds	2,125	1,813
Cellphone Allowance	79,793	30,840
Other contributions	79,906	88,973
Covid-19 Allowance	6,000	-
Leave payout	79,589	-
	1,523,332	1,501,167
Remuneration of Acting Chief Financial Officer - T Jarvis		
Acting allowance	-	37,100

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022	2021
	R	R

28. Employee related costs (continued)

Remuneration of Acting Chief Financial Officer: N. Keswa

Annual Remuneration	115,984	-
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Acting period: 22 December 2021 - 17 January 2022/ 05 April 2022 - 19 April 2022

	-	-
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Remuneration of the Director: Corporate Support Services - R Pule

Annual Remuneration	954,453	954,457
Travel allowance	154,200	154,200
Performance bonus	60,501	15,125
Cellphone allowance	30,840	30,840
Contributions to UIF	2,125	1,813
Covid-19 Allowance	6,000	-
Other contributions	70,650	70,527
	1,278,769	1,226,962

Remuneration of the Director: Corporate Support Services - Ms. MM

Gaselebelwe		
Acting allowance	29,383	37,938

Acting period: 14 February 2022 - 01 March 2022

Remuneration of the Director: Community Services - F.K Baloyi

Annual Remuneration	681,770	876,681
Cellphone Allowance	30,840	30,840
Contributions to UIF	2,125	1,813
Covid -19 Allowance	6,000	-
Other contributions	68,313	22,730
Travel allowance	292,240	194,827
Perfromance bonus	43,240	-
	1,124,528	1,126,891

Remuneration of Acting Director: Community Services - C.L. Scholtz

Acting allowance	31,503	-
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C.L. Scholtz Acting period: 05 April 2022 - 19 April 2022.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
28. Employee related costs (continued)		
Remuneration of Acting Director: Community Services - Mr. MA Keetile		
Acting allowance	31,503	-
Mr. M Keetile Acting period: 10 January 2022 - 21 January 2022.		
Remuneration of the Director: Technical Services - H Smit		
Annual Remuneration	82,445	1,099,197
Travel Allowance	12,000	98,352
Performance Bonuses	124,269	124,269
Contributions to UIF	354	1,813
Cellphone allowance	2,500	30,490
Other contributions	6,622	79,342
Leave payout on termination	40,806	223,844
	268,996	1,657,307
Remuneration of Acting Director Technical Services: Mr. Seane		
Acting allowance	316,425	-
Acting period: 01 February 2022 - 30 June 2022		
Remuneration of Acting Director Technical Services: Mr. BM Kgosieng		
Acting allowance	379,674	94,836
Acting period: 02 August 2021 - 31 January 2022		
Remuneration of Acting Director Technical Services: Mrs. G. Monchwe		
Acting Remuneration	-	44,766
29. Remuneration of Councillors		
Mayor	909,279	905,259
Councillors	9,290,783	8,204,358
Speaker	272,264	733,088
	10,472,326	9,842,705

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022	2021
	R	R

29. Remuneration of Councillors (continued) 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, amortization and impairment loss/(reversal)

Buildings	5,093,126	5,252,773
Plant and machinery	290,955	287,711
Furniture and fixtures	691,129	809,998
Motor vehicles	1,057,413	1,040,067
Office equipment	1,106,032	1,978,323
Infrastructure	46,847,099	57,216,452
Intangible assets	379,536	395,360
	55,465,290	66,980,684

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.

31. Finance costs

Employee benefit obligations	3,468,000	2,828,000
Interest on provision for rehabilitation of land	2,181,612	5,364,873
Non-current borrowings	844,135	1,032,842
Trade and other payables	21,602	127,723
Finance leases	-	1,112,348
	6,515,349	10,465,786

32. Debt impairment - Gain/(loss)

Contributions to debt impairment	7,703,540	13,822,992
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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.

33. DEBTORS WRITE-OFF

Other debtors written-off	4,017,292	1,469,365
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Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
34. Bulk purchases		
Electricity	120,721,658	99,409,275
The municipality appointed Sedibeng to produce water, supply and distribution to the communities in various wards in the municipality. The expenditure related to this contract operations is included under contracted services under note 35.		
35. Contracted services		
Consulting and professional services	49,016,847	39,604,276
Contractors - Sedibeng water	26,332,809	26,225,000
	75,349,656	65,829,276
36. General expenses		
Advertising	176,787	152,694
Auditors' remuneration	5,852,168	8,712,670
Bank charges	970,394	922,074
Cleaning	28,787	1,099,083
Computer expenses	4,217,559	427,372
Consumables	12,438,263	15,351,580
Entertainment	605,672	464,861
Operating leases	12,380,158	5,011,191
Hire	251,983	135,523
Insurance	10,742,497	8,392,428
Remuneration to Ward Committees	893,000	1,449,000
Indigent Relief	1,506,716	3,412,244
Skills development	1,459,009	1,239,022
Fuel and oil	5,128,959	2,913,765
Postage and courier	550,974	469,034
Printing and stationery	671,043	536,532
Protective clothing	1,190,773	2,628
Repairs and maintenance	16,618,099	5,795,812
Subscriptions, Licensing and membership fees	2,000,749	4,496,660
Telephone and fax	53,879	118,692
Staff Training	159,530	-
Travelling & Subsistence	2,458,754	923,319
Electricity	1,529,921	1,551,875
Traffic Services	169,324	323,673
Sundry expenses	7,540,156	3,452,565
	89,595,154	67,354,297

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
37. Cash generated from operations		
Surplus	117,753,004	105,067,692
Adjustments for:		
Depreciation and amortization	55,465,290	66,980,683
Loss/(Gain) on disposal of assets	4,915,393	18,376,515
Debt impairment	7,703,540	-
Debt impairment Vat portion	528,742	-
Donations noncash	(14,074,885)	-
Actuarial Gains/loss	(1,859,000)	2,603,000
Bad debts written off	4,017,292	1,469,365
Movements in debt provision	-	5,364,783
Movements in retirement benefit assets and liabilities	4,615,000	3,186,000
Movements in provisions	3,543,569	13,822,992
Cost of land sold	-	15,105,401
Changes in working capital:		
Inventories	4,360,311	430,060
Receivables from exchange transactions	(13,276,158)	(8,286,176)
Consumer debtors	604,034	495,494
Receivables from non-exchange transactions	(10,351,697)	-
Payables from exchange transactions	21,171,066	12,184,045
VAT	(8,313,532)	(3,952,351)
Unspent conditional grants and receipts	(14,195,965)	(4,036,812)
	162,606,004	228,810,691
38. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	86,667,352	14,629,008
Total capital commitments		
Already contracted for but not provided for	86,667,352	14,629,008
Total commitments		
Total commitments		
Authorised capital expenditure	86,667,352	14,629,008

This committed expenditure relates to plant, property and equipment and will be financed by unspent grants (WSIG), (INEP) and (MIG) rolled over as per conditions of Division Revenue Act.

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022	2021
	R	R

39. Contingent Liabilities

The municipality had the litigation cases that resulted in the following contingent liabilities as at year end:

Motor vehicle accident due to a pothole	70,000	70,000
Claim against the municipality for outstanding invoices for the period March 2021 and invoice on maintenance dated 30 April 2021 by Afrirent (Pty)Ltd	1,259,890	-

	1,329,890	70,000
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Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

40. Related parties

RELATIONSHIPS

Accounting office with significant influence	Refer to note 28.
Members of key management with significant influence	Refer to note 28.
Councilors with significant influence and control	Refer to note 28. General information and councilors
29.	
Close family members of key management	Mrs. R.M. Meyers (Wife to councilor T.E Meyers) Mr. G. Nels (Son to Councilor K. Nels Mr. O Nels (Son to Councilor K. Nels Ms. G Sibi (Daughter to Councilor N.G Thapaemang Mr. K.V. Makoke (Brother to Councilor L.M Makoke Mr. D. Baepi (Brother to Councilor L.C. Moseki Ms. K.M. Modise (Daughter to Councilor B.E Modise Ms. S.P. Sipi (Wife to Councilor N.G Disipi
Key Management and council interest in other companies	
Director Community Services: FK Baloyi	LA Coup Trading EnterprisesMpho Ya Basadi Suppliers and ProjectsPalesa tsa Cuba Lodge and Guest HouseBomme Tshenolo Projects and suppliers Kgalagadi Women in Mining production Drilling and ProjectsBFMS Mining and Drilling SolutionsShe sanitation solutionsTsantsabane youth Maths and Science Academy Paxtrlo Logistics and mining construction projects Babommope
Acting CFO: N Keswa (22/12/2021-17/01/2022 and 05-19/04/2022)	Reatlegile Contrusction and Projects Ko re tswang teng Fondation Amazingly organic skincare Nisaidie Financial Services
Acting Director Technical Service: V Seane (01/02/2022 - 30/06/2022)	Micent Engineering Resources and Solutions
	Diane Dikopane Solutions New Strategy Consulting Reba Electrical
Acting Director Technical Service: BM Kgosieng (02/08/2021 - 31/01/2022)	
Chief Financial Officer: K. Noke Municipal Manager: MM Tsatsimpe Councillor: G.N Masegela	KAYN Projects- Director Director at Chitahvi Holdings Boka ResourcesKuru Cross ResourcesNeo YaResegofetse Properties (Pty) LtdDitswangmung Investments (PTY) Ltd Kumba Iron Ore Bafumahadi khumo Enterprise and
Councillor: K.G Molokwe Councillor: N.G Thupaemang	

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

	Projects - Director Mmeotshwara
	Thipa Ka Ha Bogaleng Primary
	Cooperative Limited - Director
	Ditswammung Mineral Resources
	Consortium Director Mseko
	Enterprise and Project
Councillor: G.C Assegai	Bomme-sejo Services and Supply
	Cooperative Limited -
	Director Gadikgadi - Director Self-
	Propelled Trading and Projects -
	Director
Councillor: E.B Modise	Bomme-sejo Services and Supply Co-
	operative Limited
Councillor: G.N Mntuyedwa	Masakeng A Dipodi Primary Co-
	operative Limited Director TOLT
	Business Enterprise Sekhutlong Holdings
Councillor: K.B Madikiza	Battharos Sound Hire -
	Director Tlotlanang Catering
	Director Bomme-Sejo Services and
	Supply Cooperative Limited -
	Director By Fire Business
	Enterprise Obitseng Trading
Councillor: O.D Mathibe	Nomisa Enterprise - Director
Councillor: M.P Galeboe	PKS Trading - Director Phoggie N
	Sego Trading Enterprise

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

40. RELATED PARTIES (CONTINUED)

Councillor: M.G Reetsang	Oneway Maruping RecyclingProject Primary Co- operative LimitedLetlotlo Lame Trading and ProjectsTsoga Moreetsi Trading and Projects 1974 Celesti Trading and Projects 17 Enterprise Director-Acsb Reaction and PI services Director-T O L T Business EnterpriseDirector- Masakeng A Dipodi Primary Co-operativeLimited Phitlhelelo Driving School Black Blazer BuildingConstruction and Projects
Councillor: Moagi Councillor: I Tshetshemeserogwe Councillor: A Van Der Westhuisen Councillor: K.A Nels	Director at MMA- Mpelegele Ngwana DaycareDirector - Disangkitso Entreprise Director- One way Maruping RecyclingProjectprimary Co-operative LimitedDirector- Letlotlo Lame Trading and ProjectsDirector-Tsogang Moreetsi Trading and ProjectsDirector-Joyful Attempt Construction and ProductionDirector-Bokone Minning Primary Co operativeLimitedDirector-Nkavutha Transport Services and projectsDirector- Mpho ya Basadi Suppliers and ProjectsDirector-Bangeko Construction and projectsDirector-Gamotinye Investment HoldingDirector-Ditukus ProjectsDirector-AbotypeDirector- TulasignDirector-AbotrimDirector- LadospaceDirector-Batlharo le Batlhaping Minning SolutionsDirector-NC Women Minning Projects S K Lesley General Trading Director- Renyaditswe Mining and Multi ProjectsDirector- MBR Mining Transport and Projects Director- V CharlesDirector- Wrenchville United Youth Club General Trading and Projects Peo E Weste Primary Co-oprative Limited Dithaaba DintleMaropeng LogisticsReatile Mine Mosanako Refer note 28. Refer note 29.
Councillor: L.N Makoke	
Councillor :M.F Disang	
Councillor :N.G Ngesi	
Councillor:S.K Lesley Councillor: C.O Mojaki	
Councillor: C.V Philips	
Councilor: T. Merementsi Councillor: S.I Kok Councillor: L.C Moseki	
Councillor: T.E Meyers Remuneration of members of key management Remuneration of council members	

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
40. Related parties (continued)		
Related party transactions		
Salaries paid to related parties of councillors.		
R.M. Meyers (Wife to councillor T.E. Meyers)	167,027	432,521
G.Nels (Son to Councillor K. Nels)	196,140	658,484
O. Nels (Son to Councillor K. Nels)	183,460	661,612
G. Sibi (Daughter to Councillor N.G Thupaemang)	128,460	453,788
K.V. Makoke (Brother to Councillor L.N. Makoke)	162,985	389,666
D. Baepi (Brother to Councillor L.C. Moseki)	142,745	540,951
K.M. Modise (Daughter to Councillor B.E. Modise)	110,098	299,223
S.P Disipi (Wife to N.G Disipi)	105,706	387,654
Related party transactions		
Councilor: N.G Ngesi Mabenaki JR Projects JV	1,315,217	2,630,435

RELATED PARTY TRANSACTIONS KEY MANAGEMENT AND COUNCILORS

The municipality has the following current employee benefit obligations and made other non-employee cost related cost payments towards senior management of 30 June 2022

Leave and bonus balances due to key management and family members on year end

Key management	Leave	Bonus	Travel andSubsist ence	Total
M Tsatsimpe	258,346	-	181,146	439,492
K Noke	8,387	-	178,779	187,166
T Jarvis	107,954	25,326	-	133,280
N Keswa	77,452	18,575	-	96,027
R Pule	129,811	-	154,200	284,011
MM Gaselebelwa	83,164	19,797	-	102,961
FK Baloyi	119,997	-	292,240	412,237
CL Scholtz	70,445	16,894	-	87,339
MA Keetile	73,864	17,714	-	91,578
H Smit	-	-	12,000	12,000
V Seane	98,184	23,546	-	121,730
BM Kgosieng	107,954	25,698	-	133,562
G Monchwe	83,164	8,660	-	91,824
	1,218,722	156,210	818,365	2,193,207

The municipality has the following current employee benefit obligations and made other non-employee cost related cost payments towards senior management of 30 June 2021.

Leave and bonus balances due to key management and family members on year end

Key management	Leave	Bonus	Travel and Subsistence	Total
M Tsatsimpe	258,346	-	181,146	439,492
K Noke	92,261	-	195,032	287,293

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June

2022				
T Jarvis	67,656	24,470	-	92,126
N Keswa	94,806	24,002	-	118,808
R Pule	76,360	-	154,200	230,560
MM Gaselebelwe	104,240	7,540	-	111,780

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

40. Related parties (continued)

FK Baloyi	95,452	-	194,827	290,279
CL Scholtz	17,963	21,830	-	39,793
MA Keetile	65,927	35,971	-	101,898
H Smit	-	-	98,352	98,352
V Seane	57,859	26,080	-	83,939
BM Kgosieng	64,837	29,364	-	94,201
G Monchwe	43,434	18,851	-	62,285
	1,039,141	188,108	823,557	2,050,806

Outstanding balances as at year end 30 June 2022

Councillors	Rates	Service charges	Other	Interest	Total
AWP Van Der Westhuizer	-	3,967	-	142	4,109

Mayor	Rates	Service charges	Other	Interest	Total
N Masegela	-	16,116	-	-	16,116

Outstanding balances as at year end 30 June 2021

Councillors	Rates	Service Charges	Other	Interest	Total
GC Assegai	4,581	-	-	1,750	6,331
AWP Van Der Westhuizen	-	13,818	-	815	14,633
LR Nelson	554	254	-	64	872
NG Thupaemang	1,109	-	-	-	1,109
DT Mpala	-	-	-	11	11
	6,244	14,072	-	2,640	22,956

Mayor	Rates	Service Charges	Other	Interest	Total
N Masegela	5,723	11,783	-	503	18,009

41. Risk management

Financial risk management

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

41. 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 June 30, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	5,914,289	-	-	-
Employee benefit obligation	2,904,000	35,435,000	-	-
Trade and other payables	65,973,706	-	-	-
Finance lease obligation	744,098	427,942	-	-
Other financial liabilities	2,275,769	6,080,009	-	-
Unspent conditional grants and receipts	17,399,799	-	-	-
	-	-	-	-

At June 30, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	5,310,255	-	-	-
Employee benefit obligation	1,452,000	34,131,000	-	-
Trade and other payables	72,781,136	-	-	-
Finance lease obligation	739,380	664,938	-	-
Other financial liabilities	2,181,862	8,355,780	-	-
Unspent conditional grants and receipts	31,595,764	-	-	-

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 municipality 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	June 30, 2022	June 30, 2021
Receivables from exchange transactions	43,140,739	38,197,626
Receivables from non-exchange transactions	29,994,036	23,488,090
Cash and cash equivalents	95,153,067	90,466,140

Market risk

Interest rate risk

Notes to the Annual Financial Statements

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 municipality 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

42. 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:

- Material electricity losses to the amount of R18 502 841 (2021: R16 382 794) was incurred which represents 16.55% (2021: 21,83%) of total bulk electricity purchased.
- Material water losses to the amount of R4 022 217 (2021: R33 144 921) was incurred which represents 32% (2021: 69%) of water purchased.
- -Material impairment of R49 781 617 (2021: R45 395 094) as a result of a debt impairment of receivables from exchange transactions, due to non-collection of outstanding balances owned to the municipality due to mothibistad debt that amount to atleast 80% of municipal debtors. The municipality is unable to collect this debt through its credit control policy due to electricity being directly supplied by Eskom. We are therefore not able to implement electricity disconnections to enforce payment. Also the municipality has a valuation roll that it provides as basis for it to levy rates and taxes..
- -Material impairment of R19 356 082 (2021: R15 807 920) 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 R4 915 395 (2021: R18 376 515) on property, plant and equipment due to assets that were written off

Despite the above negative indicators, the municipality is a going concern because of the following:

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.

	2022/23	2023/24	2024/25
Finance Management Grant (FMG)	3,100,000	3,100,000	3,100,000
Expanded Public Works Program (EPWP)	1,519,000	-	-
Municipal Infrastructure Grant (MIG)	60,738,000	63,407,000	66,247,000
Integrated National Electrification Grant	25,250,000	16,354,000	17,088,000
Water Services infrastructure (WSIG)	30,000,000	42,250,000	44,111,000
Equitable Share	210,902,000	229,604,000	250,224,000
Energy Efficiency and Demand-Slide Management Grant (EEDMG)	5,000,000	-	5,000,000
	336,509,000	354,715,000	385,770,000

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

43. Unauthorised expenditure

Opening unauthorised expenditure	67,810,223	21,355,929
Current year	33,915,000	67,810,223
Written-off	(79,965,006)	(21,355,929)
	21,760,217	67,810,223

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

43. UNAUTHORISED EXPENDITURE (CONTINUED)

Reconciliation of operating and capital expenditure versus actual

Operating expenditure budget Vote Description	Adjusted Budget amount by	Actual spent GL vote	Variance	Budget vs actual Unauthorised
Expenditure by Vote				
Vote 1 - EXECUTIVE & COUNCIL	17,705,000.00	26,823,000.00	9,118,000.00	9,118,000.00
Vote 2 - FINANCE AND ADMINISTRATION	220,465,000.00	221,362,000.00	897,000.00	897,000.00
Vote 3 - COMMUNITY AND SOCIAL SERVICES	15,968,000.00	14,990,000.00	(978,000.00)	-
Vote 4 - SPORTS & RECREATION	10,161,000.00	9,629,000.00	(532,000.00)	-
Vote 5 - PUBLIC SAFETY	20,853,000.00	21,874,000.00	1,021,000.00	1,021,000.00
Vote 6 - PLANNING AND DEVELOPMENT	37,183,000.00	38,625,000.00	1,442,000.00	1,442,000.00
Vote 7 - ROAD TRANSPORT	9,855,000.00	15,362,000.00	5,507,000.00	5,507,000.00
Vote 8 - ENVIRONMENTAL PROTECTION	226,000.00	201,000.00	(24,000.00)	-
Vote 9 - ENERGY SOURCES	133,129,000.00	142,046,000.00	8,917,000.00	8,917,000.00
Vote 10 - WATER MANAGEMENT	34,895,000.00	25,523,000.00	(9,373,000.00)	-
Vote 11 - WASTE WATER MANAGEMENT	8,655,000.00	11,125,000.00	2,470,000.00	2,470,000.00
Vote 12 - WASTE MANAGEMENT	18,140,000.00	19,829,000.00	1,689,000.00	1,689,000.00
Vote 13 - OTHER	250,000.00	-	(250,000.00)	-
Total Expenditure by Vote	527,484,000.00	547,389,000.00	19,904,000.00	31,061,000.00
Capital expenditure budget				
Vote Description	Adjusted Budget amount by	Actual spent GL vote	Variance	Budget vs actual Unauthorised

Single-year expenditure to be adjusted

Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION	6,407,000.00	3,574,000.00	(2,832,000.00)	-
Vote 3 - COMMUNITY AND SOCIAL SERVICES	8,478,000.00	7,371,000.00	(1,107,000.00)	-
Vote 4 - SPORTS & RECREATION	-	-	-	-
Vote 5 - PUBLIC SAFETY	13,515,000.00	12,415,000.00	(1,100,000.00)	-
Vote 6 - PLANNING AND DEVELOPMENT	200,000.00	37,000.00	(163,000.00)	-
Vote 7 - ROAD TRANSPORT	44,345,000.00	39,122,000.00	(5,223,000.00)	-
Vote 8 - ENVIRONMENTAL PROTECTION	-	-	-	-
Vote 9 - ENERGY SOURCES	79,746,000.00	69,423,000.00	(10,323,000.00)	-
Vote 10 - WATER MANAGEMENT	39,443,000.00	28,785,000.00	(10,658,000.00)	-
Vote 11 - WASTE WATER MANAGEMENT	6,000,000.00	8,854,000.00	2,854,000.00	2,854,000.00
Vote 12 - WASTE MANAGEMENT	-	-	-	-
Capital single-year expenditure sub-total	198,135,000.00	169,581,000.00	(28,552,000.00)	2,854,000.00
Total Unauthorised				33,915,000.00

44. Fruitless and wasteful expenditure

Opening balance as previously reported	-	150,693
Add: Expenditure identified - current year	181,140	-
Less: Amount written off	(181,140)	(150,693)
	-	-

Notes to the Annual Financial Statements

The fruitless and wasteful expenditure relates to interest charged on overdue accounts. The Fruitless and wasteful expenditure in the Note are exclusive of Vat

DETAILS OF POSSIBLE FRUITLESS AND WASTEFUL EXPENDITURES UNDER ASSESSMENT (NOT INCLUDED IN THE MAIN NOTE)

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

44. Fruitless and wasteful expenditure (continued)

Non-compliance with the Leave Policy and Collective agreement on conditions of service for the Northern Cape Division of the SALGB	2,429,061	-
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45. Irregular expenditure

Opening balance	19,643,822	3,249,015
Add: Irregular Expenditure - current year	138,409,286	18,864,640
Add: Irregular expenditure - current year identified during audit	28,493,350	-
Less: Amount written off	(26,273,112)	(2,469,833)
	160,273,346	19,643,822

Analysis of irregular expenditure - Current year

Bid Adjudication Committee not compliant with regulation	3,731,425	11,378,198
SCM Regulation 32 Appointment	2,739,358	4,687,417
Appointment of Panels	130,238,627	28,493,350
SCM Regulation 13 Appointment	1,541,369	-
	-	-
Unit rates	158,507	2,799,025
	138,409,286	47,357,990

Steps taken with regards to Irregular expenditure

-

An investigation of irregular expenditure was conducted by MPAC and they recommended Council to write-off irregular expenditure.

The irregular expenditure figures in the note are inclusive of VAT

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022 R	2021 R
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46. Additional disclosure in terms of Municipal Finance Management Act

Bulk Electricity and water Losses in terms of section 125 (2)(d)(i) of the MFMA

June 30, 2022	Lost units	Tariff	Value
Unaccounted electricity losses	19 476 675	0,95	18 502 841

June 30, 2021	Lost units	Tariff	Value
Unaccounted electricity losses	14 575 146	0,95	16 382 794

Volume in KWH/year	June 30, 2022	June 30, 2021
System Input Volume	83 765 128	81 329 689
Billed Consumption	68 288 453	66 754 543
Distribution Loss	19 476 675	14 575 146
Percentage Distribution Loss (%)	23%	18%

June 30, 2022	Lost units	Tariff	Value
Unaccounted for water losses	953 132	4,22	4 022 217

June 30, 2021	Lost units	Tariff	Value
Unaccounted for water losses	4 076 866	8,13	33 144 921

Volume in KI/year	June 30, 2022	June 30, 2021
System Input Volume	2 958 931	5 884 075
Billed Consumption	2 005 799	1 807 209
Distribution Loss	953 132	4 076 866
% Distribution loss	32%	69.00%

Included in both water and electricity losses is the municipal own consumption at various municipal facilities.

SDL

Opening balance	(199,986)	180,800
Current year subscription / fee	1,459,013	1,039,037
Amount paid - current year	(1,459,013)	(1,419,823)
	(199,986)	(199,986)

PAYE and UIF

Current year subscription / fee	25,759,697	20,859,716
Amount paid - current year	(25,759,697)	(20,859,716)
	-	-

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	2022	2021
	R	R
46. Additional disclosure in terms of Municipal Finance Management Act (continued) Pension and Medical Aid Deductions		
Current year subscription / fee	24,111,805	21,294,742
Amount paid - current year	(24,111,805)	(21,294,742)
	-	-

COUNCILLORS' ARREAR CONSUMER ACCOUNTS

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

June 30, 2022	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
A.W.P. van der Westhuizen	3,069	1,040	4,109
N.G. Masegela	16,116	-	16,116
	19,185	1,040	20,225

June 30, 2021	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
N.G Masegela	7,115	10,895	18,010
G.C Assegai	231	6,100	6,331
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
D.T. Mpala	620	19,607	20,227
	14,804	73,772	88,576

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Key management and Councillors receive and pay for services on the same terms and conditions as other rate payers and residents.

47. Auditors' remuneration

External Audit	5,091,946	5,721,484
Internal Audit	760,222	2,991,186
	5,852,168	8,712,670

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

48. Financial instruments disclosure

Categories of financial instruments

2022

Financial assets

	At fair value	At amortised cost	At cost	Total
Trade and other receivables from exchange transactions	-	43,140,739	-	43,140,739
Other receivables from non-exchange transactions	-	29,994,036	-	29,994,036
Cash and cash equivalents	-	-	95,153,067	95,153,067
VAT	-	-	16,417,530	16,417,530
	-	73,134,775	111,570,597	184,705,372

Financial liabilities

	At fair value	At amortised cost	At cost	Total
Other financial liabilities	-	8,355,778	-	8,355,778
Trade and other payables from exchange transactions	-	76,934,774	-	76,934,774
Finance lease liability	-	1,172,040	-	1,172,040
Consumer deposits	-	5,914,289	-	5,914,289
	-	92,376,881	-	92,376,881

2021

Financial assets

	At fair value	At amortised cost	At cost	Total
Trade and other receivables from exchange transactions	-	39,332,607	-	39,332,607
Other receivables from non-exchange transactions	-	40,732,742	-	40,732,742
Cash and cash equivalents	-	-	90,466,140	90,466,140
VAT	-	8,103,998	-	8,103,998
	-	88,169,347	90,466,140	178,635,487

Financial liabilities

	At fair value	At amortised cost	At cost	Total
Other financial liabilities	-	10,537,642	-	10,537,642
Trade and other payables from exchange transactions	-	59,005,986	-	59,005,986
Finance lease liability	-	1,404,318	-	1,404,318
Consumer deposits	-	5,310,255	-	5,310,255
	-	76,258,201	-	76,258,201

Notes to the Annual Financial Statements

FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

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 into account the financial position, past payment history and also considers the municipality's internal control systems on debt collection and credit risk management.

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

49. DEVIATIONS

Supply chain management regulations

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	AMOUNT	DESCRIPTION
Strip and QuoteThe service provider had to strip the car to diagnose the fault during the service and maintenance (milliage). The service provider thereafter had to fix the faults. No Reg 18 can be undertaken as the car can only be taken to the manufacturer/dealer of the car.	19 July 2021	John Williams-Bloemfontein	62,482	Car Service and Maintenance
It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety	15 July 2021	Prodiba	28,203	License Disc
It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety	29 July 2021	Prodiba	24,332	License Disc
Sole Service ProviderThe service provider had to calibrate the testing machine. The machine is used for testing vehicles. The machine can only be callibrated by the manufacturer of the machine.	12 August 2021	Workshop Electronics	37,770	Maintenance Service
Strip and QuoteThe cherry picker was malfunctioning and had to be sent to the mechanic to diagnose the fault. The diagnosis established that the cherry picker needed to be fitted with the control kit. No three quotations can be sourced as the service provider needed to diagnose the fault first.	19 August 2021	Precision Hydraulics	10,161	Mechanical Servicest
Strip and QuoteThe service provider had to strip the car to diagnose the fault during the service and maintenance (milliage). The service provider thereafter had to fix the faults. No Reg 17 can be undertaken as the car cannot only be taken to the manufacturer/dealer of the car.	28 August 2021	Gariep Motors	7,061	Car Service and Maintenance
It is impractical to follow SCM processes as the Service Provider was appointed by National	Department of Public Safety			

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

<p>Do not follow the SCM processes as the Service Provider was appointed by National Department of Public Safety</p> <p>Sole Service Provider. The service provider had to strip the car to diagnose the fault during the service and maintenance (millage). The service provider thereafter had to fix the faults. No Reg 17 cannot be undertaken as the car can only be taken to the manufacturer/dealer of the car.</p> <p>Sole Service Provider. The Water truck had reached its millage parameters, and was due for service. The truck can only be serviced by the agent or the manufacturer of the truck</p>	<p>License Disc</p> <p>13 September 2021</p> <p>Gariep Motors</p>	<p>25,119 Car Service and Maintenance</p>
<p>It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety</p>	<p>09 September 2021</p> <p>Universal Repairs</p>	<p>8,563 Millage Services</p>
<p>It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety</p>	<p>20 September 2021</p> <p>Prodiba</p>	<p>33,101 License Disc</p>
<p>It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety</p>	<p>21 October 2021</p> <p>Prodiba</p>	<p>30,020 License Disc</p>

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

49. DEVIATIONS (CONTINUED)

Strip & QuoteThe service provider had to strip the air cons to locate and detect the faults, thereafter fix them. This was due to the air cons not working properly. In certain instances, the air cons had to be services, where at the inception the service provider would not know what work will be undertaken. It is impractical to follow Reg 18 processes as the works to be carried out cannot be determined beforehand.	08 November 2021	LP Refrigeration and Projects	41,045 Services to Aircons
Strip & QuoteThe vaccum tanker was built by TFM Industries, so as the manufacturer of the tanker, the truck was sent to him to diagnose, the fault. The fault was diagnosed and the following works had to be carried out:Pipping assembly, including exhauster, snifting valve and moisture reparator.	08 November 2021	TFM Industries (Pty) Ltd	115,464 Service and Maintenance - Water Truck
Strip & Quote - Sole ProviderThe car was taken in for strip and quote at the Mercedes Benz dealership. Upon diagnosis of the fault, iy was found that theturbo charge was damaged and needed replacement. No three quotations could be sourced as the faults had to be detected first and thereafter worked on.	23 November 2021	John Williams-Bloemfontein	8,754 Mechanical Service - Turbo Charge
Strip & Quote - Sole ProviderCar service and maintenance can only be done by Power Star or an agent authorised by Power Star. Power Star is the manufacturer of the the truck. Almighty is authorised dealer or Power Star. No three quotations can be obtained as the dealer has to diagnose the services to caaried out first, thereafter act on the diagnosis report, It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety	23 November 2021	Almighty Equipment	6,103 Mechanical Service
It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety	30 November 2021	Page Automation	36,735 License Disc
Strip & QuoteThe service provider had to strip the lift and diagnose the fault, thereafter fix the faults,	30 november 2021	Prodiba	28,124 License Disc
It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety	09 December 2021	Omogolo Consulting CC	45,000 Stir Lift Service and Maintenance
It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety	Service Provider was appointed by National Department of Public Safety		

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

License Disc	10 February 2022	Prodiba 22,831
Strip and Quote: The water tank on the fire truck was malfunctioning, and the municipality could NOT diagnose the fault. As the result the truck was send to the truck manufacturer to diagnose the faults. Marce Projects (Pty) Ltd, as the manufacturer diagnosed the fault thereafter repaired the faults.	License Disc 14 February 2022 Marce Fire Technology	151,912 Mechanical Works
Sole Provider: The municipality uses the Traffic fines systems provided for TCS called TCMS (Traffic Contraventions Management System). Annually the license must be renewed. No other service provider can provide this license other than the owners of the system themselves, hence NO other quotations can be sourced using Reg 18.	22 February 2022	57,152 License Fee
It is based on the above reasons that the municipality have to deviate.	Total Computet Services	

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

49. DEVIATIONS (CONTINUED)

Emergency / Strip and Quote: Caravan Park has been booked for park camping by The Desperados. The booking is for the 25/02/22 – 28/02/2022). Upon inspection by the municipal officials, it was discovered that the abolition block had been vandalised and needed to be repaired. In certain instances, geysers were NOT functioning and the contractor/ service provider has to diagnose the faults and thereafter fix the problems. The procurement processes to be followed should be Reg 18, however based on the short-term period of time, it would be impractical to undertake these processes as the invitation has to be placed on the municipal notice boards and website for a minimum seven days. The municipality therefore dispense of the normal procedure and processes for this range of procurement, and requested a minimum of three quotations due to the urgency of the works to be completed

Sole Provider: The municipality make use of the Munsoft for its accounting system. Linked to it is the meter reading system. The municipality is required to use the meter reading device for its meter reading purposes. It is not practical to use the any other device not linked to the accounting system of the municipality. It is based on this reason that the municipality cannot source three quotations as only Munsoft can provide meter reading devices compatible to its system. Furthermore, the batteries of the existing devices have worn out and needs replacing. As the devices are the ones sourced from Munsoft, only batteries of the devices can be used on the device and only Munsoft can provide such batteries.

23 February 2022

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Gaoemelw

Enterprise
(Pty) Ltd

197,000 Repairs and
Maintenance Works

03 March 2022
(Pty)

Munsoft
Ltd

24,679 Supply of
Meter
Reading
Devices

It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety.

17 March 2022

Prodiba

40,685 License Disc

Sole Provider and Strip and Quote: The water truck went for routine maintenance and service. It was diagnosed with other faults while servicing the vehicle. The authorised dealer of Powerstar being Almighty Equipment provided the service. No three quotations can be received from the suppliers in this case,

12 April 2022

Almighty
Equipment

8,504 Mechanical
Service

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

Strip and Quote: The compact car truck was taken in for fault diagnosis at the dealer. The supplier has to strip the vehicle to locate fault, thereafter fix the fault. It is on this basis that no three quotations can be sourced from different suppliers, It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety	12 April 2022	Motus Group	12,581 Mechanical Service
	05 May 2022	Prodiba	25,675 License Disc
	20 May 2022	Prodiba	29,941 License Disc
Sole Provider: The testing machine (driving department) has to be calibrated on regular intervals. Only the provider of the machine which is Workshop Electronics has the sole right to the machine, hence no other quotations can be obtained from other service providers.	31 May 2022	Workshop Electronics	108,779 Calibration Services
It is impractical to follow SCM processes as the Service Provider was appointed by National Department of Public Safety	08 June 2022	Prodiba	13,272 License Disc

Notes to the Annual Financial Statements

49. DEVIATIONS (CONTINUED)

Sole Provider and Strip and Quote: The car only be serviced at Mercedes Benz. The vehicle CRF 957 NC had to be serviced for millage interval. During the service the car had to be diagnosed for any other fault, and be fixed thereafter. It is therefore impractical to place an advert on the notice board for service providers,	17 June 2022	John Williams Bloemfontein	32,527 Car Maintenance and Services
	17 June 2022	John Williams Bloemfontein	37,909 Car Maintenance and Services
Sole Provider and Strip and Quote: The car only be serviced at Mercedes Benz. The vehicle CLF 286 NC had to be serviced for millage interval. During the service the car had to be diagnosed for any other fault, and be fixed thereafter. It is therefore impractical to place an advert on the notice board for service providers,	17 June 2022	Prodiba	55,639 Car Maintenance and Services
Sole Provider: The municipality make use of the Massmatic software at the landfill Site (weight bridge). On annual basis the license must be renewed. Only Massmatic can provide the license, as a result no three quotations can be sourced from suppliers.	30 June 2022	Massmatic	5,003 Supply of Meter Reading Devices

1,432,798

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

50. Prior period errors

		Previously reported	Adjustment	Re- classification	Restated	Refer
	Note(s)	R	R	R	R	R
Assets						
Current Assets						
Inventories	3	66,779,464	200,000	-	66,979,464	[6]
Receivables from non-exchange transactions	4	22,042,599	1,445,491	-	23,488,090	[2]
Receivables from exchange transactions	6	57,531,406	(19,333,780)	-	38,197,626	[2]
VAT	5	6,270,980	1,833,018	-	8,103,998	[10]
Cash and cash equivalents	7	90,466,140	-	-	90,466,140	
		243,090,589	(15,855,271)	-	227,235,318	
Non-Current Assets						
Investment property	8	18,229,634	2,024,065	-	20,253,699	[8]
Property, plant and equipment	9	1,585,815,209	7,784,860	-	1,593,600,069	[7]
Intangible assets	10	722,012	-	-	722,012	
Heritage assets	11	1,655,642	-	-	1,655,642	
		1,606,422,497	9,808,925	-	1,616,231,422	
Total Assets		1,849,513,086	(6,046,346)	-	1,843,466,740	
Liabilities						
Current Liabilities						
Other financial liabilities	12	2,181,862	-	-	2,181,862	
Finance lease obligation	13	739,380	-	-	739,380	
Payables from exchange transactions	14	70,064,798	2,716,333	-	72,781,131	[3]&[1]
Consumer deposits	15	5,310,255	-	-	5,310,255	
Employee benefit obligation	16	1,452,000	-	-	1,452,000	
Unspent conditional grants and receipts	17	31,595,764	-	-	31,595,764	
		111,344,059	2,716,333	-	114,060,392	
Non-Current Liabilities						
Other financial liabilities	12	8,355,780	-	-	8,355,780	
Finance lease obligation	13	664,938	-	-	664,938	
Employee benefit obligation	16	34,131,000	-	-	34,131,000	
Provisions	18	24,173,786	-	-	24,173,786	
		67,325,504	-	-	67,325,504	
Total Liabilities		178,669,563	2,716,333	-	181,385,896	

Ga Segonyana Local Municipality

Notes to the Annual Financial Statements

Net Assets	1,670,843,52	(8,762,679)	-	1,662,080,84
	3			4
Accumulated surplus	1,670,843,52	(8,762,678)	-	1,662,080,84
	2			4

[9]

Ga Segonyana Local Municipality

50. Prior period errors (continued)

Statement of Financial Performance

		PREVIOUS LY REPORTED	ADJUSTMENT RE- CLASSIFICATION	Restated	Referen
	Note(s)	R	R	R	R
Revenue					
Revenue from exchange transactions					
Sale of Stands		7,209,208	1,023,430	-	8,232,638 [3]
Service charges	20	158,153,269	(713,398)	-	157,439,871 [1]
Rental of facilities and equipment	21	2,012,071	-	-	2,012,071
Interest on outstanding receivables		3,848,481	-	-	3,848,481
Agency services		-	-	-	-
Licences and permits		3,351,478	-	-	3,351,478
Other income		4,566,061	-	-	4,566,061
Interest received - investment	25	3,864,834	-	-	3,864,834
Total revenue from exchange transactions		183,005,402	310,032	-	183,315,434
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	26	49,763,478	-	-	49,763,478
Interest on outstanding receivables		1,667,363	-	-	1,667,363
Transfer revenue					
Government grants & subsidies	27	389,557,952	-	-	389,557,952
Public contributions and donations		-	-	-	-
Fines, Penalties and Forfeits		3,417,910	-	-	3,417,910
Total revenue from non-exchange transactions		444,406,703	-	-	444,406,703
Total revenue	19	627,412,105	310,032	-	627,722,137
Expenditure					
Employee related costs	28	(151,395,151)	-	-	(151,395,151)
Remuneration of councillors	29	(9,842,705)	-	-	(9,842,705)
Depreciation and amortisation	30	(65,944,055)	(1,036,628)	-	(66,980,683) [7]
Impairment loss		-	-	-	-
Finance costs	31	(10,462,752)	(3,034)	-	(10,465,786) [5]
Debt Impairment	32	(13,822,992)	-	-	(13,822,992)
Bad debts written off		(1,469,365)	-	-	(1,469,365) [2]
Bulk purchases	34	(125,634,275)	26,225,000	-	(99,409,275) [4]
Contracted services	35	-	(65,829,276)	-	(65,829,276) [4]
Cost of land sold		(15,105,400)	-	-	(15,105,400)
		-	-	-	-
General Expenses	36	(106,961,608)	39,607,311	-	(67,354,297) [4]&[5]

* See Note 50

Ga Segonyana Local Municipality

Total expenditure		(500,638,303)	(1,036,627)	-	(501,674,930)
Operating surplus		126,773,802	(726,595)	-	126,047,207
Gains/(Loss) on disposal of assets		(18,409,890)	33,375	-	(18,376,515)
Actuarial gains/losses	16	(2,603,000)	-	-	(2,603,000)
		(21,012,890)	33,375	-	(20,979,515)

* See Note 50

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

		2022	2021
			Restated*
	Note(s)	R	R
50. Prior period errors (continued)			
Surplus for the year		105,760,912	(693,220) - 105,067,692

[1] Service charges decreased by R713 398 as a result of the adjustment in prepaid electricity estimates. Sundry payables also increased with the same amount..

[2] The receivables from non-exchange increased by the R1 445 490.74 due to the correction of differences identified between the age analysis and the prior year's amount disclosed in the prior year's financial statements and receivables from exchange transactions decreased by R19 333 780 as a result of derecognition of cigicell debt bad debt write-off and difference if the General ledger and .

[3] Sale of stands revenue increased by R1 023 429 and sale of stands payables decreased by R1 176 943.92 and Vat liability increased by R153 514.42 due to stands sold by the municipality in prior years where ownership had transferred to the buyer

[4] Contracted services increased by R69 072 603 due to a reclassification of Sedibeng Water invoice with an amount of R26 225 000 which resulted in the amount of contracted services being material and disclosed on the face of the Statement of Financial Performance in terms of GRAP 1. This also resulted in decrease in general expenses with an amount of R42 847 604.

[5] Finance costs increased by R3 034 due to correction of interest included in the audit fee, and general expenses decreased with the same amount.

[6] Inventory increased by R200 000 due to an understatement in the prior year resulting in an increase in inventory and decrease in accumulated surplus.

[7] Property Plant and Equipment increased by R 7,784,860 due to recognition of Property, Plant and Equipment initially not recognised in the prior years. Depreciation and amortisation increased by R1 036 628 due to a correction of error on infrastructure assets.

[8] Investment property increase R2 024 065 due to recognition investment property not initially recognised in the prior year

[9] Accumulated surplus decreased by R8 762 679 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

[10] Vat receivable increased by R1 833 018 as a result of derecognition of CIGI debtor r1 948 817 and recognition of revenue from sale of stands R48 756...

The accounting policies on pages 19 to 42 and the notes on pages 43 to 103 form an integral part of the annual financial statements.

51. 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;

* See Note 50

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30
June 2022

Statutory Receivable

Vat receivables	16,417,530	8,103,998
Receivables from non exchange transactions	29,994,036	23,488,090
	46,411,566	31,592,088

* See Note 50

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30
June 2022

	2022	2021
		Restated*
Note(s)	R	R

52. Events after the reporting date

There were no events after reporting period .

53. CHANGE IN ESTIMATE PROPERTY, PLANT AND EQUIPMENT

The estimated useful lives of assets were reviewed at 30 June 2022. The change of estimate was done only on asset that had 1year remaining as useful life, however they are still in use and in good condition,thus the change in the useful life was done on the remaining useful life based on the condition of the asset The effect of the adjustment is as follows:

Asset Description		
Intangibles	22,953	-
Infrastructure	133,205	4,085,240
Buildings	87,624	-
Movables	633,583	624,770
	877,365	4,710,010

54. 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 standardised 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 is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

* See Note 50

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

RESTATED*

54. Segment information (continued) 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 executiveservices, support services to the executive and finance &administration services
Finance and administration	Provision of financial and administrative services to othersegments of the municipality
Public Safety, Community and Social Services	Provision of public safety, an acceptable standard of SocialServices, Emergency Services, Environmental and HealthServices, Community Safety and Road Traffic Management
Sports and Recreation	Provision of advancement of participation in sport andrecreation, Fast-tracking the revival ofsport, Talentidentification and optimization of talent, Empowermentprogrammes
Planning and Development	Provision of planning and development including policy andprocedures. Co-ordination work relating to the preparation ofthe Annual Development Programme and its review
Road Transport	Construction and maintenance of roads and infrastructureowned by the municipality
Environmental Protection	This segment consists of environmental services such asplanning & development, environmental protectin and roads& storm water
Energy Sources	This segment consists of all services for energy supply tothe community
Trading Services	This segment consists of all services for the management ofwaste water,water, refuse, electricity, in the municipal area
Segment 10	Goods and/or services

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

55. Segment information (continued)

Segment surplus or deficit, assets and liabilities 2022

	Executive	Finance	Public	Sports	Planning	RoadTrans	Environmental	EnergySou	TradingSer	Total
	andCouncil	andAdmini stration	Safety,Com munityand SocialServi ces	andRecreat ion	andDevelo pment	port	Protection	rces	vices	
Revenue										
Property rates	-	50,222,676	-	-	-	-	-	-	-	50,222,676
Interest on outstanding receivables-non exchange transactions	-	2,839,606	-	-	-	-	-	-	-	2,839,606
Grants and subsidies	7,243,491	26,663,241	37,702,319	1,664,247	9,045,648	43,670,380	520,077	129,325,585	146,480,167	402,315,155
Fines, penalties and forfeits	-	195,802	4,543,612	-	-	-	16,653	142,156	-	4,898,223
Sale of stands	-	-	-	-	1,786,942	-	-	-	-	1,786,942
Service charges	-	-	-	-	-	-	-	123,220,058	51,241,297	174,461,355
Rental of facilities	-	9,036	-	281,136	2,982,368	-	-	-	-	3,272,540
Interest on outstanding receivables-exchange transactions	-	1,668,827	-	-	-	-	-	-	-	1,668,827
Licences and permits	-	-	3,679,027	-	1,394	-	-	-	-	3,680,421
Other revenue	-	12,539,773	11,615	58,266	-	-	-	927	-	12,610,581
Interest on investment	-	-	-	5,054,603	-	-	-	-	-	5,054,603
Actuarial gains/(Losses)	-	1,859,000	-	-	-	-	-	-	-	1,859,000
Total segment revenue	7,243,491	95,997,961	45,936,573	7,058,252	13,816,352	43,670,380	536,730	252,688,726	197,721,464	664,669,929
Entity's revenue										664,669,929

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2022

	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
54. Segment information (continued)										
Expenditure										
Employee related costs	4,643,121	61,076,247	34,053,690	9,089,690	19,165,904	12,865,544	182,696	8,904,490	23,068,173	173,049,555
Remuneration of councilors	10,472,327	-	-	-	-	-	-	-	-	10,472,327
Depreciation, amortisation and impairment loss	-	55,465,290	-	-	-	-	-	-	-	55,465,290
Finance costs	-	3,475,199	23,250	30,254	30,563	129,051	4,684	434,001	2,388,347	6,515,349
Debt impairment	-	3,734,743	3,802	-	-	-	-	5,221	3,959,774	7,703,540
Bad debts	-	4,017,929	-	-	-	-	-	-	-	4,017,929
Cost land costs	-	-	-	-	2,902,000	-	-	-	-	2,902,000
General expenses	11,707,552	39,155,504	2,430,839	509,299	16,501,333	2,367,405	13,620	11,980,630	4,928,972	89,595,154
Contracted Services	-	49,050,012	352,419	-	25,200	-	-	-	22,131,734	71,559,365
Bulk purchases	-	-	-	-	-	-	-	120,721,658	-	120,721,658
Loss on disposal of assets	-	4,915,395	-	-	-	-	-	-	-	4,915,395
Total segment expenditure	26,823,000	220,890,319	36,864,000	9,629,243	38,625,000	15,362,000	201,000	142,046,000	56,477,000	546,917,562
Total segmental surplus/(deficit)										117,752,367

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

2021

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June
2022

54. Segment information (continued)

	Executive	Finance	Public	Sports	Planning	RoadTrans	Environmental	EnergySou	TradingSer	Total
	andCouncil	andAdmini stration	Safety,Com munityand SocialServi ces	andRecreat ion	andDevelo pment	port	Protection	rces	vices	
Revenue										
Property rates	-	49,763,478	-	-	-	-	-	-	-	49,763,478
Interest on outstanding receivables- non-exchange transactions	-	1,628,503	-	38,860	-	-	-	-	-	1,667,363
Grants and subsidies	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
Sale of stands	-	-	-	-	8,232,638	-	-	-	-	8,232,638
Service charges	-	-	-	-	-	-	-	112,383,812	45,056,059	157,439,871
Rental of facilities	-	307,376	21,757	1,377,767	305,171	-	-	-	-	2,012,071
Interest on outstanding receivables-exchange transactions	-	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

Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June

2022											
Interest on investment	-	3,864,834	-	-	-	-	-	-	-	-	3,864,834
Total segment revenue	6,990,996	77,738,430	34,996,231	4,053,895	18,194,149	23,324,794	522,274	248,671,648	213,229,720	627,722,137	
Entity's revenue											627,722,137

VOLUME III

	Executive and Council	Finance and Administration	Public Safety, Community and Social Services	Sports and Recreation	Planning and Development	Roads Transport	Environmental Protection	Energy Sources	Trading Sectors	Total
54. (continued)										
Segment information										
Expenditure	(3,375,486)	(51,427,859)	(30,704,991)	(8,415,840)	(17,516,281)	(6,507,173)	(6,809,123)	(6,823,720)	(1,981,467)	(151,395,151)
Employment related costs										
Remuneration of councillors	(9,842,705)	-	-	-	-	-	-	-	-	(9,842,705)
Depreciation, amortisation and impairment	-	(66,980,683)	-	-	-	-	-	-	-	(66,980,683)
	-	(3,937,781)	(25,068)	(42,381)	(162,103)	(152,160)	(251)	(457,272)	(5,688)	(10,465,786)

Annual Financial Statements for the year ended 30 June

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Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June

2022	Actual	-	(2,603,000)	-	-	-	-	-	-	-	(2,603,000)
	gain s/(Losses)										
	Total segment expenditure	(14,777,860)	(223,183,427)	(32,979,474)	(8,702,937)	(35,657,715)	(9,904,908)	(6,822,522)	(117,502,800)	(73,122,803)	(522,654,446)
	Total segmental surplus/(deficit)									105,067,692	

Ga Segonyana Local Municipality

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