

MAHIKENG LOCAL MUNICIPALITY



MAHIKENG

LOCAL MUNICIPALITY

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2020-2021

ANNUAL REPORT



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2020-2021

Compiled by

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CHAPTER 1

FOREWORD BY THE EXECUTIVE MAYOR



EXECUTIVE MAYOR

CIIR. B.K. DIAKANYO

Mahikeng Local Municipality is presenting the Annual Report for the 2020/21 financial year in compliance with Section 121, Chapter 12 of Local Government: Finance Management Act, 2003 (Act No.56 of 2003). The purpose of this annual report is;

- To provide a record of the activities of the municipality for the 2020/21 financial year;
- To provide a report on performance against the budget of the municipality for 2020/21, and
- To promote accountability to the local community

Transparency and public consultation is a constitutional requirement and are one of our key objectives. Transparency and public consultation is an obligation on municipalities to encourage the involvement of communities and community organisations in the affairs of the municipality. It is the responsibility of the municipality to find effective ways amid the covid-19 and its regulation to enhance and sustain two-way communication between itself and its target audience. The municipality has resorted to electronic and print media eg. Radio programmes, newspapers, website and social media to ensure that this constitutional responsibility is met without endangering the lives of the community. One of the key challenges in the municipal communication is to ensure that all provincial sector departments shares information with the municipality something that the District Development Model is currently addressing.

We have the pleasure to inform you that the municipality has tried hard to ensure that the basic services as prescribed by schedule 4 of the Constitution were provided to the community. We are proud that we have achieved most of our targets and acknowledge that there are certain targets in the scorecard that were not achieved and commit to work on and be able to report on them in the next financial year. These could not have been achieved had the municipality not

prioritised the procurement of new white and yellow fleet. This project started two years ago wherein the municipality bought fleet to maximise service delivery and 2020/2021 was no different.

Our management has worked very hard to address the matters in the Post Audit Action Plan after we improved our audit outcome in 2019/2020 from disclaimer to qualified opinion. We are confident that with time the target to achieve unqualified report will materialise. The financial viability has also improved as we can confidently report that most of our creditors are paid within the prescribed time frames. We have made arrangement with Sedibeng water and Eskom and we keep to our agreement.

I wish to thank members of the Mahikeng local Municipality Council, the Executive Committee, Dikgosi, other community stakeholders, Management and Staff and all members of strategic committees within the municipality for continuing to work together in making sure that our community has quality and sustainable service delivery especially in the area of water and sanitation.

Kind Regards



CLLR K.B. DIAKANYO

EXECUTIVE MAYOR

OVERVIEW BY THE MUNICIPAL MANAGER



MUNICIPAL MANAGER

MR. N.M. MOKGWAMME

Mahikeng Local Municipal has prepared and presented the Annual Report 2020/2021 in terms of Section 121 of the Local Government Municipal Finance Management Act of 2003 as well as other Treasury circulars, templates and guidelines. Section 121 (1) states that every municipality and municipal entity must for each financial year prepare an Annual Report in accordance with its guidelines. We are proud to present the 2021 Annual Report as a reflecting of our performance.

The Municipal Council sat to approve reports and adopted plans. The Integrated Development and the Budget were adopted. The Service Delivery and Budget Implementation Plan, Performance contracts, Quarterly, Mid-term and Annual reports were adopted and approved. The Municipality have used the improvement of Audit Outcome in 2019/2020 from disclaimer to qualified, to work on the PAAP to endeavor to improve in the year under review.

The Performance on each Key Performance Areas is discussed and effected in the Performance reports where achievements on the set targets have been indicated and where there are familiar reasons and remedial actions are also reflected.

Mahikeng Local Municipality will continue to produce basic service to its communities. In the year under review the following services were provided to communities:

- Provision of water and Sanitation
- Removal of refuse and illegal dumping
- Repair and maintenance of street and high mast lights
- Road's rehabilitation, pothole repairs and construction of new roads
- Park maintenance, tree pruning and grass & cutting
- Disposal of land and development for economic capital injection

We are also happy that we received positive feedback from community members through different platforms on our services.

I wish to take the opportunity to thank the Council for its oversight and guidance through this difficult time and further wants to congratulate our staff for their dedication in ensuring that despite all the challenges, the municipality was able to provide service to the community.

Kind Regards



MUNICIPAL MANAGER

MR N M MOKGWAMME

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

BACKGROUND DATA

Mahikeng Local Municipality (NW383) is situated in the North-West Province 20 kilometers south of the Botswana Border. It is the capital city of North West Province and used to be known as the City Council of Mafikeng. The municipality is a considerably big local municipality as compared to the other four local municipalities (Category B Municipalities). It is situated within Ngaka Modiri Molema District Municipality which was established in terms of the Municipal Demarcation Act (Act No. 27 of 1998).

The neighbouring local municipalities which border the Ngaka Modiri-Molema District Municipality are:

Ramotsere Moiloa Local Municipality;

Tswaing Local Municipality;

Ditsobotla Local Municipality and

Ratlou Local Municipality.

The below is compilations information concluded by statistic of South Africa with records from 2011 census report and 2016 community survey.

The total area of the Mahikeng Local Municipality is approximately 3 703km². It is divided into 35 Wards consisting of 102 villages and suburbs.

The 2016 official Community Survey indicates that the population of Mahikeng Local municipality has grown to 314 394 since 2016.

It also indicated that the municipality has a predominantly African population with fewer Coloureds, Whites and Indian groups.

Demographic Indicators

TABLE: Population Distribution			
Year	Gender	Totals	Total Population
CENSUS 1996	Male	114 211	242 146
	Female	127 935	
CENSUS 2001	Male	125 607	259 502
	Female	133 871	
CENSUS 2011	Male	141 642	291 527
	Female	149 885	
Community Survey 2016	Male	153 094	314 394
	Female	161 300	
Population Growth Rate (2011 - 2016)	1.51%		

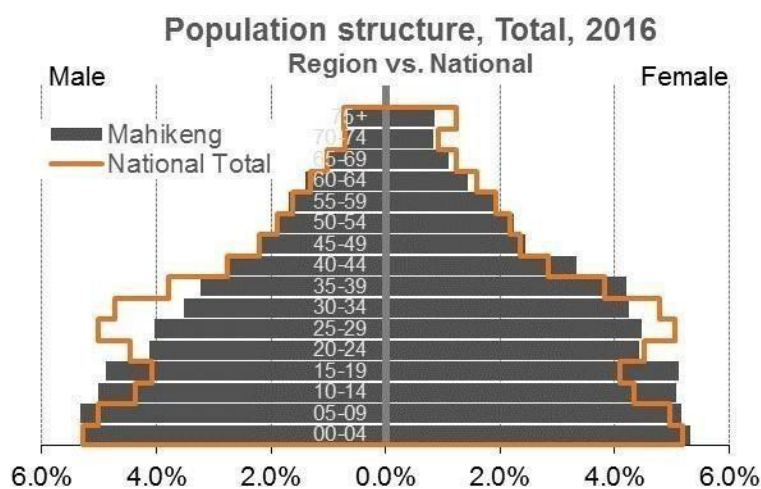
As per the above graph, it is estimated that the population growth has been 1.51%. The demographics indicate also that the municipality has a high population of women than men. Also refer to the population composite structure and pyramid. Statistics indicate that the municipality has the highest population of youth, therefore all programmes and budgeting must be directed at youth development and empowerment.

Population composition and structure

The table shows

YOUNG (0-14)	Male	37 750
	Female	38 945
WORKING AGE (15-64)	Male	110 669
	Female	113 618
Elderly (65+)	Male	4 676
	Female	13 299
SEX RATIO (MALES/100 FEMALES)	94.50041	
DEPENDANCY RATIO (<15+>65/(1564))	55.28	

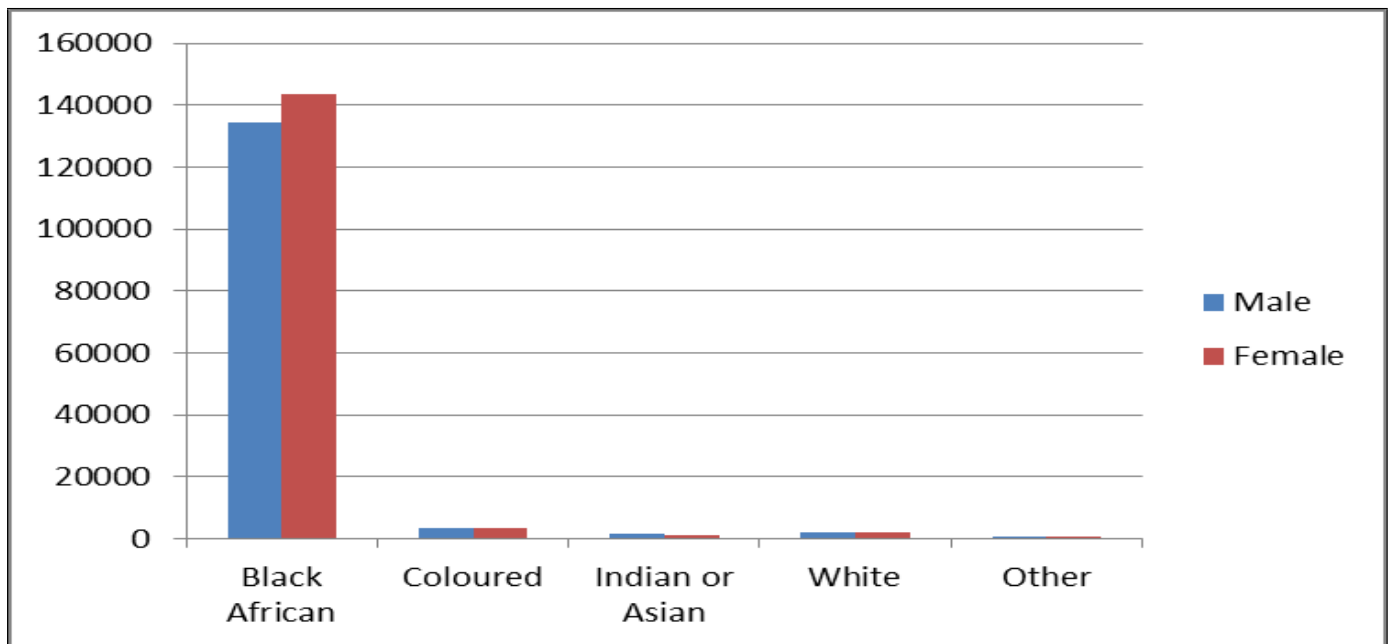
POPULATION PYRAMID



Population group

	Male	Female	Total
Black African	148 434	156 708	305 142
Coloured	2 461	2 634	5 096
Indian/asian	1 040	848	1 888

White	1 158	1 110	2 268
Total	153 094	161 300	314 394



The municipality is, as per the graph above, populated by the black community amounting to 278 282 of the total population as opposed to other population groupings - Coloureds 6 691 and 2 328 Indian or Asian as well as 3 770 Whites respectively.

Population distribution

The table shows that the area size of Mahikeng municipality is 3,698 KM². Most of the land in the municipality is farm area (55%) and then traditional area (44%). Less than 2% of the Mafikeng area is urban area. Mafikeng municipality is the most densely populated area in Ngaka Modiri Molema, with 78 people per square Kilometer.

AREA (Km²)	3,698
POPULATION DENSITY (POP/Km²)	78.82
URBAN FORMAL AREA	52 (1.41%)
TRADITIONAL AREA	1,617 (43.73%)
FARM AREA	2,030 (54.88%)

Population size by ward

The table below shows the population size of wards in Mahikeng municipality by sex. The table shows that ward 63803007 has the highest population in the municipality - ward 63803005 has the lowest population size in the district. The table shows that in general there are more females than males in the municipality.

The below table indicates the population group per ward. It further elaborates the fact that Mahikeng Local Municipality is a predominantly black municipality. The highest number of population of the municipality is at ward 13 which is inclusive of unit 8,9,10 and Ext39. Ext 39 is the RDP section of the wards wherein it was established for a new settlement to house residents from various wards; the total number of households at Ext 39 alone is more than 2500.

NW 383 Mafikeng	Male	Female	Black African	Coloured	Indian or Asian	White
NW383 : Mafikeng	141642	149885	278282	6691	2328	3770
63803001 : Ward 1	4078	4514	8485	76	19	7
63803002 : Ward 2	3749	4009	7697	12	9	24
63803003 : Ward 3	4145	4437	8493	43	31	7
63803004 : Ward 4	4879	4304	8428	81	23	645
63803005 : Ward 5	1672	1819	3465	15	12	0
63803006 : Ward 6	4171	4000	8082	58	11	11
63803007 : Ward 7	4973	4931	7664	800	789	558
63803008 : Ward 8	3222	3691	6780	70	39	19
63803009 : Ward 9	5393	4241	7432	399	287	1494
63803010 : Ward 10	3328	3719	6911	63	40	27
63803011 : Ward 11	3005	3307	6219	18	14	5
63803012 : Ward 12	3664	4301	7893	47	17	3
63803013 : Ward 13	3585	4299	7567	219	71	22
63803014 : Ward 14	4816	5141	9902	25	18	5
63803015 : Ward 15	4028	4034	8011	18	27	4
63803016 : Ward 16	5095	5433	10460	27	28	6
63803017 : Ward 17	4065	4108	4098	3692	315	24
63803018 : Ward 18	4814	5233	9978	33	20	8
63803019 : Ward 19	2759	3239	5961	22	12	1
63803020 : Ward 20	2771	3031	5743	45	12	0
63803021 : Ward 21	3189	3454	6626	2	10	1
63803022 : Ward 22	4734	4986	9680	19	12	2
63803023 : Ward 23	3177	3491	6641	5	10	1
63803024 : Ward 24	3701	3995	7565	15	20	94
63803025 : Ward 25	3976	4284	8177	24	16	36
63803026 : Ward 26	4063	4587	8588	50	7	1
63803027 : Ward 27	3879	4285	8077	62	14	3
63803028 : Ward 28	5620	5653	11147	74	26	21
63803029 : Ward 29	4979	4863	9312	207	86	215
63803030 : Ward 30	3781	3989	7735	15	8	1
63803031 : Ward 31	4052	4406	8403	37	14	0
63803032 : Ward 32	3779	4029	6841	243	187	503
63803033 : Ward 33	5292	6308	11363	144	74	12
63803034 : Ward 34	3759	4014	7733	7	26	6
63803035 : Ward 35	5447	5750	11125	26	25	3

The table below shows the population size of wards in Mahikeng municipality by broad age-groups

Space-Time Research

Descriptive

Table 1

Geography 2016 by Sex then Population group then Age in completed years for Person adjusted

	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+	Total
NW383 : Mafikeng	33192	28186	28325	31482	29882	25295	20419	18925	17500	15149	12600	9610	6882	5147	3726	2358	1453	1397	291527
63803001 : Ward 1	1174	1052	958	988	776	652	478	426	397	328	306	249	228	188	158	96	62	75	8592
63803002 : Ward 2	904	844	822	906	681	551	484	450	471	376	329	288	204	161	97	70	66	54	7757
63803003 : Ward 3	963	803	848	813	777	648	542	539	506	416	406	358	297	218	181	124	78	66	8583
63803004 : Ward 4	1175	907	748	862	925	875	659	574	560	495	386	307	198	186	126	87	49	65	9183
63803005 : Ward 5	346	367	351	408	346	328	237	198	171	156	153	130	115	57	57	24	25	22	3492
63803006 : Ward 6	1147	867	746	839	816	740	561	528	464	380	314	226	172	144	89	43	44	52	8171
63803007 : Ward 7	914	859	1003	1075	861	873	873	877	821	644	420	286	165	91	64	36	20	23	9903
63803008 : Ward 8	447	356	427	947	1641	673	514	392	332	269	223	181	142	121	96	65	47	40	6913
63803009 : Ward 9	1064	826	835	923	962	846	766	770	605	508	494	413	216	135	158	46	34	34	9634
63803010 : Ward 10	539	482	450	869	1386	871	564	397	293	272	271	237	177	102	63	37	20	18	7047
63803011 : Ward 11	672	624	607	753	667	614	429	333	376	392	299	220	111	88	54	36	15	21	6312
63803012 : Ward 12	752	793	913	918	652	571	532	693	890	665	337	100	59	37	20	18	8	8	7965
63803013 : Ward 13	638	711	814	913	707	591	508	573	731	704	538	240	102	43	30	14	14	11	7884
63803014 : Ward 14	1216	1022	1096	1161	970	809	602	615	654	574	430	305	205	114	82	47	30	26	9957
63803015 : Ward 15	785	636	611	833	801	785	712	608	439	407	358	307	212	175	164	81	68	79	8062
63803016 : Ward 16	1154	986	896	997	1116	1104	911	703	550	467	405	382	280	205	144	99	66	62	10528
63803017 : Ward 17	807	625	690	769	759	801	637	596	512	489	485	295	244	174	133	72	49	38	8173

	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+	Total
63803018 : Ward 18	1119	884	941	1067	958	899	685	634	521	470	423	411	288	236	193	151	96	70	10047
63803019 : Ward 19	672	540	591	604	600	515	375	369	304	296	299	254	211	145	103	57	30	31	5998
63803020 : Ward 20	534	446	480	607	597	639	484	380	325	316	267	215	141	127	92	80	36	34	5803
63803021 : Ward 21	741	696	691	783	658	524	420	365	419	365	311	236	163	105	75	47	13	30	6643
63803022 : Ward 22	1213	980	1026	1015	921	748	693	660	585	458	394	295	248	180	128	91	42	42	9720
63803023 : Ward 23	764	649	637	765	654	449	379	366	368	319	320	264	203	201	123	104	55	49	6667
63803024 : Ward 24	1032	867	839	802	637	495	389	376	401	375	341	336	242	190	157	118	61	37	7697
63803025 : Ward 25	1045	890	952	849	680	588	414	383	412	390	372	355	269	245	160	123	74	60	8260
63803026 : Ward 26	1276	1153	1029	1008	761	550	424	423	403	319	308	233	213	184	152	88	68	56	8649
63803027 : Ward 27	1039	897	853	900	774	587	522	476	455	388	301	274	196	198	119	91	39	55	8164
63803028 : Ward 28	1458	1224	1176	1178	1179	1011	879	815	693	516	365	252	197	146	73	51	27	34	11273
63803029 : Ward 29	1211	997	944	1040	982	929	742	707	634	501	408	298	149	113	75	58	25	29	9842
63803030 : Ward 30	806	598	597	829	1014	952	640	465	331	341	326	283	240	139	86	49	40	34	7769
63803031 : Ward 31	1169	899	941	936	730	625	561	467	451	374	328	273	234	162	142	78	44	44	8458
63803032 : Ward 32	694	581	629	748	877	902	541	516	552	606	478	250	182	117	68	29	25	13	7808
63803033 : Ward 33	1385	1191	1083	1160	1116	1104	1141	1130	756	544	392	277	164	63	37	30	15	13	11600
63803034 : Ward 34	888	780	818	921	798	618	498	430	434	423	353	278	168	165	95	53	30	26	7774
63803035 : Ward 35	1449	1152	1282	1295	1105	828	624	692	682	605	459	301	247	195	130	64	39	46	11197

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Household income

The municipality is a predominantly rural municipality and its rural economy is unable to provide individuals with remunerative jobs or self employment opportunities. An estimated amount of about 13755 people in the municipality had no income in 2011. This amounts to 4.72%. Taking the 1.16% annual growth to date this therefore means that to date this figure has risen to 14 405. In general terms, the majority of households in the municipality earns less than the poverty line (about R1, 600 per household per month) and can be considered poor. Those classified as economically active are employed in the services sector. This sector is dominated by the services in terms of the various departments that render services such as health, justice, local government, education, SAPS, etc. Table below indicates the income categories within the municipality

Annual household income by Geography			
For Household weighted			
	North West	DC38: Ngaka Modiri Molema	NW383: Mahikeng
No income	176090	34587	14 405
R 1 - R 4800	44720	11335	4223
R 4801 - R 9600	76068	21338	7525
R 9601 - R 19 600	200531	51572	16506
R 19 601 - R 38 200	210842	48975	15338
R 38 201 - R 76 400	162965	24052	9368
R 76 401 - R 153 800	93223	15891	7365
R 153 801 - R 307 600	56610	11416	5827
R 307 601 - R 614 400	28028	5360	2987
R 614 001 - R 1 228 800	8266	1506	854
R 1 228 801 - R 2 457 600	2629	516	257
R 2 457 601 or more	2025	450	231

The income profile of households within the municipality has shown a marked improvement since 2016. It should also be noted that most of the households with some form of income rely on social grants e.g. old age pension and disability and child support grants.

TYPES OF MAIN DWELLING UNIT

Mahikeng Local Municipality	
House or brick/concrete block structure on a separate stand or yard or on a farm	79971
Traditional dwelling/hut/structure made of traditional materials	3624
Flat or apartment in a block of flats	1127
Cluster house in complex	297
Townhouse (semi-detached house in a complex)	86
Semi-detached house	286
House/flat/room in backyard	6526
Informal dwelling (shack; in backyard)	4003
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	4660
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	1466
Caravan/tent	0
Other	1298
Unspecified	8

An estimated total of 80.57% of dwelling within the municipal area are house or bricks/concrete block structure on a separate stand or yard or on a farm.

SERVICE DELIVERY OVERVIEW

Census have shown a markedly improvement in the provision of services as follows:

Basic service delivery

Geography by piped water for household's weight

Area	Piped (tap) water inside dwelling/institution	Piped (tap) water inside yard	Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	No access to piped (tap) water
North West	310885	425154	152119	50997	22770	10966	89123
DC38: Ngaka Modiri Molema	57219	59222	52486	16063	7209	3158	31644
NW383: Mafikeng	25990	18529	18 354	4423	1847	696	14180

The municipality is not a Water Services Authority.

The number of households within the municipal area was estimated at 84239 as per the 2011 Census. This therefore means with a growth rate of 1.16%, to date the total number of households is 88 217 households Comparative analysis is made between the province, district and the municipality, indicates that of the total households 25990 households have access to piped (tap) water inside dwelling. It should be noted that these are urban households. This leaves 14 180 households with no access to piped water, these are rural households.

Geography source of water for households weighted

	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/stagnant water	River/stream	Water vendor	Water tanker	Other
DC38: Ngaka Modiri Molema	136788	61890	959	645	801	677	1939	16307	6994
North West	789545	161643	3291	2921	4488	2092	21080	46253	30702
NW383: Mafikeng	48812	26271	321	143	205	59	892	4592	2944

The highest number of households at 4592 depends on water tankers as the source of water, these are mostly rural households who does not have access to other sources of water. It is indicated that households estimated at 2944 depend on other sources of water, this include amongst others wells.

Access to electricity

According to the current statistics 90% (79 396) of the households within municipality have access to grid electricity. The remaining 10% (8 822) of backlogs consist of new extensions in the villages, RDP houses as well as rural low density areas which were previously classified as cattle posts.

There different energy methods used by households, they are as follows:

Geography by energy or fuel for heating for household weighted

	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Other	None
DC38: Ngaka Modiri Molema	125531	3827	8911	54684	1353	3347	309	14	29024
North West	655940	15639	53378	170625	5989	5136	1999	59	153250
NW383: Mafikeng	51994	2182	3957	12578	241	1046	128	4	12110

51994 households use electricity for heating as compared to 12578 households which uses wood for heating.

Geography by energy or fuel for lighting for household weighted

	Electricity	Gas	Paraffin	Candles (not a valid option)	Solar	None	Unspecified
DC38: Ngaka Modiri Molema	182 600	330	2 451	40 418	510	691	-
North West	892 424	1 543	21 893	140 489	2 616	3 051	-
NW383: Mafikeng	71 216	125	1 176	11 291	213	217	-

11291 households within the municipality do not have access to electricity since they depend in candles for lighting. This is the total backlog that the municipality and Eskom must try eliminate during the coming years.

Geography by energy or fuel for cooking for household weighted

	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Other	None	Unspecified
DC38: Ngaka Modiri Molema	155 141	6038	21730	39825	502	2892	268	42	564	-
North West	799 300	24 646	119024	108352	1643	4083	1514	710	2741	-
NW383: Mahikeng	64903	2924	7494	7229	137	1253	108	29	162	-

Geography by refuse disposal for household weighted

	Removed by local authority/private Company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other
DC38: Ngaka Modiri Molema	80 370	3 118	3 543	123 133	13 980	2 856
North West	51 7688	15 907	20 293	428 923	67 712	11 492
W383: Mahikeng	50 407	1 666	956	26 246	4 218	745

Geography by toilet facilities for household weighted

	None	Flush toilet (connected to sewerage system)	Flush (with toilet tank) septic	Chemical toilet	Pit toilet with ventilation (VIP)	Pit toilet without ventilation	Bucket toilet	Other	Unspecified
DC38: Ngaka Modiri Molema	17 078	63 480	7 826	1 530	29 372	100 633	2 774	4 308	
North West	62 034	446 819	35 288	9 021	120 335	363 411	10 647	14 459	
NW383: Mahikeng	3 979	24 566	2 613	463	13 081	38 813	-	615	

FINANCIAL HEALTH OVERVIEW

The financial health of the municipality will be elaborated more as per the financial ratios in Chapter 5.

ORGANISATIONAL DEVELOPMENT OVERVIEW

The key Organisational Development Performance issues in Chapter 4 relate to the vacancy rate in the municipality; the turnover rate; Approved and reviewed HR Policies and plans; Sick Leave and Injuries on duty reported and the cost implications thereof; as well as Suspensions and Disciplinary cases pertaining to financial misconduct.

AUDITOR GENERAL REPORT

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the Auditor General is to express an opinion on the municipality's financial statements based on conducting an audit in accordance with International Standards on Auditing.

Mahikeng Local Municipality obtained a Disclaimer opinion in 2018/19 financial year and improved in 2019/20 financial year and has obtained Qualified audit opinion.

This financial year 2020-2021 Mahikeng Local Municipality obtained Qualified audit opinion and the Audit Report is enclosed in Chapter 6 of this report.

THE ANNUAL REPORT PROCESS

The Annual Report process flow has provided a framework for the municipality to follow in completing various reports within each financial year cycle. It is recommended that Municipal Manager Study this process flow and ensure that reports are submitted timeously.

The municipality has followed this process and is proud to have submitted Annual Report with the Annual Financial Statements in August to the Office of the Auditor General of South Africa for audit. The audited Annual Report has been compiled in consistent with the MFMA.

This audited Annual Report will be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each vote.

CHAPTER 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community. Municipal executive and legislative authorities are vested in the municipal council.

2.1.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Decision making structures

There are various decision-making structures within Council which include the following:

- Municipal Council;
- Executive Mayor and Mayoral Committee
- Portfolio Committees, including
 - Section 80 Committees
 - Section 79 Committees
- Officials with delegated powers.

Committees established in terms of Section 79 of the Municipal Structures Act referred to as council committees established for the effective and efficient performance of council functions or the exercise of any of the council powers. Section 80 committees are established if a Municipal Council has an Executive Mayor. In the case of Mahikeng Local Municipality, councillors are appointed to assist the Executive Mayor in execution of her duties.

The municipality has seven (7) Portfolio Committees. Each Committee is chaired by a Member of the Mayoral Committee with an average of eight (8) deployed Councillors including the Executive Mayor. Listed below are the ten Portfolio Committees of the municipality:

- Corporate Support Services;
- Finance;
- Infrastructure;
- Community services;
- Public safety;
- Planning and Development
- Local Economic Development

Decisions within these structures are governed by various municipal by-laws, Council policies, legislation and the municipal IDP.

Political and administration functional competencies

The Governance model comprises of the Council, made up of the Speaker of Council, Single Whip, and Section 79 Portfolio and Standing Committees. On the other hand, the Executive is comprised of the Executive Mayor and Members of the Mayoral Committee (MMCs) and the administration led by the Municipal Manager. The intention of the model is to ensure that the municipality executes its functions through the leadership of the Executive Mayor while the Council oversees the activities of the executive for transparency and accountability.

Council

The Council consists of 69 Councillors, of which the 35 are ward councillors and the 34 Proportional Representation (PR) Councillors. The role of the Council in line with the Municipal Systems Act, (Act 32 of 2000) is to engage in meaningful discussion on matters of development for the Municipality. The key functions of Council are:

- Approval of legislation;
- Providing oversight on the planned and implemented interventions of the municipality; and
- Ensuring community and stakeholder participation.

In line with the roles highlighted above, the Council is responsible for the approval of municipal by-laws, IDP, budget and tariffs. Further, the Council, through its various committees, monitors and scrutinises delivery and outputs as carried out by the Executive. In relation to public participation, the Council is tasked with the responsibility of facilitating stakeholder and community participation in the affairs of the municipality through the ward committee system of the Municipal Structures Act.

Speaker of Council

The role of the Speaker of the Council is per Section 160(1) (b) of the Constitution and Section 36 of the Municipal Structures Act. The person elected as chairperson of the Council is designated the Speaker. The Speaker performs the duties and exercises the powers delegated in terms of the Municipal Structures Act.

The Speaker of the Council is entrusted with ensuring that the functions of the Council - legislation, oversight and ensuring community and stakeholder participation - are effectively implemented.

Single Whip

The Single Whip plays a pivotal role in the overall system of governance by ensuring and sustaining cohesiveness within the governing party, and also maintaining relationships with other political parties. The main functions of the Council's Single Whip are to

- Ensure proper representation of political parties in the various committees;
- Maintain sound relations with the various political parties represented on the Council; and
- Attend to disputes between political parties and building consensus.

Executive Mayor and Mayoral Committee

The Executive Mayor, Councillor B. Diakanyo assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance since executive powers are vested in her by the Council to manage the daily affairs of the municipality. This means that she has the overarching strategic and political responsibility.

POLITICAL DECISION-TAKING

Political decisions were taken in a form of council resolution during council meetings held.

POLITICAL STRUCTURE



EXECUTIVE MAYOR

Cllr. K.B. Diakanyo



SPEAKER

Cllr. T. Nebe



SINGLE WHIP

Cllr. G.A. Kgwadibane

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE



MMC COMMUNITY SERVICES

Cllr. M. Tsolo-Mulasi



MMC PUBLIC SAFETY

Cllr. K.L. Dlamini



MMC PLANNING & DEVELOPMENT

Cllr. T. Motshabi



MMC CORPORATE SERVICES

Cllr. K. Phetha



MMC INFRASTRUCTURE
Cllr. B. Segoe



MMC FINANCE
Cllr. T. Damaniti



MMC LOCAL ECONOMIC DEVELOPMENT
Cllr. T. Matoane

























MMC SPECIAL PROGRAMMES
Cllr. C.M. Mosele










MMC STAKEHOLDER RELATIONS
Cllr. M.E. Lekhobe

WARD COUNCILORS

<p>Ward 1 Cllr N.D. Moseki</p> 	<p>Ward 2 Cllr T. Motshabi</p> 	<p>Ward 3 Cllr T.G.E. Malebadi</p> 	<p>Ward 4 Cllr M.G. Mokgosi</p> 	<p>Ward 5 Cllr K.L. Phetha</p> 	<p>Ward 6 Cllr M.C. Segoe</p> 
<p>Ward 7 Cllr S.L. Molefe</p> 	<p>Ward 8 Cllr S.T.M.M. Gasealahwe</p> 	<p>Ward 9 Cllr P.I. Mokgele</p> 	<p>Ward 10 Cllr K.I. Motalane</p> 	<p>Ward 11 Cllr K.A. Phashe</p> 	<p>Ward 12 Cllr G.A. Kgwadibane</p>

<p>Ward 13 Cllr D.K. Molema</p> 	<p>Ward 14 Cllr M.M. Manyeneng</p> 	<p>Ward 15 Cllr T.B. Makolomakwa</p> 	<p>Ward 16 Cllr M.C. Segwe</p> 	<p>Ward 17 Cllr K. Ntamehlo</p> 	<p>Ward 18 Cllr N.V. Moilwa</p> 
<p>Ward 19 Cllr N.G. Hlazo</p> 	<p>Ward 20 Cllr. T.W. Maseng</p>	<p>Ward 21 Cllr M. Phuthego</p> 	<p>Ward 22 Cllr B.S. Ngobeni</p> 	<p>Ward 23 Cllr P.D. Seele</p> 	<p>Ward 24 Cllr S.N. Mokoena</p> 

<p>Ward 25 Cllr G.N. Monnapula</p> 	<p>Ward 26 Cllr C.M. Moseetlo</p> 	<p>Ward 27 Cllr M. Dichabe</p> 	<p>Ward 28 Cllr K.P. Motsumi</p> 	<p>Ward 29 Cllr K.L. Dlamini</p> 	<p>Ward 30 Cllr K.G. Mathakathaka</p> 
<p>Ward 31 Cllr T.G. Damaniti</p> 	<p>Ward 32 Cllr M.E. Lekhobe</p> 	<p>Ward 33 Cllr K.C. Seheri</p> 	<p>Ward 34 Cllr T.J. Matoane</p> 	<p>Ward 35 Cllr N.M. Ndlovu</p> 	

LIST OF TRADITIONAL LEADERS/DIKGOSI

The Traditional Leaders within municipal boundaries who are part of the key stakeholders in the Council decision making processes.

POSITION	NAMES	GENDER	RE-ELECTED
Kgosi	Shole	Male	✓
Kgosi	Seatlholo	Male	

LIST OF TRADITIONAL COUNCILS

It is also a legislative imperative that Traditional Leaders be involved and actively participates in the affairs of the Municipality. The following Traditional Leaders are found within the boundaries of Mafikeng Local Municipality.

NAME & SURNAME	NAME OF TRADITIONAL COUNCIL	VILLAGES
Kgosi Jeff Montshiwa	Barolong Boora Tshidi	Montshiwa Stadt Village
Kgosi T. Seatlholo	Barolong Boora Rapulana	Lotlhakane Village
Kgosi Malefo	Batloung Boo-Molopyane	Tsetse Village
Kgosi Shole	Batloung Ba ga Shole	Ramatlabama Village

2.1.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The administration of the municipality is headed by the Municipal Manager as its Accounting Officer. As head of the administration the Municipal Manager is, subject to the policy directions of the Municipal Council, responsible and accountable for the formation and development of an economical, effective, efficient and accountable administration. As an Accounting Officer, he is also responsible for the financial management of the Municipality including the administration of the municipal assets. The Municipal Manager is assisted by Directors who head the six directorates of the Municipality. The Municipal Manager has delegated certain functions to the Directors. Top Management meetings of the Municipal Manager and the Directors are regularly held to discuss administrative governance issues affecting the Municipality and to check that the resolutions of Council are implemented.

TOP ADMINISTRATIVE STRUCTURE



MUNICIPAL MANAGER
Mr. N.M. Mokgwamme



CHIEF FINANCIAL OFFICER
Mr. R.A. Morris



DIRECTOR CORPORATE SUPPORT SERVICES
Mrs. K. Masuku



DIRECTOR PLANNING AND DEVELOPMENT
Mr. T. Masia



DIRECTOR INFRASTRUCTURE
Mrs. M. Moloi-Tsae



DIRECTOR PUBLIC SAFETY
Mr. T. Marumo



DIRECTOR COMMUNITY SERVICES
Mrs. K. Nyembe

INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Public Participation through stakeholder involvement is promoted within the municipality and under this year of reporting the municipality had functional Ward Committees in all its wards. The municipality has a good leadership which is underpinned by the four values underpinning good governance namely responsibility, accountability, fairness and transparency.

2.1.3 INTERGOVERNMENTAL RELATIONS

This section highlights the continuous strengthening of Intergovernmental Relations (IGR) and rigorous sectoral engagements with other stakeholders. It reflects and highlights some of the key national and provincial implementation frameworks to which the municipality aligns its interventions.

Background to Intergovernmental Relations

Intergovernmental Relations (IGR) refers to the complex and interdependent relations amongst the national, provincial and local spheres of government as well as the coordination of public policies amongst these three spheres. In essence, this means that the governance, administrative and fiscal arrangements operating at the interface between national, provincial and local governments must be managed to promote the effective delivery of services.

This is guided by the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), which aims to provide within the principle of co-operative government set out in Chapter 3 of the Constitution, a framework for the national government, provincial governments and local governments, and all organs of state, to facilitate coordination in the implementation of policy and legislation, including:

- Coherent government;
- Effective provision of services;
- Monitoring implementation of policy and legislation; and
- Realisation of national priorities.

According to the MSA (2003), 24(1-4), the planning of local government, must at all times be integrated and aligned to the planning and strategies of the national and provincial spheres of government. In addition, any organ of state which is initiating legislation at national or provincial level that affects the planning at local government level, must first consult with organised local government before the legislation can be duly effected. The sections below give effect to Intergovernmental Relations by considering national and provincial imperatives especially for the 2015/16 financial year that are used to guide the development of this IDP.

Mahikeng Local Municipality, within the spirit of Inter-government relations, supports and aligned to the national and provincial strategies such as Government 12 Outcome Delivery Agreement, National Development Perspective, Local Government Turn-around Strategy, and the National Development Plan, amongst others.

Government 12 Outcome Delivery Agreement

In 2010, Cabinet approved 12 national outcomes to address the strategic priorities of government. Each outcome has a limited number of outputs and sub outputs as well as clear targets. These outcomes and outputs will be the strategic focus of the government until the year 2014. The following is the list of the 12 outcomes as well as the role of the City in relation to each outcome.

Outcome 1: Improve the quality of basic education

Outcome 2: Improve health and life expectancy

Outcome 3: All people in South Africa protected and feel safe

Outcome 4: Decent employment through inclusive economic growth

Outcome 5: A skilled and capable workforce to support inclusive growth

Outcome 6: An efficient, competitive and responsive economic infrastructure network

Outcome 7: Vibrant, equitable and sustainable rural communities and food security

Outcome 8: Sustainable human settlements and improved quality of household life

Outcome 9: A responsive and accountable, effective and efficient local government system

Outcome 10: Protection and enhancement of environmental assets and natural resources

Outcome 11: A better South Africa, a better and safer Africa and world

Outcome 12: A development-orientated public service and inclusive citizenship

Outcome 9

The vision of Outcome 9

The vision of Outcome 9 is a responsive, accountable, effective and efficient local government system whereby we have restored the confidence of our people in the local sphere of government as the primary expression of the developmental state by 2011 and beyond. Key ways to achieve this vision are by:

- I. Ensuring that municipalities meet the basic service needs of communities
- II. Building clean, effective, efficient, responsive and accountable local government
- III. Improving performance and professionalism in municipalities
- IV. Improving national and provincial policy, oversight and support
- V. Strengthening partnerships between local government, communities and civil society

The output objectives set-out on the Outcome 9 are as follows;

Outcome 9 Outputs

Output 1: improve access to basic services

Sub-outputs: Improve universal access to basic services by 2014 as follows:

- Water from 92% to 100%
- Sanitation from 69% to 100%
- Refuse removal from 64% to 75%
- Electricity from 81% to 92%
- Establishment of Bulk Infrastructure Fund
- Establishment of special purpose vehicle for municipal infrastructure

Output 2: Implement the Community Works Programme

Sub outputs:

- Implement the CWP in at least 2 wards per municipality
- CWP to support the creation of 4.5 million EPWP job opportunities
- 30% of all CWP job opportunities can be associated with functional co-operatives at local levels by 2014 functional.

Output 3: Action supportive of Human Settlement outcomes

Sub outputs:

- Initiating actions to increase density in Metros and large towns by 2014
- Release public land for low income and affordable housing to support delivery of 400 000 housing units in well located land

Output 4: Deepen democracy through a refined ward committee model

Sub outputs:

- Broaden participation of and better organise various sectors at local level
- New approach to better resource and fund work and activities of Ward Communities
- Put support measure in place to ensure at least 90% of Wards are fully functional

Output 5: Improve Municipal Finance and Administrative capacity

Sub – outputs:

- Unqualified Audit from municipalities
- Average monthly collection on billing raised to 90%
- Debtor more than 50% of own revenue from 24% to 12%
- Ensure that percentage of municipalities that are overspending on OPEX improve 8% to 4%;
- Municipalities under-spending on CAPEX reduce from 63% to 30%
- Spending less 5% on OPEX repairs and maintenance reduce from 92% to 45%

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The Mafikeng Local Municipality is described in section 155 (1) of the Constitution as a category B municipality and it excludes municipal entities.

COMPONENT B: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.1.4 PUBLIC MEETINGS

OVERVIEW OF PUBLIC ACCOUNTABILITY, COMMUNICATION, PARTICIPATION AND FORUMS

The Office of the Speaker has ensured that Ward Councillors submit both the Community and Ward Committee schedules for the year. The Community meetings are meant for the Councillors to communicate with their communities as well as with Council. Ward Committees sit on monthly basis to discuss issues that are recent and challenges that may need urgent attention. Monthly reports are submitted to the Office of the Speaker where they are processed and feedback given on monthly basis. Loud hailing is done by the Officials in the Office of the Speaker whenever a Councillor is convening a community meeting to increase awareness.

The same process is followed when a Public is convened for matters like IDP consultation meetings with the communities. Fliers are developed and distributed to schools and public places for the same purpose. With regards to the Public Accountability, the Office of the Speaker in consultation with other internal partners is in the process of putting in place a process of improving oversight. It has been acknowledged that the institution is not doing well in that area and the matter is receiving attention.

WARD COMMITTEES

Ward Committees are a body of the public representative that primarily assists the Ward Councilors to perform the community work. Ward Committees are elected by the community preferably one person per village to the maximum of ten per Ward. They are allocated portfolios in line with the municipal portfolios. They report community issues on monthly basis to the Office of the Speaker. The Office either refers or report matters directly to Council depending on the nature of the issue rose. The Office of the Speaker is trying by all means possible to improve participatory democracy though the support it gives to the Ward Committees. Appendix E reflect on ward reporting.

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Primarily there are two types of Public meetings; those where the municipality gives feedback to the community e.g. (MUNICIPAL PUBLIC ACCOUNTS COMMITTEE) and those in which the input are taken from the public, e.g. IDP. In both instances, the communities are actively involved and assist to move the process forward. The huge advantage with the approach is that matters that are implemented by the municipality come directly from the people themselves.

2.1.5 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
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
* Section 26 of Municipal Systems Act 2000	

2.1.6 CORPORATE GOVERNANCE

Cooperative governance is governed by King Iv Code of Practice applicable to Local Government Sphere.

2.1.7 RISK MANAGEMENT

The Municipality has a Risk Management Unit which was established in 2018 and has an appointed Chief Risk Officer. The unit is responsible for coordination of the implementation of efficient and effective systems of risk and fraud management. The planned risk and fraud management activities were not fully implemented due to insufficient capacity within the unit. Two MFMA interns have been allocated to the unit to capacitate the unit in the interim.

Action/Activities	Status
1. Development of the Risk and Management Documents for 2020/21 in line with the institutional policy development process	The documents were developed and approved by the Accounting Officer in line with the Local Government Risk Management Framework but it was recommended that in future they should be approved by Council in line with the institutional arrangements.
2. Development of the Fraud Management documents for 2020/21 in line with the institutional policy development process	The documents were developed but not approved.
3. Review of the Risk Management Committee Charter and recommend to the Accounting Officer for approval.	The Risk Management Committee Charter was reviewed and approved by the Municipal Manager.
4. Communication of the Risk and Fraud Management Documents to all officials.	The documents were communicated to Management, Risk Management Committee Members and Council in workshops.
5. Provide training for RMC members, management and staff on risk management as well as their roles and responsibilities.	Training was provided for Management and Risk Management Committee Members
6. Facilitate risk identification and assessments of the 2020/21 Strategic Risks and Operational Risks.	The Strategic risk assessment was performed and completed and the Operational risk assessments were performed but not completed.
7. Facilitate risk identification and assessments of the 2020/21 ICT Risks.	The ICT risk assessment were performed and completed.
8. Facilitate risk identification and assessments of the 2020/21 Fraud Risks.	The Fraud risk assessment were not performed
9. Monitoring of progress made relating to the implementation plan as well as reporting to the Municipal Manager and Council.	The monitoring was done and reports were sent to the Municipal Manager and Audit Committee
10. Internal and external audit to provide an independent opinion on the effectiveness of the implementation of risk management within the Municipality.	The Risk Management Unit has not yet been audited by the Internal Audit as well as Auditor General for 2020/21 financial year
11. The RMC meeting	The RMC met once for 2020/21 financial year

2.1.8 ANTI-CORRUPTION AND FRAUD

The Mahikeng Local Municipality is still in process to develop the Anti-corruption and Fraud prevention plan and the process is guided through with the assistance of Provincial Local Governance and Human Settlement Department.

2.1.9 SUPPLY CHAIN MANAGEMENT

The municipality is continuously striving to improve its sourcing strategies by ensuring that its Supply Chain Management Policy is regularly updated to align it with all applicable legislations that governs Supply Chain in the country. The Supply Chain Management Policy of the municipality has been reviewed and approved by Council for the 2020/2021 financial year as it is required by MFMA. Every procurement is done in line with SCM processes and thresholds outlined in the policy and National Treasury practice notes and guidelines and more so in line with MFMA. Procurement has been centralized to ensure compliance to the procurement process as compared to before when it was decentralized. This was done after the appointment of Head of SCM in October 2017. The Municipality also has functional bid committees and its composition is in line with the requirements of the National Treasury.

The biggest challenge currently facing SCM is lack of staff. Not all functions of SCM are performed effectively due to limited human resources and this compromise the effectiveness of SCM. The Accounting Officer was made aware of this and indicated that job evaluation process is currently underway and all human resources needs will be attended to afterwards.

2.1.10 BY-LAWS

The municipality did not have newly developed by-laws or revised by-laws during the financial year under review.

2.1.11 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	2021/07
All current budget-related policies	Yes	2021/07
The previous annual report 201920	Yes	2021/07
The annual report 202021 to be published	Yes	2022/02
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 202021 and resulting scorecards	Yes	2021/08
All service delivery agreements 202021	No	
All long-term borrowing contracts 202021	No	
All supply chain management contracts above a prescribed value (give value) for 202021	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 202021	No	
Contracts agreed in 202021 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 202021	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 202021	No	

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

Every effort is made to keep the website running smoothly. However the Mahikeng Local Municipality takes no responsibility for and will not be liable for the website being temporary unavailable due to technical issues beyond our control

2.1.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No surveys on public satisfaction were conducted during the financial year under review.

CHAPTER 3
SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: INFRASTRUCTURE

This component includes: water; sanitation; electricity and free basic services.

3.1 BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

Basic services in Mahikeng Local Municipality are mainly water; sanitation; electricity, free basic services, and waste management (refuse removal) which will be detailed in component D. There are key operational service delivery needs for the community and the Mahikeng Local Municipality is responsible for maintaining these services and also responsible for Infrastructure development.

3.2 WATER PROVISION AND SANITATION PROVISION

INTRODUCTION TO WATER PROVISION AND SANITATION PROVISION

The municipality is responsible for distributing water in its jurisdiction as the water service provider. It has entered into a service level agreement with Ngaka Modiri Molema District Municipality (NMMDM) the water service authority. The municipality has come up with a project of installing Smart Meters to replace analogue meters in business areas. This project will address challenges in respect of lack of water or broken meters to meet the supply to all urban area households. This will ensure timeous & correct meter reading, billing and invoicing of customers. The meters will allow the stipulated free 6kl water provision in the event of non-payment by the customer.

The municipality is responsible for the operation and maintenance of the wastewater network, lift stations and the Mahikeng & Mmabatho Wastewater treatment plants. Ngaka Modiri Molema District Municipality (NMMDM) is responsible for the infrastructure. The NMMDM has an ongoing rehabilitation of electro-mechanical projects in both the treatment plants. The project is meant to optimize the treatment process and disposal of good quality treated effluent. The NMMDM Green Drop Wastewater Quality status is unacceptable due to non-operation of disinfecting system.

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: INFRASTRUCTURE
WATER PROVISION**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To facilitate the provision of basic water services urban areas	Number of Kilo-liters per month of water distributed in the urban area	900 000 KL per month of water provided for water distribution in urban areas by June 2020	Achieved 900 000 KL per month of water provided for water distribution in urban areas	10 800 000 KL of water distributed in urban areas by 30 June 2021	Not achieved 8 644 164 KL of water distributed in the urban area	10 800 000 KL of water distributed per month in urban areas by 30 June 2022	None	None
To facilitate the provision of basic sanitation services urban areas	Number of Kilo liters per month of treated wastewater discharged from the wastewater treatment Works	20 000 KL of treated wastewater discharged per month from Wastewater Treatment Works by 30 June 2020	Achieved 20 000 KL of treated wastewater discharged per month from Wastewater Treatment Works	240 000 KL of treated wastewater discharged from Wastewater Treatment Works by 30 June 2021	Not achieved 0 KL of treated wastewater discharged from Wastewater Treatment Works	240 000 KL of treated wastewater discharged from Wastewater Treatment Works per month by 30 June 2022	None	None

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The capital projects are under Ngaka Modiri Molema District Municipality (NMMDM) infrastructure. The municipality ensures continuous operation. Maintenance of the water distribution network as per the IDP schedule can be attained within approved budget provision. Delays in procurement processes adversely affected performance, creating backlog in meter replacement and installation of zonal meters.

The municipality has rapidly increased providing number of households with access to sanitation in the current year as compared to the previous years.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The Municipality focused on maintenance of highmast lights, street lights and traffic lights. The statistic report is as follows:

- 816 high mast lights maintained
- 5879 Street lights maintained
- 28 traffic lights intersection were maintained

The Municipality is facilitating the provision of electricity as it does not have the electricity distribution license. To this end areas that require electricity are prioritized in the Integrated Development Plan (IDP) and then submitted to Eskom based on the priorities.

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: INFRASTRUCTURE
ELECTRICITY**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To facilitate the provision of electricity and provide public lighting	Number of public street lighting maintained	450 public street lighting maintained by 30 June 2020	Not achieved 328 public street lighting maintained	180 public street lighting maintained by 30 June 2021	Target Exceeded 218 Public street lighting maintained by 30 June 2021	196 Public Street lighting maintained by 30 June 2022	None	None
	Number of highmast lights maintained	400 highmast lights maintained by 30 June 2020	Target Exceeded 500 highmast lights maintained	400 highmast lights maintained by 30 June 2021	Target Exceeded 544 Highmast lights maintained	500 highmast lights maintained by 30 June 2022	None	None
	Number of luminaires retrofitted to High Mast lights	None	None	594 luminaires retrofitted to High Mast lights by 30 June 2021	Target Exceeded 1614 of luminaires retrofitted to High mast lights by 30 June 2021	None	None	None

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: INFRASTRUCTURE
ELECTRICITY**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To execute MIG Projects	Number of highmast lights constructed	20 highmast lights constructed by 30 June 2020	Achieved 20 All high mast lights energised.	50 highmast lights constructed by 30 June 2021	Achieved 50 highmast lights constructed	80 high mast lights to be constructed by end of June 2023 - Multi year projects	80 high mast lights to be constructed by end of June 2023 - Multi year projects	None

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

As stated above electricity projects are done by Eskom and the role of the Municipality is to prioritize areas in need of electrification and submit the list to Eskom.

3.4 ROADS AND STORMWATER DRAINAGE

INTRODUCTION TO ROADS AND STORMWATER DRAINAGE

Roads within Mahikeng Local Municipality are classified in different types namely:

- National Roads
- Provincial Roads
- Local (internal) Roads

The Municipality focuses on main roads and internal roads in both urban and rural areas. The total kilometers of roads within the jurisdiction of the municipality is estimated to be 320 Kilometers surfaced roads plus 800 Kilometers of gravel and dirt roads infrastructure which is maintained by the Local Municipality. About 70% of surfaced roads requires persistent pothole patching and resealing while 20% require total reconstruction. About 534kms of rural roads are gravel roads, which require upgrading and the rest need construction.

Stormwater infrastructure consists of different nodes and links. Nodes are catchment structures and links are conveying structures. Mahikeng Local Municipality in urban areas has different nodes namely: Grid inlets, Chute structures, Wing Walls, Kerb Grid Inlets, Kerb inlets, Field inlets and Manholes. It has also different links namely: V-Drain, Box Culverts, Concrete Channels, Pipe Culverts, Earth Channels and Stone Pitching Channels. Under Nodes more attention is required in Wing Walls, Grid Inlets and Kerb Inlets and on Links attention is required in Box Culverts, Concrete Channels and Stone Pitching Channels. In rural areas, it will mostly be Earth Channels link and Wing Walls Node.

Kilometers				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar/pavement	Gravel roads graded/maintained
2016/17	553	0	3.5	0
2017/18	553	0	0	0.133
2018/19	553	0	4	3,4
2019/20	553	0	8	0
2020/21	553	0	16	7.8

Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2016/17	295	0	6.3	0	30.38
2017/18	295	0	4.2	0	10.62
2018/19	295	0	0	0	5.6
2019/20	295	7.4	0	0	0
2020/21	295	0	0	6	17,7

Cost of Construction/Maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar/Pavement	Maintained	New	Re-worked	Maintained	
2016/17	0	12 500 000	0	0	21 500 000	6 301 074	
2017/18	0		0	0	6 683 150		
2018/19	0	0	0	0	0	539 005	
2019/20	0	0	0	2022735	0	2 022 735	
2020/21	0	41 000 000	0	0	0	11 873 673	

Stormwater Infrastructure					Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained	
2016/17	166	0	0	6.85	
2017/18	166	0	0	10.8	
2018/19	166	0	0	2.3	
2019/20	166	0	0	1.2	
2020/21	166	0	0	4,162	

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
2016/17	0	0		150 000
2017/18	0	0		2 234
2018/19	0	0		2 864 649
2019/20	0	0		860 200
2020/21	0	0		3 845 246

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: INFRASTRUCTURE
ROADS AND STORMWATER**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To Maintain Roads & Stormwater drainage system	Number of kilometers of tar road maintained	20 kms tar road maintained by 30 June 2020	Not achieved 7,2529 kms of tar road maintained	8 kms tar road maintained by 30 June 2021	Target exceeded 17.784kms tar road maintained by 30 June 2021	20 kms tar road maintained by 30 June 2022	None	None
	Number of kms stormwater drainage maintained	6 kms stormwater drainage maintained by 30 June 2020	Not achieved 0,456km of stormwater drainage maintained	4 kms stormwater drainage maintained by 30 June 2021	Target exceeded 4.1626kms stormwater drainage maintained by 30 June 2021	4 kms stormwater drainage maintained by 30 June 2022	None	None
	Number of kms of rural gravel road maintained	20 kms of rural gravel road maintained by 30 June 2020	Not achieved 1,504 Kms of rural gravel road maintained	5 kms of rural gravel road maintained by 30 June 2021	Target exceeded 7.8kms of rural gravel road	20 kms of rural gravel road maintained by	None	None

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: INFRASTRUCTURE
ROADS AND STORMWATER**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
				June 2021	mained by 30 June 2021	30 June 2022		
	Number of Kms gravel roads upgraded to paving in magogoe	None	None	3.5 Kms gravel roads constructed in magogoe ward 14 by 30 June 2021	Not Achieved 0 Kms gravel roads constructed in magogoe ward 14, the contractor still on site. The project progress report: Bridge - 20% Box cutting - 100% Roadbed - 100% Sub base - 92% Kerbing and paving 70%	3.5 gravel roads upgraded to paving in magogoe ward 14 by 31 December 2021	None	None

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: INFRASTRUCTURE
ROADS AND STORMWATER**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
	Number of Kms gravel roads upgraded to paving in signal hill	None	None	2.5 Kms gravel roads constructed in signal hill ward 28 by 30 June 2021	Not Achieved 0 Kms gravel roads constructed in signal hill ward 28, the contractor still on site. The project progress report: Box cutting - 80% Roadbed - 70% Sub base - 60% Kerbing and paving 55%	2.5 Kms gravel roads upgraded to paving in Signal hill Ward 28 by 31 December 2021	None	None
	Number of Kms gravel	None	None	2.5 km in Lothlakane	Not Achieved 0 km in	2.5 Kms gravel roads upgraded	None	None

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: INFRASTRUCTURE
ROADS AND STORMWATER**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
	roads upgraded to paving in lotlhakane			constructed in ward 23 by 30 June 2021	Lothlakane constructed in ward 23, the contractor still on site. The project progress report:Box cutting - 100% Road Bed - 100% Sub base - 90% Kerbing and paving 75%	to paving in Lotlhakane Ward 23 by 31 December 2021		
	Number of Kms gravel roads upgraded to paving in	None	None	2 km constructed in paving in Tloung to Bokone village in ward 15 by 30 June	Not Achieved 0 km constructed in paving in tloung to bokone village in ward	2 Kms gravel roads upgraded to paving in Tloung village to Bokone	None	None

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: INFRASTRUCTURE
ROADS AND STORMWATER**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
	Tloung village to Bokone village			2021	15, the contractor still on site. The project progress report: Box cutting - 100% Road Bed - 100% Sub base - 100% Kerbing and paving 10%	village Ward 15 by 31 December 2021		

COMMENT ON THE PERFORMANCE OF ROADS AND STORMWATER DRAINAGE OVERALL:

The roads started to be visible when the office of the Premier introduces the MRRRP. The main problem was shortage of resources and insufficient budget.

Storm-water is a very sensitive aspect as it requires more effects, if it is given the necessary attention it will reduce the backlog on potholes patching. Maintenance of storm-water drainage has been neglected for a long time therefore the performance is not satisfactory

COMPONENT B: COMMUNITY SERVICES

This component includes: libraries; community halls; cemeteries; Parks and Stadiums; and Refuse removal and waste management

INTRODUCTION COMMUNITY SERVICES

The directorate comprises of 3 units namely Waste Management, Parks & Recreation as well as Community Facilities.

WASTE MANAGEMENT UNIT

The unit is responsible for the management of waste and is divided into four categories i.e. household and trade premises refuse removal, street sweeping and litter picking, removal of illegally dumped refuse as well as the operation and management of the landfill site. The staff complement of this unit is 124, that is 75 refuse removal staff, 30 street sweeping and litter picking, 11 removal of illegally dumped refuse and emptying of skips, Head Waste Management, Manager Solid Waste, 6 operation and management of the Landfill Site.

PARKS AND RECREATION UNIT

The parks and recreation unit is responsible for development and maintenance of parks in Mahikeng, Mmabatho, Danville and Montshioa, maintenance and administration of sports facilities (Montshioa Stadium), maintenance of cemeteries. This unit is also responsible for grass cutting and tree trimming in open spaces and sidewalks.

The staff compliment in this unit is 56 comprising of Head Parks, 2 Superintendents, Horticulturalist, Admin Assistant Graveyard, 4 Tractor drivers, 47 general workers. There are 2 vacant positions of supervisors.

COMMUNITY FACILITIES UNIT

The community facilities unit is responsible for the administration and management of 1 Community Hall and 3 Multipurpose Centers. There are 10 employees who work in the community halls section. This unit also administers and manages 8 libraries. The staff compliment at the libraries is 23, 18 of which are seconded from the Department of Culture Arts and Traditional Affairs and 5 who belong to the Mahikeng Local Municipality.

3.5 LIBRARIES AND COMMUNITY FACILITIES

INTRODUCTION TO LIBRARIES AND COMMUNITY FACILITIES

The Library function offers information services that meet the educational, recreational, development and cultural needs of the people of Mahikeng.

We presently have 8 Functional libraries and they are situated as follows:

- Mmabatho Library
- Mahikeng Library
- Barolong Boo Ratshidi Library
- Danville Library
- Miga Library
- Ottoshoop Library
- Lomanyaneng Library
- Ramatlabama 600 Modular Library

All the libraries cater for the area they are in and the surrounding villages. Support is given to the poor communities by helping the children with home-works, school projects and promoting the culture of learning as part of promoting literacy.

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: COMMUNITY SERVICES
LIBRARIES AND COMMUNITY FACILITIES**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To provide and maintain community facilities libraries community halls	Number of Library Services Awareness campaigns conducted	4 Library services awareness campaigns conducted by 30 June 2020	Not achieved 3 Library Services Awareness campaigns conducted by 30 June 2020	4 Library Services Awareness campaigns conducted by 30 June 2021	Achieved 4 Library Services Awareness campaigns conducted by 30 June 2021	4 Library Services Awareness campaigns conducted by 30 June 2022	None	None

COMMENT ON THE PERFORMANCE OF LIBRARIES AND COMMUNITY FACILITIES

The library is there to ensure access for all communities: to initiate library awareness campaigns and promote awareness of reading. The measures that were taken to improve performance was that of partnering with NPO's, government departments and schools.

3.6 PARKS, CEMETORIES AND STADIUM

INTRODUCTION TO PARKS, CEMETORIES AND STADIUM

Cemetery means a land within the area of jurisdiction of Mahikeng Local Municipality which Council has set aside as a Cemetery.

The top 3 service priorities are:

1. The burial of ashes, indigents and unclaimed bodies;
2. Recording of burials;
3. Assisting with exhumation and claiming of graves

Mahikeng Local Municipality acknowledges that Parks section touches virtually every aspect of nation ethos. Our priorities are to provide clean and safe environmental Sports field, stadiums and parks. The major challenge is lack of proper facilities and absence of skilled personnel.

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: COMMUNITY SERVICES
PARKS, CEMETORIES AND STADIUM**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
Provide Parks and Recreation services	Number of parks maintained	10 Parks maintained by 30 June 2020	Achieved 10 Parks maintained by 30 June 2020	10 Parks maintained by 30 June 2021	Achieved 10 Parks maintained by 30 June 2021	10 Parks maintained by 30 June 2022	None	None

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

The Municipality was giving support to communities that are living in poverty. According to the Health Act, Act 63 of 1977 the local authority takes the responsibility for the removal and burial of the body of a destitute person or any dead body unclaimed or which no competent person undertakes to bury and thus bury. The objective of the Mahikeng Local Municipality is to assist the indigent families in the burial of the deceased.

Measures taken to improve performance:

- To carry out regular assessments on facilities.

3.7 WASTE MANAGEMENT

(THIS SECTION INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND MANAGEMENT OF THE LANDFILL SITE)

INTRODUCTION TO WASTE MANAGEMENT

The Waste Management section comprises refuse collection, street sweeping and litter picking, removal of illegal dumps and emptying of skips including the operation and Management of the Landfill site.

HOUSEHOLD REFUSE COLLECTION

- Mahikeng local municipality is responsible for household refuse collection in the urban areas within its jurisdiction.
- The municipality has a weekly household refuse collection schedule which is used to achieve this objective

CHALLENGES

- Frequent breakdown of refuse removal trucks.
- Staff Shortage
- Shortage of trucks

REMEDIAL MEASURES

- Acquisition of refuse removal trucks
- Improvement of turnaround time in repair of broken trucks
- Recruitment of staff

WASTE DISPOSAL (LANDFILL)

- The municipality has a licensed landfill site which it uses to dispose of all general waste collected around Mahikeng.
- The municipality is responsible for the operation and management of the Landfill site
- The Landfill has been upgraded using MIG Funding hence the construction of a perimeter fence, access control, administration block, ablution facilities and a weigh bridge

CHALLENGES

- Informal operation of waste pickers without a formal structure

REMEDIAL MEASURES

- Formalization of waste pickers

STREET SWEEPING AND LITTER PICKING

- The municipality has deployed permanent staff around Mahikeng CBD for the purpose of litter picking and street sweeping.
- Over and above the permanent staff the municipality has EPWP contingent distributed around Mahikeng and Mmabatho residential areas for litter picking and skip patrolling
- The municipality has also introduced a late shift team comprising of EPWP workers to collect refuse in the Mahikeng CBD the after hours

CHALLENGES

- Old and sickly staff
- No enforcement of street trading by-laws

REMEDIAL MEASURES

- Staff Recruitment
- Law enforcement

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: COMMUNITY SERVICES
WASTE MANAGEMENT**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To provide Waste management services	Weekly collection of refuse at trade premises and urban residential areas	Once weekly collection of refuse at trade premises and urban residential areas by 30 June 2020	Achieved Once weekly collection of refuse at trade premises and urban residential areas	Once weekly collection of refuse at trade premises and urban residential areas by 30 June 2021	Achieved Once weekly collection of refuse at trade premises and urban residential areas	Once weekly collection of refuse at trade premises and urban residential areas by 30 June 2022	None	None
	Number of illegal dumping spots cleaned	66 illegal dumping spots cleaned by 30 June 2020	Achieved 66 illegal dumping spots cleaned.	55 illegal dumping spots cleaned by 30 June 2021	Not achieved 35 illegal dumping spots cleaned	55 illegal dumping spots cleaned by 30 June 2022	None	None
	Number of anti-littering campaigns conducted	4 anti-littering campaigns conducted by 30 June 2020	Not achieved 3 anti-littering campaigns conducted	4 anti-littering campaigns conducted by 30 June 2021	Achieved 4 anti-littering campaigns conducted	4 anti-littering campaigns conducted by 30 June 2022	None	None
	Number of landfill site operational and maintained	1 landfill site operational and maintained by 30 June 2020	Achieved 1 landfill site operational and maintained	1 landfill site operational and maintained by 30 June 2021	Achieved 1 landfill site operational and maintained	1 landfill site operational and maintained by 30 June 2022	None	None

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

There are a number of illegal dumping spots that have been reduced through partnership with the community, Community Policing Forums, Government Departments and NGOs. The municipality has also intensified on awareness raising.

COMPONENT C: PUBLIC SAFETY

This component includes: Law Enforcement; Fire & Emergency Services; Security & Fleet Management; Rescue & Disaster Management and Testing & Licensing.

INTRODUCTION TO PUBLIC SAFETY

The directorate of the Public Safety render a sustainable and effective service to the public. The Department consists of four units Law Enforcement, Fire, Brigade & Disaster Management, Testing & Licensing as well as Security & Fleet Management

3.8 LAW ENFORCEMENT

INTRODUCTION TO LAW ENFORCEMENT

Despite the shortage of personnel in the Law Enforcement unit; all efforts were made to ensure road safety and orderly traffic flow. Law Enforcement activities were conducted and the 3 main priorities of the service were:

- To conduct regular roadblocks in order to promote road safety, visibility and to trace outstanding payments.
- Focus was also placed on training of scholar patrollers and educators in order to teach them on the aspects of safe road usage.
- Speed enforcements were also conducted as there was an obvious need to inculcate the spirit of voluntary compliance by motorists to set speed limits and traffic regulations in general.

Law Enforcement

	Details	2019/20	2020/21		2021/22
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	1437	1400	1474	1400
2	Number of by-law infringements attended	11	11	05	20
3	Number of traffic officers in the field on an average day	15	25	14	24
4	Number of traffic officers on duty on an average day	21	31	20	28

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: PUBLIC SAFETY
LAW ENFORCEMENT**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To provide professional law enforcement management services	Number of roadblocks conducted	24 roadblocks conducted by 30 June 2020	Target exceeded 26 Roadblocks were conducted	24 roadblocks conducted by 30 June 2021	Achieved 24 Roadblocks were conducted	24 roadblocks conducted by 30 June 2022	None	None

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

ACHIEVEMENTS

- The municipality Speed machine was procured
- New uniform of traffic officers was procured
- 15 traffic officers were trained for Fire Arm competence
- 15 traffic officers were trained for refresher course on Road Traffic Act
- Established an in-house back office (On a Pilot Phase)
- Appointed services provider for large animal pound

CHALLENGES

- By-Laws enforcement unit not yet appointed and vacant position of traffic wardens
(Traffic wardens play an integral part in Law Enforcement, especially on parking and stopping offences in the C.B.D)
 - Working tools i.e. blue lights, Decals and sirens
- Position of Data Capture has been vacant since 2013. The incumbent captures accidents report and summonses

3.9 FIRE & EMERGENCY SERVICES

INTRODUCTION TO FIRE SERVICES & EMERGENCY SERVICES

The Fire Service of the Municipality is currently understaffed. Other authorities during emergency situations rely on the municipality for assistance. The Fire Service was assisted by the Provincial Government to purchase some much-needed vehicles.

The following were some of the set priorities for the Fire Service:

- The service increased the fire safety compliance inspections in order to ensure that most businesses and other Institutions complied with the Legislation prescripts.
- Fire hydrants were regularly inspected and more fire safety awareness programmes were conducted.
- Additional fire fighting vehicles were purchased in order to increase the service standard of the fire service.
- The Fire & emergency provide special services to the community of mahikeng, e.i. filling in or emptying individuals/institutions swimming pools, rescue of animals, etc
- Further gives provision of fire and rescue services such as, Building fires, House fires, rescue people from motor vehicle accident and vehicle fires.
- Rendering of specialised services such as, swift water rescue, high angle rescue, trench rescue, and structural collapse
- Rendering of hazardous material services such as, attending hazardous material incidents
- Rendering of humanitarian services.

Fire Service Data					
#	Details	2019/20	2020/21		2021/22
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	299	200	347	200
2	Total of other incidents attended in the year	57	20	58	40
3	Average turnout time - urban areas	8 min	8 min	8 min	8 min
4	Average turnout time - rural areas	15 min	15 min	15 min	15 min
5	Fire fighters in post at year end	18	60	12	60
6	Total fire appliances at year end	14	14	5	14
7	Average number of appliance off the road during the year	5	0	8	14

BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: PUBLIC SAFETY FIRE SERVICES & EMERGENCY SERVICES								
Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To provide professional Fire Brigade and Disaster Management	Number of fire safety compliance inspections conducted	160 fire safety compliance inspections conducted by 30 June 2020	Target exceeded 209 fire safety compliance inspections conducted by 30 June 2020	200 fire safety compliance inspections conducted by 30 June 2021	Target exceeded 240 Fire safety compliance inspections were conducted	240 fire safety compliance inspections conducted by 30 June 2022	None	None
	% of fire and rescue incidents reported and attended	100% of fire and rescue incidents reported and attended by 30 June 2020	Achieved 100% (299) Fire and (72) Rescue incidents were reported and attended to by 30 June 2020	100% of fire and rescue incidents reported and attended by 30 June 2021	Achieved 347 Fire and 58 rescue incidents were reported and attended to 100%	100% of fire and rescue incidents reported and attended by 30 June 2022	None	None

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

ACHIEVEMENTS

- Master plan has been submitted for to office of the municipal manager.
- 20 positions of fire fighters have been advertised, awaiting conclusion of the recruitment process
- 40 internships of fire fighters have been approved by Municipal Manager
- Training of 2 fire safety personnel on fire investigation
- 1 fire safety personnel were trained on fire safety strategies
- 54 Fire suites protective clothing where procured.

CHALLENGES

- Shortage of fire fighters
- Lack of training of fire and rescue personnel in line with their field of expertise
- Lack of routine maintenance of Municipal buildings
- Tools of trade i.e. Cameras to be used at emergency incidents and assessment
- Telephones and fax machine are out of commission
- Control room to be renovated and upgraded
- Lack of specialized fire fighters' vehicles

3.10 DISASTER MANAGEMENT, SECURITY AND FLEET MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT, SECURITY AND FLEET MANAGEMENT

The Disaster Management Service is provided as one of the functions under the Fire Brigade and Disaster Management unit. The Disaster Management section is currently functioning with only two staff member who is responsible to service all 35 wards of the Municipality.

The Security section ensures access control security; safe work environment and implementation of MISS(Minimum Information Security Standard) documents with regards to internal security policy

The Fleet Section ensure that all drivers comply with fleet management policy with regards to rendering basic services to the community.

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT : PUBLIC SAFETY
DISASTER MANAGEMENT, SECURITY AND FLEET MANAGEMENT**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To provide professional Disaster management	Number of community safety forum establishment approved by council	None	None	1 community safety forum establishment approved by council by June 2021	Not Achieved Community Safety Forum was not established	None	None	None
	Number of disaster assessments conducted	None	None	60 disaster assessments conducted by 30 June 2021	Target exceeded 399 Disaster assessments were conducted	80 disaster assessments conducted by 30 June 2022	None	None
	Number of Mahikeng LM Inter-departmental disaster management meetings held	None	None	4 Mahikeng LM Inter-departmental disaster management meetings held by 30 June 2021	Achieved 4 Mahikeng LM Inter-departmental disaster management meetings were held	4 Mahikeng LM Inter-departmental disaster plans developed by 30 June 2022	None	None

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, SECURITY AND FLEET
MANAGEMENT OVERALL:

Disaster Management: Achievements

- Risk Assessment Report of quarries were conducted and submitted to Infrastructure for implementation
- Assessment reports were conducted (fire, floods, stormwater etc.) and submitted to Planning and Development
- 160 Disaster assessments were conducted

Disaster Management: Challenges

- Shortage of resources i.e. blankets, mattresses
- Tools of trade Cameras
- Shortage of personnel
- Non-commitment of other directorates in terms of disaster management issues

Security Section: Achievements

- Threats and Risks Assessment report submitted by State Security Agency
- Vetting workshop held for senior officials
- Draft Review of Internal Security Policy was done
- Monthly meetings held with Physical Security Service Provider

Challenges

- Increased cases of Security breaches with financial implications reported
- Security Committee to be reestablished
- Delay by senior officials for submission of Z204 forms
- Delay in appointing Head Security & Fleet Management
- Non-implementation of security infrastructure (perimeter fence, security lights, CCTV and electricity)
- Delay in approval of Security Policy

Fleet Management: Achievement

- Appointment of Fleet manager
- Grouped both yellow and white fleet to renew licenses at once
- Meetings are held with the Service Provider
- Maintained better control of fleet at Traffic Premises and Municipal yard
- Compiled monthly reports
- Regular inspection of Fleet was done and feedback given
- Branding of yellow and white fleet

- Draft Fleet Management policy to be finalized

Fleet Management: Challenges

- Delay in payments of vehicle license
- Log books not completed properly and not submitted in time
- Shortage of staff
- No central parking of Fleet for purpose of control

3.11 VEHICLE TESTING & LICENSING

INTRODUCTION TO VEHICLE TESTING & LICENSING

Despite shortage of personnel in the Testing and Licensing unit, all efforts were made to provide effective and efficient testing and licensing services in accordance with legislation. The following activities were conducted:

- Eye testing for PrDP's and Driving Licenses Renewals as well as for Learners and Driving Licenses applicants
- Testing Applicants for Learners and Driving Licenses
- Testing of motor vehicles for road worthiness and for certificate of fitness
- Authorisation and issuing of PrDP's
- Issuing Driving Licence Cards.

**BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT: PUBLIC SAFETY
VEHICLE TESTING & LICENSING**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To provide testing and licensing in accordance with legislation	Number of driving licence applicants tested	800 driving licence applicant tested by 30 June 2020	Not achieved 760 Applicants were tested for Driving Licenses	1600 driving licence applicant tested by 30 June 2021	Target exceeded 1344 Driving licence applicants were tested	1600 driving licence applicant tested by 30 June 2022	None	None

COMMENT ON THE PERFORMANCE OF VEHICLE TESTING & LICENSING OVERALL:

ACHIEVEMENTS:

- 100% of Driver's License Applicants tested
- 100% of Permits (PrDP) issued per month
- 100% of vehicles tested per month

CHALLENGES:

- Shortage of staff
- No electronic security systems
- Tools of trade i.e. Computers and Printers
- Lack of skills and training
- Poor toilet facilities
- No motor cycle track.
- Leaking roof
- Law Enforcement Board room furniture

COMPONENT D: FREE BASIC SERVICES
3.12 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality free basic services are mainly water supplied to rural *villages /wards* and Indigents receiving 6,000 litres of potable water supplied per formal connection per month and any access above that its payable to the municipality.

The municipality has a compiled indigent register. The free basic services provided to indigents are water,

STATISTICS SERVICES FOR FREE BASIC SERVICES AND INDIGENTS SUPPORT

Free basic water

Free basic water (URBAN)	3 256
Free basic electricity	1 659
<u>Free property rates</u>	<u>3 256</u>
Rural indigents (from the spread sheet)	3 502
Urban indigents (from the munsoft)	3 256
TOTAL INDIGENTS REGISTERED	6 758

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The municipality provided free basic services such as free water. The municipality has an indigent register which is been updated annual in order to verify the indigents consuming the free basic services per wards.

COMPONENT E: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

Government is committed to economic growth, employment creation, sustainable service delivery, poverty alleviation programmes and the eradication of historic inequalities. In order to ensure that infrastructure investment and development programmes are channelled towards these objectives, the National Spatial Development Perspective (NSDP) was formulated. The principles enshrined in the NSDP are thus of great importance to local government investment, through the IDP and capital expenditure.

The National Spatial Development Vision is as follows:

South Africa will become a nation in which investment in infrastructure and development programmes support government's growth and development objectives:

- By focusing economic growth and employment creation in areas where this is most effective and sustainable;
- By supporting restructuring to ensure greater competitiveness;
- By fostering development on the basis of local potential; and
- By ensuring that development institutions are able to provide basic needs throughout the country.

3.13 PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT DIRECTORATE

The Directorate's main objective is to alleviate poverty and inequality by encouraging sustainable and efficient economic growth. The Directorate has the following core functions:

Building Control

This unit ensures that people work and live in safe, clean and healthy environment by enforcement of the National Building Regulations and Building Standards Act No. 103 OF 1977 (as amended)

Property Management

Acquisition and availing of land and buildings for use by the municipality for purposes of developing and maintaining Municipal infrastructure, promoting service delivery and for facilitating social and economic development, spatial integration and environmental sustainability.

Housing Development Facilitation

To ensure that people have access to adequate housing, setting housing delivery goals, coordinate the delivery of housing and ensure sound public participation for all forms of housing development.

Town Planning

Development of a common spatial vision which directs development and capital investment decisions and providing for well-managed, sustainable and orderly use of land.

Environmental Management

Promotion of a safe and healthy environment including the Principles of the National Environmental Management Act 107 of 1998 (NEMA) and the Bill of Rights as stated in the Constitution.

Transportation Planning

Ensuring that Municipality has an efficient public transport and development and maintenance of public transport facilities.

Geographic Information System

Provide spatial information and support to all users within the Municipality in order to facilitate planning efforts and informed decisions.

Outdoor Advertising

Regulation of all forms of outdoor advertising ensuring that outdoor advertising is in line with South African Manual for Outdoor Advertising Control (SAMOAC) and the Municipality's Outdoor Advertising Policy.

Applications for Land Use Development

Detail	Formalisation of Townships		Land Use Applications		Building Plans	
	Year 2019/20	Year 2020/21	Year 2019/20	Year 2020/21	Year 2019/20	Year 2020/21
Planning application received	0	2	25	42	107	288
Determination made in year of receipt	0	0	20	22	114	256
Determination made in following year	0	1	5	4	35	5
Applications withdrawn	0	0	0	0	6	3
Applications outstanding at year end	0	1	10	16	22	24

**LOCAL ECONOMIC DEVELOPMENT AND SPATIAL RATIONAL
PLANNING AND DEVELOPMENT**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
Promote spatial planning	Development of George Dick Montshioa Airport Precinct Plan	None	None	Development of George Dick Montshioa Airport Precinct Plan by 30 June 2021	Achieved Draft George Dick Montshioa Airport Precinct Plan ready by 30 June 2021	None	None	None
	Compilation of Township Establishment for RDP Development on Portion 2 of the Farm Rooigrond No. 135 JO	None	None	Submission of Township Establishment for RDP Development on Portion 2 of the Farm Rooigrond No. 135 JO to the Municipality by 30 June 2021	Achieved Township Establishment for RDP Development on Portion 2 of the Farm Rooigrond No. 135 JO submitted to the Municipality by 30 June 2021	None	None	None
	Reversal of a sale of Erf 6034, Mafikeng	None	None	Reversal of a sale of Erf 6034, Mafikeng by 30 June 2021	Not achieved Reversal of a sale of Erf 6034, Mafikeng was not achieved by 30	None	None	None

**LOCAL ECONOMIC DEVELOPMENT AND SPATIAL RATIONAL
PLANNING AND DEVELOPMENT**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
					June 2021			
	Formalisation of Mosiane View (Remainder of Erf 428, Mafikeng)	None	None	Formalisation of Mosiane View (Remainder of Erf 428, Mafikeng) by 30 June 2021	Achieved Formalisation of Mosiane View (Remainder of Erf 428, Mafikeng) done by 30 June 2021	None	None	None
	Review of Bradford Park Intermodal Facility Study	None	None	Review of Bradford Park Intermodal Facility Study by 30 June 2021	Achieved Bradford Park Intermodal Facility Study reviewed by 30 June 2021	None	None	None

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The planning section appointed a town planner during the year under review and she has worked very hard to feel up the gaps the municipality has been experiencing.

3.14 LOCAL ECONOMIC DEVELOPMENT

INTRODUCTION TO ECONOMIC DEVELOPMENT

Mahikeng Local Municipality is faced by development problem in that a mix of urban and rural economies characterizes the municipal area of jurisdiction, thus ranging from a relatively strong economic performance to relatively isolated rural settlements with high levels of poverty. As a municipality, it has a specific coordination and facilitation responsibilities, which need to be addressed in an innovative manner to initiate and promote integrated and sustainable LED as well as to attract investments.

The municipality's LED Strategy its purpose is to collate all economic information and investigate the coordinated and integrated options and opportunities available to broaden the economic base of the study area, packaged as a strategic implementation framework in order to address the creation of employment opportunities, investment and business development and the resultant positive spin-off effects throughout the district economy.

Some of the critical relevant economic activities within the main economic sectors are Agriculture, Mining, Manufacturing, Trade and Tourism. The Standard Industrial Classification does not define Tourism as an economic sector, but because it is such an important industry in terms of potential job creation. Local Economic Development aims to address and reduce Poverty alleviation through introducing sustainable projects and job creation in wards.

There is a growing need for LED projects especially within our rural communities. Almost 50% of the wards have prioritized the provision of LED projects, especially in the area of small scale commercial farming with the potential for income-generation and the reduction of unemployment.

“The NDP contains proposals for tackling the problems of poverty, inequality and unemployment. It is a roadmap to a South Africa where all will have water, electricity, sanitation, jobs, housing, public transport, adequate nutrition, education, social protection, quality healthcare, recreation and a clean environment.”

Youth in particular came strong on matters relating to projects implementation as a result the Municipality decided that it will develop plans to help sustain youth development and empowerment.

LED includes provincial and local context and will result in detailed opportunities and constraints from sectoral opportunities and constraints which will serve as the basis for possible future Local Economic Development projects.

Job creation through Extended Public Works Programme (EPWP) projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2014/15	7	500
2015/16	7	500
2016/17	6	250
2017/18	6	250
2018/19	6	350
2019/20	6	102
2020/21	6	250

**LOCAL ECONOMIC DEVELOPMENT AND SPATIAL RATIONAL
PLANNING AND DEVELOPMENT**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To enhance and support through LED	Number of SMMES trained	60 SMMES Trained by 30 June 2020	Not achieved 33 SMMES Trained	60 SMMES Trained by 30 June 2021	Not achieved 34 SMMES Trained	240 SMMES Trained by 30 June 2022	None	None
	Number of SMMES Supported through LED Initiatives	20 SMMES Supported through LED Initiatives by 30 June 2020	Target exceeded 21 SMMES Supported through LED Initiatives	20 SMMES Supported through LED Initiatives by 30 June 2021	Target exceeded 31 SMMES Supported through LED Initiatives	20 SMMES Supported through LED Initiatives by 30 June 2022	None	None
	Number of Sports, Arts & Culture Activities Supported	3 Sports, Arts & Culture Activities Supported by 31 December 2019	Not achieved No Sports, Arts & Culture Activities Supported	3 Sports, Arts & Culture Activities Supported by 31 December 2021	Not achieved No Activities supported	4 Sports, Arts & Culture Activities Supported by 31 December 2022	None	None

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Local Economic Development includes all activities associated with economic development initiatives. Subsistence agriculture is practiced widely by rural communities while commercial agriculture contributed almost R146m (3.5%) to the total GDP for 2004. Between 2001 and 2004, strong growth (6.6% p.a.) was reported for the local agricultural sector.

The function of economic planning / development within the municipality is administered as follows and includes:

1. Marketing & Tourism Management
2. Project Management in Agriculture

These services extend to include economic development, but do not take account of economic development which resides within the jurisdiction of District Municipality and North West Provincial Government. The municipality has a mandate to capacitate and support SMME's.

The Strategic objective of this function is to train SMMEs on tendering, business management and marketing.

Local Economic Development aims to address and reduce Poverty alleviation through introducing sustainable projects and job creation in wards 35 wards. The 16 entrepreneurs were supported on greening project including school.

COMPONENT F: CORPORATE OFFICES AND OTHER SERVICES

This component includes: Executive office, political office, financial services, human resource services, ICT services, property services.

3.15 EXECUTIVE AND COUNCIL

This component includes: Office of the Mayor; office of the speaker; Councilors; and Municipal Manager.

INTRODUCTION TO EXECUTIVE AND COUNCIL

During the financial year under review the Council consisted of 69 councillors; made up of 35 ward councillors and 34 proportional councillors. Political decisions were taken in a form of council resolution.

**GOOD GOVERNANCE, PUBLIC PARTICIPATION AND WARD COMMITTEE SYSTEM
EXECUTIVE AND COUNCIL**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To manage and coordinate municipal strategic planning	Number of Community and stakeholder consultation meeting on the draft IDP and Budget coordinated per ward	2 Community and stakeholder consultation meeting on the draft IDP and budget coordinated by 30 April 2020	Achieved The draft IDP and the Budget consultations took place through cluster meeting were held and on electronic platforms like Website, notice boards Facebook, distribution of documents at tribal Offices. Twitter and libraries due to Covid 19 regulations.	2 Community and stakeholder consultation meeting on the draft IDP and budget coordinated by 30 April 2021	Achieved IDP and budget presented to the community through local radio station on the 18th and 19th of May 2021	2 Community and stakeholder consultation meeting on the draft IDP and budget coordinated by 30 April 2022	None	None
	Number IDP Rep Forum meetings coordinate by 30 June 2020	2 IDP Rep Forum meetings coordinate by 30 June 2020	Not achieved No IDP Rep Forum meetings coordinate	2 IDP Rep Forum meetings coordinate by 30 June 2021	Achieved 2 IDP Rep forum conducted	2 IDP Rep Forum meetings coordinate by 30 June 2022	None	None
	Number of IDP report developed and reviewed	1 IDP report developed and reviewed by 30 June 2020	Achieved 1 IDP report developed and reviewed	1 IDP report developed and reviewed by 30 June 2021	Achieved IDP adopted on the 2rd June 2021	1 IDP report developed and reviewed by 30 June 2022	None	None

**GOOD GOVERNANCE, PUBLIC PARTICIPATION AND WARD COMMITTEE SYSTEM
EXECUTIVE AND COUNCIL**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
	Number of ward committee meetings held	420 ward committee meetings held by 30 June 2020	Not achieved 248 ward committee meetings held	420 ward committee meetings held by 30 June 2021	Not achieved 16 ward committee meetings held	420 ward committee meetings held by 30 June 2022	None	None
	Number of council meetings held	4 council meetings held by 30 June 2020	Target exceeded 6 council meetings held	4 council meetings held by 30 June 2021	Target exceeded 2 Ordinary and 3 special council meetings held	4 council meetings held by 30 June 2022	None	None
Provide Institutional Performance Management	Timeous tabling of Draft Annual Report	Timeous tabling of Draft Annual Report 2018/19 to Council by 31 January 2020	Achieved Timeous tabling of Draft Annual Reported to Council by 31 January 2020	Timeous tabling of Draft Annual Report 2019/20 to Council by 31 January 2021	Achieved Timeous tabling of 2019/2020 Draft Annual Report to council	Timeous tabling of 2020/2021 Draft Annual Report to council by 31 January 2022	None	None

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

Through the challenges which occurred during the year the municipality still management to address as promised to appoint audit committee and co-worked the internal audit from the ngaka modiri molema district municipality through shared services.

3.16 FINANCE SERVICES

INTRODUCTION FINANCE SERVICES

Section 71 and 72 of the MFMA compels the Accounting Officer of a municipality to assess and table the municipal budget performance on a monthly basis and during the mid-year assessment respectively. There is an urgent need to focus on the governance, decision making and financial management to deal with budgeting, tariff setting, revenue collection, customer services, operations and maintenance of infrastructure asset management. The relationship between financial management and financial viability remain a challenging factor and the focus on the next financial year will be on maintaining a balance between financial management and viability. The focus on financial viability will be on revenue enhancement including debt management

The Finance unit is broadly comprised of Revenue section, Expenditure section, Budget section Salaries section, and Data processing and Supply Chain Management section, leaded by the Chief Financial Officer.

The highest most priority was to provide sound financial viability and sustainability.

- The Annual Financial Statement was timeously submitted to the Office of the Auditor General of South Africa.
- 4 Section 52 (Quarterly) Reports submitted to Council

The challenge faced was that the Revenue Enhancement strategy was not developed and the unit could not measure revenue growth

FINANCIAL MANAGEMENT AND VIABILITY FINANCE SERVICES								
Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
To promote accountability and transparency	Timeous Submissions of Annual Financial Statement to Office of the Auditor General (Section 126 MFMA)	Timeous Submissions of Annual Financial Statement to Office of the Auditor General by 31st August 2019	Achieved Timeous Submissions of Annual Financial Statement to Office of the Auditor General by 31 August 2019	Timeous Submissions of Annual Financial Statement to Office of the Auditor General by 31st August 2020	Achieved Timeous Submissions of Annual Financial Statement to Office of the Auditor General by 31st August 2020	Timeous Submissions of Annual Financial Statement to Office of the Auditor General by 31st August 2022	None	None
	Budget tabled and approved within legislated timelines and tariffs	2020/2021 Budget tabled and approved within legislated timelines and tariffs by 30 March 2020	Achieved Budget tabled and approved	2021/2022 Budget tabled and approved within legislated timelines and tariffs by 30 March 2021	Achieved 2021/2022 Budget approved within legislated timelines and tariffs	2022/23 Budget tabled and approved within legislated timelines and tariffs by 30 May 2022	None	None
	Budget related policies approved by Council within the legislated timeline	2020/2021 Budget related policies approved by Council within the legislated	Achieved 2020-2021 Budget related policies approved by Council on 30 June 2020, virtual	2021/2022 Budget related policies approved by Council within the legislated timeline by 30 May 2021	Achieved 2021/2022 Budget related policies approved by Council within the legislated timeline	2022/23 Budget related policies tabled and approved by Council within the legislated timeline	None	None

FINANCIAL MANAGEMENT AND VIABILITY FINANCE SERVICES								
Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
		timeline by 30 May 2020	meeting			by 30 May 2022		
	Number of Section 71 Reports submitted to the Mayor and National treasury within legislative timeline	12 Section 71 Reports submitted to the Mayor and National treasury within legislative timeline by 30 June 2020	Achieved 12 Section 71 Reports to be submitted to the Mayor and National treasury	12 Section 71 Reports submitted to the Mayor and National treasury within legislative timeline by 30 June 2021	Achieved 12 Section 71 Reports submitted to the Mayor and National treasury within legislative timeline	12 Section 71 Reports submitted to the Mayor and National treasury within legislative timeline by 30 June 2022	None	None
	Number of Section 52 Reports submitted to Council within 30 days after end of each quarter	4 Section 52 Reports submitted to Council within 30 days after end of each quarter	Achieved 4 Section 52 Reports submitted to Council	4 Section 52 Reports submitted to Council within 30 days after end of each quarter	Achieved 4 Section 52 Reports submitted to Council within 30 days after end of each quarter	4 Section 52 Reports submitted to Council within 30 days after end of each quarter	None	None
	Mid-year budget assessment report prepared	2019/2020 Mid-year budget assessment	Achieved Mid-year budget assessment report prepared and	2020/2021 Mid-year budget assessment report prepared and submitted to council and	Achieved 2020/2021 Mid-year budget assessment report prepared and	2021/2022 Mid-year budget assessment report prepared	None	None

FINANCIAL MANAGEMENT AND VIABILITY FINANCE SERVICES								
Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
	and submitted to council and National Treasury by the 25th Jan 2020 (section 72)	report prepared and submitted to council and National Treasury by the 25th Jan 2020 (section 72)	submitted to council and National Treasury	National Treasury by the 25th Jan 2021 (section 72)	submitted to council and National Treasury	and submitted to council and National Treasury by the 25th Jan 2022 (section 72)		
	Adjustment Budget approved by Council within the legislated timeline	2019/2020 Adjustment Budget approved by Council within the legislated timeline by 31 March 2020	Achieved 2019/2020 Adjustment Budget approved by Council	2020/2021 Adjustment Budget approved by Council within the legislated timeline by 31 March 2021	Achieved 2020/2021 Adjustment Budget approved by Council within the legislated timeline	2021/2022 Adjustment Budget approved by Council within the legislated timeline by 31 March 2022	None	None
	% of revenue collection	80 % of revenue collection by 30 June 2020	Not achieved 61 % of revenue collection	80 % of revenue collection by 30 June 2021	Not achieved 70 % of revenue collection	75 % of revenue collection by 30 June 2022	None	None
	Number of indigents households	2500 indigents households receiving Free	Target exceeded 3 241 indigents households	2500 indigents households receiving Free Basic Services by	Target exceeded 8417 indigents households to receive	3759 indigents households receiving Free	None	None

FINANCIAL MANAGEMENT AND VIABILITY FINANCE SERVICES								
Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
	receiving Free Basic Services	Basic Services by 30 June 2020	receiving Free Basic Services	30 June 2021	Free Basic Services	Basic Services by 30 June 2022		
	Number of MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure submitted to council	4 MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure submitted to council by 30 June 2020	Achieved 4 MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure	4 MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure submitted to council by 30 June 2021	Not Achieved 2 MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure submitted to council	4 MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure submitted to council by 30 June 2022	None	None
	% of MSA Sec 21 Monthly reports on awarded bids submitted for advertisement on the municipal website and National	100 % of MSA Sec 21 Monthly reports on awarded bids submitted for advertisement on the municipal website and National	Achieved 100 % of MSA Sec 21 Monthly reports on awarded bids to be submitted for advertisement on the municipal website and National Treasury	100 % of MSA Sec 21 Monthly reports on awarded bids submitted for advertisement on the municipal website and National Treasury by 30 June 2021	Not Achieved No MSA Sec 21 Monthly reports on awarded bids to be submitted for advertisement on the municipal website and National Treasury	100 % of MSA Sec 21 Monthly reports on awarded bids submitted for advertisement on the municipal website and National Treasury	None	None

FINANCIAL MANAGEMENT AND VIABILITY FINANCE SERVICES								
Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
	Treasury	Treasury by 30 June 2020				by 30 June 2022		

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The Supply chain management is not centralized, resulting in every Directorate performing their own procurement services. Though the procurement services are done by each directorate, the municipality is still in development processes to centralise the Procurement services unit.

3.17 CORPORATE SUPPORT AND ADMINISTRATION SUPPORT

INTRODUCTION TO HUMAN RESOURCE SERVICES

Corporate support and administration support is a support service within the municipality and it focuses on the following functional areas: Staff Acquisition (Recruitment, Selection, and appointment); Benefits Administration (Leave, Medical Aid, and Pension Funds); Staff Training and Skills Development; Employee Wellness; Labour/Employee Relations; as well as Occupational Health and Safety.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Workplace Skills Plan was 100% implemented

**INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT
CORPORATE SUPPORT AND ADMINISTRATION SUPPORT**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
	Number of HR policies Developed and approved by Council	8 HR policies developed and approved by Council by 30 June 2020	Not achieved 1 HR Policy developed and approved by Council	8 HR policies developed and approved by Council by 30 June 2021	Not achieved 2 HR policies were approved (leave policy and protective policy)	4 HR policies/reviewed, developed and approved by Council by 30 June 2022	None	None
	Number of approved Organisation Structure	1 Organisation structure reviewed and adopted by council by 31 August 2019	Not achieved Organisational Structure not reviewed and adopted by Council	1 Organisation structure reviewed and adopted by council by 31 August 2020	Achieved 1 Organisation structure reviewed and adopted by council	1 Organisation structure reviewed and adopted by council by 31 January 2022	None	None
	Number of completed Job Evaluation for all positions in the organogram	1 Job evaluation of all positions completed by 30 September 2019	Not achieved Job evaluation of all positions not completed	1 Job evaluation of all positions completed by 30 September 2020	Not achieved No Job Evaluation implemented	1 Job evaluation of all positions completed by 30 June 2022	None	None
	Number of reviewed Employment Equity Plan	1 Reviewed Employment Equity Plan by 30 January 2020	Achieved 1 Employment Equity Plan by 15 January 2020	1 Reviewed Employment Equity Plan by 30 January 2021	Achieved Employment Equity Plan reviewed	1 Reviewed Employment Equity Plan by 30 January 2022	None	None
	2020/21 Workplace Skills Plan	Develop 2020/21 Workplace Skills Plan and Submitted	Achieved 2020/21 Workplace Skills Plan	Develop 2021/22 Workplace Skills Plan and Submitted to	Achieved Develop 2020/21 Workplace Skills Plan	Develop 2021/22 Workplace Skills Plan and ATR	None	None

**INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT
CORPORATE SUPPORT AND ADMINISTRATION SUPPORT**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
	developed and Submitted to LGSETA	to LGSETA by 30 April 2020	Development and submitted to LGSETA by 30 April 2020	LGSETA by 30 April 2021	and ATR Submitted to LGSETA	Submitted to LGSETA by 30 April 2022		
	Number of Vacant and critical positions filled	10 vacant and 3 critical positions filled by 30 June 2020	Achieved 118 Vacant positions filled and 0 critical positions filled	10 vacant and 3 critical positions filled by 30 June 2021	Achieved 12 positions filled	10 critical positions filled by 30 June 2022	None	None
	Number of Local Labour Forum meetings held	4 Local Labour Forums meetings held by 30 June 2020	Achieved 1 Local Labour Forums meetings held	4 Local Labour Forums meetings held by 30 June 2021	Not achieved 2 Local Labour Forum meetings were held	4 Local Labour Forums meetings held by 30 June 2022	None	None
	Compilation and distribution of Agenda documents to Council and committees	Compilation and distribution of Agenda documents to Council and committees (Ordinary meeting at least 7 days and Special Meeting within 48 hrs.) by 30	Achieved Compilation and distribution of Agenda documents to Council and committees (Ordinary meeting at least 7 days and Special Meeting	Compilation and distribution of Agenda documents to Council and committees (Ordinary meeting at least 7 days and Special Meeting within 48 hrs.) by 30	Achieved Compilation and distribution of Agenda documents to Council and Committees(Ordinary meeting at least 7 days and Special Meeting within 48	Compilation and distribution of Agenda documents to Council and committees (Ordinary meeting at least 7 days and Special Meeting within 48 hrs) by 30	None	None

**INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT
CORPORATE SUPPORT AND ADMINISTRATION SUPPORT**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
		June 2020	within 48 hrs) by 30 June 2020	June 2021	hours)	June 2022		

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Human resource unit had many challenges as a result there was minimal performance achieved for the financial year.

3.18 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The municipality appointed new ICT manager during the financial year, the Information and Communication Technology (ICT) services section is under Corporates support services directorate.

There is also Data section which deals with Data processing and updating of data into the system. The data section is the sub-unit of finance unit.

The municipality is in use of Venus and MUNSOFT financial systems

**INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT
INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
	Number of ICT infrastructure upgraded	None	None	4 ICT infrastructure upgraded by 30 June 2021	Achieved 4 ICT Infrastructure upgraded(Telephone and Internet; (Web development and Technical Maintenance, Email System)	3 ICT infrastructure upgraded by 30 June 2022	None	None

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

ICT manage to upgrade Telephone and Internet; Web development and Technical Maintenance, Email System.

3.19 LEGAL; INTERNAL AUDIT AND RISK MANAGEMENT.

This component includes: legal, internal audit and risk management.

INTRODUCTION TO LEGAL; INTERNAL AUDIT AND RISK MANAGEMENT

The Legal services unit is integrated in office of the Municipal Manager and its function areas are drafting of by-laws; providing legal advice and opinion; and handle all litigations matters for and against council.

SERVICE STATISTICS FOR PROPERTY; LEGAL; INTERNAL AUDIT AND RISK MANAGEMENT

No By-laws published

**GOOD GOVERNANCE, PUBLIC PARTICIPATION AND WARD COMMITTEE SYSTEM
LEGAL, INTERNAL AUDIT AND RISK MANAGEMENT**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
Effective and efficient internal audit services	Internal Audit Charter approved by the Audit Committee.	2019/20 Internal Audit Charter approved by Audit Committee by the 30 September 2020	Achieved The Internal Audit Charter was approved by the Audit Committee during the meeting held on 05 July 2019	2020/21 Internal Audit Charter approved by Audit Committee by the 30 September 2021	Achieved Internal Audit Charter approved on 17/08/2020	2021/2022 Internal Audit Charter approved by Audit Committee by the 30 September 2022	None	None
	Audit Committee Charter approved by council.	2019/20 Audit Committee Charter approved by council by 30 September 2020	Not achieved The Audit Committee Charter was accepted by the Audit Committee but it was not approved by Council	2020/21 Audit Committee Charter approved by council by 30 September 2021	Achieved Audit Committee Charter was adopted on the 30/06/2020 Council sitting.	2021/2022 Audit Committee Charter approved by council by 30 September 2022	None	None
	Number of Audit Committee Meeting Held	4 Audit Committee Meeting held by 30 June 2020	Target exceeded 5 Audit Committee Meeting held	4 Audit Committee Meeting held by 30 June 2021	Achieved 4 Audit Committee Meeting held	4 Audit Committee Meeting held by 30 June 2022	None	None
Effective and efficient risk management	Number of Risk Assessment conducted	1 Risk Assessment conducted by 30 September	Not achieved Strategic Risk Assessment not concluded	1 Risk Assessment conducted by 30 September 2020	Not achieved 1 Risk Assessment conducted	1 Risk Assessment conducted by 30 September 2022	None	None

**GOOD GOVERNANCE, PUBLIC PARTICIPATION AND WARD COMMITTEE SYSTEM
LEGAL, INTERNAL AUDIT AND RISK MANAGEMENT**

Strategic Objective	Key Performance Indicators	Previous Year		Current year		Following Year		
		Target	Actual	Target	Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
		2019						
	Number of Risk Management Committee held	4 Risk Management Committee meeting held by 30 June 2020	Not achieved 1 Risk Management Committee meeting held	4 Risk Management Committee meeting held by 30 June 2021	Not achieved 1 Meeting held on 08 October 2020	4 Risk Management Committee meeting held by 30 June 2022	None	None
	Number of Risk Management Reports	None	None	4 Risk Management Reports by 30 June 2021	Not achieved 3 Risk Management Reports	4 Risk Management Reports by 30 June 2022	None	None
Provide Sound legal Support Services	Number of By-laws promulgated	8 By-laws promulgated by 30 June 2020	Not achieved No By-laws promulgated	8 By-laws promulgated by 30 June 2021	Not achieved No By-laws promulgated	8 By-laws promulgated by 30 June 2022	None	None

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

The legal section's intention for the next financial year is to develop record keeping for all contracts worked on.

The internal audit and audit committee have worked tremendously in helping the municipality to ensure quality assurance and compliances matters on municipal internal controls throughout the financial year.

COMPONENT G: ENVIRONMENTAL PROTECTION

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

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The Municipality did not have objectives set on environmental protection

3.20 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The Municipality did not have objectives set on pollution control

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

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The Municipality did not have objectives set on bio-diversity and landscape

COMPONENT H: HEALTH

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

INTRODUCTION TO HEALTH

The Municipality did not have objectives set to support health initiatives

3.22 CLINICS

CLINICS IN OUR MUNICIPALITY

The municipality is served by twenty-eight (28) clinics and community health centers as well as five (5) mobile clinics servicing rural wards where there are no clinics. All those clinics and community healthcenters in the Greater Mafikeng Sub District are listed below:

CLINICS	PROFESSIONAL NURSES	NURSING AUXILLARY
1. Modimola Clinic	1	1
2. Montshioa Stadt Community Health Center	15	11
3. Unit 9 Community Health Center	11	13
4. Ramatlabama Community Centre	8	6
5. Lekoko Community Health Centre	7	5
6. Tshunyane Clinic	3	1
7. Maureen Roberts Clinic*	3	2
8. Gelukspan Gateway Clinic	6	3
9. Weltevreden Clinic	3	1
10. Dithakong Clinic	3	1
11. Matshepe Clinic	2	1
12. Mafikeng Gateway Clinic	6	5
13. Magogwe Clinic	6	3
14. Matlhonyane Clinic	2	2

CLINICS	PROFESSIONAL NURSES	NURSING AUXILLARY
15. Rapulana Clinic*	5	3
16. Lonely Park Clinic	5	3
17. Tsetse Clinic	2	2
18. Tlapeng Clinic	2	2
19. Miga Clinic	2	2
20. Mogosane Clinic*	2	2
21. Lokaleng Clinic	2	1
22. Mocoseng Clinic	5	2
23. Motlhabeng Clinic	4	3
24. Montshioatown Clinic	9	4
25. Setlopo Clinic*	4	2
26. Makouspan Clinic*	0	0
27. Masutlhe I Clinic	2	2
28. Masutlhe II Clinic	0	0

LIST OF MOBILE CLINICS

MOBILE CLINICS	PROFESSIONAL NURSES	NURSING AUXILLARY
1. Montshioastad Mobile	1	1
2. Modimola Mobile	1	1
3. Ramatlabama Mobile	1	1
4. Gelukspan Mobile	1	1

The Municipality did not have objectives set to support clinics.

3.23 AMBULANCE SERVICES

The Municipality did not have objectives set to support ambulance services.

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

The Municipality did not have objectives set on health inspections, food and abattoir licencing inspections.

COMPONENT I: SPORT AND RECREATION

Mahikeng Local Municipality acknowledges that sports and recreation touches virtually every aspect of nation ethos. The Mahikeng Local Municipality has a special section that undertakes responsibilities of organising Sports, Arts, cultural development supported for interested community individuals. During the current year under the review fortunately no sports supported for the community.

The Mahikeng Local Municipality employees have also sport teams where they practice and participate in municipal sports tournaments.

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises. The Municipality is not responsible for the airport and abattoirs, municipal courts and forestry as well as municipal enterprises.

The North West High court and Mmabatho Magistrate court situated in Mahikeng Local Municipality jurisdiction area are the responsibility of North West Regional Department of Justice and-constitutional-development.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

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

KEY PERFORMANCE AREA	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence Reference
		Current status/ progress to date	Demand	Backlog												
KPI1	To provide Human Resources Management	1 HR policies developed and approved by Council by 2019/2020	8 HR policies developed and approved by Council	7 HR policies developed and approved by Council	Number of HR policies Developed and approved by Council	4 HR policies developed and approved by Council by 30 June 2021	Operational budget	4 HR policies (Leave Policy; Protective policy; Developmental internship policy; Abscondment policy) developed and approved by Council by 30 June 2021	Operational budget	-	2 HR policies were approved (leave policy and protective policy)	Not achieved	Draft policies awaiting council approval	Awaiting for the next council to sit and approve the policies	Council Resolutions, Approved Policies	ITD1
KPI2		No Organisation structure reviewed and adopted by council by 2019/2020	1 Organisation structure reviewed and adopted by council	1 Organisation structure reviewed and adopted by council	Number of approved Organisation Structure	1 Organisation structure reviewed and adopted by council by 31 January 2021	Operational budget	1 Organisation structure reviewed and adopted by council by 31 January 2021	Operational budget	-	1 Organisation structure reviewed and adopted by council	Achieved	1 Organisation structure approved by Council	The Council approved 1 Organisational structure	Council Resolution, approved organisational structure	ITD2
KPI3		No Job evaluation of all positions completed by 2019/2020	1 Job evaluation of all positions completed	1 Job evaluation of all positions completed	Number of completed Job Evaluation for all positions in the organogram	1 Job evaluation of all positions completed by 30 June 2021	Operational budget	1 Job evaluation of all positions completed by 30 June 2021	Operational budget	-	No Job Evaluation implemented	Not achieved	Delay from the District Job Evaluation Committee to Finalise	Awaiting for the District Job Evaluation Committee to sit and approve	Report of completed job evaluation	ITD3
KPI4		1 Reviewed Employment Equity Plan by 2019/2020	1 Reviewed Employment Equity Plan	None	Number of reviewed Employment Equity Plan	1 Reviewed Employment Equity Plan by 30 January 2021	Operational budget	1 Reviewed Employment Equity Plan by 30 January 2021	Operational budget	-	Employment Equity Plan reviewed	Achieved	Not applicable	Not applicable	Reviewed EEP	ITD4
KPI5	To retain skilled and diverse staff	Develop Workplace Skills Plan and Submitted to LGSETA by 2019/2020	Develop Workplace Skills Plan and Submitted to LGSETA	None	2020/21 Workplace Skills Plan developed and ATR Submitted to LGSETA	Develop 2020/21 Workplace Skills Plan and ATR Submitted to LGSETA by 30 April 2021	Operational budget	Develop 2020/21 Workplace Skills Plan and ATR Submitted to LGSETA by 30 April 2021	Operational budget	1 570 894	Develop 2020/21 Workplace Skills Plan and ATR Submitted to LGSETA	Achieved	Not applicable	Not applicable	Workplace Skills Plan	ITD5
KPI6		118 vacant and 0 critical positions filled by 2019/2020	10 vacant and 3 critical positions filled	None	Number of Vacant and critical positions filled	10 critical positions filled by 30 June 2021	1 044 996	10 critical positions filled by 30 June 2021	1 044 996	Operational expenditure	13 positions filled	Target exceeded	Demand of filling positions was higher than expected	Fill in positions as per demand	Advertisement, structure, appointment letters	ITD6

KEY PERFORMANCE AREA	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT															
	Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence
Current status/ progress to date			Demand	Backlog												
KPI7	To achieve Positive Employee climate	1 Local Labour Forums meetings held by 2019/2020	4 Local Labour Forums meetings held	3 Local Labour Forums meetings held	Number of Local Labour Forum meetings held	4 Local Labour Forums meetings held by 30 June 2021	Operational budget	4 Local Labour Forums meetings held by 30 June 2021	Operational budget	Operational expenditure	2 Local Labour Forum meetings were held	Not achieved	Local Labour Forum meetings postponed because it did not form a quorum	Reschedule meeting for the next financial year	Attendance register, minutes of meetings	ITD7
KPI8	Provide Sound Administrative Support Services	Compilation and distribution of agenda documents to Council and committee (Ordinary meeting at least 7 days and Special Meeting within 48 hrs) by 2019/2020	Compilation and distribution of Agenda documents to Council and committees (Ordinary meeting at least 7 days and Special Meeting within 48 hrs)	None	Compilation and distribution of Agenda documents to Council and committees	Compilation and distribution of Agenda documents to Council and committees (Ordinary meeting at least 7 days and Special Meeting within 48 hrs) by 30 June 2021	650 000	Compilation and distribution of Agenda documents to Council and committees (Ordinary meeting at least 7 days and Special Meeting within 48 hrs) by 30 June 2021	650 000	Operational expenditure	Compilation and distribution of Agenda documents to Council and Committees(Ordinary meeting at least 7 days and Special Meeting within 48 hours)	Achieved	Not applicable	Not applicable	Correspondence requesting Item, Distribution register	ITD8
KPI9	To provide ICT systems	New KPI	New KPI	New KPI	Number of ICT infrastructure upgraded	4 ICT infrastructure upgraded by 30 June 2021	Operational budget	4 ICT infrastructure upgraded by 30 June 2021	Operational budget	1 522 000	4 ICT Infrastructure upgraded(Telephone and Internet; (Web development and Technical Maintenance, Email System)	Achieved	Not applicable	Not applicable	Report on ICT infrastructure	ITD9

KEY PERFORMANCE AREA	GOOD GOVERNANCE, PUBLIC PARTICIPATION AND WARD COMMITTEE SYSTEM															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence Reference
		Current status/ progress to date	Demand	Backlog												
KPI10	To manage and coordinate municipal strategic planning	Community and stakeholder consultation meeting on the draft IDP and budget coordinated by 2019/2020	2 Community and stakeholder consultation meeting on the draft IDP and budget coordinated	None	Number of Community and stakeholder consultation meeting on the draft IDP and Budget coordinated per ward	2 Community and stakeholder consultation meeting on the draft IDP and budget coordinated by 30 April 2021	300 000	2 Community and stakeholder consultation meeting on the draft IDP and budget coordinated by 30 April 2021	300 000	Operating expenditure	IDP and budget presented to the community through local radio station on the 18th and 19th of May 2021	Achieved	Not applicable	Not applicable	Podcast of the radio consultations	GPW1
KPI11		No IDP Rep Forum meetings coordinate by 2019/2020	2 IDP Rep Forum meetings coordinate	2 IDP Rep Forum meetings coordinate	Number IDP Rep Forum meetings coordinate by 30 June 2021	2 IDP Rep Forum meetings coordinate by 30 June 2021	Operational budget	2 IDP Rep Forum meetings coordinate by 30 June 2021	Operational budget		2 IDP Rep forum conducted	Achieved	Not applicable	Not applicable	Attendance register	GPW2
KPI12		1 IDP report developed and reviewed by 2019/2020	1 IDP report developed and reviewed	None	Number of IDP report developed and reviewed	1 IDP report developed and reviewed by 30 June 2021	Operational budget	1 IDP report developed and reviewed by 30 June 2021	Operational budget		IDP adopted on the 2rd June 2021	Achieved	Not applicable	Not applicable	IDP report resolution	GPW3
KPI13		248 ward committee meetings held by 2019/2020	420 ward committee meetings held	420 ward committee meetings held	Number of ward committee meetings held	420 ward committee meetings held by 30 June 2021	Operational budget	420 ward committee meetings held by 30 June 2021	Operational budget		16 ward committee meetings held	Not achieved	Scheduled ward committee meetings were not held due to members did not form quorum	Ward committee meetings to be held as scheduled	Ward committee's reports Minutes of the meeting Attendance register	GPW4
KPI14		6 council meetings held by 2019/2020	4 council meetings held	None	Number of council meetings held	4 council meetings held by 30 June 2021	Operational budget	4 council meetings held by 30 June 2021	Operational budget		2 Ordinary and 3 special council meetings held	Target exceeded	Scheduled council meetings were not held due to councillors did not form quorum	Council meeting to be held as scheduled	Notices Agenda Minutes Attendance register	GPW5
KPI15	Effective and efficient internal audit services	Internal Audit Charter approved by Audit Committee by 2019/2020	Internal Audit Charter approved by Audit Committee	None	2020/21 Internal Audit Charter approved by the Audit Committee.	2020/21 Internal Audit Charter approved by Audit Committee by the 30 September 2021	Operational budget	2020/21 Internal Audit Charter approved by Audit Committee by the 30 September 2021	Operational budget		Internal Audit Charter approved on 17/08/2020	Achieved	Not applicable	Not applicable	Internal Audit Charter	GPW6
KPI16		Audit Committee Charter not approved by council by 2019/2020	Audit Committee Charter approved by council	Audit Committee Charter approved by council	2020/21 Audit Committee Charter approved by council.	2020/21 Audit Committee Charter approved by council by 30 September 2021	Operational budget	2020/21 Audit Committee Charter approved by council by 30 September 2021	Operational budget		Audit Committee Charter was adopted on the 30/06/2020 Council sitting.	Achieved	Not applicable	Not applicable	Audit Committee Charter Council resolution	GPW7
KPI17		5 Audit Committee Meeting held by 2019/2020	4 Audit Committee Meeting held	None	Number of Audit Committee Meeting Held	4 Audit Committee Meeting held by 30 June 2021	250 000	4 Audit Committee Meeting held by 30 June 2021	250 000		4 Audit Committee Meeting held	Achieved	Not applicable	Not applicable	Minutes of Meeting and Attendance Register	GPW8

KEY PERFORMANCE AREA	GOOD GOVERNANCE, PUBLIC PARTICIPATION AND WARD COMMITTEE SYSTEM															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence Reference
		Current status/ progress to date	Demand	Backlog												
KPI18	Effective and efficient risk management	No Risk Assessment conducted by 2019/2020	1 Risk Assessment conducted	1 Risk Assessment conducted	Number of Risk Assessment conducted	1 Risk Assessment conducted by 30 September 2020		1 Risk Assessment conducted by 30 September 2020			1 Risk Assessment conducted	Achieved	Not applicable	Not applicable	Risk Assessment Report	GPW9
KPI19		1 Risk Management Committee held by 2019/2020	4 Risk Management Committee meeting held	3 Risk Management Committee meeting held	Number of Risk Management Committee held	4 Risk Management Committee meeting held by 30 June 2021		4 Risk Management Committee meeting held by 30 June 2021			1 Meeting held on 08 October 2020	Not Achieved	The meeting were convened and did not form a quorum	To convene members on virtual in the 2nd quarter	Memo	GPW10
KPI20		New KPI	New KPI	New KPI	Number of Risk Management Reports	4 Risk Management Reports by 30 June 2021		4 Risk Management Reports by 30 June 2021			3 Risk Management Reports	Not Achieved	Reports depend on progress of strategic risk assessment	To convene members on virtual meetings	Risk Management Reports	GPW11
KPI21	Provide Institutional Performance Management	Timeous tabling of Draft Annual Report to council by 2019/2020	Timeous tabling of Draft Annual Report to council	None	Timeous tabling of 2019/2020 Draft Annual Report to council	Timeous tabling of 2019/2020 Draft Annual Report to council by 31 January 2021		Timeous tabling of 2019/2020 Draft Annual Report to council by 31 January 2021			Timeous tabling of 2019/2020 Draft Annual Report to council	Achieved	Not applicable	Not applicable	Draft Annual Report resolution	GPW12
KPI22	Provide Sound legal Support Services	No By-laws promulgated by 2019/2020	8 By-laws promulgated	8 By-laws promulgated	Number of By-laws promulgated	8 By-laws promulgated by 30 June 2021	300 000	8 By-laws promulgated by 30 June 2021	300 000		No By-laws promulgated	Not Achieved	Government printing not registered on CSD to provide MLM with invoice	Government printing to register on CSD	List of by-laws drafted	GPW13

KEY PERFORMANCE AREA	FINANCIAL MANAGEMENT AND VIABILITY															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustments (Revised)	Annual Budget Adjustments (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence references
		Current status/ progress to date	Demand	Backlog												
KPI23	To promote accountability and transparency	Timeous Submissions of Annual Financial Statement to Office of the Auditor General by 2019/2020	Timeous Submissions of Annual Financial Statement to Office of the Auditor General	None	Timeous Submissions of Annual Financial Statement to Office of the Auditor General (Section 126 MFMA)	Timeous Submissions of Annual Financial Statement to Office of the Auditor General by 31st August 2020	3 200 000	Timeous Submissions of Annual Financial Statement to Office of the Auditor General by 31st August 2020	3 200 000	14 046 954	Timeous Submissions of Annual Financial Statement to Office of the Auditor General by 31st August 2020	Achieved	Not applicable	Not applicable	Acknowledgement of copy AFS by AG	FV1
KPI24		Budget tabled and approved within legislated timelines and tariffs by 2019/2020	Budget tabled and approved within legislated timelines and tariffs	None	2021/2022 Budget tabled and approved within legislated timelines and tariffs	2021/2022 Budget tabled and approved within legislated timelines and tariffs by 30 May 2021	Operational budget	2021/2022 Budget tabled and approved within legislated timelines and tariffs by 30 May 2021	Operational budget	-	2021/2022 Budget approved within legislated timelines and tariffs	Achieved	Not applicable	Not applicable	Council Resolution A12/14/2021	FV2
KPI25		Budget related policies approved by Council within the legislated timeline by 2019/2020	Budget related policies tabled and approved by Council within the legislated timeline	None	2021/2022 Budget related policies tabled and approved by Council within the legislated timeline	2021/2022 Budget related policies tabled and approved by Council within the legislated timeline by 30 May 2021	Operational budget	2021/2022 Budget related policies tabled and approved by Council within the legislated timeline by 30 May 2021	Operational budget	-	2021/2022 Budget related policies approved by Council within the legislated timeline	Achieved	Not applicable	Not applicable	Council Resolution A12/14/2021	FV3
KPI26		12 Section 71 Reports submitted to the Mayor and National treasury within legislative timeline by 2019/2020	12 Section 71 Reports submitted to the Mayor and National treasury within legislative timeline	None	Number of Section 71 Reports submitted to the Mayor and National treasury within legislative timeline	12 Section 71 Reports submitted to the Mayor and National treasury within legislative timeline by	Operational budget	12 Section 71 Reports submitted to the Mayor and National treasury within legislative timeline by	Operational budget	-	12 Section 71 Reports submitted to the Mayor and National treasury within legislative timeline	Achieved	Not applicable	Not applicable	Acknowledgement of receipt of reports from the office of the Mayor and National treasury	FV4
KPI27		4 Section 52 Reports submitted to Council within 30 days after end of each quarter by 2019/2020	4 Section 52 Reports submitted to Council within 30 days after end of each quarter	None	Number of Section 52 Reports submitted to Council within 30 days after end of each quarter	4 Section 52 Reports submitted to Council within 30 days after end of each quarter	Operational budget	4 Section 52 Reports submitted to Council within 30 days after end of each quarter	Operational budget	-	4 Section 52 Reports submitted to Council within 30 days after end of each quarter	Achieved	Not applicable	Not applicable	Council Resolution	FV5
KPI28		Mid-year budget assessment report prepared and submitted to council and National Treasury by 2019/2020	Mid-year budget assessment report prepared and submitted to council and National Treasury	None	2020/2021 Mid-year budget assessment report prepared and submitted to council and National Treasury by	2020/2021 Mid-year budget assessment report prepared and submitted to council and National Treasury by	Operational budget	2020/2021 Mid-year budget assessment report prepared and submitted to council and National Treasury by the 25th Jan 2021 (section 72)	Operational budget	-	2020/2021 Mid-year budget assessment report prepared and submitted to council and National Treasury	Achieved	Not applicable	Not applicable	Council Resolution and acknowledgement of receipt of report from National treasury A06/04/2021	FV6

KEY PERFORMANCE AREA	FINANCIAL MANAGEMENT AND VIABILITY															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustments (Revised)	Annual Budget Adjustments (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence references
		Current status/ progress to date	Demand	Backlog												
KPI29		Adjustment Budget approved by Council within the legislated timeline by 2019/2020	Adjustment Budget approved by Council within the legislated timeline	None	the 25th Jan 2021 (section 72) 2020/2021 Adjustment Budget approved by Council within the legislated timeline	the 25th Jan 2021 (section 72) 2020/2021 Adjustment Budget approved by Council within the legislated timeline by 31 March 2021	Operational budget	2020/2021 Adjustment Budget approved by Council within the legislated timeline by 31 March 2021	Operational budget	-	2020/2021 Adjustment Budget approved by Council within the legislated timeline	Achieved	Not applicable	Not applicable	Council Resolution A04/04/2021	FV7
KPI30		61 % of revenue collection by 2019/2020	75 % of revenue collection	14% of revenue collection	% of revenue collection	75 % of revenue collection by 30 June 2021	Operational budget	75 % of revenue collection by 30 June 2021	Operational budget	-	70 % of revenue collection	Not Achieved	Lockdown restriction due to third variant impeded performance in this area. Prospective debtors could not be contacted due to emails not being function for a certain period	Debt Collection and Credit Control measures are being implemented and I have engaged the respective officials.	Revenue reconciliation	FV8
KPI31		3241 indigents households receiving Free Basic Services by 2019/2020	2500 indigents households receiving Free Basic Services	None	Number of indigents households receiving Free Basic Services	3759 indigents households receiving Free Basic Services by 30 June 2021	Operational budget	3759 indigents households receiving Free Basic Services by 30 June 2021	Operational budget	-	8417 indigents households to receive Free Basic Services	Target exceeded	Consumers who were visiting the municipality were encouraged to register for indigent for those who qualify	Furhter engagements will be made with the office of the Speaker to ensure that more indigent registrations are done in all wards.	Indigents register	FV9
KPI32		4 MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure submitted to council by 2019/2020	4 MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure submitted to council	None	Number of MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure submitted to council	4 MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure submitted to council by 30 June 2021	Operational budget	4 MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure submitted to council by 30 June 2021	Operational budget	-	2 MFMA Sec 32 and SCM regulation 32 Reports on Deviation, Fruitless and Irregular expenditure submitted to council	Not Achieved	Council Sitting is contemplated to be sitting in August 2021	Report and items are ready to be tabled to Council	SCM regulation 32 Reports	FV10

KEY PERFORMANCE AREA	FINANCIAL MANAGEMENT AND VIABILITY															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustments (Revised)	Annual Budget Adjustments (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence references
		Current status/ progress to date	Demand	Backlog												
KPI33		100 % of MSA Sec 21 Monthly reports on awarded bids submitted for advertisement on the municipal website and National Treasury by 2019/2020	100 % of MSA Sec 21 Monthly reports on awarded bids submitted for advertisement on the municipal website and National Treasury	None	% of MSA Sec 21 Monthly reports on awarded bids submitted for advertisement on the municipal website and National Treasury	100 % of MSA Sec 21 Monthly reports on awarded bids submitted for advertisement on the municipal website and National Treasury by 30 June 2021	Operational budget	Operational budget	-	No MSA Sec 21 Monthly reports on awarded bids to be submitted for advertisement on the municipal website and National Treasury	Not Achieved	The website was still under construction at the time when placing the adverts.	Adverts will henceforth be on website as the website is now functional	Memo	FV11	

KEY PERFORMANCE AREA	LOCAL ECONOMIC DEVELOPMENT AND SPATIAL RATIONAL: PLANNING AND DEVELOPMENT															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment	Annual Budget Adjustment	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence Reference
		Current status/ progress to date	Demand	Backlog												
KPI34	Spatial Planning	New KPI	New KP	New KP	Development of George Dick Montshioa Airport Precinct Plan	Development of George Dick Montshioa Airport Precinct Plan by 30 June 2021	R 700 000,00	Development of George Dick Montshioa Airport Precinct Plan by 30 June 2021	R 700 000,00	R622 150	Draft George Dick Montshioa Airport Precinct Plan ready by 30 June 2021	Achieved	Not applicable	Not applicable	Draft George Dick Montshioa Airport Precinct Plan Report	LEDSRP1
KPI35		New KPI	New KP	New KP	Compilation of Township Establishment for RDP Development on Portion 2 of the Farm Rooigrond No. 135 JO	Submission of Township Establishment for RDP Development on Portion 2 of the Farm Rooigrond No. 135 JO to the Municipality by 30 June 2021	R1 000 000	Submission of Township Establishment for RDP Development on Portion 2 of the Farm Rooigrond No. 135 JO to the Municipality by 30 June 2021	R1 000 000	1718999.97	Township Establishment for RDP Development on Portion 2 of the Farm Rooigrond No. 135 JO submitted to the Municipality by 30 June 2021	Achieved	Not applicable	Not applicable	Township Establishment on Portion 2 of the Farm Rooigrond No. 135 JO application report	LEDSRP2
KPI36		New KPI	New KP	New KP	Reversal of a sale of Erf 6034, Mafikeng	Reversal of a sale of Erf 6034, Mafikeng by 30 June 2021	R900 000	Reversal of a sale of Erf 6034, Mafikeng by 30 June 2021	R900 000	0	Reversal of a sale of Erf 6034, Mafikeng was not achieved by 30 June 2021	Not Achieved	There were delays from the contracted Attorneys	Lawyers will be engaged on how to move with speed on the issue	Expropriation notice or high court order or written agreement between Municipality and Sudden Impact Investments 85 Proprietary Limited (property owner)	LEDSRP3
KPI37		New KPI	New KP	New KP	Formalisation of Mosiane View (Remainder of Erf 428, Mafikeng)	Formalisation of Mosiane View (Remainder of Erf 428, Mafikeng) by 30 June 2021	R1 500 000	Formalisation of Mosiane View (Remainder of Erf 428, Mafikeng) by 30 June 2021	R1 500 000	0	Formalisation of Mosiane View (Remainder of Erf 428, Mafikeng) done by 30 June 2021	Achieved	Not applicable	Not applicable	Submitted formalisation of Mosiane View application report	LEDSRP4
KPI38		New KPI	New KP	New KP	Review of Bradford Park Intermodal Facility Study	Review of Bradford Park Intermodal Facility Study by 30 June 2021	R1 000 000	Review of Bradford Park Intermodal Facility Study by 30 June 2021	R1 000 000	725968,7	Bradford Park Intermodal Facility Study reviewed by 30 June 2021	Achieved	Not applicable	Not applicable	Final report on Bradford Park Intermodal Facility Study	LEDSRP5

KEY PERFORMANCE AREA	LOCAL ECONOMIC DEVELOPMENT AND SPATIAL RATIONAL: SOCIO ECONOMIC															
	Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence
Current status/ progress to date			Demand	Backlog												
KPI39	To enhance and support through LED	33 SMMEs Trained by 2019/2020	60 SMMEs Trained	27 SMMEs Trained	Number of SMMEs trained	60 SMMEs Trained by 30 June 2021	350 000	60 SMMEs Trained by 30 June 2021	350 000	R58810 (Q3 Training =R7860 +Q4 Training R30 000 + venue R20950)	34 SMMEs Trained by 30 June 2021	Not achieved	No training could be conducted due to Lockdown regulations	Training to be conducted in the next quarter	Attendance Register & Reports	LEDSRSE1
KPI40		21 SMMEs Supported through LED Initiatives by 2019/2020	20 SMMEs Supported through LED Initiatives	None	Number of SMMEs Supported through LED Initiatives	20 SMMEs Supported through LED Initiatives by 30 June 2021	249 996	20 SMMEs Supported through LED Initiatives by 30 June 2021	249 996	R23600	31 SMMEs Supported through LED Initiatives	Achieved	Not applicable	Not applicable	Association Letter & Report	LEDSRSE2
KPI41		No Sports, Arts & Culture Activities Supported by 2019/2020	3 Sports, Arts & Culture Activities Supported	3 Sports, Arts & Culture Activities Supported	Number of Sports, Arts & Culture Activities Supported	3 Sports, Arts & Culture Activities Supported by 31 December 2020	Operational budget	3 Sports, Arts & Culture Activities Supported by 31 December 2020	Operational budget	-	No Activities supported	Not achieved	No Activities supported due to the National Lockdown (Covid-19 pandemic)	Activities to be carried out in the next financial year	Memo	LEDSRSE3

KEY PERFORMANCE AREA	BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT : INFRASTRUCTURE															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence Reference
		Current status/ progress to date	Demand	Backlog												
KPI42	To provide access to basic water services in urban areas	900000 KL per month of water provided for water distribution in urban areas by 2019/2020	900000 KL per month of water provided for water distribution in urban areas	None	Number of Kilo-liters per month of water distributed in the urban area	10 800 000 KL of water distributed in urban areas by 30 June 2021	56 000 000	10 800 000 KL of water distributed in urban areas by 30 June 2021	56 000 000	Operating expenditure	8 644 164KL of water distributed in the urban area	Not Achieved	Due to the ongoing drought endured around the Municipal jurisdiction, we were unable to deliver the required kiloliters as per our targets	To equip our existing boreholes with the new pumping system in collaboration with Ngaka Modiri Molema District Municipality (NMMDM and Sedibeng Water (SW)	Bulk Meter Reading Report	BSI1
KPI43	To provide access to basic sanitation services in urban areas	20 000 KL of treated wastewater discharged per month from Wastewater Treatment Works by 2019/2020	20 000 KL of treated wastewater discharged per month from Wastewater Treatment Works	None	Number of Kilo liters per month of treated wastewater discharged from the wastewater treatment Works	240 000 KL of treated wastewater discharged from Wastewater Treatment Works by 30 June 2021	Operational budget	240 000 KL of treated wastewater discharged from Wastewater Treatment Works by 30 June 2021	Operational budget	Operating expenditure	0 KL of treated wastewater discharged from Wastewater Treatment Works	Not Achieved	Due to the status at our Waste Water Treatment Works (WWTW) which is under refurbishment, we are unable to provide the kilolitres discharged by the Waste Water Treatment Works as flow meters are still pending calibration	Refurbishment project currently on hold pending attaining funding	Memo	BSI2
KPI44	To Maintain Surfaced Roads and Stormwater	7,2529 kms of tar road maintained by 2019/2020	20 kms of tar road maintained	12.75 kms	Number of kilometers of tar road maintained	8 kms tar road maintained by 30 June 2021	15 700 000	8 kms tar road maintained by 30 June 2021	15 700 000	Operating expenditure	17.784kms tar road maintained by 30 June 2021	Achieved	The over achievement was assisted by the use of service providers and overtime work put in by the internal workforce.	N/A	Roads & Stormwater Reports	BSI3

KEY PERFORMANCE AREA	BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT : INFRASTRUCTURE															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence Reference
		Current status/ progress to date	Demand	Backlog												
KPI45		0,456km stormwater drainage maintained by 2019/2020	6 kms stormwater drainage maintained	5,544 kms	Number of kms stormwater drainage maintained	4 kms stormwater drainage maintained by 30 June 2021	5 719 996	4 kms stormwater drainage maintained by 30 June 2021	5 719 996	Operating expenditure	4.1626kms stormwater drainage maintained by 30 June 2021	Achieved	N/A	N/A	Roads & Stormwater Reports	BSI4
KPI46	To Maintain Gravel Roads	1,504 Km of rural gravel road maintained by 2019/2020	5 kms of rural gravel road maintained	3,496 kms	Number of kms of rural gravel road maintained	5 kms of rural gravel road maintained by 30 June 2021	7 200 000	5 kms of rural gravel road maintained by 30 June 2021	7 200 000	Operating expenditure	7.8kms of rural gravel road mainied by 30 June 2021	Achieved	N/A	N/A	Roads & Stormwater Reports	BSI5
KPI47	To facilitate the provision of electricity and provide public lighting	328 Street lights maintained by 2019/2020	600 public street lighting maintained	272	Number of public street lighting maintained	180 public street lighting maintained by 30 June 2021	500 000	180 public street lighting maintained by 30 June 2021	3 500 000	Operating expenditure	Public street lighting maintained by 30 June 2021	Achieved	Availability of resources	N/A	Electrical reports	BSI6
KPI48	To facilitate the provision of electricity and provide public lighting	500 highmast lights maintained by 2019/2020	400 highmast lights maintained	100	Number of highmast lights maintained	400 highmast lights maintained by 30 June 2021	Operational budget	400 highmast lights maintained by 30 June 2021	Operational budget	Operating expenditure	829 Highmast lights maintained	Target Exceeded	Availability of resources	N/A	Electrical reports	BSI7
KPI49	To facilitate the provision of electricity and provide public lighting	No luminaires retrofitted to High Mast Lights by 2019/2020	6144 luminaires for 816 High Mast Lights	6144 luminaires for 816 High Mast Lights	Number of luminaires retrofitted to High Mast lights	Added Adjustment- New KPI	Added Adjustment- New KPI	594 luminaires retrofitted to High Mast lights by 30 June 2021	4,5m Energy Efficiency Demand Side Management Programme Grant (EEDSM)	7,5M	1614 of luminaires retrofitted to High mast lights by 30 June 2021	Target Exceeded	Additional funding of 3M acquired from DMRE	N/A	Monthly and Quarterly Reports	BSI8

KEY PERFORMANCE AREA	BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT : INFRASTRUCTURE															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence Reference
		Current status/ progress to date	Demand	Backlog												
KPI50	To execute MIG Projects	20 highmast lights constructed by 2019/2020	20 highmast lights constructed	None	Number of highmast lights constructed	50 highmast lights constructed by 30 June 2021	6 400 000	50 highmast lights constructed by 30 June 2021	6 400 000	16 000 000	50 highmast lights constructed	Achieved	N/A	N/A	Appointment of contractors Meeting minutes for progress and payments certificates Completion certificate	BSI9
KPI51	To execute MIG Projects	None	None	None	Number of Kms gravel roads upgraded to paving in magogoe	3.5 Kms gravel roads constructed in magogoe ward 14 by 30 June 2021	19 112 000	3.5 Kms gravel roads constructed in magogoe ward 14 by 30 June 2021	19 112 000	9 039 457	0 Kms gravel roads constructed in magogoe ward 14, the contractor still on site.	Not Achieved	The project progress report: Bridge - 20% Box cutting - 100% Roadbed - 100% Sub base - 92% Kerbing and paving 70%	The project will be completed in the next financial year	Appointment of contractors Meeting minutes for progress and payments certificates	BSI10
KPI52	To execute MIG Projects	None	None	None	Number of Kms gravel roads upgraded to paving in signal hill	2.5 Kms gravel roads constructed in signal hill ward 28 by 30 June 2021	14 556 000	2.5 Kms gravel roads constructed in signal hill ward 28 by 30 June 2021	14 556 000	6 073 781	0 Kms gravel roads constructed in signal hill ward 28, the contractor still on site.	Not Achieved	The project progress report: Box cutting - 80% Roadbed - 70% Sub base - 60% Kerbing and paving 55%	The project will be completed in the next financial year	Appointment of contractors Meeting minutes for progress and payments certificates	BSI11
KPI53	To execute MIG Projects	None	None	None	Number of Kms gravel roads upgraded to paving in lothakane	2.5 km in Lothlakane constructed in ward 23 by 30 June 2021	14 556 000	2.5 km in Lothlakane constructed in ward 23 by 30 June 2021	14 556 000	5 996 471	0 km in Lothlakane constructed in ward 23, the contractor still on site.	Not Achieved	The project progress report: Box cutting - 100% Road Bed - 100% Sub base - 90% Kerbing and paving 75%	The project will be completed in the next financial year	Appointment of contractors Meeting minutes for progress and payments certificates	BSI12
KPI54	To execute MIG Projects	None	None	None	Number of Kms gravel roads upgraded to paving in tlong village to bokone vilage	2 km constructed in paving in tlong to bokone village in ward 15 by 30 June 2021	10 000 000	2 km constructed in paving in tlong to bokone village in ward 15 by 30 June 2021	10 000 000	2 430 755	0 km constructed in paving in tlong to bokone village in ward 15, the contractor still on site.	Not Achieved	The project progress report: Box cutting - 80% Roadbed - 70% Sub base - 60% Kerbing and paving 55%	The project will be completed in the next financial year	Appointment of contractors Meeting minutes for progress and payments certificates	BSI13

KEY PERFORMANCE AREA	BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT : INFRASTRUCTURE															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence Reference
		Current status/ progress to date	Demand	Backlog												
KPI55	To execute MIG Projects	None	None	None	Number of facilities and tennis courts constructed	14 tennis courts constructed and 1 facility change rooms and guard house constructed by 30 June 2021	20 000 000	14 tennis courts constructed and 1 facility change rooms and guard house constructed by 30 June 2021	20 000 000	4 583 199	Paving - 100% Conditioning 100% Fencing - 100% Overall - 95%	Achieved	N/A	N/A	Appointment of contractors Meeting minutes for progress and payments certificates Completion certificate	BSI14
KPI56	To execute EPWP programme	102 EPWP employees appointed by 2019/2020	350 EPWP employees appointed	248 EPWP employees	Number of EPWP employees appointed	250 EPWP employees appointed by 31 December 2020	EPWP Grant R3 324 000,00	250 EPWP employees appointed by 31 December 2020	EPWP Grant R3 324 000,00	3 500 000	250 EPWP employees appointed	Achieved	N/A	N/A	EPWP List prove of payment.	BSI15

KEY PERFORMANCE AREA	BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT : PUBLIC SAFETY															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence Reference
		Current status/ progress to date	Demand	Backlog												
KPI57	To provide professional law enforcement management services	26 roadblock conducted by 2019/2020	24 roadblock conducted	None	Number of roadblocks conducted	24 roadblock conducted by 30 June 2021	Operational budget	24 roadblock conducted by 30 June 2021	Operational budget	164 944,50	24 roadblocks were conducted	Achieved	Not Applicable	Not Applicable	Reports	BSPS1
KPI58	To provide testing and licensing in accordance with legislation	760 driving licence applicant tested by 2019/2020	800 driving licence applicant tested	40 driving licence applicant tested	Number of driving licence applicants tested	1600 driving licence applicant tested by 30 June 2021	550 000	1200 driving licence applicant tested by 30 June 2021	550 000	602 749	1344 Driving licence applicants were tested	Target Exceeded	The demand was high and office was operational during weekends to accommodate the influx	To test driving licence applicants as planned	Law-enforcement reports	BSPS2
KPI59	To provide professional Fire Brigade and Disaster Management	209 fire safety compliance inspections conducted by 2019/2020	160 fire safety compliance inspections conducted	None	Number of fire safety compliance inspections conducted	200 fire safety compliance inspections conducted by 30 June 2021	60 000	200 fire safety compliance inspections conducted by 30 June 2021	60 000	-144 169,84	240 Fire safety compliance inspections were conducted	Target Exceeded	The demand was high as student accommodations were also inspected	To conduct fire safety compliance inspections as planned	Reports, inspection forms	BSPS3
KPI60		100% (299) Fire and (72) Rescue incidents report attend by 2019/2020	100% of fire and rescue incidents reported and attended	None	% of fire and rescue incidents reported and attended	100% of fire and rescue incidents reported and attended by 30 June 2021	Operational budget	100% of fire and rescue incidents reported and attended by 30 June 2021	Operational budget	Operational budget	347 Fire and 58 rescue incidents were reported and attended to 100%	Achieved	Not Applicable	Not Applicable	Fire Reports	BSPS4
KPI61	To provide Security and fleet management	No community safety forum establishment approved by council by 2019/2020	1 community safety forum establishment approved by council	1 community safety forum establishment approved by council	Number of community safety forum established	1 community safety forum established by June 2021	Operational budget	1 community safety forum establishment approved by council by June 2021	Operational budget	Operational budget	Community Safety Forum was not established	Not Achieved	Ordinary Council meeting was not held for the item to be discussed and approved. After midterm budget adjustment only special Council meetings were held to discuss compliance items	Ordinary Council meeting be held for the Community Safety Forum to be approved and established	Memo	BSPS5

KEY PERFORMANCE AREA	BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT : PUBLIC SAFETY															
Key Performance Indicator Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence	Portfolio of Evidence Reference
		Current status/ progress to date	Demand	Backlog												
KPI62	To provide professional Disaster management	Disaster assessments conducted	Disaster assessments conducted	None	Number of disaster assessments conducted	60 disaster assessments conducted by 30 June 2021	Operational budget	60 disaster assessments conducted by 30 June 2021	Operational budget	Operational budget	399 Disaster assessments were conducted	Target Exceeded	Collapsed houses due to seasonal rain and strong winds and structural fire due to usage of candles during load shedding	To conduct disaster assessments as planned	Disaster assessments	BSPS6
KPI63		4 Mahikeng LM Inter-departmental disaster management meetings held	4 Mahikeng LM Inter-departmental disaster management meetings held	None	Number of Mahikeng LM Inter-departmental disaster management meetings held	4 Mahikeng LM Inter-departmental disaster management meetings held by 30 June 2021	Operational budget	4 Mahikeng LM Inter-departmental disaster management meetings held by 30 June 2021	Operational budget	Operational budget	4 Mahikeng LM Inter-departmental disaster management meetings were held	Achieved	Not Applicable	Not Applicable	Minutes of the meetings Attendance register	BSPS7

KEY PERFORMANCE AREA	BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT : COMMUNITY SERVICES															
	SDBIP Key Performance Indicator Reference Number	Strategic Objective	Baseline 2019/2020			Key Performance Indicators	Annual Performance Target 2020/2021	Annual Budget	Annual Performance Target 2020/2021 Adjustment (Revised)	Annual Budget Adjustment (Revised)	Annual Expenditure	Annual actual Performance	Status (Achieved/ Not Achieved)	Reason for under/over Performance (Challenges)	Measures taken to improve performance	Portfolio of Evidence
Current status/ progress to date			Demand	Backlog												
KPI64	To provide Waste management services	Once weekly collection of refuse at trade premises and urban residential areas	Once weekly collection of refuse at trade premises and urban residential areas	None	Weekly collection of refuse at trade premises and urban residential areas	Once weekly collection of refuse at trade premises and urban residential areas	6 144 980	Once weekly collection of refuse at trade premises and urban residential areas	6 144 980	Operating expenditure	Once weekly collection of refuse at trade premises and urban residential areas	Achieved	Not applicable	Not applicable	Refuse Removal Service Reports	BSCS1
KPI65		66 illegal dumping spots were cleaned in 2019/2020	66 illegal dumping spots cleaned	None	Number of illegal dumping spots cleaned	55 illegal dumping spots cleaned by 30 June 2021	36 300 012	55 illegal dumping spots cleaned by 30 June 2021	36 300 012	Operating expenditure	35 illegal dumping spots cleaned by 30 June 2021	Not Achieved	Old machinery that breaks frequently.Lack of a TLB	1 x TLB will be bought through the Transversal Contract	Refuse services monthly reports	BSCS2
KPI66		3 Anti-littering campaigns were conducted by 2019/2020	4 anti-littering campaigns conducted	1 anti-littering campaigns conducted	Number of anti-littering campaigns conducted	4 anti-littering campaigns conducted by 30 June 2021	99 996	4 anti-littering campaigns conducted by 30 June 2021	99 996	Operating expenditure	4 anti-littering campaigns conducted by 30 June 2021	Achieved	Not applicable	Not applicable	Anti-littering campaign reports and Attendance register	BSCS3
KPI67		Landfill site monitoring submitted by 2019 /2020	1 landfill site operational and maintained	None	Number of landfill site operational and maintained	1 landfill site operational and maintained by 30 June 2021	4 500 000	1 landfill site operational and maintained by 30 June 2021	4 500 000	Operating expenditure	1 landfill site operational and maintained by 30 June 2021	Achieved	Not applicable	Not applicable	Daily inspection/monitoring report Monthly report on inspections report Directorates summary report	BSCS4
KPI68	To provide Parks and Recreation services	10 Parks were maintained by 2019/2020	10 Parks maintained	None	Number of parks maintained	10 Parks maintained by 30 June 2021	400 000	10 Parks maintained by 30 June 2021	400 000	Operating expenditure	10 Parks maintained by 30 June 2021	Achieved	Not applicable	Not applicable	Parks Monthly report on inspections conducted	BSCS5
KPI69	To provide and maintain community facilities libraries community halls	3 Library Services Awareness campaigns conducted by 2019/2020	4 Library Services Awareness campaigns conducted	1 Library Services Awareness campaigns conducted	Number of Library Services Awareness campaigns conducted	4 Library Services Awareness campaigns conducted by 30 June 2021	700 000	4 Library Services Awareness campaigns conducted by 30 June 2021	700 000	Operating expenditure	4 Library Services Awareness campaigns conducted by 30 June 2021	Achieved	Not applicable	Not applicable	Library Services Awareness campaigns reports Attendance register	BSCS6

**CHAPTER 4
ORGANISATIONAL DEVELOPMENT PERFORMANCE**

INTRODUCTION

The municipality had a total of 809 employees for current financial year which includes 69 councilors, appointed 13 new employees and 28 were termination of employees.

COMPONENT A: THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2018/2019	2019/2020			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Office of the Mayor	13	14	13	1	7%
Office of the Speaker	15	15	15	0	0
Office of Council Whip	4	4	4	0	0
Councilors	69	69	69	0	0
Office of the Municipal Manager	10	34	11	23	68%
Corporate Support Services	33	81	62	19	23%
Community Services	350	316	286	30	9%
Public Safety	117	162	110	52	34%
Planning and Development	23	35	22	13	46%
Infrastructure	201	800			81%
Finance	37	87	24	42	48%
Totals	812	1617	768	243	15%

Vacancy Rate: Year 2019/2020			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Office of the Mayor	14	1	7%
Office of the Speaker	15	0	0
Office of Council Whip	4	0	0
Councilors	69	0	0
Office of the Municipal Manager	34	23	68%
Corporate Support Services	81	19	23%
Community Services	316	30	9%
Public Safety	162	52	34%
Planning and Development	35	13	46%
Infrastructure	800	63	81%
Finance	87	42	48%
Totals	1617	243	15%

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2019/20	114	31	0,27
2020/2021	13	28	2,15

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	
Other S57 Managers (excluding Finance Posts)	5		
Other S57 Managers (Finance posts)	0	0	0
Police officers	0	0	0
Fire fighters	39	20	
Senior management: Levels 2-3 (excluding Finance Posts)	69	27	40
Senior management: Levels 2-3 (Finance posts)	11	7	
Highly skilled supervision: levels 5-6 (excluding Finance posts)	93	37	57
Highly skilled supervision: levels 5-6 (Finance posts)	36	25	
Total	255	124	
<p><i>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.</i></p>			

ORGANISATIONAL STRUCTURE

EXECUTIVE MAYOR OFFICE

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION/ NEW STRUCTURE	SALARY LEVEL	STATUS OF THE POSITION
1.	One	Political Advisor	6	Vacant
2.	One	Head : Office of the Executive Mayor	2	Occupied
3.	One	Executive Secretary	8	Occupied
4.	One	Administration Assistant to the Head	9	Occupied
5.	One	Manager: Stakeholder Relations	3	Occupied
6.	One	Manager: Special Projects	3	Occupied
7.	One	Manager: Protocol	3	Occupied
8.	One	Special Project Officer	6	Occupied
9.	Two	Drivers	13	Occupied
10.	Two	VIP Protection	13	Occupied
11.	Two	Protocol Officer	6	Occupied

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

2020/2021				
Job Levels	Total posts per approved Organogram	Positions Occupied	Vacancies according to per approved organogram	Vacancies %
0-3	4	4	-	
4-6	4	3	1	
7-9	2	2	-	
10-12	-	-	-	
13-15	4	4	-	
Total	14	13	1	7%

SPEAKERS OFFICE

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVEL	STATUS OF THE POSITION
1.	One	Head in the Office of the Speaker	2	Occupied
2.	One	Executive Secretary	9	Occupied
3.	One	Manager: Office of the Speaker	3	Occupied
4.	One	Receptionist	12	Occupied
5.	One	Driver/ Messenger	13	Occupied
6.	One	Coordinator: MPAC	5	Occupied
7.	One	Coordinator: Public Participation and Council Support	5	Occupied
8.	One	Coordinator: Ward Committee	5	Occupied
9.	One	Coordinator: Rules	5	Occupied
10.	One	Admin Assistant: MPAC	9	Occupied
11.	Four	Council Support Officers	6	Occupied
12.	One	Ward Committee Officers	6	Occupied

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

2020/2021				
Job Levels	Total posts per approved Organogram	Positions Occupied	Vacancies according to per approved organogram	Vacancies %
0-3	2	2	-	
4-6	9	9	-	
7-9	2	2	-	
10-12	1	1	-	
13-15	1	1	-	
Total	15	15	-	0%

COUNCIL WHIP OFFICE

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION	SALARY LEVEL	STATUS OF THE POSITION
1.	One	Executive Secretary	9	Occupied
2.	One	Manager: Office of the Whip	3	Occupied
3.	One	Administrator	8	Occupied
4.	One	Constituency Officer	6	Occupied

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

2020/2021				
Job Levels	Total posts per approved Organogram	Positions Occupied	Vacancies according to per approved organogram	Vacancies %
0-3	1	1	-	
4-6	1	1	-	
7-9	2	2	-	
Total	4	4	-	0%

OFFICE OF THE MUNICIPAL MANAGER

No.	No of positions in the office	Name of position per structure	SALARY LEVEL	STATUS OF THE POSITION
1.	One	Municipal Manager	030A	Occupied
2.	One	Director: Corporate Support Services	030A	Occupied
3.	One	Director: infrastructure	030A	Occupied
4.	One	Director: Community Services	030A	Occupied
5.	One	Director: Public Safety	030A	Occupied
6.	One	Director: Planning and Development	030A	Occupied
7.	One	Director: Finance	030A	Occupied
8.	One	Manager: Miss	3	Vacant
9.	One	HEAD: STRATEGIC MANAGEMENT	2	Occupied
10.	One	Manager: PMS	3	Occupied
11.	One	PMS: Coordinator	5	Vacant
12.	One	Secretary	8	Vacant
13.	One	Administrative Assistant to the Head	9	Vacant
14.	One	Manager: Monitoring and Evaluation	3	Vacant
15.	Three	Policy Research and Development Officer	6	Vacant
16.	One	Manager: Communication	3	Occupied
17.	One	Admin Officer: Communication	8	Occupied
18.	One	Communication Officer	6	Occupied
19.	One	Manager: IDP	3	Occupied
20.	One	Coordinator: IDP	5	Vacant
21.	One	HEAD: INTERNAL AUDIT	2	Occupied

No.	No of positions in the office	Name of position per structure	SALARY LEVEL	STATUS OF THE POSITION
22.	One	Admin Assistant	9	Vacant
23.	One	Manager: Internal Audit	3	Vacant
24.	One	Internal Auditor	4	Vacant
25.	One	Manager: Risk Management	3	Occupied
26.	Two	Risk Officer	6	Vacant
27.	One	HEAD: LEGAL SERVICES	2	Occupied
28.	One	Admin Assistant to the Head	9	Vacant
29.	One	Manager: Legal Services	3	Occupied
30.	One	Compliance Officer	6	Vacant
31.	One	Legal Officer	6	Occupied

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

2020/2021				
Job Levels	Total posts per approved Organogram	Positions Occupied	Vacancies according to per approved organogram	Vacancies %
0-3	12	8	11	
4-6	16	2	7	
7-9	6	1	5	
10-12	-	-	-	
13-15	-	-	-	
16-18	-	-	-	
19-20	-	-	-	
Total	34	11	23	68%

CORPORATE SUPPORT SERVICES

No.	No of positions in the office	Name of position per structure	SALARY LEVEL	STATUS OF THE POSITION
1.	One	Executive Secretary	9	Vacant
2.	One	Head: General Administration	2	Occupied
3.	One	Head: Human Resources Management	2	Occupied
4.	One	Administrative Assistant to the Head	9	Vacant
HEAD: HUMAN RESOURCES				
5.	One	Manager: Human Resource Development	3	Occupied
6.	Two	Training and Development Officer	6	Occupied X 1 Occupants
7.	Two	Occupational Health and Safety Officer	5	Occupied
8.	Two	Training and Development Administrator	8	Vacant
9.	One	Manager: Organizational Development	3	Vacant
10.	One	Manager: Labour Relations	3	Occupied
11.	One	Manager: Personnel	3	Vacant

No.	No of positions in the office	Name of position per structure	SALARY LEVEL	STATUS OF THE POSITION
12.	One	Manager: Employee Health and Wellness	3	Vacant
13.	One	Organizational Development Officer	5	Occupied
14.	One	Labour Relations Officer	5	Vacant
15.	Four	Personnel Officer	6	Occupied
16.	Two	Personnel Administrator	8	Vacant
HEAD: ADMINISTRATION				
17.	One	Manager: ICT	3	Occupied
18.	One	Manager: Records	3	Vacant
19.	One	Manager: General Administration	3	Vacant
20.	One	Committee Officer	6	Vacant
21.	One	Administration Officer	6	Occupied
22.	One	Cleaning Supervisor	10	Vacant
23.	One	Call Center Supervisor	10	Occupied
24.	Three	Committee Clerk	8	Occupied
25.	Four	Messenger	13	3 X Occupied
26.	Two	Switchboard Operator	13/12	Occupied
27.	Two	Printing Room Attendant	9	Occupied
28.	Four	Call Centre Operator	13	Occupied
29.	Thirty Seven	General Workers	15 and 17	32 X Occupied
30.	One	Senior Personnel Officer	05	Occupied
31.	One	Remuneration and Acquisition Administrator	8	Occupied
	Two	Training Instructors	9	2 X Occupied

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

2020/2021				
Job Levels	Total posts per approved Organogram	Positions Occupied	Vacancies according to per approved organogram	Vacancies %
0-3	10	5	5	
4-6	12	9	3	
7-9	10	6	4	
10-12	4	3	1	
13-15	10	9	1	
16-18	35	30	5	
19-20	-	-	-	
Total	81	62	19	23%

COMMUNITY SERVICES

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVEL	STATUS OF THE POSITON
1.	One	Head: Community Facilities	2	Vacant
2.	One	Head: Health Services	2	Vacant
3.	One	Head: Parks and Recreation	2	Occupied
4.	One	Administrative Assistant to the Head	9	Occupied

HEAD: HEALTH SERVICES

5.	One	Manager; Solid Waste Management	3	Occupied
6.	One	Manager: Waste Management	3	Vacant
7.	One	Professional Nurse	8	Vacant
8.	One	Superintendent: Solid Waste Management	6	Occupied
9.	One	Overseer: Refuse Removal	7	Vacant
10.	One	Overseer; Street Sweeper	7	Vacant
11.	One	Overseer: Illegal Dumping	7	Vacant
12.	Seven	Team Leader; Refuse Removal Driver	10	Occupied
13.	Eight	Team Leader: Street Sweeper	11	Occupied
14.	Sixty one	General Worker: Refuse Removal	15	Occupied
15.	Seventy two	General Worker: Street Sweeper	15	Occupied
16.	Ten	General Worker: Skip Patrol	15	Occupied
17.	One	General Worker: PHC	15	Occupied

HEAD: COMMUNITY FACILITIES

18.	One	Manager: Libraries	3	Vacant
19.	Three	Librarian	7	Occupied
20.	Four	Assistant Librarian	8	Occupied
21.	One	Administrative Clerk	8	Occupied
22.	Eleven	Library Clerk	8	Occupied
23.	One	Manager: Community Halls	3	Vacant
24.	Two	Administration Officer	6	Occupied
25.	One	Caretaker/ Handyman	10	Occupied
26.	Ten	General Workers	15 and 17	Occupied

HEAD: PARKS

27.	One	Superintendent Horticulture	6	Occupied
28.	One	Horticulturist	8	Occupied
29.	One	Supervisor: Bush Cutting Mowing	7	Occupied
30.	One	Team Leader: Bush Cutting and Mowing	12	Occupied
31.	Ten	Team Leader: Tractor Driver	11	Occupied
32.	Fifteen	General Worker: Bush Cutting and Mowing	15	Occupied
33.	One	Supervisor: Horticulture	7	Occupied
34.	Ten	Team Leader: Horticulture	11	Occupied
35.	One	Team Leader: Pest Control	11	Occupied
36.	One	Team Leader: Nursery	11	Vacant
37.	Ten	General Worker; Horticulture	15	Occupied

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVEL	STATUS OF THE POSITON
	Seven	General Worker: Pest Control	15	Vacant
38.	Seven	General Worker: Nursery	15	Occupied
39.	One	Superintendent: Caretaking and Landscaping	6	Occupied
40.	One	Supervisor: Tree Felling	7	Occupied
41.	One	Supervisor: Landscaping	7	Occupied
42.	One	Team Leader: Chainsaw Operator	11	Vacant
43.	One	Team Leader: Landscaping	11	Occupied
44.	One	Team Leader: Handyman	11	Occupied
45.	One	Team Leader: Graveyard: Landscaping	11	Occupied
46.	Ten	General Worker: Chainsaw Operator	15	Occupied
47.	Five	General Worker: Landscaping	15	Occupied
48.	One	General Worker: Handyman Landscaping	15	Occupied
49.	Eight	General Worker: Graveyard	15	Vacant
50.	Two	Tractor and Bush Cutter	12	Occupied
51.	Five	General Worker: Caretaking	15	Occupied
52.	Two	Operator	10	Occupied
53.	One	Secretary	8	Occupied
54.	One	General Worker: Parks	15	Occupied
55.	One	General Worker: Domestic	15	Occupied
56.	One	Team Leader: Weeding	11	Occupied
57.	One	Tem Leader	11	Occupied
58.	One	Assistant Life Saver	15	Occupied
59.	Four	General Worker: Weeding	15	Occupied
60.	One	Team Leader: Waste Removal	10	Occupied
61.	One	Team Leader	11	Occupied
62.	One	Operator: Grade II	7	Occupied
63.	One	Swimming Pool Caretaker	11	Occupied
64.	One	Caretaker	10	Occupied
65.	Three	Team Leader: Waste Removal	10	Occupied
66.	Four	Tractor Driver	12	Occupied
67.	One	Team Leader: Mower	11	Occupied
68.	One	Manager: Environmental Health	3	Occupied
69.	One	Driver: Operator Grade II	10	Occupied
70.	Two	Operator: Grade 2	10	Occupied
71.	One	Clerk	8	Occupied
72.	One	Tractor Driver Grade II	12	Occupied

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

2020/2021				
Job Levels	Total posts per approved Organogram	Positions Occupied	Vacancies according to per approved organogram	Vacancies %
0-3	8	3	5	
4-6	4	4	-	
7-9	17	13	4	
10-12	59	57	2	
13-15	228	209	19	
16-18	-	-	-	
19-20	-	-	-	
Total	316	286	30	9%

PUBLIC SAFETY

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVEL	STATUS OF THE POSITION
1.	One	Head: Testing and Licensing	2	Occupied
2.	One	Head: Security and Fleet Management	2	Vacant
3.	One	Head: Emergency Services and Disaster Management	2	Occupied
4.	One	Head: Law Enforcement	2	Occupied
5.	One	Administrative Assistant to the Head	8	Occupied
		HEAD: EMERGENCY SERVICES AND DISASTER MANAGEMENT		
6.	One	Chief Fire Officer	3	Occupied
7.	One	Assistant Chief Fire Officer	4	Vacant
8.	One	Divisional Officer: Fire Prevention	5	Vacant
9.	One	Divisional Officer: Operational and Maintenance	5	Occupied
10.	Three	Training Officer	6	2 Occupied
11.	One	Fire Prevention Officer	6	Occupied
12.	Four	Station Officer (Incident Commander)	6	Occupied
13.	Two	Fire Prevention Inspector	8	Vacant
14.	Six	Leading Fire Fighter	11	Vacant
15.	Two	Control Room Supervisor	7	Vacant
16.	Four	Senior Fire Fighter	9	Vacant
17.	Twelve	Fire Fighter (Rescuers)	10	Vacant
18.	Four	Senior Control Room Attendant	11	Vacant
19.	Four	Control Room Attendant	12	Occupied
20.	One	General Worker; Fire Station	17	Occupied
21.	One	Coordinator: Disaster Management	5	Occupied
22.	One	Disaster Management Officer	6	Occupied
23.	One	Community Liaison Officer	6	Vacant

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVEL	STATUS OF THE POSITION
HEAD: TESTING AND LICENSING				
24.	One	Administrative Assistant	9	Occupied
25.	One	Chief Licensing Officer:	3	Occupied
26.	One	Management Representative VTS	3	Vacant
27.	One	Senior Examiner: VTS	6	Occupied
28.	Two	Examiner: VTS	7	Vacant
29.	One	Clerk: VTS	8	Occupied
30.	One	Pit Assistant	14	Vacant
31.	One	Management Representative: DLTS	3	Vacant
32.	One	ENATIS: Supervisor	7	Vacant
33.	One	Senior Examiner: DLTC	7	Occupied
34.	Three	Examiner: Testing	8	Occupied
35.	One	Clerk	8	Occupied
HEAD: SECURITY AND FLEET MANAGEMENT				
36.	One	Management: Physical Security	3	Occupied
37.	One	Manager: Fleet Administration	3	Vacant
38.	One	Administration Officer (Fleet)	6	Occupied
39.	Four	Team Leader: Shift Operations	11	Occupied
40.	Four	Security Officers	14	Occupied
HEAD: LAW ENFORCEMENT				
41.	One	Chief Traffic Officer	3	Occupied
42.	One	Assistant Chief Traffic Officer	7	Vacant
43.	One	Senior Superintendent	7	Vacant
44.	Three	Superintendent: Law Enforcement	6	Occupied
45.	Nine	Assistant Superintendent	8	Occupied
46.	Six	Senior Traffic Officer	8	Vacant
47.	Forty	Traffic Officer	8	Occupied
48.	Five	Traffic Warden	17	Vacant
49.	One	Superintendent: Administration	6	Occupied
50.	One	Senior Admin Clerk	7	Vacant
51.	One	Admin Clerk	8	Vacant
52.	One	Court Officer	6	Vacant
53.	One	Superintendent: Logistics	6	Occupied
54.	One	Supervisor	7	Vacant
55.	ONE	Accident Officer	6	Vacant
56.	One	Team Leader: Logistics	11	Occupied
57.	Two	General Worker: Logistics	17	Occupied
58.	One	Manager: By - Law Enforcement	3	Vacant
59.	One	Admin Assistant to the Head	9	Occupied
60.	One	Superintendent Signage and Special Projects	6	Vacant
61.	One	Superintendent; Street Trading Waste Management	6	Vacant
62.	One	Inspector: Signage and Special Project	9	Vacant
63.	One	Inspector Stores	9	Vacant
64.	One	Inspector: Street Trading and Waste Management	9	Vacant
65.	One	By - Law Management Officer	6	Vacant

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVEL	STATUS OF THE POSITION
66	One	Driver By - Law Management Officer	6	Vacant
67	One	Secretary	8	Occupied

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

2020/2021				
Job Levels	Total posts per approved Organogram	Positions Occupied	Vacancies according to per approved organogram	Vacancies %
0-3	11	5	6	
4-6	20	12	8	
7-9	82	59	23	
10-12	31	27	4	
13-15	5	4	1	
16-18	13	3	10	
19-20	-	-	-	
Total	162	110	52	32%

PLANNING AND DEVELOPMENT

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVEL	STATUS OF THE POSITION
1.	One	Head: Sustainable Human Settlement	2	Vacant
2.	One	Head: Local Economic Development	2	Occupied
3.	One	Head: Development Planning	2	Vacant
4.	One	Administrative Assistant to head Sustainable Settlement	9	Occupied
5.	One	Secretary	8	Occupied
HEAD: SUSTAINABLE DEVELOPMENT				
6.	One	Manager: Housing Development Facilitation	3	Occupied
7.	One	Housing Admin Coordinator	5	Vacant
8.	One	Housing Officer	5	Vacant
9.	One	Housing Project Officer	5	Vacant
10.	One	Manager Property Management	3	Occupied
11.	One	Rental Contract Officer	5	Vacant
12.	One	Valuation Officer	5	Vacant
HEAD: LOCAL AND ECONOMIC DEVELOPMENT				
13.	One	Manager: Tourism and Marketing Officer	3	Vacant
14.	One	Tourism and Marketing Officer	5	Occupied
15.	One	Sport, Arts and Culture Officer	5	Occupied

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVEL	STATUS OF THE POSITION
16.	One	Manager: Capacity Building and Community Development	3	Occupied
17.	One	SMME Officer	5	Occupied
18.	One	Community Project Officer	5	Occupied
19.	One	Rural and Agricultural Officer	5	Occupied
HEAD: DEVELOPMENT PLANNING				
20.	One	Manager: Development Planning and Control	3	Occupied
21.	One	Town Planner	6	2 X Occupied
22.	One	Transportation Planner	5	Occupied
23.	One	Assistant Town Planner	7	Vacant
24.		Assistant Transportation Planner	7	Vacant
25.	One	Chief Building Control Officer	7	Vacant
26.	Four	Building Inspector	8	3 Occupied
27.	Two	Front Desk Clerk	8	Occupied
28.		Manager: Environmental Management	3	Occupied
29.	One	Environmental Management Officer	5	Vacant
30.	One	Manager: Geographical Information System	3	Vacant
31.	One	Geographic Information System Officer	5	Vacant

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

2020/2021				
Job Levels	Total posts per approved Organogram	Positions Occupied	Vacancies according to per approved organogram	Vacancies %
0-3	10	6	4	
4-6	14	8	6	
7-9	11	8	3	
10-12	-	-	-	
13-15	-	-	-	
16-18	-	-	-	
19-20	-	-	-	
Total	35	22	13	37%

INFRASTRUCTURE

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVEL	POSITION STATUS
1.	One	Head: Water and Sanitation and PMU	2	Occupied
2.	One	Secretary	8	Occupied
3.	One	Head: Roads and Storm Water	2	Occupied
4.	One	Head; Mechanical and Civic Building	2	Occupied
5.	One	Head: Electrical	2	Occupied
6.	One	EPWP Manager	3	Vacant
7.	One	Admin Officer	6	Vacant
8.	One	EPWP Technician	5	Vacant
9.	One	EPWP: Data Capturer	9	Vacant
10.	One	EPWP: Coordinator	5	Vacant
11.	One	EPWP: Coordinator Admin	5	Vacant
12.	One	EPWP: Coordinator Logistics	5	Vacant
13.	One	EPWP: Superintendent	6	Vacant
14.	Four	Team Leader: EPWP	11	Vacant
15.	Four hundred	General Workers: EPWP	15	Vacant
HEAD: WATER AND SANITATION AND PMU				
16.	One	Water Sanitation Technician	05	Vacant
17.	One	Technical Officer: Sewer and Sanitation	6	Vacant
18.	One	Manager: Water and Sanitation	3	Occupied
19.	One	Laboratory Technician	8	Occupied
20.	One	Laboratory Assistant	9	Occupied
21.	Two	Superintendent: Water	6	2 X Occupied
22.	One	Foreman/ Artisan Carpenter	9	Vacant
23.	Two	Artisan Plumbers	9	Occupied
24.	Two	Team Leaders	11	3 X Occupied
25.	Six	General Workers: Water	15	44 X Occupied
26.	One	Superintendent: Sanitation Pump station	9	Vacant
27.	One	Foreman	7	Vacant
28.	Two	Fitter and Turner	9	Vacant
29.	Two	Artisan Aid; Sewer	12	Vacant
30.	Two	Team Leader; Pump Sewer Maintenance	11	Vacant
31.	Three	Team Leader; Cleaning Blockages	11	Occupied
32.	Two	Plant Operator	11	Vacant
33.	Two	Assistant Plant Operator	12	Vacant
34.	One	Superintendent: Sanitation	6	2 X Occupied
35.	One	Foreman	7	Vacant
36.	Two	Plant Operators	10	Occupied
37.	Two	Assistant Operator	11	Vacant
38.	One	Team Leaders	11	Occupied
39.	One	Superintendent: Ottoshoop	6	Vacant
40.	Two	Team Leaders	11	Occupied
41.	Twenty	General Workers: Pumps Station	15	Vacant
42.	Seven	General Workers: Cleaning Blockages	15	2 X Occupied

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVEL	POSITION STATUS
43.	One	General Workers: Ottoshoop	15	Occupied
44.	One	Manager: PMU	3	Occupied
45.	One	Technician PMU: Roads	5	Vacant
46.	One	Technician: Water	5	Vacant
47.	One	Technician PMU	8	Vacant
48.	One	Administrator: PMU		Occupied
HEAD: ROADS AND STORM WATER				
49.	One	Manager: Roads and Storm water	3	Occupied
50.	One	Superintendent: Roads and Storm Water Maintenance	6	Vacant
51.	One	Overseer	7	4 (2 X Occupied) 2 X Vacant
52.	One	Artisan Aid	12	Vacant
53.	One	Operator: Roads and Storm Water Maintenance	10	7 X Occupied
54.	One	Team Leaders	11	Occupied
55.	One	Overseer: Technician Support for Construction and Maintenance	7	Vacant
56.	One	Artisan Aid	12	Occupied
57.	One	Artisan: Brick Layer: Bridges and Culverts	9	Vacant
58.	Two	Operators: Construction and Maintenance	10	7 X Occupied
59.	One	General Worker: Construction and Maintenance	15	46 X Occupied
HEAD: MECHANICAL, CIVIC BUILDING				
60.	One	Manager: Civic Building	3	Vacant
61.	One	Superintendent: Civic Building	6	Occupied
62.	Six	Artisan: Civic Building	9	Vacant
63.	Six	Team Leader: Civic Building	11	Occupied
64.	One	Manager: Mechanical	3	Occupied
65.	One	Technical Officer: Mechanical	5	Occupied
66.	One	Superintendent: Mechanic	6	Occupied
67.	One	Foreman: Mechanic	7	Vacant
68.	One	Artisan; Mechanic	9	2 X Occupied
69.	One	Artisan Aid: Mechanic	12	Vacant
70.	ONE	Team Leader: Mechanic	11	Occupied
71.	One	Admin Clerk: Mechanic	8	Vacant
72.	Seven	General Worker: Mechanic	15	3 X Occupied
73.	One	Administrative Officer	6	Vacant
74.	One	Administrative Assistant	9	Vacant
HEAD: ELECTRICITY				
75.	One	Manager: Electrical	3	Occupied
76.	One	Superintendent: Public Lighting	6	Vacant
77.	Two	Electrician	9	Occupied
78.	Two	Artisan Aid	12	5 X Occupied
79.	Four	General Worker: Electrical	15	7 X Occupied
80.	one	Superintendent: Civic Building and Traffic Lights	6	Vacant
81.	Two	Electrician	9	Vacant

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVEL	POSITION STATUS
82	Four	General Worker	15	Vacant
83	One	Superintendent: Electrical Reticulation	6	Vacant
84	Three	Artisan Aid	12	Vacant
85	Six	General Workers	15	Vacant
86		General Workers	15	Occupied

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

2020/2021				
Job Levels	Total posts per approved Organogram	Positions Occupied	Vacancies according to per approved organogram	Vacancies %
0-3	14	7	7	
4-6	26	8	18	
7-9	44	7	37	
10-12	51	41	10	
13-15	110	105	5	
16-18	-	-	-	
19-20	-	-	-	
Total	245	168	77	31%

FINANCE

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVE	POSITION STATUS
1.	One	Head: Financial Planning and Reporting	2	Occupied
2.	One	Head: Expenditure	2	Occupied
3.	One	Head: Supply Chain Management	2	Occupied
4.	One	Head: Income	2	Occupied
5.	One	Head: Data	2	Vacant
6.	One	Chief Accountant Budget Officer	3	Vacant
7.	One	Chief Accountant Expenditure	3	Vacant
8.	One	Chief Accountant SCM	3	Vacant
9.	One	Chief Accountant Income	3	Vacant
10	One	Chief Accountant Income	3	Vacant
11	One	Chief Accountant Data	3	Vacant
		HEAD: FINANCIAL PLANNING AND REPORTING		
		CHIEF ACCOUNTANT: FINANCIAL PLANNING AND REPORTING		
12	One	Accountant: Budget	5	Occupied

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVE	POSITION STATUS
13.	One	Accountant: Reporting	5	Occupied
14.	One	Accountant: Financial Accountant	5	Vacant
15.	One	Finance Officer	6	Vacant
16.	One	Finance Officer: In YR Reporting	6	Vacant
17.	One	Finance Officer: AFS/ Annual Report	6	Vacant
18.	One	Financial Officer: Assets Management / Cost Accountant	6	Vacant
19.	One	Financial Officer: Asset Management / Cost Accountant	6	Vacant
20.	One	Financial Officer: Risk Management Insurance	6	Vacant
21.	One	Financial Clerk	8	Vacant
22.	One	Financial Clerk: Assets Management	8	Occupied
23.	One	Financial Clerk: Costing	8	Occupied
		HEAD: EXPENDITURE		
		CHIEF ACCOUNTANT EXPENDITURE		
24.	One	Accountant: Creditors	5	Vacant
25.	One	Financial Officer: Orders	6	Vacant
26.	One	Accountant: Payroll	5	Vacant
27.	One	Financial Officer: VAT/ Records Management	6	Vacant
28.	One	Financial Officer: Order	6	Vacant
29.	One	Financial Officer: Salaries	6	Occupied
30.	One	Records Clerk; Supporting Document	8	Vacant
31.	One	Records Clerks: Documents Management	8	Vacant
32.	One	Financial Clerk: Direct / Sundry / S & T Payment	8	Occupied
33.	One	Financial Clerk: Salaries Admin	8	Occupied
		HEAD: SUPPLY CHAIN MANAGEMENT		
		CHIEF ACCOUNTANT SUPPLY CHAIN MANAGEMENT		
34.	One	Accountant: Demand Management	5	Vacant
35.	One	Accountant: Acquisition Management	5	Occupied
36.	ONE	Financial Clerk	8	Occupied
37.	One	Demand Officer	6	Vacant
38.	One	Financial Clerk: BID SPES COMM Secretariat	8	Vacant
39.	One	Procurement Clerks: Direct Purchasing	8	Vacant
40.	One	Procurement Officer: Quotation	6	Vacant
41.	One	Procurement Officer: Contract Management	6	Vacant
42.	Two	Financial Clerk: Logistics / Disposal Management	8	Vacant
43.	One	Petrol Attendant	14	Occupied
44.	One	Messenger: Driver	14	Occupied
		HEAD: INCOME		
		CHIEF ACCOUNTANT: INCOME MANAGEMENT		
45.	One	Accountant: Debtors Services	5	Vacant
46.	One	Accountant: Valuation Roll Rates Clearance and Receipting	5	Vacant
		CHIEF ACCOUNTANT REVENUE PROTECTION		

NO	NO OF POSITIONS IN THE OFFICE	NAME OF POSITION NEW STRUCTURE	SALARY LEVE	POSITION STATUS
47	One	Accountant: Revenue Protection/ FBS	5	Vacant
		ACCOUNTANT DEBTOR SERVICES		
48	One	Financial Officer: Customer Services	6	Vacant
49	Three	Financial Clerk: Enquiries	8	Occupied
50	One	Financial Officer: Billing / Meter Reading	6	Occupied
51	One	Financial Officer: Sundry Debtors/ Housing Halls / Land sales	6	Vacant
52	Four	Financial Clerk: Meter Reading	8	Occupied
53	Four	Financial Clerk: Billing / Exception	8	Vacant
		ACCOUNTANT: VALUATION ROLL RATES CLEARANCE & RECEIPTING		
54	One	Financial Officer: New Accounts	6	Vacant
55	One	Financial Officer: On - line Receipting	6	Vacant
56	One	Financial Officer: Receipting	6	Occupied
57	One	Financial Officer: Receipting (Traffic)	6	Vacant
58	One	Financial Officer: Ottoshoop	6	Occupied
59	Four	Financial Clerk: Cashier	8	Occupied
60	Four	Financial Clerk: Cashier; Traffic	8	Occupied
61	One	Financial Officer: Free Basic Services	6	Vacant
62	Three	Financial Clerk: Credit Control	8	Vacant
63	Two	Financial Officer: Debt Collection	6	Occupied
64	Two	Financial Clerk: Indigent Registration	8	Occupied
		HEAD: DATA		
65	Two	Financial Officer: Data	6	Occupied
66	One	Secretary	8	Occupied
67	One	BID Officer	6	Occupied

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

2020/2021				
Job Levels	Total posts per approved Organogram	Positions Occupied	Vacancies according to per approved organogram	Vacancies %
0-3	11	2	9	
4-6	37	9	25	
7-9	37	11	8	
10-12	-	-	-	
13-15	2	2	-	
16-18	-	-	-	
19-20	-	-	-	
Total	87	24	42	48%

COMMENT ON VACANCIES AND TURNOVER:

All Senior Managers positions have been filled except for Socio-Economic Director. The position of Municipal Manager was filled but was later left vacant because of the dismissal of the Municipal Manager. On the overall the municipality had low turnover as a result of death and retirement.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Workforce decisions are taken at management forums which compose of Department's Directors, LLF members and council.

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Code of Conduct for employees	N/A	N/A	Delay to conduct a policy workshop
2	Delegations, Authorisation & Responsibility			
3	HIV/Aids			
4	Human Resource and Development			
5	Job Evaluation			
6	Leave			
7	Occupational Health and Safety			
8	Official Housing			
9	Bereavement			
10	Overtime			
11	Organisational Rights			
12	Performance Management and Development			
13	Recruitment, Selection and			

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
	Appointments			
14	Remuneration			
15	Sexual Harassment			
16	Smoking			
17	Training and Development			
18	Incapacity due to ill Health			
19	Attendance and Punctuality			
20	Employment Equity			
21	Relocation			
22	Employees under the influence of Intoxicating substances			
23	Placement			
24	Private Work and Declaration of Interest			
25	Placement			
26	Appointment to Acting Positions			
27	Engagement of Temporary Staff			
28	Internship			
29	Other:			

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The above mention workforce policies were not reviewed by council during the financial years.

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	19	19	0	3	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	19	19	0	3	0

Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	No.	No.	No.	Days
MM & Other S57 Managers	-	-	-	6	
Senior management: Levels 0-3	29	2	5	54	7
Highly skilled supervision: levels 4-8	631	12	37	188	14
Highly skilled supervision (levels 9-12)	133	7	14	145	18
Other staff member	1063	16	154	303	38
Total	1856	37	210	696	21

COMMENT ON INJURY AND SICK LEAVE:

The municipality had no report for leave taken under injury on duty; however, a total number of 1856 were reported under sick leave taken by the municipal officials.

Number and Period of Suspension				
Position	Alleged Misconduct	Date of Suspension	Disciplinary Action Taken	Date Finalised
None	None	None	None	None

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	None	None	None

4.4 PERFORMANCE REWARDS

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.

The performance assessments were not concluded during the year under review hence there are no performance awards.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The municipality develops a workplace skill plan on a yearly basis which highlights the type of trainings that needs to be conducted or offered by the municipality as per the WSP report. Those trainings help the employees to implement and develop their level of competency and to improve service delivery.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2021	Number of skilled employees required and actual as at 30 June 2021											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of 2019/20	Actual: End of 2020/21	2020/21 Target	Actual: End of 2019/20	Actual: End of 2020/21	2021/22 Target	Actual: End of 2019/20	Actual: End of 2020/21	2020/21 Target	Actual: End of 2019/20	Actual: End of 2020/21
MM and s57	Female	3	0	0	0	0	0	3	0	0	3	0	0	3
	Male	4	0	0	0	2	1	3	0	0	3	2	1	3
Councillors, senior officials(Heads) and managers	Female	24	0	0	0	3	0	24	6	6	24	9	6	24
	Male	55	0	0	0	9	0	5	5	5	5	9	5	5
Technicians and associate professionals*	Female	34	0	0	0	1	5	10	0	0	6	1	5	16
	Male	147	0	0	0	5	7	80	4	4	0	9	11	80
Clerks/ officers	Female	35	0	0	0	11	16	15	1	1	15	12	17	30
	Male	77	0	0	0	5	20	20	1	0	50	6	20	70
Elementary	Female	307	0	0	0	17	15	50	0	0	0	17	15	50
	Male	103	0	0	0	55	74	65	0	0	0	55	74	65
Sub total	Female	403	0	0	0	32	36	96	11	7	48	39	43	96
	Male	386	0	0	0	76	102	181	10	9	58	81	111	181
Total		789	0	0	0	108	138	277	21	16	106	120	154	277

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>	1	0	1	1	1	0
<i>Chief financial officer</i>	1	0	1	1	1	0
<i>Senior managers</i>	5	0	5	5	5	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>	1	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
TOTAL	8	0	7	7	7	0

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							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	3	0	0	0	0	0	0	0	0
	Male	4	0	0	0	0	0	0	0	0
Legislators, senior officials and managers	Female	24	0	0	0	0	50000	228 000	50000	228000
	Male	55	0	0	0	0	50000	190 000	50000	190000
Professionals	Female	4	0	0	0	0	30000	29 995	30000	29995
	Male	14	0	0	0	0	0	0	0	0
Technicians and associate professionals	Female	10	0	0	0	0	0	0	0	0
	Male	30	0	0	0	0	0	0	0	0
Clerks	Female	74	0	0	0	0	20000	164 000	20000	164000
	Male	35	0	0	0	0	0	0	0	0
Service and sales workers	Female	20	0	0	0	0	0	0	0	0
	Male	106	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	Female		0	0	0	0	0	0	0	0
	Male	20	0	0	0	0	0	0	0	0
Elementary occupations	Female	103	0	0	20000	14000			20000	14000
	Male	287	0	0	80000	766 000	0	0	80000	766 000
Sub total	Female	238	0	0	20000	14000	73000	0	20000	14000
	Male	551	0	0	80000	76600	50000			

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

Managers who have not undergone Minimum competency level will be considered in the new financial year. Training was disrupted by COVID-19. Other expenditure are for skills programme to enhance performance in different directorates.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Workforce Expenditure within the Mahikeng Local Municipality is compliant with all legislative requirements governing the workplace together with collective agreement and policies. This is done through management of the recruitment process, overtime worked and capacitation of employee.

Equal or proper distribution of work to avoid overtime abuse and attending to the factors that impact negatively on staff morale and ensuring that the municipality have good productivity/performance through training and development (Value for money) and filling budgeted position

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
None	None	None	None	None

CHAPTER 5
FINANCIAL PERFORMANCE



Mahikeng Local Municipality
Annual Financial Statements
for the year ended 30 June 2021

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

Legal form of entity and governing legislation	Local Municipality Municipal Finance Management Act(Act 56 of 2003)
Nature of business and principal activities	Provision of municipal services in terms of Chapter 7 of the Constitution of the Republic of South Africa, Act 108 of 1996 Municipal System Act No. 32 of 2000
Executive Mayor	Kb Diakanyo
Councillors	Stm Gasealahwe Ga Masibi Pi Mokgele Smm Tsolo-Mulasi Md Moroe Md Phuthego Cm Moseitlo Mg Billiot Me Lekhobe T Motshabi Mm Chanda Lr Mange De Van Rooyen Tge Malebadi Nm Ndlovu Kl Phetha Mg Mokgosi Sk Matsheka Tg Damaniti Tl Selepe Sl Molefe Nj Motau Oj Motsepe Wn Bohmer Ka Phashe Pp Mokolopi Mc Segwe Mj Rabotape Ki Motalane Mc Segoe Dk Molema Tc Kenalemongwe S M M Melane M Dichabe Gk Kgaje Eo Seleke Tj Matoane Gn Monnapula Kp Motsumi Kl Dlamini Sn Mokoena Nd Moseki Pd Seele

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

	Mj Monere Nv Moilwa Skb Diakanyo Ga Kgwadibane T Nebe Ga Seatlholo Tb Makolomakwa Bs Ngobeni Gk Mathakathaka Me Dingile Kc Seheri Mc Makolemako T M Seatlholo Gg Shole Mp Modisenyane Pm Ebusang LI Machapa Ls Mogotlha Tw Maseng Tf Phambane Ng Hlazo Kz Ntamehlo Kkg Nko M E Moeti Mh Ramakgolo Jp Lemme Lf Machake Td Phungu
Grading of local authority	Category B
Accounting Officer	Mr NM Mokgwamme
Chief Finance Officer	Mr RA Morris
Registered office	Cnr University Drive & Hector Peterson Road Mmabatho 2735
Business address	Cnr University Drive & Hector Peterson Road Mmabatho 2735
Postal address	Private Bag X63 Mmabatho 2735
Bankers	Standard Bank of South Africa Business Centre, Nelson Mandela Drive, Mahikeng, 2745
Auditors	Auditor General of South Africa
Preparer	The annual financial statements were internally compiled by: Head of Annual Financial Statements: Aaron Penny Matlala

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Index

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

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PIG	Provincial Infrastructure Grant
DORA	Division of Revenue Act
DBSA	Development Bank of South Africa
EPWP	Expanded Public Works Programme
GRAP	Generally Recognised Accounting Practice
FMG	Financial Management Grant
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDL	Skills Development Levy
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
WIP	Work in Progress
PAYE	Pay As You Earn
CETA	Construction Education Training Authority Grant

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

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

The accounting officer certifies that the salaries, allowances and benefits of councillors as disclosed in Note 25 of these financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act (Act 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on pages 4 to 92, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2021 and were signed on its behalf by:



Mr NM Mokgwamme
Accounting Officer

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated
Assets			
Current Assets			
Inventories	7	16 993 095	16 111 426 ☆
Receivables from non-exchange transactions	8	16 503 176	116 672 229
Prepayment - SALGA		3 163 440	3 157 316
Receivables from exchange transactions	9	59 807 063	129 332 718 ☆
Cash and cash equivalents	10	40 948 096	15 427 328
		137 414 870	280 701 017
Non-Current Assets			
Investment property	3	246 983 000	357 218 500
Property, plant and equipment	4	1 704 424 953	1 655 694 924 ☆
Intangible assets	5	762 759	814 697
		1 952 170 712	2 013 728 121
Non-Current Assets		1 952 170 712	2 013 728 121
Current Assets		137 414 870	280 701 017
Total Assets		2 089 585 582	2 294 429 138
Liabilities			
Current Liabilities			
Other financial liabilities	12	7 500 000	802 105
Payables from exchange transactions	14	482 859 633	632 243 644 ☆
VAT payable	15	13 826 813	29 274 407 ☆
Consumer deposits	16	11 590 726	11 201 972
Employee benefit obligation	6	3 413 000	2 928 000
Unspent conditional grants and receipts	11	-	930 686
		519 190 172	677 380 814
Non-Current Liabilities			
Other financial liabilities	12	3 750 000	17 617 206
Employee benefit obligation	6	337 696 000	334 665 000
Provisions	13	129 057 717	117 612 937
		470 503 717	469 895 143
Non-Current Liabilities		470 503 717	469 895 143
Current Liabilities		519 190 172	677 380 814
Total Liabilities		989 693 889	1 147 275 957
Assets		2 089 585 582	2 294 429 138
Liabilities		(989 693 889)	(1 147 275 957) ☆
Net Assets		1 099 891 693	1 147 153 181
Accumulated surplus		1 099 891 693	1 147 153 181 ☆

* - This means there was a prior year adjustment done on the balance or transaction Refer to the prior period note

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand

	Note(s)	2021	2020
Revenue			
Revenue from exchange transactions			
Service charges	18	247 375 813	249 644 826 ☆
Rental of facilities and equipment	19	7 593 573	6 857 756
Interest income (Trading)		57 322 845	77 600 415
Licences and permits		2 959 950	2 364 140
Fees earned		6 168 814	3 596 173
Other income		13 557 226	2 808 966
Interest received - investment	21	6 225 438	7 409 330
Total revenue from exchange transactions		341 203 659	350 281 606
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	22	301 731 443	318 056 436
Transfer revenue			
Government grants & subsidies	23	455 461 949	364 698 871
Fines, Penalties and Forfeits		820 567	2 448 830
Recognition of the roads		-	471 343 771
Total revenue from non-exchange transactions		758 013 959	1 156 547 908
		341 203 659	350 281 606
		758 013 959	1 156 547 908
Total revenue	17	1 099 217 618	1 506 829 514
Expenditure			
Employee related costs	24	(385 533 700)	(348 127 350) ☆
Remuneration of councillors	25	(29 261 023)	(29 045 903)
Depreciation and amortisation	26	(68 983 165)	(97 807 558)
Finance costs	27	(560 320)	(3 354 151)
Debt Impairment	28	(317 539 473)	(293 430 725) ☆
Repairs and maintenance		(23 724 136)	(3 281 516) ☆
Bulk purchases	29	(75 923 027)	(85 269 343)
Contracted services	30	(30 024 977)	(26 506 856)
General Expenses	31	(192 055 988)	(140 629 685) ☆
Total expenditure		(1 123 605 809)	(1 027 453 087)
Total revenue		1 099 217 618	1 506 829 514
Total expenditure		(1 123 605 809)	(1 027 453 087)
Operating (deficit) surplus		(24 388 191)	479 376 427
Loss on disposal of assets and liabilities		(46 483 366)	(67 849 664) ☆
Fair value adjustments		(63 535 000)	78 802 285
Assets/ Liabilities losses/write-downs		(7 202 433)	(7 250 409) ☆
		(117 220 799)	3 702 212
Operating surplus/deficit		(117 220 799)	3 702 212
(Deficit) surplus before taxation		(141 608 990)	483 078 639
Taxation		-	-
(Deficit) surplus for the year		(141 608 990)	483 078 639

* - This means there was a prior year adjustment done on the balance or transaction

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2019	664 239 119	664 239 119 ☆
Changes in net assets		
Surplus for the year	483 078 639	483 078 639
Prior period correction	(164 577)	(164 577)
Total changes	482 914 062	482 914 062
Opening balance as previously reported	1 146 702 476	1 146 702 476
Balance at July 1, 2020 restated*	1 146 702 476	1 146 702 476 ☆
Changes in net assets		
Correction of payables opening balance	151 965 065	151 965 065
Correction of debt impairment	(16 843 052)	(16 843 052)
PPE adjustment	(1 628 656)	(1 628 656)
Other adjustments	(38 695 150)	(38 695 150)
Net income (losses) recognised directly in net assets	94 798 207	94 798 207
Surplus for the year	(141 608 990)	(141 608 990)
Total recognised income and expenses for the year	(46 810 783)	(46 810 783)
Total changes	(46 810 783)	(46 810 783)
Balance at 30 June 2021	1 099 891 693	1 099 891 693

* - This means there was a prior year adjustment done on the balance or transaction

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020
Cash flows from operating activities			
Receipts			
Property rates		271 562 630	177 057 946
Transfers and subsidies		454 531 263	362 592 524
Service charges		187 458 508	159 568 813
Interest Received		6 225 438	7 409 330
Other Receipts		31 053 084	11 779 156
VAT Receivable/(Payable)		(15 447 594)	(1 021 476)
		935 383 329	717 386 293
Payments			
Employee Related Costs		(380 109 416)	(304 724 134)
Remuneration of Councillors		(29 261 023)	(29 045 903)
Interest Paid		(560 320)	(485 978)
Suppliers paid		(375 318 369)	(184 546 150)
		(785 249 128)	(518 802 165)
Total receipts		935 383 329	717 386 293
Total payments		(785 249 128)	(518 802 165)
Net cash flows from operating activities	32	150 134 201	198 584 128
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(117 377 648)	(131 591 052)
Proceeds from sale of property, plant and equipment	4	(46 573 862)	(58 907 094)
Proceeds from sale of investment property	3	46 700 452	-
Purchase of other intangible assets	5	(193 112)	-
Net cash flows from investing activities		(117 444 122)	(190 498 146)
Cash flows from financing activities			
Movement in Long term loan		(7 169 311)	-
Net increase/(decrease) in cash and cash equivalents		25 520 768	8 085 982
Cash and cash equivalents at the beginning of the year		15 427 328	7 341 346
Cash and cash equivalents at the end of the year	10	40 948 096	15 427 328

* - This means there was a prior year adjustment done on the balance or transaction

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges - Water revenue	158 126 412	-	158 126 412	158 881 379	754 967	1
Service charges - Sanitation revenue	47 058 540	-	47 058 540	46 529 511	(529 029)	2
Service charges - refuse revenue	42 065 928	-	42 065 928	41 964 923	(101 005)	3
Rental of facilities and equipment	7 970 808	-	7 970 808	7 593 573	(377 235)	4
Interest income (Trading)	107 379 300	-	107 379 300	57 322 845	(50 056 455)	5
Licences and permits	1 745 112	-	1 745 112	2 959 950	1 214 838	6
Fees earned	-	-	-	6 168 814	6 168 814	7
Other income	7 629 300	-	7 629 300	5 930 738	(1 698 562)	8
Interest received - investment	4 053 000	-	4 053 000	6 225 438	2 172 438	9
Total revenue from exchange transactions	376 028 400	-	376 028 400	333 577 171	(42 451 229)	

Revenue from non-exchange transactions

Taxation revenue

Property rates	374 023 212	-	374 023 212	301 731 443	(72 291 769)	10
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Transfer revenue

Government grants & subsidies - Operattional and Capital	354 984 992	-	354 984 992	455 461 949	100 476 957	11
Fines, Penalties and Forfeits	132 300	-	132 300	820 567	688 267	12

Total revenue from non-exchange transactions	729 140 504	-	729 140 504	758 013 959	28 873 455	
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'Total revenue from exchange transactions'	376 028 400	-	376 028 400	333 577 171	(42 451 229)	
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'Total revenue from non-exchange transactions'	729 140 504	-	729 140 504	758 013 959	28 873 455	
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Total revenue	1 105 168 904	-	1 105 168 904	1 091 591 130	(13 577 774)	
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Expenditure

Employee related costs	(310 314 675)	-	(310 314 675)	(385 533 700)	(75 219 025)	13
Remuneration of councillors	(32 849 580)	-	(32 849 580)	(29 261 023)	3 588 557	14
Depreciation and amortisation	(60 014 640)	-	(60 014 640)	(69 014 662)	(9 000 022)	15
Finance costs	(2 640 758)	-	(2 640 758)	(560 320)	2 080 438	16
Debt Impairment	(284 226 420)	-	(284 226 420)	(317 539 473)	(33 313 053)	17
Bulk purchases	(86 383 080)	-	(86 383 080)	(75 923 027)	10 460 053	18
Contracted services	(151 199 246)	-	(151 199 246)	(30 024 977)	121 174 269	19
General Expenses	(92 048 694)	-	(92 048 694)	(215 780 124)	(123 731 430)	20

Total expenditure	(1 019 677 093)	-	(1 019 677 093)	(1 123 637 306)	(103 960 213)	
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	1 105 168 904	-	1 105 168 904	1 091 591 130	(13 577 774)	
	(1 019 677 093)	-	(1 019 677 093)	(1 123 637 306)	(103 960 213)	

Operating deficit	85 491 811	-	85 491 811	(32 046 176)	(117 537 987)	
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Loss on disposal of assets and liabilities	-	-	-	(46 483 366)	(46 483 366)	21
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Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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
Figures in Rand						
Fair value adjustments	-	-	-	(63 535 000)	(63 535 000)	22
Inventories losses/write-downs	-	-	-	(7 202 433)	(7 202 433)	23
	-	-	-	(117 220 799)	(117 220 799)	
	85 491 811	-	85 491 811	(32 046 176)	(117 537 987)	
	-	-	-	(117 220 799)	(117 220 799)	
Deficit before taxation	85 491 811	-	85 491 811	(149 266 975)	(234 758 786)	
Surplus before taxation	85 491 811	-	85 491 811	(149 266 975)	(234 758 786)	
Taxation	-	-	-	-	-	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	85 491 811	-	85 491 811	(149 266 975)	(234 758 786)	

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1. Summary of significant accounting policies

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 MFMA Act 56 of 2003.

The municipality's principal accounting policies, which are in all material aspects consistent with those applied in the previous year, are set out below. The details of any changes in accounting policies are explained in the note thereto. The historical cost convention has been used, except where indicated otherwise. Management has used assessments and estimates in preparing the annual financial statements which are based on the best information available at the time of preparation.

1.1 Basis of presentation

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).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

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

1.2 Presentation currency

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

1.3 Going concern assumption

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.

1.4 Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed.

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

When the presentation or classification of items in the annual financial statements are amended, comparative amounts are reclassified. The nature and amounts of reclassifications as well as the reasons are disclosed in the notes to the financial statements. Refer to the prior period note.

1.5 Significant judgements and sources of estimation uncertainty

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

Allowance for slow moving, damaged and obsolete stock

An allowance / provision to write down stock to the lower of cost or net realisable value is made. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the statement of financial performance.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

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

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. 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, together with economic factors such as inflation interest.

Provisions

Provisions were raised and management determined an estimate based on the information available. The provision is discounted when the time value of money is material. Provisions are discounted when the time value of money is material. Additional disclosure of these estimates of provisions are included in the provision note to the financial statement.

Management's judgement is required when recognising and measuring provisions, contingent liabilities, contingent assets and debt impairment.

The provision for staff leave is based on accrued leave at year-end. The uncertainty is when the leave will be taken or if employment is terminated.

Useful lives

The municipality's management annually determines the estimated useful lives and related depreciation charges for the infrastructure and other assets. This estimate is based on industry norms or technical advice. Management will amend the depreciation charge where there is a change in the estimated useful lives.

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 Note 6.

Effective interest rate

The municipality used the most relevant contractual risk rate applicable where relevant to each category of assets and liabilities to discount future cash flows. Where none exists the prime interest rate is used to discount future cash flows.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

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 surplus 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 based on an assessment of the extent to which trade receivables have defaulted on payments already due, and an assessment of their ability to make payments based on the history of payments made for municipal services over the last twelve months. This was performed per significant trade receivables first and then for all classes of trade receivables

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is held at fair value.

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.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date whilst provisional amounts reflect the amounts determined using a reasonable basis such as the valuation roll.

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 fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

1.7 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.7 Property, plant and equipment (continued)

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.

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses or fair value where assets have been acquired by grant or donation. Similarly, land is not depreciated as it is deemed to have an indefinite life.

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

Subsequent expenditure relating to Property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery capabilities of the assets are enhanced in excess of the originally assessed standard of performance. If the expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

The municipality maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain, and thus no residual values are determined other than for motor vehicles.

The gain or loss arising from the disposal or retirement of an item of Property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is recognised in the Statement of Financial Performance.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Assets held under finance leases are depreciated over their useful lives on the same basis as owned assets or, where appropriate, the terms of the relevant lease, and the depreciation are recognised in the Statement of Financial Performance.

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its intended use.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	5 - 100
Furniture and fixtures	Straight line	7
Motor vehicles	Straight line	7
Office equipment	Straight line	7
IT equipment	Straight line	5

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying value does not exceed the carrying value that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

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.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.7 Property, plant and equipment (continued)

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal 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.

1.8 Site restoration and dismantling cost

Where the municipality has an obligation to dismantle, remove and restore items of property, plant and equipment, such obligations are referred to as 'decommissioning, restoration and similar liabilities'. These costs include the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. The costs are capitalised to the cost of the relevant assets.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.9 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.9 Intangible assets (continued)

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	10 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).

1.10 Conditional Grants

Revenue from conditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality the amount of the revenue can be measured reliably and to the extent that there has been compliance with any restrictions associated with the grant.

Interest earned on investments is treated in accordance with grant conditions. If interest is payable to the grantor, it is recognised as a liability and if not, it is recognised as interest earned in the statement of financial performance.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

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

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

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - 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.

1.12 Inventories

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.

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.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.12 Inventories (continued)

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. Where inventories are acquired at no cost, or for nominal consideration, the cost is deemed to be the fair value as at date of acquisition. Cost is generally using the first-in-first-out principle except where stated otherwise.

Unsold properties are measured at the lower of cost and net realisable value. Cost is primarily determined by reference to the valuation roll values as at the date of initial recognition or total cost of servicing the land. Net realisable values are based on the latest valuation roll values less estimated cost to sell.

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.

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.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

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:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Identification

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

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

Irrespective of whether there is any indication of impairment, the municipality also test 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.

Value in use

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

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

Basis for estimates of future cash flows

In measuring value in use the municipality:

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

Composition of estimates of future cash flows

Estimates of future cash flows include:

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

Estimates of future cash flows exclude:

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

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

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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1.13 Impairment of cash-generating assets (continued)

Cash-generating units

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

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

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

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

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

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

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

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

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

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

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1.13 Impairment of cash-generating assets (continued)

Redesignation

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

1.14 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

1.15 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

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1.15 Employee benefits (continued)

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Mahikeng Local Municipality

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1.15 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

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

When an employee has rendered service to the entity during a reporting period, the entity recognise 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, an entity recognise 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.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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Accounting Policies

1.15 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in thereporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

Mahikeng Local Municipality

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Accounting Policies

1.15 Employee benefits (continued)

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.16 Provisions and contingencies

Provisions are recognised when:

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

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

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.

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Accounting Policies

1.16 Provisions and contingencies (continued)

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34.

Site Restoration, restructuring and Long Service Award

Site Restoration

In accordance with applicable legal requirements, a provision for site restoration in respect of landfill sites is recognised when the land is contaminated. The related expense is capitalised against the cost of the landfill sites.

Restructuring

A provision for restructuring is recognised when the municipality has approved a detailed and formal restructuring plan and the restructuring either has commenced or has been announced as publicly.

Long Service Award

In terms of the Collective Bargaining Agreement, employees who achieve a certain predetermined milestone of service within the municipality are entitled to leave days or cash equivalent. A provision is made at the end of each balance sheet date based on the estimated number of employees who are likely to achieve the milestones in the future. The provision is discounted using a reasonable discounting rate.

1.17 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

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

Mahikeng Local Municipality

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Accounting Policies

1.17 Revenue from exchange transactions (continued)

Rendering of services

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

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

Service Charges

Service charges relating to distribution of water are based on consumption. Meters are read on a regular basis consumption is recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made on a monthly basis when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is raised based on the average monthly consumption. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters are read. These adjustments are recognised as revenue in the invoicing period.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property receiving services. Tariffs are determined per category of property and are levied monthly based on the type of property not taking into consideration the number of refuse containers.

Service charges from sewerage and sanitation services are based on the type of service not taking into consideration the number of sewer connections on all developed property, using the tariffs approved by Council. Revenue is recognised on a monthly basis.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

Interest earned and rentals received

Interest income is recognised in surplus or deficit as it accrues, using the effective interest method. Interest earned on unutilised conditional grants is recognised as an unspent conditional grants liability if the grant conditions indicate that interest is payable to the grantor.

Rental income from operating leases is recognised on a straight line basis over the lease term.

Tariff charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

1.18 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.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Mahikeng Local Municipality

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Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

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

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, 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.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

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

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

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

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.

1.19 Statutory receivables identification

Basis

Mahikeng Local Municipality

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Accounting Policies

1.19 Statutory receivables identification (continued)

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 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 the Standard of GRAP on Statutory Receivables) 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:

- (a) If the transaction is an exchange transaction, using the accounting policy on revenue from exchange transactions;
- (b) If the transaction is a non-exchange transaction, using the accounting policy on revenue from non-exchange transactions (Taxes and transfers); or
- (c) If the transaction is not within the scope of the accounting 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 municipality and the transaction amount can be measured reliably

Initial measurement

The Municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

- (a) Interest or other charges that may have accrued on the receivable (where applicable);
- (b) Impairment losses; and
- (c) Amounts derecognise

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 prime lending rates plus one percent per annual.

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

Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting 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.

Mahikeng Local Municipality

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Accounting Policies

1.19 Statutory receivables identification (continued)

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:

- (a) Significant financial difficulty of the receivable, which may be evidenced by an
- (b) Application for debt counselling, business rescue or an equivalent.
- (c) It is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.
- (d) A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- (e) 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 through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

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

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The 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:

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

In this case, the Municipality:

- (a) Derecognises the receivable; and
- (b) Recognises 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 municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.20 Investment income and expenses

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

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method. Dividend income is recognised in surplus or deficit on the date that the municipality's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Mahikeng Local Municipality

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Accounting Policies

1.20 Investment income and expenses (continued)

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets through profit or loss and impairment losses recognised on financial assets.

Borrowing costs are recognised in surplus or deficit using the effective interest method.

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 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.

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). Unauthorised expenditure is accounted for as an expense and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

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.

Mahikeng Local Municipality

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Accounting Policies

1.23 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. The irregular expenditure excludes unauthorised expenditure.

All the expenditure relating to irregular expenditure is recognised in the statement of financial performance in the period 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.

The irregular expenditure that was incurred and identified during the current financial period and which was condoned before year end and/ or before finalization of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instances, no further action is also required with the exception of updating the note in the annual financial statements.

Irregular expenditure that was incurred and identified during the current financial period and for which the 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 irregular expenditure register.

Where the irregular expenditure was incurred in the prior financial periods and only condoned in the following financial period, the irregular expenditure register and the note to the financial statements must be updated with the amounts condoned.

Irregular expenditure that was incurred and identified during the current financial period and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If the 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 concerned person. If recovery is not possible, the accounting officer or accounting authority may write off the irregular expenditure as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must be updated accordingly. If the irregular expenditure has not been condoned no person is liable in law, the expenditure related thereto must remain against the relevant programme/ expenditure line item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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

1.24 Net reserves

Net reserves are a residual interest in the assets of an municipality after deducting all of its liabilities from the total municipal assets.

1.25 Tax

Value Added Tax (VAT)

The municipality accounts for VAT on the cash basis. The municipality is liable to account for VAT at the standard rate 15% (14% (31 March 2018) in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or are scoped out for VAT purposes. The municipality accounts for VAT on a monthly basis.

The annual financial statements have been prepared on the assumption that the municipality will continue to operate on a going concern basis for at least the next twelve months.

1.26 Budget information

The Municipality is subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.26 Budget information (continued)

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2020/07/01 to 2021/06/30.

The annual financial statements and the 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.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

1.27 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

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

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.28 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.29 Consumer Deposits

Consumer deposits are charged when new water and/or electricity accounts are opened except for owner occupied proportions. The amounts vary per type of consumer and are approved by Council as part of the tariff structure.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.30 Commitments

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

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

Disclosures are required in respect of unrecognised contractual commitments. Capital commitments disclosed in the financial statements represents the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

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.

1.31 Other financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.32 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Mahikeng Local Municipality

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after July 1, 2020 or later periods:

Standard/ Interpretation:	Effective date:	Expected impact:
GRAP 25 : Employee Benefits	1 April 2021	None at this point
GRAP 104 : Separate Financial Statements	1 April 2021	None at this point

3. Investment property

	2021			2020		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	246 983 000	-	246 983 000	357 218 500	-	357 218 500

Reconciliation of investment property - 2021

	Opening balance	Transfer to Land Inventory	Disposals	Fair value adjustments	Total
Investment property	357 218 500	(48)	(46 700 452)	(63 535 000)	246 983 000

Reconciliation of investment property - 2020

	Opening balance	Reversal of impairments	Fair value adjustments	Total
Investment property	278 416 300	(332 000)	79 134 200	357 218 500

Mahikeng Local Municipality

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3. Investment property (continued)

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

The Investment property is measured using the fair value model in accordance with GRAP 16.

The following valuation approaches are applied in combination depending on the category of investment property as follows:

1. Comparison sales/price method. Comparable valid sales in a specific area are used, subject property is compared to the sales and market valuations are derived. This is mostly used for residential properties.
2. Capitalization of income approach. A future income stream is capitalized to determine a value of property. This valuation method is mostly used for commercial properties.
3. Replacement cost minus depreciation valuation. Valuation method for specialized property where there is no comparable properties sales, no income stream, properties like schools, churches, etc.

There are no restrictions on the realizability of investment property or the remittance of revenue and proceeds of disposal and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements for the financial year ended 30 June 2020.

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.

4. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	242 851 977	-	242 851 977	242 851 977	-	242 851 977
Buildings	179 701 317	(117 112 217)	62 589 100	153 384 398	(113 169 998)	40 214 400
Community facilities	168 008 177	(103 552 896)	64 455 281	161 027 583	(99 827 722)	61 199 861
Roads network	2 212 243 787	(1 209 640 997)	1 002 602 790	2 169 636 483	(1 155 800 580)	1 013 835 903
Stormwater network	34 214 732	(19 364 996)	14 849 736	34 214 732	(18 383 200)	15 831 532
Electrical network	165 890 929	(50 697 770)	115 193 159	149 814 951	(47 303 128)	102 511 823
Infrastructure - Work in Progress	131 471 032	-	131 471 032	127 287 971	-	127 287 971
Capital spares	2 809 006	(1 616 739)	1 192 267	2 809 006	(1 554 317)	1 254 689
Furniture and fixtures	12 077 471	(6 268 515)	5 808 956	11 737 743	(5 411 419)	6 326 324
Motor vehicles	47 604 952	(17 900 291)	29 704 661	26 535 071	(15 651 142)	10 883 929
Machinery and equipment	2 282 271	(490 298)	1 791 973	1 936 455	(253 155)	1 683 300
Computer equipment	7 064 825	(2 966 940)	4 097 885	6 094 302	(2 351 008)	3 743 294
Other assets	3 907 105	(1 397 561)	2 509 544	3 573 580	(810 251)	2 763 329
Landfill site	25 306 592	-	25 306 592	25 306 592	-	25 306 592
Total	3 235 434 173	(1 531 009 220)	1 704 424 953	3 116 210 844	(1 460 515 920)	1 655 694 924

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Prior Year Adjustment	Additions	Disposals / Derecognitions	Transfers	Other	Other changes, movements	Depreciation	Total
Land	242 851 977	-	-	-	-	-	-	-	242 851 977
Buildings	40 214 400	-	-	-	26 136 374	-	180 545	(3 942 219)	62 589 100
Community Facilities	61 199 861	-	-	-	6 980 594	-	-	(3 725 174)	64 455 281
Roads Network Infrastructure	1 013 835 903	(2 079 361)	-	-	42 607 304	-	-	(51 761 056)	1 002 602 790
Storm Water Infrastructure	15 831 532	-	-	-	-	-	-	(981 796)	14 849 736
Electrical Network Infrastructure	102 511 823	-	-	-	16 075 978	-	-	(3 394 642)	115 193 159
Infrastructure Work-In-Progress	127 287 971	-	96 760 029	-	(92 576 968)	-	-	-	131 471 032
Landfill site	25 306 592	-	-	-	-	-	-	-	25 306 592
Furniture office equipment	6 326 324	8 277	397 051	(862)	-	(63 363)	-	(858 471)	5 808 956
Motor vehicles	10 883 929	135 136	21 066 282	-	-	-	-	(2 380 686)	29 704 661
Machinery and equipment	1 683 300	24 885	173 250	(2 219)	-	129 836	-	(217 079)	1 791 973
Computer equipment	3 743 294	73 743	1 068 408	(86 998)	-	150 849	-	(851 411)	4 097 885
Other Assets	2 763 329	65 541	435 026	(417)	-	(190 777)	-	(563 158)	2 509 544
Capital spares	1 254 689	-	-	-	-	-	-	(62 422)	1 192 267
	1 655 694 924	(1 771 779)	119 900 046	(90 496)	(776 718)	26 545	180 545	(68 738 114)	1 704 424 953

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Annual Financial Statements for the year ended 30 June 2021

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Prior period error	Prior period error	Additions	Disposals	Transfers	Other	Depreciation	Impairment reversal	Total
Land	242 851 977	-	-	-	-	-	-	-	-	242 851 977
Buildings	24 408 229	20 379 789	-	-	(3 705)	22 000	-	(4 591 913)	-	40 214 400
Community facilities	40 111 474	6 448 280	-	-	-	18 629 886	(5 090)	(3 984 689)	-	61 199 861
Roads network infrastructure	613 558 438	21 489 618	(351 888)	447 208 496	(8 608 137)	21 876 077	-	(81 336 701)	-	1 013 835 903
Storm Water Infrastructure	13 803 260	2 648 757	(10 997)	-	-	387 248	-	(996 736)	-	15 831 532
Electrical network Infrastructure	73 818 030	-	-	-	-	31 726 520	-	(3 032 727)	-	102 511 823
Infrastructure Work-In-Progress	110 509 562	-	-	90 075 914	-	(73 308 366)	10 861	-	-	127 287 971
Landfill site	25 306 592	-	-	-	-	-	-	-	-	25 306 592
Furniture office equipment	3 307 765	3 266 344	-	650 552	(18 308)	-	(45 700)	(839 065)	4 736	6 326 324
Motor vehicles	7 128 079	6 659 417	(1 983 840)	1 006 582	(133 136)	-	-	(1 793 173)	-	10 883 929
Machinery and equipment	185 148	726 608	-	993 845	-	-	(87 680)	(134 621)	-	1 683 300
Computer equipment	1 637 752	1 411 877	(161 980)	1 853 136	(154 862)	-	(317 325)	(525 304)	-	3 743 294
Other assets	839 811	12 399	-	2 174 190	(24 337)	-	-	(243 062)	4 328	2 763 329
Capital spares	1 317 112	-	-	-	-	-	-	(62 423)	-	1 254 689
	1 158 783 229	63 043 089	(2 508 705)	543 962 715	(8 942 485)	(666 635)	(444 934)	(97 540 414)	9 064	1 655 694 924

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4. Property, plant and equipment (continued)

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

With regards to the 2020 PPE Reconciliation:

* There are 2 columns of "Prior Period Error".

The first column discloses all the assets found on the floor during the 2020 fixed asset verification, but were not recorded on the fixed asset registers. These assets are old assets that had to be recorded in the fixed asset register, but not as additions. They are recorded as prior period errors.

In addition to this, the municipality had to record the roads and stormwater transferred from Ngaka Modiri Molema District Municipality. These roads were transferred in the 2018/19 financial year and an AGSA finding was raised in that year for not recording the transferred assets in the 2018/19 financial year. Unfortunately the Munsoft Systems is closed off for the 2018/19 year, thus the transferred could only be recorded as an opening balance journal in the 2019/20 year.

The second column is purely for disclosure purposes. As the Ngaka Modiri Molem District Municipality roads were transferred and recognised on 31 May 2020, Mahikeng Local Municipality had to recognise the depreciation for June 2019 for those roads. This column is purely to disclose that as a manner of fairly presenting the annual financial statement.

5. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 955 217	(2 192 458)	762 759	2 762 104	(1 947 407)	814 697

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	814 697	193 112	(245 050)	762 759

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software	1 090 907	(276 210)	814 697

Intangible assets

All computer software classified as intangible assets have useful lives of 10 years based on future expected usage. The amortisation for the year is included under depreciation and amortisation in the statement of financial performance. The entity does not have any internally generated intangible assets and no indications of impairment were identified during the financial year.

Mahikeng Local Municipality

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Figures in Rand

2021

2020

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6. Employee benefit obligations

Defined benefit plan

Post retirement medical aid plan

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 Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued 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-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2021 by S Basadien, 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

Defined Benefit Pension Fund

The Mafikeng City Council Pension Fund ("the Fund") is a defined benefit pension fund that commenced on 1 March 1983. It provides, amongst other benefits, a pension that is defined as a percentage of pensionable salary at the retirement date.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2021 by S Basadien, 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 Method.

Long Service benefits

In-Service Members	690	717
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Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
6. Employee benefit obligations (continued)		
The members of the Post-retirement medical aid benefit plan are made up as follows:		
Medical aid fund		
Total Active Members	359	330
Continuation members	22	23
	381	353
Pension Fund		
Total Active Members	452	469
Total Pensioners	6	6
	458	475
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(25 711 000)	(19 189 000)
Present value of the defined benefit obligation-partly or wholly funded	(301 298 000)	(305 143 000)
Long service awards	(14 100 000)	(13 261 000)
	(341 109 000)	(337 593 000)
Non-current liabilities	(337 696 000)	(334 665 000)
Current liabilities	(3 413 000)	(2 928 000)
	(341 109 000)	(337 593 000)
MAFIKENG CITY COUNCIL PENSION FUND ((R'000))		
FAIR VALUE OF DEFINED BENEFIT OBLIGATION		
(Present Value of obligation as at 30 June 2020)	(542 175)	(484 762)
(Interest Cost)	(75 941)	(43 942)
Current Service Cost)	(8 250)	(18 368)
Member Contributions)	(9 511)	(9 242)
Benefits Paid	26 596	42 199
(Present Value of obligation as at 30 June 2021)	(609 487)	(542 175)
Actuarial (gain) / loss	205	28 059
FAIR VALUE OF PLAN ASSETS		
Fair Value of plan assets as at 30 June 2020	237 032	222 216
Expected return on plan assets	25 407	21 829
Member Contributions	9 511	9 242
Municipality Contributions	57 244	63 738
Benefits paid)	(26 596)	(42 199)
Fair value of plan assets as at 30 June 2021	308 189	237 032
Actuarial (gain) / loss on plan assets	5 591,00	37 794,00
	-	-

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

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6. Employee benefit obligations (continued)		
UNRECOGNISED ACTUARIAL (GAIN) / LOSS		
Actuarial (gain) / loss on present value of obligation	205	28 059
Actuarial (gain) / loss on fair value of assets	(5 591)	37 794
Actuarial gain / (loss) recognised	5 386	(65 853)
	-	-
AMOUNTS RECOGNISED IN THE BALANCE SHEET		
Present Value of fund obligations)	(609 487)	(542 175)
Fair value of plan assets	308 189	237 032
Surplus / (deficit) in plan	(301 298)	(305 143)
	(602 596)	(610 286)
OTHER COMPREHENSIVE INCOME		
Net actuarial losses / (gains) recognised in the current year	(5 386)	65 853
AMOUNTS RECOGNISED IN THE INCOME STATEMENT		
Current service cost	8 250	18 368
Net financing costs	50 534	22 133
	58 784	40 501
MOVEMENT ON THE NET (LIABILITY) / ASSET		
Net (liability) / asset at the beginning of the year	(305 142)	(262 545)
Net (expense) / income recognised in the income statement	(58 784)	(40 481)
Other comprehensive income	5 386	(65 854)
Contributions	57 244	63 738
	(301 296)	(305 142)
OTHER		
Actual return on plan assets	30 998	(15 966)
Employer's Post-Employment Medical Aid and Long Service Benefits Liabilities		
Change in liability		
Opening liability	32 450	34 720
Interest cost	3 346	3 379
Service cost	2 829	2 841
Benefits paid	(2 928)	(1 632)
Actuarial (gains) losses	4 114	(6 858)
	39 811	32 450
Amounts to be shown in Balance sheet		
Present value of defined benefit obligation	39 811	32 450

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
6. Employee benefit obligations (continued)		
Amounts shown in the income statement		
Net financing cost	3 346	3 379
Service cost	2 829	2 841
	6 175	6 220
Reconciliation		
Opening Liability / (Asset)	32 450	34 720
Benefit payments	(2 928)	(1 632)
Change to income statement	6 175	6 220
Recognised actuarial gains / (Losses)	4 114	(6 858)
	39 811	32 450

Key Financial Assumptions

The principal assumptions used for the purposes of the actuarial valuation on 30 June 2021:

Salary increase rate	6,70 %	5,40 %
Discount rates	9,80 %	9,90 %
Inflation rate	5,50 %	4,40 %
Pension increase allowance(Pensioners)	5,00 %	4,40 %
Pension increase allowance (Active members)	- %	2,42 %
Post retirement discount rate (Active members)	- %	7,30 %
Post retirement discount rate (Pensioners)	4,60 %	5,30 %
Expected rate of return on plan assets	9,80 %	9,90 %
Medical inflation	7,00 %	6,20 %
Discount rate - In service members	7,50 %	6,20 %
Discount rate - Continuation members	7,00 %	6,20 %

The number of leave days payable for each milestone (number of years served) are detailed in the table below:

- After 10 years of service - 10 working days
- After 15 years of service - 20 working days
- After 20 years of service - 30 working days
- After 25 years of service - 30 working days
- After 30 years of service - 30 working days
- After 35 years of service - 30 working days
- After 40 years of service - 30 working days
- After 45 years of service - 30 working days

7. Inventories

Land	9 394 542	9 394 494
Consumable stores	7 273 562	6 574 139
Fuel (Diesel, Petrol)	324 991	142 793
	16 993 095	16 111 426

Mahikeng Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
8. Receivables from non-exchange transactions		
Gross balances		
Property rates		
Fines		
Less: Allowance for impairment		
Property rates		
Fines		
Carrying Amount		
Property rates		
Fines		
Property rates		
Current (0 -30 days)		
31 - 60 days		
61 - 90 days		
91 - 120 days		
121 - 365+ days		
Fines		
Current (0 -30 days)		
31 - 60 days		
61 - 90 days		
91 - 120 days		
121 - 365+ days		
Industrial/ commercial		
Current (0 -30 days)		
31 - 60 days		
61 - 90 days		
91 - 120 days		
121 - 365+ days		
Less: Allowance for impairment		
Residential		
Current (0 -30 days)		
31 - 60 days		
61 - 90 days		
91 - 120 days		
121 - 365+ days		
Less: Allowance for impairment		

Mahikeng Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
8. Receivables from non-exchange transactions (continued)		
National and provincial government		
Current (0 -30 days)		
31 - 60 days		
61 - 90 days		
91 - 120 days		
121 - 365+ days		
Less: Allowance for impairment		
Total		
Current (0 -30 days)		
31 - 60 days		
61 - 90 days		
91 - 120 days		
121 - 365+ days		
Less: Allowance for impairment		

Statutory Receivables

Property rates and traffic fines disclosed under Receivables from non-exchanges transactions are Statutory Receivables in context of GRAP 108. 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 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.

The Municipality has recognised property rates and traffic fines as statutory receivable using the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers) as required by the paragraph .06 of the GRAP on Statutory Receivables the transaction is a non-exchange transaction.

Property rates related transactions arise in terms of the Municipal Property Rates Act, 6 of 2004, Municipal Finance Management Act, 56 of 2003, as well as the Property Rates Policy of the Municipality approved by Council.

Traffic fines arise from the National Road Traffic Act 93 of 1996, National Road Traffic Regulations 2000, National

Land Transport Act 5 of 2009 and Criminal Procedure Act 51 of 1971. Prosecutor performs prosecutorial functions in terms of a general delegation awarded by the National Prosecuting Authority and is subject to the control of the Magistrate's Court in the City of Mahikeng. Subsequent measurement of traffic fines is primarily through guidance provided by National Legislation.

Property rates accrue interest at a rate approved annually by the Municipal Council through the budget process. The prevailing interest rate charged by the Municipality is incorporated within the Municipal Tariff Schedule gazette.

The carrying amount of the Municipality's Receivables from non-exchange transactions which incorporates both property rates and traffic fines constitute the Municipality's carrying amount of Statutory Receivables. The Statement of Financial Performance of the Municipality incurred a charge of R 130 773 666 (2020: R 121 436 035?) with regards to impairment for the year of which property rates constituted 99.47% and traffic fines 0.53%.

For significant impairment losses recognised the Municipality is required by GRAP 10 paragraph 8 to disclose the main events and circumstances that led to the recognition of impairment losses. The Municipality's statutory receivables from receivables from non-exchange transactions property rates constitutes a significant proportion of the impairment loss allocation. As at 30 June 2021 more than 75% of Receivables from non-exchange transactions – Property rates were being owed for over a year which means they were on 202006+ (Over 1 Year) on the age analysis. This was identified as one of the indicators of the poor performance of the debtors' book as payment profiles of consumers deteriorated through increasing defaults.

Mahikeng Local Municipality

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8. Receivables from non-exchange transactions (continued)

The Municipality considered the payment profile of consumers with reference to latest payment date as one of the key indicators and assumptions used to assess and calculate whether statutory receivables were impaired during the reporting period. The following were also taken into account:

- Nature of the consumer with regards to whether accounts were active or inactive
- For residential properties whether accounts were designated indigent or not
- Categorisation of non-indigent households, businesses, and government

The Municipality held no collateral, which may include financial assets, non-financial assets and other forms of collateral such as guarantees or encumbrances over Statutory Receivables from non-exchange transactions.

The allowance for impairment relating to fines was derived after considering the recovery rate of fines for the current and past two year. The average recovery rate for the 2020 period was estimated at 12.52%, the allowance being at 87.48%.

Receivables from non-exchange transactions constituting statutory receivables that are past due at the reporting, and which have been impaired are those excluding those noted below as past due but not impaired.

Receivables from non-exchange transactions past due but not impaired

Receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 30 June 2021, R 40 964 690 (2020: R 39 719 484) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	40 964 690	39 719 484
------------------	------------	------------

9. Receivables from exchange transactions

Gross balances

Water	714 038 984	613 052 655
Sewerage	178 859 492	160 661 849
Refuse	167 267 258	149 525 461
Other (Sundry charges, Interest, VAT)	190 629 876	210 315 495
	1 250 795 610	1 133 555 460

Less: Allowance for impairment

Water	(690 156 787)	(543 401 516)
Sewerage	(167 384 749)	(143 637 795)
Refuse	(156 102 042)	(125 872 815)
Other (Sundry charges, Interest, VAT)	(177 344 969)	(191 310 616)
	(1 190 988 547)	(1 004 222 742)

Net balance

Water	23 882 197	69 651 139
Sewerage	11 474 743	17 024 054
Refuse	11 165 216	23 652 646
Other (Sundry charges, Interest, VAT)	13 284 907	19 004 879
	59 807 063	129 332 718

Mahikeng Local Municipality

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Figures in Rand	2021	2020
9. Receivables from exchange transactions (continued)		
Water		
Current (0 -30 days)	7 870 616	18 434 071
31 - 60 days	1 748 144	4 583 463
61 - 90 days	1 488 132	4 788 917
91 - 120 days	788 761	2 197 255
121 - 365 days	11 986 544	39 647 433
	23 882 197	69 651 139
Sewerage		
Current (0 -30 days)	3 108 921	5 195 897
31 - 60 days	601 744	899 931
61 - 90 days	492 859	1 626 643
91 - 120 days	306 688	464 415
121 - 365 days	6 964 531	8 837 168
	11 474 743	17 024 054
Refuse		
Current (0 -30 days)	2 303 370	4 920 275
31 - 60 days	510 862	1 094 264
61 - 90 days	415 960	1 829 780
91 - 120 days	368 582	905 891
121 - 365 days	7 566 442	14 902 436
	11 165 216	23 652 646
Other (specify)		
Current (0 -30 days)	8 385 276	225 359
31 - 60 days	3 912	-
61 - 90 days	13 071	139 452
91 - 120 days	7 662	42 162
121 - 365 days	4 874 986	18 597 906
	13 284 907	19 004 879

Mahikeng Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
9. Receivables from exchange transactions (continued)		
Summary of consumer receivables by customer classification		
Consumers		
Current (0 -30 days)	42 836 016	14 162 882
31 - 60 days	16 341 138	13 021 846
61 - 90 days	17 371 727	13 257 850
91 - 120 days	16 189 892	16 448 239
121 - 365 days	808 926 115	718 546 198
	901 664 888	775 437 015
Less: Allowance for impairment	(858 180 753)	(705 296 939)
	43 484 135	70 140 076
Industrial/ commercial		
Current (0 -30 days)	14 117 169	4 488 789
31 - 60 days	4 893 935	2 874 558
61 - 90 days	5 649 730	2 390 530
91 - 120 days	6 682 951	2 670 421
121 - 365 days	242 215 291	86 453 141
	273 559 076	98 877 439
Less: Allowance for impairment	(268 940 145)	(83 973 983)
	4 618 931	14 903 456
National and provincial government		
Current (0 -30 days)	9 220 319	6 351 170
31 - 60 days	2 677 331	4 512 049
61 - 90 days	2 538 918	5 165 153
91 - 120 days	1 969 801	4 369 103
121 - 365 days	59 165 276	209 919 551
	75 571 645	230 317 026
Less: Allowance for impairment	(63 867 650)	(198 108 767)
	11 703 995	32 208 259
Total		
Current (0 -30 days)	66 173 504	25 002 841
31 - 60 days	23 912 404	20 408 454
61 - 90 days	25 560 376	20 813 533
91 - 120 days	24 842 645	23 487 762
121 - 365 days	1 110 306 682	1 014 918 890
	1 250 795 611	1 104 631 480
Less: Allowance for impairment	(1 190 988 549)	(987 379 689)
	59 807 062	117 251 791

Receivables from exchange transactions which are less than 1 months past due are not considered to be impaired. At 30 June 2021, R 66 173 504 (2019: R 25 002 841) were past due but not impaired.

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	17	17
Bank balances	40 948 079	15 427 311
	40 948 096	15 427 328

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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Figures in Rand 2021 2020

10. Cash and cash equivalents (continued)

The short term investment with VBS Mutual Bank of R83 440 312.06 has been impaired due to recoverability of the amount being put in doubt. The bank has been put under curatorship and the deposits by municipalities held by the bank were not honoured as only natural people were to receive their deposits. At the end of the financial year the uncertainty relating to the recoverability of the deposits has not been cleared and therefore a decision to impair was made. The impairment was included in the income statement in the prior year.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
Standard Bank - Current Account - Account number 30852595	1 989 288	1 019 401	1 503 717	4 108 504	3 138 615	(33 587 356)
Nedbank - Call Account - 03/7881034459/0000020	-	-	85 905	-	-	662 850
Standard Bank - Call Account - 238650863/037	144	144	144	144	144	144
Standard Bank - Call Account - 238650863/025	1 311	1 311	1 311	1 311	1 311	1 311
Standard Bank - Call Account - 238650863 - 036	365 704	4 350 446	-	365 704	4 350 446	-
Standard Bank - Call Account - 238650863/038	135	135	135	135	135	135
Standard Bank - Call Account - 238650863/039	11 750 785	3 410 971	5 974 777	11 750 785	3 410 971	5 974 777
Nedbank - Call Account - 03/7881120835/000001	144 422	139 857	132 311	144 422	139 858	132 301
Standard Bank - Call Account - 238650863/040	24 273 024	4 099 717	2 674 940	24 273 024	4 099 718	33 874 940
ABSA Bank - Call Account - 4071943748	-	(8 264)	5 444	-	(8 264)	5 444
ABSA- Fixed D-2049151018	70 611	68 351	64 940	70 611	68 351	64 940
ABSA-NOT 9064617006	40 996	40 756	39 481	40 996	40 756	39 481
ABSA - 20-5333-3573	10 858	10 108	9 415	10 858	10 108	9 415
ABSA - 20-5333-4163	10 858	10 108	9 415	10 858	10 108	9 415
ABSA - 20-5324-6724	57 032	53 112	49 443	57 032	53 112	49 443
ABSA - 20-5622-0905	13 539	12 787	11 851	13 539	12 787	11 851
ABSA - 20-7942-8427	1 000	-	-	1 000	-	-
First National Bank 710390511164	99 156	99 156	92 238	99 156	99 156	92 238
Total	38 828 863	13 308 096	10 655 467	40 948 079	15 427 312	7 341 329

The reconciling items at year end is the difference between the amount as per the bank statements and the amount on the general ledger of R 2 119 23 (2019: R 2 119 234).

VBS reconciliation	Amount as bank statement - 30 June 2018	Amount impaired	Total
VBS Mutual Bank - 658308001	83 440 312	(83 440 312)	-

Mahikeng Local Municipality

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11. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Expanded Public Works Programme Grant (EPWP)	-	780 730
Construction Education Training Authority Grant (CETA)	-	149 956
	-	930 686
12. Financial liabilities - Loans		
At amortised cost		
INCA Loan - Non Current Liabilities	3 750 000	17 617 206
Loan, Acc No: MAFI-00-0001/ Deal no. 118115, carry interest at 12.78% per annum repayable over a period of 20 years. This loan was used to fund the municipality's infrastructure assets. The loan is secured by the municipality's income from assessment rates.		
INCA Loan - Current Liabilities	7 500 000	802 105
Loan, Acc No: MAFI-00-0001/ Deal no. 118115, carry interest at 12.78% per annum repayable over a period of 20 years. This loan was used to fund the municipality's infrastructure assets. The loan is secured by the municipality's income from assessment rates.		
	11 250 000	18 419 311
Total other financial liabilities	11 250 000	18 419 311
Non-current liabilities		
At amortised cost	3 750 000	17 617 206
Current liabilities		
At amortised cost	7 500 000	802 105

Mahikeng Local Municipality

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13. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Total
Environmental rehabilitation - Landfill site	117 612 937	11 444 780	129 057 717

Reconciliation of provisions - 2020

	Opening Balance	Additions	Total
Environmental rehabilitation- Landfill site	110 535 811	7 077 126	117 612 937

Environmental rehabilitation - Landfill Site

This provision was raised in order to determine the closure and rehabilitation costs for the waste disposal site in accordance with the Minimum Requirements (Second Edition, 1998) from the Department of Water Affairs and Forestry (DWAF).

The following assumptions were made to provide an estimation of the rehabilitation site:

- Minimal shaping of the existing waste body.
- The rate for the 300mm confining layer is based on the assumption that all the material can be sourced from on-site sources.
- The rate for the 100mm topsoil layer is based on the assumption that all the material can be sourced from on-site sources.
- It is assumed that the footprint that requires rehabilitation as described and indicated above is correct as verified by the local authority.
- It was assumed that insufficient volumes of the required quality clayey material would be available for the capping layers. As a result, it was replaced with Geosynthetic Clay Liner in the estimate.
- It was assumed that insufficient gas will be generated to warrant the installation of a gas management system and the cost thereof is not included in this estimate.
- Escalation for post-closure cost used: 4.99%, which is the average CPI June to June over the past 10 years
- Discount rates for post-closure costs based on Government Bond Yield Rates as at 30 June 2021:

The remaining site life as at 30 June 2021 is 20 years.

The report was compiled by JPCE (Pty) Ltd specialists consulting engineers. The consultants have qualifications in engineering and are members of the consulting engineers of South Africa.

The following have an effect on the cost estimate:

Various material rates have increased due to a revised approach in terms of construction rate determination as described in Section 1.2 of this report. The biggest impact on the estimates are the rates for importation of sand from commercial sources (82 to 85% increase per m³ vs. 2020) and importation of topsoil from commercial sources (50% increase per m³ vs. 2020)

Increase in Engineering fees based on ECSA fees scales as published 2021

An indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events. '

Mahikeng Local Municipality

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Notes to the Annual Financial Statements

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13. Provisions (continued)

Years	Escalated monitoring costs (Gas included for only 2 years after closure.)	Years until	Current value
2047	R110,742.42	26	R8,277.83
2048	R116,268.46	27	R7,865.78
2049	R104,476.66	28	R6,397.00
2050	R109,690.05	29	R6,078.56
2051	R115,163.58	30	R5,775.98
2052	R120,910.24	31	R5,488.47
2053	R126,943.66	32	R5,215.26
2054	R133,278.15	33	R4,955.65
2055	R139,928.73	34	R4,708.97
2056	R146,911.18	35	R4,474.56
2057	R154,242.04	36	R4,251.83
2058	R161,938.72	37	R4,040.18
2059	R170,019.46	38	R3,839.07
2060	R178,503.44	39	R3,647.96
2061	R187,410.76	40	R3,466.38
2062	R196,762.55	41	R3,293.83
2063	R206,581.01	42	R3,129.86
2064	R216,889.40	43	R2,974.07
2065	R227,712.18	44	R2,826.02
2066	R239,075.02	45	R2,685.35
2067	R251,004.86	46	R2,551.67
2068	R263,530.00	47	R2,424.66
2069	R276,680.15	48	R2,303.96
2070	R290,486.49	49	R2,189.27
2071	R304,981.76	50	R2,080.30
2072	R320,200.35	51	R1,976.74
2073	R336,178.35	52	R1,878.34
2074	R352,953.65	53	R1,784.84
2075	R370,566.04	54	R1,696.00
2076	R389,057.28	55	R1,611.57

Mahikeng Local Municipality

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Notes to the Annual Financial Statements

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14. Trade payables from exchange		
Trade payables	386 856 451	537 571 901 ☆
Accrued leave pay	29 212 560	27 777 356 ☆
Thirteenth Cheque Accrual	5 692 890	5 219 810
Retention	13 835 445	11 378 935
Sundry creditors - Advance payments	47 262 287	50 295 642
	482 859 633	632 243 644

15. VAT payable

VAT payable	13 826 813	29 274 407 ☆
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16. Consumer deposits

Other deposits	5 987 191	5 999 070
Water	5 603 535	5 202 902
	11 590 726	11 201 972

Other deposit consists of the following:

- Building deposit
- Rental of properties
- Posters
- Street closure
- Valuation appeal
- Way leave
- Building plans

17. Revenue

Service charges	247 375 813	249 644 826
Rental of facilities and equipment	7 593 573	6 857 756
Interest received (trading)	57 322 845	77 600 415
Licences and permits	2 959 950	2 364 140
Fees earned	6 168 814	3 596 173
Other income	13 557 226	2 808 966
Interest received - investment	6 225 438	7 409 330
Property rates	301 731 443	318 056 436
Government grants & subsidies	455 461 949	364 698 871
Fines, Penalties and Forfeits	820 567	2 448 830
Recognition of roads	-	471 343 771
	1 099 217 618	1 506 829 514

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

Service charges	247 375 813	249 644 826
Rental of facilities and equipment	7 593 573	6 857 756
Interest received (trading)	57 322 845	77 600 415
Licences and permits	2 959 950	2 364 140
Fees earned	6 168 814	3 596 173
Other income	13 557 226	2 808 966
Interest received - investment	6 225 438	7 409 330
	341 203 659	350 281 606

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

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	2021	2020
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17. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	301 731 443	318 056 436
Transfer revenue		
Government grants & subsidies	455 461 949	364 698 871
Fines, Penalties and Forfeits	820 567	2 448 830
Recognition of the roads	-	471 343 771
	758 013 959	1 156 547 908

18. Service charges

Consumption – Water Management	158 881 379	164 940 812
Consumption – Waste Water Management	46 529 511	45 188 813
Consumption – Waste Management	41 964 923	39 515 201
	247 375 813	249 644 826

Mafikeng Local Municipality does not provide electricity to the public. Therefore there is no line item of electricity part of service charges.

19. Rental of facilities and equipment

Premises

Facilities and equipment	7 593 573	6 857 756
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The Municipality has rights to properties, plant and equipment which are rented out to the public on a needs basis. These include Municipal parks, halls, vacant properties and movable assets.

20. Other revenue

Fees earned	6 168 814	3 596 173
Other income	13 557 226	2 808 966
	19 726 040	6 405 139

The Municipality engages with the public and as a result derives fees and other income from such interactions.

21. Investment revenue

Interest revenue

Interest earned (bank and investment accounts)	6 225 438	7 409 330
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Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
22. Property rates		
Rates received		
Residential, Business and Government	361 926 738	389 497 895
Less: Income forgone	(60 195 295)	(71 441 459)
	301 731 443	318 056 436

All tariffs used by the municipality have been Approved for implementation in the 2020-21 MTREF. Please note all tariffs are exclusive of value added tax as property rates are exempt from VAT.

Valuations

Valuations on land and buildings are performed every 5 years. The applicable General Valuation came into effect on 1 July 2017 and will remain valid until 30 June 2022. It is based on market-related values. Property valuation adjustments, such as supplementary valuations, objection valuations and Valuation Appeal Board decisions are processed continuously.

Municipal rates are levied on a monthly basis in terms of the provisions of the rates policy, which makes provision for rebates and exemptions.

The valuation roll was prepared by a registered valuer and discharged their duties as municipal valuer and as such complied with Sections 43 and 44 of the Local Government: Municipal Property Rates Act, 2004.

Valuer information: Hendrik Coenraad Botha

Mahikeng Local Municipality

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Figures in Rand	2021	2020
23. Government grants and subsidies		
Operating grants		
Equitable share	337 618 000	260 427 013
Expanded Public Works Programme Grant (EPWP)	3 324 000	1 894 270
Library Grant (LG)	1 437 000	1 457 000
Finance Management Grant (FMG)	3 000 000	2 680 000
Municipal Disaster Relief Grant (MDRG)	-	506 000
Construction Education Training Authority Grant (CETA)	629 838	1 936 283
	346 008 838	268 900 566
Capital grants		
Municipal Infrastructure Grant (MIG)	94 833 000	81 230 000
Provincial Infrastructure Grant (PIG)	7 120 111	14 568 305
Electricity Demand Management (EDM)	7 500 000	-
	109 453 111	95 798 305
	346 008 838	268 900 566
	109 453 111	95 798 305
	455 461 949	364 698 871

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members and for the running of the municipality's operations.

All registered indigents receive a monthly subsidy of 6 kilolitres of water per month which is funded from the grant.

Municipal Infrastructure Grant (MIG)

Current-year receipts	94 833 000	81 230 000
Conditions met - transferred to revenue	(94 833 000)	(81 230 000)
	-	-

Conditions still to be met - remain liabilities (see note 11).

The grant was 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.

Expanded Public Works Program (EPWP)

Balance unspent at beginning of year	780 730	-
Current-year receipts	3 324 000	2 675 000
Conditions met - transferred to revenue	(3 324 000)	(1 894 270)
Roll Over not Approved	(780 730)	-
	-	780 730

Conditions still to be met - remain liabilities (see note 11).

Mahikeng Local Municipality

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23. Government grants and subsidies (continued)

The grant is used to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines:

- Road maintenance and the maintenance of buildings;
- Low traffic volume roads and rural roads;
- Basic services infrastructure, including water and sewer reticulation, sanitation, pipelines (excluding bulk infrastructure);
- Other economic and social infrastructure; tourism and cultural industries; waste management; parks and beautification;
- Sustainable land-based livelihoods; social services programmes;
- Health service programmes; and community safety programmes.

Mahikeng Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
23. Government grants and subsidies (continued)		
Library Grant (LG)		
Current-year receipts	1 437 000	1 457 000
Conditions met - transferred to revenue	(1 437 000)	(1 457 000)
	-	-
Conditions still to be met - remain liabilities (see note 11).		
The grant is used to transform urban and rural community library infrastructure, facilities and services(primarily targeting previously disadvantaged communities).		
Finance Management Grant (FMG)		
Current-year receipts	3 000 000	2 680 000
Conditions met - transferred to revenue	(3 000 000)	(2 680 000)
	-	-
The grant is mainly used for promoting and supporting reforms in financial management by building capacity in the municipality to implement the Municipal Finance Management Act and progressive financial reporting.		
Construction Education Training Authority Grant(CETA)		
Balance unspent at beginning of year	149 956	-
Current-year receipts	479 882	2 086 239
Conditions met - transferred to revenue	(629 838)	(1 936 283)
	-	149 956
The grant is meant to assist the municipality in the improvement of system related transactions.		
Provincial Infrastructure Grant		
Balance unspent at beginning of year	-	2 734 020
Current-year receipts	7 120 111	11 834 285
Conditions met - transferred to revenue	(7 120 111)	(14 568 305)
	-	-
Conditions still to be met - remain liabilities (see note 11).		
Electricity Demand Management Grant (EDMG)		
Balance unspent at beginning of year	-	303 013
Current-year receipts	7 500 000	-
Conditions met - transferred to revenue	(7 500 000)	-
Other	-	(303 013)☆
	-	-
Conditions still to be met - remain liabilities (see note 11).		
This fund has been granted by the Department of Energy to the municipality to be used in electricity efficiency usage programme.		
Municipal Disaster Relief Grant		
Current-year receipts	-	506 000

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
23. Government grants and subsidies (continued)		
Conditions met - transferred to revenue	-	(506 000)
	-	-

Conditions still to be met - remain liabilities (see note 11).

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
24. Employee related costs		
Basic	190 967 524	180 047 104
Bonus	14 678 786	12 882 109
Medical aid - company contributions	13 019 879	11 903 935
UIF	1 296 425	1 193 756
SDL	2 114 574	2 340 834
Leave pay provision charge	7 310 747	6 154 131 ☆
Post retirement benefit	52 787 983	56 253 490
Overtime payments	17 315 178	12 029 920
Allowance locomotion	17 558 907	15 587 873
Housing benefits and allowances	3 501 042	3 264 422
Pension funds	49 706 004	45 870 984
Other	15 276 651	598 792
	385 533 700	348 127 350
Remuneration of Municipal Manager : Mr IT Mokwena (Resigned in December 2018)		
Leave days	-	17 233
Remuneration of the Chief Financial Officer (Status: CFO - Mr R A Morris)		
Annual Remuneration	1 225 062	1 128 051
Car Allowance	66 900	110 592
Other	156 000	188 206
	1 447 962	1 426 849
Remuneration of the Acting Chief Financial Officer - Ms TC Modisa (From December 2018 to May 2019)		
Other	-	61 657
Remuneration of the Public Safety Director (Status:Director- Mr T J Marumo)		
Annual Remuneration	848 526	815 057
Car Allowance	223 249	227 555
Other	252 703	262 141
	1 324 478	1 304 753
Remuneration of the Corporate service Director (Status: Director - Mrs Z K Masuku)		
Annual Remuneration	943 774	910 636
Car Allowance	105 822	115 348
Other	471 062	459 786
	1 520 658	1 485 770
Remuneration of the Planning and Development Services Director (Status: Director-MR T MASIA)		
Annual Remuneration	833 888	784 197
Car Allowance	234 327	246 740
Other	261 406	315 681
	1 329 621	1 346 618
Remuneration of the Infrastructure Service Director (Status: Director- Mrs M Moloi-Tsae)		
Annual Remuneration	972 110	916 215

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
24. Employee related costs (continued)		
Car Allowance	260 593	275 478
Other	289 020	300 575
	1 521 723	1 492 268

Remuneration of the Acting Municipal Manager - (MR N M Mokgwamme - Started acting from the 01/07/19 to 30 June 2020) Portion of the Remuneration was covered by the Department of Local Government and Human settlement). Appointed as Municipal Manager from 01/07/2020

Annual Remuneration	907 159	753 413
Car Allowance	314 261	42 502
Other	360 245	1 338
	1 581 665	797 253

Remuneration of the Community Service Director (Status: Director-MRS K P NYEMBE)

Annual Remuneration	847 787	798 766
Car Allowance	222 824	225 472
Other	254 287	266 592
	1 324 898	1 290 830

Remuneration of the Corporate service Director (Status: Acting Director - Ms K J Lekoma)

Acting Allowance	11 000	56 450
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25. Remuneration of councillors

Executive Major	938 250	938 250
Mayoral Committee Members	7 882 839	8 290 641
Speaker	759 478	759 220
Councillors	18 965 669	18 336 780
Chief Whip	714 787	721 012
	29 261 023	29 045 903

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
25. Remuneration of councillors (continued)		
In-kind benefits		
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time and are provided with office space at the cost of the Council. In addition, they are paid travelling allowances for the trips outside Mahikeng. The Executive Mayor, Speaker, Chief Whip of Council are also provided with secretarial support at the cost of the Council.		
The Executive Mayor has use of a Council owned vehicle for official duties. The Mayor's driver also acts bodyguard.		
The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost.		
26. Depreciation and amortisation		
Property, plant and equipment	68 738 115	97 531 348
Intangible assets	245 050	276 210
	68 983 165	97 807 558
27. Interest Paid		
Other interest incurred	560 320	485 978
Borrowings	-	2 868 173
	560 320	3 354 151
28. Debt impairment		
Contributions to debt impairment provision	317 539 473	293 430 725
29. Bulk purchases		
Water	75 923 027	85 269 343
30. Contracted services		
Call Centre	6 056 013	6 427 494
Security Services	23 968 964	20 079 362
	30 024 977	26 506 856

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
31. General expenses		
Advertising	905 402	383 834
Auditors remuneration	10 144 884	5 965 203
Bank charges	362 379	501 454
Catering services	124 898	1 748 593 ☆
Computer Services	3 656 484	1 186 486 ☆
Electricity and Water	55 105 602	30 830 350
Entertainment	163 365	162 723
Hire	1 050 833	839 549 ☆
Insurance	1 845 920	1 180 249 ☆
Inventory expenditure	16 711 755	21 892 665 ☆
Learnerships and Internships	634 579	1 936 283
Legal Advice and Litigation	12 006 159	9 355 482 ☆
Licenses and permits	411 283	497 887
Refuse Removal	1 820 200	3 181 756 ☆
Meter reading	2 070 320	1 849 744
Motor vehicle expenses	723 961	329 000
Indigent Relief	111 061	-
Postage and courier	632 571	650 655 ☆
Animal Care	791 032	768 000
Printing and publications	29 680	48 244
Professional Fees	57 525 525	41 878 498 ☆
Protective clothing	1 248 506	677 541 ☆
Provisions - Landfill site	11 444 781	7 077 126
Membership and subscription	3 569 939	193 470 ☆
Telephone and fax	1 867 654	1 243 251
Deeds	33 603	40
Workmen's Compensation Fund	1 129 811	-
Housing Assistance	4 590 150	-
Travel and Subsistence	911 588	1 767 038 ☆
Other expenditure	432 063	4 458 857
Overtime payments	-	25 707
	192 055 988	140 629 685

* - This means there was a prior year adjustment done on the balance or transaction

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
32. Cash generated from operations		
(Deficit) surplus	(141 608 990)	483 078 639
Adjustments for:		
Provision for staff bonus	473 080	272 503
Depreciation and amortization	68 983 165	97 807 558
Contribution to Employee Benefit Liabilities - Non-current	3 031 000	40 241 000
Contribution to Employee Benefit Liabilities - Current	485 000	87 000
Increase in Non-current provisions	11 444 780	7 077 126
Provision for staff leave	1 435 204	2 802 713
Debt Impairment - Provision for doubtful debts (Exchange Service charges)	186 765 805	173 184 765
Debt Impairment losses - Provision for doubtful debts (Non-exchange - Rates)	130 077 167	116 014 848
Debt Impairment losses - Provision for doubtful debts (Non-exchange - Fines)	696 499	5 428 187
Fair value adjustment - Investment Property	63 535 000	(78 802 285)
Profit or loss on disposal of assets	46 483 366	67 849 664
Finance costs - non-current borrowings	-	2 868 173
Recognition of roads	-	(471 343 771)
Correction of error	94 347 502	(29 135 879)
Changes in working capital:		
Inventories	(881 669)	84 033 927
(Increase)/Decrease in Trade receivables from non-exchange transactions - Rates	(30 168 813)	(140 998 490)
(Increase)/Decrease in Trade receivables from non-exchange transactions - Fines & Other	(435 800)	(6 263 100)
(Increase)/Decrease in Trade receivables from exchange transactions (Service)	(117 240 150)	(167 676 428)
(Increase)/Decrease in pre-payments SALGA	(6 124)	(3 157 316)
(Increase)/Decrease in VAT	(15 447 594)	(1 021 476)
(Increase)/Decrease in Consumer deposits	388 754	(33 609)
Increase/(Decrease) in Conditional Grants and Receipts	(930 686)	(2 106 347)
Payables from exchange transactions	(151 292 295)	18 827 431
	150 134 201	199 034 833

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
33. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Roads	45 199 849	8 555 512 ☆
• Recreational facilities	13 127 722	36 415 125
• High Mast	5 986 350	11 367 143
• Community Buildings	12 612 784	16 659 441
• Bridges	1 082 188	1 491 983
	78 008 893	74 489 204
Prior period correction		
• Roads - As previously disclosed	-	8 863 273 ☆
• Roads - Correction of error	-	(307 761) ☆
	-	8 555 512
Total capital commitments		
Already contracted for but not provided for	78 008 893	74 489 204 ☆
Total commitments		
Total commitments		
Authorised capital expenditure	78 008 893	74 489 204 ☆

This committed expenditure relates to property and will be financed by externally generated funds being the Municipal Infrastructure Grant and the Electricity Demand Management Grant as per DORA allocations.

Prior period adjustment - 2020

The adjustment was as a result of a misstatement of a part payment of retention relating to the Provision of Thembane Road Project

Current year Commitments - 2021

MIG/NW/2434//CL/17/18	SUPPLY, DELIVERY AND INSTALLATION OF HIGH MAST LIGHT IN WARD 1,2,8,26 & 33.
MIS/283234/17/19	UPGRADING OF BRIDGES IN MADIBE MAKGABE MODIMOLE
MIG/NW/1912/R,ST/14/1	PROVISION OF THEMBANE ROAD
MIG/NW/2548/SP/19/20	UPGRADING OF MMABATHO TENNIS COURT FACILITIES PHASE 1 & 2
MIG/NW/2546/RST/19/2	UPGRADING LOMANYANENG POLICE STATION ROAD
MIG/NW/2545/CF/19/20	UPGRADING OF MATLALONG GRAVEYARD (FENCING) FOR 2019/20 FINANCIAL YEAR: PHASE 11
MIG/NW/2370/17/18	UPGRADING OF LANDFILL SITE (PHASE 1)
MIG/NW/2370/17/18	UPGRADING OF LANDFILL SITE (PHASE 2)
MIG/NW/2370/17/18	UPGRADING OF LANDFILL SITE (PHASE 3)
SCM/MLM05/10/2015	PROVISION OF COMMUNITY CENTRE IN WARD 26
SCM/MLM06/10/2015	PROVISION OF MULTI PURPOSE CENTRE IN WARD 29
SCM/MLM01/09/2016	CONSTRUCTION OF LOTLHAKANE MULTI PURPOSE SPORTS FIELD
MIG/NW/2461/R/17/18	UPGRADING OF ROAD IN MOSHAWANE
MIG/NW/2640/R/17/18	UPGRADING OF TSETSE MAIN ROAD IN WARD 4
MIG/NW1462/SP/12/13	UPGRADING OF DANVILLE STADIUM
MIG/NW/2547/CL/19/20	THE PROVISION OF HIGH MAST LIGHTS IN VARIOUS WARDS
MIG/NW/2069/CL/15/16	PROVISION OF HIGH MAST LIGHTS IN WARD 21, 24 25,28 & 31.
SCM/MLM13/10/2018	PROVISION OF HIGH MAST LIGHTS (AFRICA RELATED MO ELECT. ENG.)
MIG/NW/1393/R/11/12	UPGRADING OF ROADS IN LOTLHAKANE VILLAGE TO RAPULANA CLINIC
SCM/MLM 39/05/2020	UPGRADING OF ROAD IN MAGOGOE VILLAGE TO PAVED ROAD IN WARD 14
SCM/MLM 36/02/2020	UPGRADING OF A ROAD FROM TLOUNG VILLAGE TO BOKONE VILLAGE TO PAVED ROAD IN WAR
SCM/MLM 37/05/2020	UPGRADING OF ROADS IN SIGNAL HILL TO PAVED ROAD IN WARD 28
SCM/MLM07/07/2019	SUPPLY AND DELIVERY OF ROADS BINDERS, SLURRY SEAL, PRE-MIX APHALT, ROAD AGGEGAT

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

2021

2020

33. Commitments (continued)

* - This legend indicates that there was a prior period correction made from the balance that was previously reported to the balance as per the reconciliation

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
34. Contingencies (Assets and Liabilities)		
Cases		
Service providers cases	8 532 042	8 947 832
Property losses/ damages cases	3 104 106	395 845
Malicious proceedings	-	100 000
Others	9 197 529	7 885 000
	20 833 677	17 328 677

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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34. Contingencies (Assets and Liabilities) (continued)

Current year cases

Service providers cases

Domestic waste collection services for and on behalf of Municipality within its area of jurisdiction, Claim amount: R2,312,393.40

Monitory claim: "Kena Media indebted to Municipality" Claim amount: R2,028,416

Claim for outstanding invoices amounting to R1,670,832.00

To connect electricity to the applicants property

Claim for retention monies amounting to R1,999,882.04

Property losses/ damages cases

Mr Mogorosi instituted damages claim against the municipality following his motor vehicle colliding with a pothole on a road alleged to be within the municipal jurisdiction.

This is a civil claim matter.

The Municipality is cited as a second respondent. Plaintiff seeks damages to the tune of R158 415.10. Plaintiff alleges that both first and second defendant failed to maintain the road which resulted in him colliding with a pothole. The matter is defended.

This is a civil claim matter.

The Municipality is cited as the second respondent. The plaintiff seeks damages to the tune of R24 00 480.22 as well as assessor's costs of R1 210.55. The total claim is R25 690.77.

Claim for damages of R695,000.00

The plaintiff issued summons against the Municipality and the MEC for Public Works for negligent conduct of leaving a hip of sand on the road which became hazardous and caused the vehicle to overturn as a result suffering injuries in the amount of R2,200,000.00

Others

This is an eviction matter, wherein the applicant cited the Municipality as the 3rd Respondent. The matter appeared before court wherein the Municipality was not properly notified and subsequently not represented thereon and an adverse order was granted against the municipality. It is on this basis that we were instructed to approach the court make an application for rescission of judgement and subsequently an instruction to appeal the dismissal of the rescission application by the magistrate.

The Respondents' are in contravention of the Municipal Nuisance By Law. The property in question has burnt down and has for approximately 3 years been left unoccupied, unattended and neglected thus detriment to the value and security of the neighbouring properties.

Monitory claim: "Ncebo Micheal Gomono is indebted to Municipality" Claim amount R382,529.12

Claim for damages of R695,000.00

Unspent portion of tranches paid to the Municipality in previous years

Claim by the Applicant who were employed by the Municipality on fixed term contracts who claims to be permanently employed in the political offices.

Claim for protected promotion

Plaintiff is Pule Morobi instituted legal proceeding against Mahikeng Local Municipality for unlawful arrest and detention.

CONTINGENT ASSETS

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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34. Contingencies (Assets and Liabilities) (continued)

This is an illegal Construction and Building matter.

Defendants are in contravention of the Municipal By Law and SPLUMA wherein they are building and developing a structure without an approved building plan.-MLM / KGAJANE

This is illegal Construction and Building Matter.

Defendant has constructed, built and erected a building structure without submitting a building plan for approval.-MLM / Grace and Charles Mkhawire

This is an illegal Land Use Matter.

Defendant is conducting business on a residential land without obtaining a requisite municipal consent and thereof in contravention of Municipal By Laws, SPLUMA.-MLM / Lavelle Vere

This is an illegal building and construction matter.

The Respondents' are in contravention of the Municipal By Laws, SPLUMA and National Building Regulations and Standards. The Respondents' have erected a boundary wall without obtaining a requisite municipal consent. The Respondents' have failed to submit the Building Plans as required.-MLM / Virgil Harrison

This is an illegal building and construction matter.

The Respondent is in contravention of the Municipal By Laws, SPLUMA and National Building Regulations and Standards. The Respondent has erected a boundary wall without obtaining a requisite municipal consent. The Respondent has failed to submit the Building Plans as required.-MLM / Mazuku and Letselela Phoolo

This is an illegal building, construction and eviction.

The Respondent is in contravention of the Municipal By Laws, SPLUMA and Building Regulations. Respondent has failed to obtain a requisite municipal consent prior to the construction of the student accommodation.-MLM / Phetwe

This is illegal land use and illegal construction matter. The Respondents are operating a private training institute/business on a land classified as a residential area. The respondent has failed to apply for rezoning of the premises from residence to business. The respondents have erected a large shanty structure where classes are being conducted. The respondent has failed to submit the building plans for approval, thus in contravention of Municipal By Laws, SPLUMA etc.-MLM / Gilbert Mmutle Bosigo and Others

This is illegal building and construction matter.

The Respondents' are in contravention of the approved municipal building plans, Municipal Nuisance By Law, SPLUMA and National Building Regulations and Standards.-MLM / Nkhoma Pentecost Masibambane & Sebonego Training Development

This is an illegal building and construction matter.

The Respondent is in contravention of the Municipal By Laws, SPLUMA AND the National Building Regulations and Standards. Respondent failed to submit the building plans, proceeded to alter and construct office building without the municipality's requisite consent.-MLM / Kgosimoruti

This is an illegal building and construction matter.-MLM / Adlo properties

This is an illegal building construction matter.

The respondent is in contravention of the municipal by laws. The respondent has erected and developed a boundary wall without the requisite consent of the municipality.-MLM / Tshupetso Moroka

This is an illegal building construction matter.

The respondents have in contravention of the municipal by laws. The respondents have developed and built a building without submitting the building plans to the municipality for approval.-MLM / Malapile Sebedi

This is an illegal land use and illegal building matter.

The Respondent has occupied the municipal land without authorisation and requisite permission by the municipality.

The Respondent has erected a large shack without the requisite consent from the municipality and or has failed to submit building plans for erected structure.

The Respondent is in contravention of the Municipal By Law, SPLUMA and National Building Regulations and Standards.-MLM / Griffin Edward Thomas & Ilana Tarryn Davids

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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34. Contingencies (Assets and Liabilities) (continued)

This is an illegal building and construction matter.

The Respondent has failed to submit building plans for new additional structure and alteration made in her property. The Respondent is in contravention of the Municipal By Law, SPLUMA and National Building Regulations and Standards.-MILM/ Church – Christ the Healer of all Nations

This is an illegal building contrition matter.

The respondent has effected alternation to the main building and built a boundary wall without the prior submission of the building plans and obtaining a requisite approval.-MLM / Letta Mmatshipo Mosadi

This is an illegal building construction matter.

The respondent is in contravention of the municipal by laws. The respondent has erected and developed a boundary wall without the requisite consent of the municipality.-MLM / Daniel Taunyane

This is an illegal building and construction matter.

The Respondents is in convention of the municipal By Law. The Respondent has encroached on the municipal land and built a boundary wall without the requisite consent of the municipality.-MLM / Kgosithebe

Contravention Notice issued. Owner/Occupant constructed illegally without approved building plan.-MLM / KE Senosi

Contravention Notice issued. Owner/Occupant constructed illegally without approved building plan.-MLM / SM Makama

Contravention Notice issued. Owner/Occupant constructed illegally without approved building plan.-MLM / SM Makama

Contravention Notice issued. Owner/Occupant constructed illegally without approved building plan.-MLM / AA Mussa (Erf

Contravention Notice issued. Owner/Occupant constructed illegally without approved building plan.-MLM / Bloem Sakebelange

Interdict from processing payments of the respective amounts to the former Mahikeng Local Municipality Councillors Claim amount: No Claim -MLM / G Morabane (Erf 8864/66, Extension)

Prior year cases

Service providers cases

Applicant contract was terminated by the municipality due to non-performance & later alleged Breach of contract. Matter set down for hearing on 3rd March 2018 and requested for postponement

Domestic waste collection services for and on behalf of municipality within its arear of jurisdiction Claim amount: R2,312,393.40

Notice to amend particulars of claim by the plaintiff (Claim by the plaintiff R1,247,831.70)

Property Loss/Damage cases

Mr Mogorosi instituted damages claim against the municipality following his motor vehicle colliding with a pothole on a road alleged to be within the municipal jurisdiction.

Claim for damages of R695,000

The Municipality is cited as the second respondent. The plaintiff seeks damages against the municipality. Plaintiff alleges that both the first and second respondents failed to maintain the road which resulted in formation of potholes with which the driver thereof collided resulting in him suffering the damages. The matter is defended.

This is civil claim against the municipality as a result of a motor vehicle colliding into a pothole suffering damages within the juristictions of the municipality

This is a civil claim against the municipality for motor vehicle collision with a pothole suffering damages within the juristriction of the municipality

Malicious proceedings

Mahikeng Local Municipality

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Figures in Rand	2021	2020
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34. Contingencies (Assets and Liabilities) (continued)

Claim for unlawful and malicious false charges by members of the municipality traffic official and SAPS

Others

The applicant brought an application for review and set aside an arbitration award claiming Financial disparity relating to financial clerks and traffic officers. Only claim relating to financial clerks was settled and other officers have subsisting claims who needs to apply for date of hearing

This is an application against the municipality, for an order to compel the municipality to provide burial services for the remains of an individual who has no relatives to assist with burial

This is a civil claim matter: The Municipality is cited as a second respondent. Plaintiff seeks damages to the tune of R158 415.10. Plaintiff alleges that both first and second defendant failed to maintain the road which resulted in him colliding with a pothole. The matter is defended.

This is an eviction matter, wherein the applicant cited the Municipality as the 3rd Respondent. The matter appeared before court wherein the Municipality was not properly notified and subsequently not represented thereon and an adverse order was granted against the municipality. It is on this basis that we were instructed to approach the court make an application for rescission of judgement and subsequently an instruction to appeal the dismissal of the rescission application by the magistrate.

The Respondents' are in contravention of the Municipal Nuisance By Law. The property in question has burnt down and has for approximately 3 years been left unoccupied, unattended and neglected thus detriment to the value and security of the neighbouring properties.

Unspent portion of tranches paid to the Municipality in previous years

Contingent Asets

The municipality seeks to acquire Benadeplaats Farm 93 in order to establish a township

Recovery of outstanding municipal accounts (Including assessment rates) for the sum of R125,988,317.06

Interdict from processing payments of the respective amounts to the former Mahikeng Local Municipality Councillors Claim
Amount: No claim

This is an illegal building and construction matter. The Respondent is in contravention of the Municipal By Laws, SPLUMA AND the National Building Regulations and Standards. Respondent failed to submit the building plans, proceeded to alter and construct office building without the municipality's requisite consent.

This is an illegal building contrition matter. The respondent has effected alternation to the main building and built a boundary wall without the prior submission of the building plans and obtaining a requisite approval.

This is an illegal building and construction matter. The Respondents is in convention of the municipal By Law. The Respondent has encroached on the municipal land and built a boundary wall without the requisite consent of the municipality.

Upgrading of Danville Stadium tender was awarded to applicant but failed to execute its responsibilities with expected time frame: project cost: R4,327,538.89 Claim amount: No claim

Debt collection on 37 properties located in the Municipalities juristriction. To Collect R58,116,522.34

Reversal of sale of Erf 6034 back to MLM owernership

Reversal of sale of ERF 6180, Mahikeng

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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35. Related parties

Relationships	
Accounting Officer	Mr NM Mokgwamme
Chief Financial Officer	Mr RA Morris
Councillors	Refer to the general information page of the Annual Financial Statements
Members of key management	Mr N M Mokgwamme Mr R A Morris Ms T Modisa Mr T J Marumo Mrs K P Nyembe Mr T Masia Ms M Moloji-Tsae Mrs Z K Masuku Mr M J Molamu Ms K J Lekoma

North West Department of Human Settlements deployed an administrator to the Mafikeng Local Municipality as per note from the MEC regarding the intervention in terms of section 137 of the MFMA as at 29 August 2018.

The Municipality has various processes in place to identify and note any related party transactions with regards to this matter. These range from disclosure by bidders on the bid documents (MB4) to maintenance of a conflict of interest register.

For councillors, this is kept in the Office of the Speaker whilst for the other senior managers it is kept by the Corporate Services Directorate.

Related party transactions

Purchases from (sales to) related parties

Doctor Moseki Project	-	124 550
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Remuneration of management and councillors

The compensation of key management personnel and councillors is set out in note 24 and 25 to the Annual Financial Statements

Awards to close family members of persons in service of the state

The details listed below is disclosed in terms of Regulation 45 of the Municipal Supply Chain Regulation 2005 that determines that the municipality must disclose particulars of any award of more than R2,000 to a person who is a spouse, child or parent of a person in service of the stste or has been in service of the stste in the previous twelve months.

Name of Person or entity	2021	2020
Terry's Auto Repairs	-	4 658
Baratan Trading and Projects	-	29 500
Lefa General Distributers	-	21 500
KKM Consulting Engineers	-	2 371 274
Kgetsi Ya Puo Business Consultants	1 037 053	4 768
Dikelellong Engineers and Projects	2 395 475	1 458 000
Tlhabanelo Trading Enterprise	-	28 800
Green Tech Africa PTY LTD	-	35 977
Kgotlhayame Projects	-	28 480
	3 432 528	3 982 957

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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35. Related parties (continued)

Terry's Auto Repairs

The spouse of Mr. Martin Terence Thomas (Owner), Mrs. Julia Thomas is employed by Mahikeng Local Municipality

Baratan Trading and Projects

The spouse of Mrs. Nathaniel Mogomotsi Lefifi (Owner), Mr. Tholo Samuel Kgotlagomang is employed by Mahikeng Local Municipality

Lefa General Distributers

Mojalefa Mathibela (Director) is employed at the South African Broadcasting Corporation

KKM Consulting Engineers

KK Molawa (Director) is employed at the North West Health Department

Kgetsi Ya Puo Business Consultants

Goitsemodimo Ephraim Seleka (Director) is employed at the South African Broadcasting Corporation

Dikelellong Engineers and Projects

Morwa Archibold Matsaunyane (Director) is employed at JB Marks - NW Local Municipality and a close family member/relative of Mpho Daniel Lebogo (Director) works at Denel Dynamics

Tlhabanelo Trading Enterprise

A close family member/relative of Tiego Cornelius Kgomo (Director) works at the North West Gambling Board

Green Tech Africa PTY LTD

A close family member of Taelo Partular Moseki (Director) works at the National Home Builders Registration Council

Kgotlhayame Projects

A close family member of Kgotlaame Emmanuel Gaonakala (Director) works at Transnet Limited

36. Prior-year adjustments

The prior year has been amended to account for prior period errors.

Below is a summary of the total effect that the prior period errors, changes in accounting policies and reclassification of comparatives had on the amounts disclosed in the annual financial statements, followed by a description of each of the individual prior period error with the amounts involved.

Statement of financial position

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand		2021	2020	
36. Prior-year adjustments (continued)				
2020				
	Note	As previously reported	Correction of error	Restated
Inventories		100 350 641	(84 239 215)	16 111 426
Receivables from exchange transactions		127 173 840	2 158 878	129 332 718
Receivables from non-exchange transactions		116 672 229	-	116 672 229
Prepayment - SALGA		3 157 316	-	3 157 316
Cash and cash equivalents		15 427 328	-	15 427 328
Investment property		357 218 500	-	357 218 500
Property, plant and equipment		1 655 700 014	(5 090)	1 655 694 924
Intangible assets		814 697	-	814 697
Financial liabilities - Loans		(802 105)	-	(802 105)
Payables from exchange transactions		(629 008 067)	(3 235 573)	(632 243 640)
VAT payable		(29 285 316)	10 909	(29 274 407)
Consumer deposits		(11 201 972)	-	(11 201 972)
Employee benefit obligation		(2 928 000)	-	(2 928 000)
Unspent conditional grants and receipt		(930 686)	-	(930 686)
Financial liabilities - Loans		(17 617 206)	-	(17 617 206)
Employee benefit obligation		(334 665 000)	-	(334 665 000)
Provisions		(117 612 937)	-	(117 612 937)
Accumulated surplus		(1 232 463 276)	85 310 091	(1 47 153 185)
		-	-	-

Statement of financial performance

2020

	Note	As previously reported	Correction of error	Restated
Service Charges		230 642 895	19 001 930	249 644 825
Rental of facilities and equipment		6 857 756	-	6 857 756
Interest received (trading)		77 600 415	-	77 600 415
Licences and permits		2 364 140	-	2 364 140
Fees earned		3 596 173	-	3 596 173
Other income		2 808 966	-	2 808 966
Interest received - investment		7 409 330	-	7 409 330
Property rates		318 056 436	-	318 056 436
Government grants & subsidies (Realisation of grants)		364 698 871	-	364 698 871
Fines, penalties and forfeits		2 448 830	-	2 448 830
Recognition of the roads		471 343 771	-	471 343 771
Employee related costs		(345 224 100)	(2 903 250)	(348 127 350)
Remuneration of councillors		(29 045 903)	-	(29 045 903)
Depreciation and amortisation		(97 807 558)	-	(97 807 558)
Finance costs		(3 354 151)	-	(3 354 151)
Debt impairment		(276 587 673)	(16 843 052)	(293 430 725)
Repairs and maintenance		(5 691 780)	2 410 264	(3 281 516)
Bulk purchases		(85 269 343)	-	(85 269 343)
Contracted services		(26 506 856)	-	(26 506 856)
General expenses		(137 606 784)	(3 022 901)	(140 629 685)
Gain (loss) on disposal of assets and liabilities		9 624 129	(77 924 498)	(68 300 369)
Fair value adjustments		78 802 285	-	78 802 285
Inventories write-up/write-downs		(935 692)	(6 765 422)	(7 701 114)
Surplus /(Deficit) for the year		568 224 157	(86 046 929)	482 177 228

Statement of financial position

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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36. Prior-year adjustments (continued)

The following prior period errors adjustments occurred:

Inventory

Inventory Consumables

No adjustments made to the balance.

Land Inventory

In the 2019/20 financial year, the AGSA concluded that there were numerous properties in the Land Inventory Register, which the municipality does not have control over. As a result, the Land Inventory was declared to be overstated by the AGSA. To correct this, the municipality undertook a full verification and assessment exercise to assess which land inventory properties we have control over and which properties have actually been transferred to the rightful owner to date. This resulted in correction decrease in the Land Inventory balance of -R84 239 215.

Receivables from exchange transactions

Credit notes for water service charges relating to the 2018/2019 financial period for various customers were incorrectly captured in the 2019/20 general ledger.

The error resulted in there being a cut-off issue audit finding in the 2019/20 financial year. The erroneous capturing of the credit notes resulted in net receivables from exchange being understated by R2 158 878.34

Receivables from non-exchange transactions

No adjustments made to the balance.

Cash and cash equivalents

No adjustments made to the balance.

Investment property

No adjustments made to the balance.

Property, plant and equipment

Community Assets

Purchase orders relating to Community Assets were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R -5 090 and community Assets were overstated by R -5 090.

Computer Equipment

Purchase orders relating to Computer Equipment were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R -317 325 and Computer Equipment were overstated by R -317 325.

However, this overstatement actually forms part of the Prior Period Error - Alignment Journal passed in the prior year. Thus, that means that if the error will be disclosed separately, the Prior Period Error - Alignment Journal was overstated. Therefore, a journal was processed to reverse R317,325 from it. Therefore, the net effect of these 2 journals is zero on the closing balance of PPE - Computer Equipment.

Furniture and Office Equipment

Purchase orders relating to Furniture and Office Equipment were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are

Mahikeng Local Municipality

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36. Prior-year adjustments (continued)

overstated by R -45 700 and Furniture and Office Equipment were overstated by R -45 700.

However, this overstatement actually forms part of the Prior Period Error - Alignment Journal passed in the prior year. Thus, that means that if the error will be disclosed separately, the Prior Period Error - Alignment Journal was overstated. Therefore, a journal was processed to reverse R45,700 from it. Therefore, the net effect of these 2 journals is zero on the closing balance of PPE - Furniture and Office Equipment.

Machinery and Equipment

Purchase orders relating to Machinery and Equipment were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R -87 680 and Machinery and Equipment were overstated by R -87 680.

However, this overstatement actually forms part of the Prior Period Error - Alignment Journal passed in the prior year. Thus, that means that if the error will be disclosed separately, the Prior Period Error - Alignment Journal was overstated. Therefore, a journal was processed to reverse R87,680 from it. Therefore, the net effect of these 2 journals is zero on the closing balance of PPE - Machinery and Equipment.

Intangible assets

No adjustments made to the balance.

Financial liabilities - Loans

No adjustments made to the balance.

Payables from exchange transactions

Accrued Leave Pay

Leave provision was calculated based on the leave days as per the payday report for the year ended 30 June 2020 **-R 2 903 250**

VAT Payables

Recognition of various invoices from different suppliers relating to VAT were incorrectly captured in the 2020/21 general ledger. The erroneous capturing of these invoices in the 2020/21 general ledger resulted in the following: Trade payables are understated by R -10 908.86 and VAT were understated by R -10 908.86.

Community Assets

Purchase orders relating to Community Assets were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 5 090 and community Assets were overstated by R 5 090..

Computer Equipment

Purchase orders relating to Computer Equipment were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 317 325 and Computer Equipment were overstated by R 317 325.

Furniture and Office Equipment

Purchase orders relating to Furniture and Office Equipment were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 45 700 and Furniture and Office Equipment were overstated by R 45 700.

Mahikeng Local Municipality

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36. Prior-year adjustments (continued)

Machinery and Equipment

Purchase orders relating to Machinery and Equipment were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 87 680 and Machinery and Equipment were overstated by R 87 680.

Catering Services

Purchase orders relating to Catering services were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 29 159.64 and Catering services are overstated by R 29 159.64.

Refused Removal

Purchase orders relating to refuse removal were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 31 850 and refused removal are overstated by R 31 850.

Professional staff

Purchase orders relating to professional staff were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 68 230 and professional staff are overstated by R 68 230.

Computer services

Purchase orders relating to Computer services were incorrectly captured in the 2019/20 general ledger. In addition, invoices issued for the 2019/20 financial year were incorrectly captured in the 2020/21 general ledger. The omission of these invoices and erroneous capturing of purchase orders resulted in the following: Trade payables are overstated by R12 821, VAT Payable is understated by R 1 471; and Computer services are overstated by R 14 292.

Inventory expenditure

Purchase orders relating to Inventory expenditure were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 7 933 430 and Inventory expenditure is overstated by R 7 933 430.

Legal advice and litigation

Invoices issued for the 2019/20 financial year were incorrectly captured in the 2020/21 general ledger. The omission of these invoices in the 2019/20 general ledger resulted in the following: Trade payables are understated by R-122 270; Legal advice and litigation expense is understated by R-122 270.

Recognition of various invoices from Legal Advice & Litigations were incorrectly captured in the 2020/21 general ledger that relate to 2018/19 general ledger resulted in the following: trade payables is understated by R -164 577.50.

Advertising

Purchase orders relating to Advertising were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 129 638 and Advertising expense is overstated by R 129 638.

Postage and courier

Purchase orders relating to Postage and courier were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 13 518 and Postage and courier expense is overstated by R 13 518.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

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36. Prior-year adjustments (continued)

Hire

Invoices issued for the 2019/20 financial year were incorrectly captured in the 2020/21 general ledger. The omission of these invoices in the 2019/20 general ledger resulted in the following: Trade payables are understated by R-28 480; VAT Payable is understated by R-3 715; and Hire expense is understated by R -24 765.

Subscriptions and membership fees

Purchase orders relating to Subscriptions and membership fees were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R15 000 and Subscriptions and membership fees expense is overstated by R15 000.

Travel and Subsistence

Purchase orders relating to Travel and Subsistence were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 399 550 and Travel and Subsistence is overstated by R 399 550.

Protective clothing

Purchase orders relating to Protective clothing were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 923 263,89 and Protective clothing expense is overstated by R 923 263,89.

Repairs and maintenance

Purchase orders relating to Repairs and maintenance were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 2 410 263.87 and Protective clothing expense is overstated by R 2 410 263.87.

Prior year open orders

During the prior period the municipality wrote off open orders to general expense as per the advice of the AGSA as they did not meet the definition of accruals. In the current year the journal had to be reversed to be allocated to the correct classes of transactions and account balances.-R 12 433 798

VAT payable

Recognition of various invoices from different suppliers relating to VAT were incorrectly captured in the 2020/21 general ledger. The erroneous capturing of these invoices in the 2020/21 general ledger resulted in the following: Trade payables are understated by R 10 908.86 and VAT were understated by **R 10 908.86**.

Consumer deposits

No adjustments made to the balance.

Employee benefit obligation

No adjustments made to the balance.

Unspent conditional grants and receipts

Employee benefit obligation

No adjustments made to the balance.

Provisions

No adjustments made to the balance.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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36. Prior-year adjustments (continued)

Accumulated Surplus

All the above transactions add up to the balance which adds up to the adjustment of accumulated surplus of R 85 760 796

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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36. Prior-year adjustments (continued)

Statement of comprehensive income

Mahikeng Local Municipality

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36. Prior-year adjustments (continued)

The following prior period errors adjustments occurred:

Service charges

The Municipality in the 2019/20 reporting period identified certain accounts which were incorrectly billed and made an effort in correcting the errors. In correcting the incorrect billing the Municipality processed a credit note gains receivables - water management and revenue from water. The credit notes resulted in revenues from water being understated by R19 001 930.29 and receivables from water by R19 001 930.29. Impairment of The above resulted in receivables from water sales - impairment being adjusted by R16 843 052.95 and debt impairment expense by the same amount.

Property Rates

No adjustments made to the balance.

Government grants & subsidies

No adjustments made to the balance.

Employee Cost

Leave provision

leave provision was calculated based on the leave days as per the payday report for the year ended 30 June 2020 (2 903 249)

Debt Impairment

Debt impairment was adjusted as a result of credit notes posted in the 2019/20 general ledger which affected the receivables basis figure used to derive debt impairment.

As a result debt impairment was understated by R-16 843 052.95

Bad debts written off

No adjustments made to the balance.

Repairs and maintenance

Purchase orders relating to Repairs and maintenance were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 2 410 263.87 and Protective clothing expense is overstated by R2 410 263.87.

Bulk Purchases

No adjustments made to the balance.

Contracted Services

No adjustments made to the balance.

General Expenses

Catering Services

Purchase orders relating to Catering services were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 29 159.64 and Catering services are overstated by R29 159.64.

Mahikeng Local Municipality

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36. Prior-year adjustments (continued)

Refused Removal

Purchase orders relating to refuse removal were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 31 850 and refused removal are overstated by R 31 850.

Professional staff

Purchase orders relating to professional staff were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 68 230 and professional staff are overstated by R 68 230.

Computer services

Purchase orders relating to Computer services were incorrectly captured in the 2019/20 general ledger. In addition, invoices issued for the 2019/20 financial year were incorrectly captured in the 2020/21 general ledger. The omission of these invoices and erroneous capturing of purchase orders resulted in the following: Trade payables are overstated by R12 821, VAT Payable is understated by R1 471; and Computer services are overstated by R14 292.

Inventory expenditure

Purchase orders relating to Inventory expenditure were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R7 933 430 and Inventory expenditure is overstated by R7 933 430.

Reversal of open purchase orders incorrectly written off against inventory - R 12 433 978.52

Legal advice and litigation

Invoices issued for the 2019/20 financial year were incorrectly captured in the 2020/21 general ledger. The omission of these invoices in the 2019/20 general ledger resulted in the following: Trade payables are understated by R122 270; Legal advice and litigation expense is understated by -R122 270.

Advertising

Purchase orders relating to Advertising were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R129 638 and Advertising expense is overstated by R129 638.

Postage and courier

Purchase orders relating to Postage and courier were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R13 518 and Postage and courier expense is overstated by R13 518.

Hire

Invoices issued for the 2019/20 financial year were incorrectly captured in the 2020/21 general ledger. The omission of these invoices in the 2019/20 general ledger resulted in the following: Trade payables are understated by R28 480; VAT Payable is understated by R3 715; and Hire expense is understated by -R24 765.

Subscriptions and membership fees

Purchase orders relating to Subscriptions and membership fees were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R15 000 and Subscriptions and membership fees expense is overstated by R15 000.

Travel and Subsistence

Purchase orders relating to Travel and Subsistence were incorrectly captured in the 2019/20 general ledger. The erroneous

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36. Prior-year adjustments (continued)

capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R 399 550 and Travel and Subsistence is overstated by R399 550.

Protective clothing

Purchase orders relating to Protective clothing were incorrectly captured in the 2019/20 general ledger. The erroneous capturing of these purchase orders in the 2019/20 general ledger resulted in the following: Trade payables are overstated by R923 263,89 and Protective clothing expense is overstated by R923 263,89.

Finance Cost

No adjustments made to the balance.

Land Inventory - Gains & Losses on Derecognition

It was concluded that there were to the value of -R77 473 793 that were either not registered under the municipalities name, duplicates or non-existing properties. This meant that the Land Inventory balance was overstated. These properties were thus derecognised.

Land Inventory - Write down of recoverable amount

It was concluded that 68 properties on the Land Inventory Register were old Bophutatswana 4 room houses built for the community. However, these properties were never transferred to the rightful owner. Thus these properties are still registered under the municipalities name. The municipality has no control over these properties and no right to remove the occupants. There is also not intention by the municipality to remove the occupants as they are the rightful owners of the houses. Therefore, the Land inventory balance was overstated -R6 765 422. It was concluded to write the net-realizable value of the properties down to R1 because the municipality is not expecting any revenue from transfer of the properties.

Mahikeng Local Municipality

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Notes to the Annual Financial Statements

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37. Risk management

Financial risk management

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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37. Risk management (continued)

The municipality's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The municipality's Finance department provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the municipality through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department of Finance monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the municipality's activities, and compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:

Credit Risk;
Liquidity Risk; and
Market Risk

Risks and exposures are disclosed as follows:

Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

Credit Risk

Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities.

Liquidity

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash

Mahikeng Local Municipality

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37. Risk management (continued)

flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

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.

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37. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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37. Risk management (continued)

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to 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 customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party

Investments/Bank, Cash and Cash Equivalents

The municipality limits its counterparty exposures from its short-term investments (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions short term credit rating of BBB and long-term credit rating of AA- and higher at an International accredited credit rating agency. The municipality's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst different types of approved investments and institutions, in accordance with its investment policy. Consequently, the municipality is not exposed to any significant credit risk.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables

Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an on-going basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water services rendered to them.

Trade Receivables consist of a large number of customers. Periodic credit evaluation is performed on the financial condition of accounts receivable. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy. At this stage the municipality only partially implements its credit control policy as there is no hand over of debtors.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2021	2020
Receivables from exchange transactions	59 807 063	129 332 718
Receivables from non-exchange transactions	16 503 176	116 672 229

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
37. Risk management (continued)		
Cash and cash equivalent	40 948 096	15 427 328

Market risk

Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest charges.

Financial Assets and Liabilities that are sensitive to interest risk are cash and cash equivalents, investments, and loan payables. The municipality is not exposed to interest rate risk on these financial instruments as the rates applicable are fixed interest rate.

Potential concentration of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well established financial institutions of high credit standing. No investment with a tenure exceeding twelve months are made.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with ABSA Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Receivables comprise a widespread customer base. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "demand for payment", "restriction of services", and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy at this stage the municipality only partially implement its credit control policy as there is no hand over of debtors.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

Price risk

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

38. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will 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.

Although the Municipality had an accumulated surplus of R 1 099 891 693 we draw attention to the fact that at June 30, 2021 the Municipality has a Profit/Deficit of -R (141 608 990) (2020: R 483 078 639) and its current liabilities exceed its current assets by R 381 775 302

The ability of the Municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the Accounting Officer continues to procure funding for the ongoing operations for the Municipality and raise and collect revenue for services rendered. The Municipality has implemented strict measures enforced on all debtors who default on their accounts, this will be done in line with Council Policy on Debt Collection and Credit Control. It is envisaged that these measures will assist in improving the collection rate of the municipality.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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39. Events after the reporting date

As at 30 June 2021, and post the statement of financial position date, the National Disaster Act remains in force, resulting in national lockdown of movement of people and restrictions placed on trading by businesses.

The governments risk adjusted strategy to COVID-19 commenced at level 5 in March 2020, which had an impact on the last quarter of operations for the financial year.

Post statement of financial position date, the lockdown level has been adjusted and stands at level 1. This has seen an opening of the economy and a significant move towards normality.

The negative impact on trading operations is expected to continue albeit to a much lesser extent. It remains uncertain as to when the state of National Disaster will be completely lifted, amongst speculation of a 'second wave' of the COVID-19 pandemic

40. Unauthorised expenditure

Opening balance	1 176 061 381	1 032 270 349
Current year movement	120 803 265	143 791 032
	1 296 864 646	1 176 061 381

Unauthorised expenditure for the current year and prior year relates to the following expenditure votes to over spending on operational expenditure votes. For detail overspending on votes the reader is referred to the Budget and Comparison Statement together with Note 45.

Movements in unauthorised expenditure	120 803 265	143 791 032
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The following processes were planned and implemented in detail regarding unauthorised expenditure as prescribed by section 32 of the MFMA incurred during 2015-16 and previous financial years:

Submitted the unauthorised expenditure registers to Council for tabling and further decision making.

Council assigned the Municipal Public Accounts Committee (MPAC) to investigate the unauthorised expenditure in accordance with the MFMA section 32 (2) (a) (ii).

No decision to authorise the incurred authorised expenditure has been made to date.

41. Fruitless and wasteful expenditure

Opening balance	37 652 049	31 649 546 ☆
Current year	559 695	6 002 503 ☆
	38 211 744	37 652 049

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
41. Fruitless and wasteful expenditure (continued)		
Details of incidents occurred		
Interest charged on overdue account	554 501	1 142 709
Interest on loan	-	2 868 173
Penalties occurred	5 194	1 991 621
	559 695	6 002 503

Expenditure incurred during the year from interest paid on overdue accounts and penalties charged for non-compliance with statutory requirements. The matters are currently under investigation, no disciplinary steps taken to date.

As at 30 June 2021, no MFMA section 32 processes have been instituted for fruitless and wasteful expenditure arising from 2016-17 to 2020-21.

The following processes were planned and implemented in detail regarding fruitless and wasteful expenditure as prescribed by section 32 of the MFMA for the 2015-16 and prior financial years:

- 1) Submitted the fruitless and wasteful expenditure registers to Council for tabling and further decision making.
- 2) Council assigned the Municipal Public Accounts Committee (MPAC) to investigate the fruitless and wasteful expenditure in accordance with the MFMA section 32 (2) (b).
- 3) MPAC requested the Audit Committee for assistance resulting in the Internal Audit unit being assigned the task of investigating the incurred expenditure.
- 4) No investigation has been performed as yet by the internal audit unit.

Prior period correction

Munsoft interest where not accounted in the register now corrected. Please see details below:

Prior period adjustments	Note As previously reported	Correction of error	Restated
Fruitless and wasteful expenditure	38 004 209	(352 160)	37 652 049

42. Irregular expenditure

Opening balance	1 189 694 499	1 046 271 669
Add: Irregular Expenditure - current year	209 770 249	143 422 830
	1 399 464 748	1 189 694 499

Details of irregular expenditure – Prior year

Tax and other SCM compliance matters	Currently being investigated-No action taken	12 243 711
Procurement process not followed	Currently being investigated-No action taken	101 176 547
Adjustment during audit	Currently being investigated-No action taken	30 002 572
		143 422 830

Details of irregular expenditure – Current year

Tax and other SCM compliance matters	Currently being investigated-No action taken	17 661 699
Procurement process not followed	Currently being investigated-No action taken	187 425 628
Adjustment during audit	Currently being investigated-No action taken	4 682 922
		209 770 249

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
43. Additional disclosure in terms of Municipal Finance Management Act		
Skills Development Levy		
Opening balance	-	400 181
Current year subscription / fee	2 241 644	1 935 956 ☆
Amount paid - current year	(2 241 644)	(2 336 137)☆
	-	-

Prior period correction:

SDL declarations were wrongly captured under PAYE and UIF now corrected. Please see details below:

Skills Development Levy prior period correction	Note As previously reported	Correction of error	Restated
SDL (Declaration)	2 348 453	(412 497)	1 935 956
SDL (Payment)	(2 748 634)	412 497	(2 336 137)
	(400 181)	-	(400 181)

Water Losses

Purchases	8 774 335	10 241 916
Sales	(10 074 626)	(9 968 573)
Units lost in distribution revenue	(1 300 291)	273 343
Quantity (Units lost in distribution)	(1 300 291)	273 343
Annual Average cost of Purchased Unit	8,82	8,82
Monetary Loss in distribution	(11 468 567)	2 410 885
Water loss for the year	-14.8%	2.7%

The municipality purchases water from local water service authority and sells to its residents. During the current year the municipality bought 8 774 335 kilolitres (2020: 10 241 916), sold 10 074 626 kilolitres (2020: 9 968 573) and this resulted in water losses/(Profit) (1 300 291) (2020: 273 343) and percentage loss/(Profit) of (14,8%) (2020: 2,7%). The reason why we have a distribution "profit" or "gain" is because the units purchased are based on actual water meter readings supplied by Sedibeng Water and the units sold by the Municipality are based on both actual and estimated water meter readings. Estimated water readings for the 2021 financial year, thus, resulted in more kilolitres being billed than those actually supplied to the consumers.

Audit fees

Opening balance	75 849	1 405 715
Current year subscription / fee	11 728 688	7 103 582
Amount paid - current year	(7 864 856)	(8 433 448)
	3 939 681	75 849

Audit fee reconciliation

Amount as per statement (VAT Inclusive and interest charged)	7 103 582
VAT	(923 072)
AGSA Statement adjustments	(191 332)
Interest charged	(23 975)
Amount as per the general expenses note	5 965 203

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
43. Additional disclosure in terms of Municipal Finance Management Act (continued)		
PAYE and UIF		
Opening balance	-	987 682
Current year subscription / fee	52 302 504	45 471 649 ☆
Amount paid - current year	(52 302 504)	(46 459 331) ☆
	-	-

Prior period correction:

PAYE and UIF declarations were incorrectly captured under SDL now corrected. See details below:

PAYE Prior period correction	Note As previously reported	Correction of error	Restated
PAYE and UIF (Declaration)	45 059 152	412 497	45 471 649
PAYE and UIF (Payment)	(46 046 834)	(412 497)	(46 459 331)
	(987 682)	-	(987 682)

Pension and Medical Aid Deductions

Current year subscription / fee	74 249 176	59 954 206
Amount paid - current year	(74 249 176)	(59 954 206)
	-	-

VAT

VAT payable	13 826 813	29 274 407
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The VAT 201 is submitted monthly on a cash basis.

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

	2021	2020
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43. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2021:

30 June 2021	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor Van Rooye SJ	3 095	47 606	50 701
Councillor Diakanyo KB	(1 904)	(3 786)	(5 690)
Councillor Seheri KC	-	(1)	(1)
Councillor Motshabi T	3 674	33 449	37 123
Councillor Motau NJ	1 531	-	1 531
	6 396	77 268	83 664

30 June 2020	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor Diakanyo KB	(2 787)	-	(2 787)
Councillor Seheri KC	-	(200)	(200)
Councillor Motshabi T	3 242	22 110	25 352
Councillor Motau NJ	1 121	-	1 121
Councillor Van Rooye SJ	2 301	39 490	41 791
	3 877	61 400	65 277

SALGA Subscription

Opening balance	-	2 830 920
Current year subscription/ fees	3 165 566	203 670
Amount paid - current year	(3 165 566)	(3 034 590)
	-	-

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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Figures in Rand	2021	2020
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44. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

Procurement transactions	2021	2020
Emergency Procurement	9 826 022	13 687 458
Sole provider	230 712	461 843
Impractical or impossible to follow official procurement process	21 299 231	2 024 999
Adjustments	(375 155)	(1 613 230)
	30 980 810	14 561 070

There were transactions that were corrected for the prior year because they did not meet the definition of being a deviation. Please see listing below:

PROCUREMENT OF SURGICAL GLOVES, FACE MASKS AND SANITIZED WIPES	170 400,00
SUPPLY AND DELIVERY OF 4000 SURGICAL MASKS	160 000,00
SUPPLY AND DELIVERY OF 25L X 40 DISINFECTANT LIQUID, 65 X 48 SANITIZED WIPES, 800 X SURGICAL MASKS	699 900,00
SUPPLY AND DELIVERY OF 80X 100 SURGICAL GLOVES AND 4000 FACE MASK (3 PLY)	188 800,00
200 BLANKETS AND 200 MATTRESSES FOR DISASTER RELIEF COVID-19	214 660,00
SUPPLY AND DELIVERY OF 3 PLY SURGICAL MASKS	140 000,00
ACCOMODATION FOR THE EXECUTIVE MAYOR, DRIVER & VIP PROTECTOR	39 469,57

45. Statement of comparison of budget and actual

Material differences between budget and actual amounts

The reasons for the material variances between the approved budget and the final budget are explained below. A variance is considered material if it is 10% or more and if the amount exceeds R 4 million.

Reasons for material differences between actual and budget figures are explained below:

Mahikeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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45. Statement of comparison of budget and actual (continued)

- 1 - Movement considered to be immaterial and therefore no explanation is required.
- 2 - Movement considered to be immaterial and therefore no explanation is required.
- 3 - Movement considered to be immaterial and therefore no explanation is required.
- 4 - Rental revenues are demand dependant and during the year certain assets could not be utilised by the community due to the COVID-19 restrictions thus negatively affecting revenues.
- 5 - The Municipality instituted a COVID-19 relief programme in which interest on accounts was suspended and thus reducing the interest billable. This in turn affected negatively the expected or budgeted revenues from interest from customer accounts.
- 6 - The Municipality's Licensing Department extended operating hours in a bid to recover lost fees in the prior year furthermore also to mitigate against backlogs.
- 7 - This is due to uncertainty of the fees that would be earned due to the pandemic and therefore fees earned was not budgeted for.
- 8 - The Municipality through the payroll cycle remits payments to staff for which recoveries are made constituting the bulk of other income. The expected volume of transactions are staff demand depended and as at year end management over expected demand.
- 9 - Interest from investment is based on cashflow principles for which the Municipality exercised extensively. This resulted in positive results with regards to investment revenue.
- 10 - Property rates are subjected to supplementary roll variations which in turn affect expected revenues. Furthermore incorrect billing tends to affect negatively on budgeted revenues
- 11 - The sudden increase is due to the additional funds received for MIG & Equitable Share.
- 12 - Fines, penalties and forfeits are incident dependent. The Municipality strives for visible policing with expectations of a limited volume of incidents which may have resulted in underbudgeting.
- 13 - This is due to senior critical positions filled, yearly increment of salaries and recognition of employee benefit obligation.
- 14 - As a result of annual upperlimits.
- 15 - Acquisition of additional assets and completed projects.
- 16 - All obligatory payments were made in due time and thus the decrease in charges.
- 17 - Due to an increase in receivables.
- 18 - An agreement with Sedibeng Water regulated payments and thus the decrease in comparison to budgeted figure.
- 19 - The budgeted figure includes all contracted services but the actual consist of only call centre and security services the rest is disclosed separately under general expenditure as professional fees, therefore Call Centre & Security Services budgeted amount is R31,615,358 compared to the actual of R30,024,977 the sudden decrease is due to one of the call centre contracts expired.
- 20 - The classifications of other expenditure group major expenditure classes together like Repairs and Maintenance and Professional Services. This is the cause of the rapid increase of other expenditure.
- 21 - Losses could not have been anticipated during budget preparations
- 22 - Unable to anticipate fair value adjustments as it is based on an expect valuation performed annually, fair value could not be anticipated.
- 23 - The significant difference is due to the derecognition of properties not belonging to the Municipality

46. Comparative figures

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

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated.

The nature and reason of reclassification is disclosed. Where material prior period errors have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

**CHAPTER 6
AUDITOR GENERAL AUDIT FINDINGS**

INTRODUCTION

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.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

6.1 AUDITOR GENERAL REPORTS 2019/20

The Mahikeng Local Municipality received an improved Qualified audit opinion for prior financial year.

COMPONENT B: AUDITOR-GENERAL OPINION 2020/21

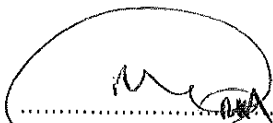
6.2 AUDITOR GENERAL REPORT 2020/21

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2020/21

Mahikeng Local Municipality obtained Qualified audit opinion, on the audited Annual Financial Statements by Office of the Auditor General South Africa.

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.



**MR. REUBEN ATTIE MORRIS
CHIEF FINANCIAL OFFICER**

Dated 30 JUNE 2021



Report of the auditor-general to the North West Provincial Legislature and the council on the Mahikeng Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Mahikeng Local Municipality set out on pages 153 to 248, which comprise the statement of financial position as at 30 June 2021, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the 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 Mahikeng Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (DoRA).

Basis for qualified opinion

Receivables from exchange and non-exchange transactions

3. The municipality did not make an assessment of its financial assets that includes the financial difficulty, dilinquency, probable sequestration or loss of markets for receivables from exchange transactions and receivables from non-exchange transactions as required by GRAP 104, *Financial instruments* and GRAP 108, *Statutory receivables*. I was unable to quantify the full impact of this misstatement on receivables from exchange transactions of R59 807 063 as disclosed in note 9 or receivables from non-exchange transactions of R16 503 176 as disclosed in note 8 to the financial statements as it was impracticable to do so.

Payables from exchange transactions

4. During 2020, I was unable to obtain sufficient appropriate audit evidence for unallocated receipts included in sundry creditors – advance payments as information included in the age analysis was insufficient to identify and audit the unallocated receipts. My audit opinion on the financial statements for the period ended 30 June 2020 was modified accordingly. I was still unable to confirm these creditors by alternative means. Consequently, my opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.



Context for the opinion

5. 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 this auditor's report.
6. 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.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.
9. As disclosed in note 38 of the financial statements, the municipality reported a deficit of R141 608 990 for the year, current liabilities exceed current assets by R381 775 302 and the municipality is struggling to collect all revenue for services rendered to consumers. These conditions along with other matters included in the note indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

Emphasis of matters

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

Unauthorised, irregular and fruitless and wasteful expenditure

11. As disclosed in note 40 to the financial statements, unauthorised expenditure of R120 803 265 was incurred in the current year and unauthorised expenditure of R1 176 061 381 in respect of previous years have not yet been dealt with in accordance with section 32 of the MFMA.
12. As disclosed in note 42 to the financial statements, irregular expenditure of R209 770 249 was incurred in the current year and irregular expenditure of R1 189 694 499 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.
13. As disclosed in note 41 to the financial statements, fruitless and wasteful expenditure of R559 695 was incurred in the current year and fruitless and wasteful expenditure of R37 652 049 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

Restatement of the corresponding figures

14. As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of adjustments made to correct errors in the financial statements of the municipality.

Other matter

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

Unaudited disclosure notes

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



Responsibilities of the accounting officer for the financial statements

17. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
18. 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 there is no realistic alternative but to do so.

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

19. 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
20. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

21. 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 usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
22. 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 also did not extend to any disclosures or assertions relating to 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.
23. 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 programme presented in the annual performance report of the municipality for the year ended 30 June 2021:

Programme	Pages in the annual performance report
KPA 5 – Basic service delivery and infrastructure investment	119 – 125

24. 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.

25. The material findings in respect of the usefulness and reliability of the selected programme are as follows:

KPA 5 – Basic service delivery and infrastructure investment

Various indicators

26. I was unable to obtain sufficient appropriate audit evidence that systems and processes were established to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions for the indicators listed below. This was due to insufficient measurement definitions and processes. As a result, I was also unable to obtain sufficient appropriate audit evidence for the achievements reported in the annual performance report. I was unable to validate the existence of the systems and the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements for the following indicators:

Indicator	Planned target	Reported achievement
44. Number of kilometres of tarred road maintained	8 km	17.784 km
45. Number of kilometres of storm water drainage maintained	4 km	4.1626 km
46. Number of kilometres of rural gravel road maintained	5 km	7.8 km
65 Number of illegal dumping sites cleared	55	35

Other matters

27. I draw attention to the matters below.

Achievement of planned targets

28. Refer to the annual performance report on pages 119 to 125 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 25 of this report.

Adjustment of material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 5 – Basic service delivery and infrastructure investment. As management subsequently corrected only some of the misstatements, I reported material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.



Introduction and scope

30. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
31. The material findings on compliance with specific matters in key legislation are as follows:

Strategic and performance management

32. The integrated development plan (IDP) was not drafted considering the integrated development process and proposals submitted to it by the district municipality, as required by section 29(3)(b) of the Municipal Systems Act 32 of 2000 (MSA).

Financial statements and annual report

33. 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. Some material misstatements of current liabilities, revenue and expenditure identified by the auditors in the submitted financial statements were adequately corrected and the supporting records could be 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.

Asset management

34. Funds were invested in a mutual bank in contravention of municipal investment regulation 6.

Expenditure management

35. Reasonable steps were not taken to prevent unauthorised expenditure of R120 803 265, as disclosed in note 40 to the financial statements, in contravention of section 62(1)(d) of the MFMA.
36. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R559 695, as disclosed in note 41 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was interest caused by late and non-payments of outstanding balances.
37. Reasonable steps were not taken to prevent irregular expenditure of R209 770 249 as disclosed in note 42 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was due to non-compliance with SCM regulation 29(2).

Procurement and contract management

38. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e).

Consequence management

39. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2) of the MFMA.



Other information

40. 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 thereon and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
41. 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 thereon.
42. 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 programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
43. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

44. 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 thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the performance report and the findings on compliance with legislation included in this report.
 - Leadership's involvement relating to the internal control environment remains lacking as material findings continue to arise in the submitted financial statements and performance report. Monitoring of internal controls, review processes and action plans are still not adequate to reduce findings in financial and performance reporting and compliance with laws and regulations. An effective consequence management process is not in place to reduce and eliminate recurring SCM transgressions.
 - Management's responsibilities as indicated previously revolved around the preparation of accurate and complete financial and performance reports supported by reliable information. This achievement depends on regular reporting, functioning internal controls and oversight. Skills transfer is not sufficient to eliminate reliance on consultants.
 - Risk assessments on all spheres of financial reporting and compliance monitoring will identify weaknesses in control systems. Internal audit and the audit committee should assist in the development of internal control procedures to address these risks.

Material irregularities

45. 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.



Material irregularities identified during the audit

46. The material irregularities identified are as follows:

Investment of funds in contradiction of the Municipal Investment Regulations

47. During 2018, the municipality invested funds in a 32-day notice account with a mutual bank that was not registered in terms of the Banks Act 94 of 1990, which is a contravention of Municipal Investment Regulation 6(c). As the mutual bank was placed under curatorship on 11 March 2018, the non-compliance is likely to result in a material financial loss if the municipality cannot obtain a refund on these deposits made. During the 2019-20 financial year, the municipality impaired the investment of R83 440 312 (including interest).
48. The accounting officer was notified of the material irregularity on 24 February 2021. The following actions have been taken to resolve the material irregularity:
- The municipality successfully lodged a claim against the estate of mutual bank on 13 November 2018 in the Gauteng High Court. The claim and the process to recover the deposits from the estate of the mutual bank is still in progress.
 - An investigation into the matters was finalised concluding that the previous accounting officer was responsible for the non-compliance and the related financial loss. The municipality instituted disciplinary actions against the previous accounting officer resulting in his dismissal.
 - Criminal proceedings were instituted against the previous accounting officer, he appeared in the Molopo Magistrate Court on 11 August 2021 and 6 November 2021. The criminal proceedings are ongoing.
49. I will follow-up on the implementation of the planned actions during my next audit.

Additional finance charges on INCA loan

50. The municipality entered into a loan agreement with a financial institution on 8 April 2008 where the loan is repayable over 20 years. The municipality is required to make bi-annual installments to repay the loan. The accounting officer did not take reasonable steps to ensure that the bi-annual repayments were made on June 2019, December 2019 and June 2020 which is in contravention of section 65(2)(e) of the MFMA. The non-compliance resulted in a material financial loss of R3 509 090 as a result of penalty interest due to the non-payment.
51. The accounting officer was notified of the material irregularity on 24 February 2021 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer failed to make the written submission within the stipulated period.
52. I recommend that the accounting officer should take the following actions to address the material irregularity, which should be implemented by 28 February 2022:
- Appropriate action should be taken for the council investigation to commence in order to determine if the financial loss should be recovered from any person(s) liable for the fruitless and wasteful expenditure as required by section 32(2)(b) of the MFMA.
 - The non-compliance should be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of the MFMA.
 - Disciplinary or, when appropriate, criminal proceeding should commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial misconduct procedures and criminal proceedings.



53. The municipality has subsequently entered into a settlement agreement with the financial institution in terms of which the municipality will be released from the obligation to pay the penalty interest. I will follow up on this settlement agreement and implementation of these recommendations by the due date.

Auditor General

Potchefstroom

14 December 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the municipality’s financial statements, and the procedures performed on reported performance information for selected programmes 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 the 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 related to events or conditions that may cast significant doubt on the Mahikeng Local Municipality’s ability 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 the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and 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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.





North West Province

Post Audit Action Plan (PAAP)

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
1	Outstanding	COMM 08:Iss 56:AoPO:KPI 51-Reported achievement not accurate and complete	Yes	Management did not ensure that thorough review was performed on the reported achievement in the Annual Performance Report to ensure accuracy and that the target was completed.	Audit of Predetermined Objectives	<p>The following control activities must be implemented on a quarterly basis based on the quarterly performance reports:</p> <ol style="list-style-type: none"> 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes. 	Thursday, 31 March 2022
2	Outstanding	COMM 08:Iss 57:AOP0: AOP0: Inconsistencies identified in measurements used to report on achievements	Yes	Management did not ensure that there are adequate internal controls in place that ensure that roads and storm water drainage maintained are recorded at a measurement that is consistent with the measurement used to report achievement.	Audit of Predetermined Objectives	<p>The following control activities must be implemented on a quarterly basis based on the quarterly performance reports:</p> <ol style="list-style-type: none"> 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes. 	Friday, 01 April 2022
3	Outstanding	COMM 08: Iss: 58: AOP0: Reported achievement not complete	Yes	Management did not ensure that there are adequate controls in place that ensure that all roads and storm water drainage maintained is included in the reported achievements.	Audit of Predetermined Objectives	<p>The following control activities must be implemented on a quarterly basis based on the quarterly performance reports:</p> <ol style="list-style-type: none"> 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 	Saturday, 02 April 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
						3. Evidence of procedure (2) must be filed accordingly for review and audit purposes.	
4	Outstanding	COMM 09: ISS 60: AOPO: Difference between reported achievement (APR) and actual achievement (POE)	Yes	Management did not ensure that there are adequate internal controls in place that ensure consistencies between reported achievement as per Annual Performance report and portfolio of evidence used to report on achievements.	Audit of Predetermined Objectives	<p>The following control activities must be implemented on a quarterly basis based on the quarterly performance reports:</p> <ol style="list-style-type: none"> 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes. 	Sunday, 03 April 2022
5	Outstanding	COMM 09 :Iss 74: AOPO: KPI 45: Difference between reported achievement (APR) and actual achievement (POE)	Yes	There were no adequate reviews done on the reported achievements.	Audit of Predetermined Objectives	<p>The following control activities must be implemented on a quarterly basis based on the quarterly performance reports:</p> <ol style="list-style-type: none"> 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes. 	Monday, 04 April 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
6	Outstanding	COMM 09:Iss 81-AoPO:KPI 54- Reported achievement not accurate and complete	Yes	Management did not ensure that thorough review was performed on the reported achievement in the Annual Performance Report to ensure accuracy and that the target was completed.	Audit of Predetermined Objectives	The following control activities must be implemented on a quarterly basis based on the quarterly performance reports: 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes.	Tuesday, 05 April 2022
7	Outstanding	COMM 09: ISS 83: Land Inventory: Prior year adjustment	Yes	This might lead to land inventory be valued at the incorrect lower of cost/ NRV leading to the possible overstatement of the land inventory. Furthermore, on the adjustment made of R84 239 215 sufficient and appropriate audit evidence could not be obtained as the support for the adjustment made was not provided.	Inventory	The following procedures must be performed on the land inventory register at interim and year end: 1. Reconcile the land inventory register to the latest valuation roll. The reconciliation must focus on the property owner and value. Investigate and resolve ALL discrepancies identified. 2. Were the land inventory is in the name of the Municipality in terms of the title deed but a structure has already been established, use the control and rewards principles to determine the correct accounting in the accounting records. 3. Ensure that ALL the land inventory is valued at the lower of cost or net realisable value.	Wednesday, 06 April 2022
8	Outstanding	COMM 09: Iss 90 AOPO: KPI 46: Reported achievement not complete	Yes	There were no adequate reviews performed.	Audit of Predetermined Objectives	The following control activities must be implemented on a quarterly basis based on the quarterly performance reports: 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes.	Thursday, 07 April 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
9	Outstanding	COMM 10: ISS 91: Strategic Planning: No consultation with District municipality on the drafting of IDP	No	Management did not review and monitor compliance with applicable laws and regulations.	General Non Compliance	<p>As part of the IDP preparation process, SOPs are to be drafted that abide to the Municipal Systems Act specifically as follows in terms of section 27 (1):</p> <p>A framework referred to in subsection (1) binds both the district municipality and the local municipality and must at least–</p> <p>(a) identify the plans and planning requirements binding in terms of national and provincial legislation on the district municipality and the local municipalities or on any specific municipality;</p> <p>(b) identify the matters to be included in the integrated development plans of the district municipality and the local municipality that require alignment;</p> <p>(c) specify the principles to be applied and coordinate the approach to be adopted in respect of those matters; and</p> <p>(d) determine procedures–</p> <p>(i) for consultation between the district municipality and the local municipality during the process of drafting their respective integrated development plans; and</p> <p>(ii) to effect essential amendments to the framework.</p> <p>In addition, Section 29. (3) of Municipal System Act states that MLM must perform the following:</p> <p>(a) align its integrated development plan with the framework adopted in terms of section 27; and</p> <p>(b) draft its integrated development plan, taking into account the integrated development processes of, and proposals submitted to it by the district municipality.</p>	Friday, 08 April 2022
10	Outstanding	COMM 10 : ISS 92 AOPO: KPI 65: Reported Achievement NOT Complete	Yes	Management did not ensure that there are adequate controls in place that ensure that all illegal dumping spots cleaned are included in the reported achievements.	Audit of Predetermined Objectives	<p>The following control activities must be implemented on a quarterly basis based on the quarterly performance reports:</p> <ol style="list-style-type: none"> 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes. 	Saturday, 09 April 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings where applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
11	Outstanding	COMM 10 : Iss 93: Property, plant and equipment Internal Control Defiance - Assets not amortised	No	Management did not ensure that there are adequate controls in place that ensure that all illegal dumping spots cleaned are included in the reported achievements.	Property, Plant and Equipment	As part of the SOPs for accounting for intangible assets, the following must be performed: 1. Determine the useful lives of ALL intangible assets at year end (or during the interim); 2. Calculate the amortisation expense separately for each intangible asset identified based on (1) above; 3. Record the amortisation expense in the general ledger and on the intangible asset register.	Sunday, 10 April 2022
12	Outstanding	COMM 10 : Iss 94 : Property, Plant and Equipment - Difference between the Accumulated depreciation and accumulated impairment in the AFS and the FAR	Yes	Management did not properly review the accumulated depreciation and impairment in the property, plant and equipment Note 4 to ensure that it is accurate and complete.	Property, Plant and Equipment	1. The audit finding to form part of the high risk areas to be addressed during the high level review of the annual financial statements. 2. For all amounts presented in the annual financial statements for PPE, perform a comparison between the final TB/GL and FAR for consistency. This should form part of the annual financial statement preparation plan. 3. For the prior period finding, investigate the differences and resolve them accordingly. All the supporting evidence must be maintained and filed for review and audit purposes.	Monday, 11 April 2022
13	Outstanding	COMM 12: Iss 97 Cash flow statement does not agree to the Statement of change in Net Assets	No	There was a lack of oversight in relation to the cash flow statement by management in ensuring the correct amounts are used.	General AFS	As part of the AFS quality review process (both Interim & Final), the following procedure must be performed: 1. Agree the figures on the statement of financial position to the figures in the statement of net assets and notes. 2. The procedure above must be documented to provide evidence that the task was executed. Record of the above to be filed separately for audit purposes.	Tuesday, 12 April 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
14	Outstanding	COMM 02 : Iss 02 Employee cost - Business process	Yes	Lack of management oversight in ensuring that the human resource of the municipality is managed effectively and efficiently.	Employee Related Costs	<p>Incomplete Performance evaluation process There should be a personnel following up and implementing the Performance evaluation process and establishing an evaluation committee to meet annually to evaluate the performance of the Municipal Manager and the managers directly accountable to the Municipal Manager as required by the MLM PMS Policy Framework 9.1.</p> <p>Employee Appointed without meeting the minimum competencies The selection committee should make a recommendation on the suitability of a senior manager after considering only information based on valid methods, criteria or instruments for selection that are free from any bias or discrimination; the training, skills, competence and knowledge necessary to meet the inherent requirements of the post as required by section 11(2) of the PSA and PSR 1/VII/D.5-8, and the Employment Equity Act, 1998 (Act No. 55 of 1998) consequently before making recommendation to executive authority, the selection committee must satisfy itself that employees meet inherent job requirements.</p>	Wednesday, 13 April 2022
15	Outstanding	COMM 08: Iss 63 - The difference between data sent to actuaries and pay day report	Yes	Lack of proper review and monitoring of Annual Financial Statements for each line items.	Employee Related Costs	<p>The process to ensure that data submitted to external experts for processing must be reviewed as follows:</p> <ol style="list-style-type: none"> 1. The data submitted to the external experts must be accurate and complete before submission. This can be done by reviewing it against other internal data sources to ensure consistency. 2. Once the data has been processed and returned to the Municipality for review, the data must be re-checked through inspecting the data used by the external experts against the data originally sent to the experts. 3. Any discrepancies identified in (2) above must immediately be communicated to the experts for explanations or correction. 	Thursday, 14 April 2022
16	Outstanding	COMM 10 - ISS 84 : Employee related cost - travelling allowance.	No	The above is caused by lack of oversight from management to ensure that all officials receive travelling allowance as per councillor's resolution (A.:156/11/2017) dated 15 November 2017.	Employee Related Costs	<p>All travelling allowances must be subjected to review by a senior HR or Payroll official to ensure that all travelling allowances paid are consistent with the Municipal policy.</p> <p>Evidence of the procedure above must be properly documented, reviewed by a senior official and filed for audit purposes.</p>	Friday, 15 April 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
17	Outstanding	COMM 10 : ISS 85 - Employee Related Costs - Overtime (Internal Control Deficiency)	Yes	This was due to lack of oversight when preparing supporting schedules for the preparation of the Annual financial statements.	Employee Related Costs	<p>1. A checklist must be prepared that will be used in all instances where overtime leave is approved and paid out.</p> <p>2. A review must be performed before overtime is paid out to ensure that it doesn't exceed 30% of the employee's salary.</p> <p>3. Overtime application forms must be completed by the employee, pre-approved and signed by the relevant manager/head/director before overtime is worked.</p> <p>4. Evidence that procedures 1-3 above was performed must be properly documented, signed and filed for review and audit purposes.</p> <p>In Addition, the following needs to be implemented and monitored:</p> <p>1. As per South African Labour Guide, the maximum permissible overtime as per section 10 of the Basic Conditions of Employment Act is 10 hours in any 1 week.</p> <p>2. As per 4.4 of Municipal Overtime Policy - application for working overtime must be made by means of completing appropriate form and be approved by the relevant Director before commencement of overtime.</p>	Saturday, 16 April 2022
18	Resolved	COMM 10 : ISS 86 - Employee Related Costs : Terminations	Yes	The above was caused by lack of oversight from management to ensure that they provide sufficient and verifiable evidence to auditors to confirm such.	Employee Related Costs	<p>The matter was resolved during the audit.</p> <p>Please refer to the final Auditor's comments.</p> <p>No further action to be done as the finding was invalid.</p>	Sunday, 17 April 2022
19	Outstanding	COMM 10 : ISS 87 - Employee Related Costs Internal Control Deficiency.	No	This is due to lack of oversight from management to ensure that the employee related cost - appointments are correct and are done as per the employment practice policy.	Employee Related Costs	<p>The following procedures must be performed when employing Municipal staff:</p> <p>1. A needs analysis must be performed and should be in line with the Municipal organogram. This process must be formally documented and approved by the Head of the department and the relevant departmental director.</p> <p>2. The appointment of staff must be in terms of the needs analysis identified above and aligned to the organogram.</p> <p>3. An independent HR official must review ALL appointments to ensure that they were performed in terms of the Municipal</p>	Monday, 18 April 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
						Appointment policy and report any issues to the Municipal Manager.	
20	Outstanding	COMM 10:Iss 98: Employee Related costs : Difference between the client prepared schedule and auditors calculation	No	Management failure to review the supporting documents when preparing the annual financial statements.	Employee Related Costs	As part of the interim and final AFS review process, the following must be performed: 1. ALL supporting schedules for employee expenses must be reconciled to the GL/TB and AFS. 2. The task in (1) above must be clearly documented and the record filed in the audit file. 3. Monthly reconciliations to be performed between Payday and Munsoft and any discrepancies identified must be investigated and resolved. Record of this task must also be filed on the audit file.	Tuesday, 19 April 2022
21	Outstanding	COMM 01 : Iss 01 Internal control deficiency	No	The internal control deficiencies are as a result of lack of oversight by those charged with governance.	General IT Controls	The IT department must prepare the following based on best practice: 1. An IT Governance framework; and 2. A Back Up Policy. The IT manager will be responsible for the preparation of the documents and they must be approved by the IT committee. If there is no IT committee, the Municipal Manager must coordinate the establishment of such a committee and determine the operating charter thereof.	Wednesday, 20 April 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
22	Outstanding	COMM 02 : Iss 14 : ITEC level 1- Limitation of scope	Yes	The limitation of scope could be due to the municipality not having a proper recording keeping within the IT function.	General IT Controls	<p>IT Management must implement an adequate record keeping process within the IT function of all relevant information and that the information is updated as and when the need arises.</p> <p>A separate checklist for information previously requested by AGSA must be prepared and used as a guideline to prepare for the regularity audit. This information must be included in the audit file under IT when the financial statements and annual report are submitted for audit.</p> <p>In addition, IT management must communicate on time (before the lapse of the 3 day submission period) to AGSA if certain information is going to require additional time to locate and retrieve. Nonetheless, the abovementioned checklist must be used before the audit commences.</p> <p>The following documents not submitted to AGSA must be completed, reviewed, approved and signed:</p> <p>1- Approved IT strategic plan; 2- ICT steering committee; 3- Approved disaster recovery plan; and 4- Patch management software.</p> <p>All these documents must be filed in the audit file under the IT folder.</p>	Thursday, 21 April 2022
23	Outstanding	COMM 02 : Iss 15 : ITEC level 1 - internal control deficiency	No	Lack of oversight over the IT function.	General IT Controls	<p>The following documents submitted to AGSA must be reviewed (updated), approved and signed to address the internal control deficiency:</p> <p>1) The IT Governance Framework; 2) Risk Management Plan; 3) List of active IT users must be generated from the system; and 4) The Back Up Policy.</p> <p>All these documents must be filed in the audit file under the IT folder.</p>	Friday, 22 April 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
24	Outstanding	COMM 01 : Iss 03 : No approved fraud prevention plan	Yes	There is a lack of oversight from management in terms of the implementation of the application of the Act (MFMA).	General Non Compliance	<ol style="list-style-type: none"> 1. A fraud prevention plan must be prepared and benchmarked with other Municipalities. 2. The prevention plan must be approved by the accounting officer and tabled in Council for final approval. 3. Tasks performed to implement the plan must be formally documented for review and audit purposes. 	Saturday, 23 April 2022
25	Outstanding	COMM 01 : Iss 04 : Internal control deficiency - Internal audit unit	No	The above was caused due to insufficient resources within the unit and consequently not having an effective internal audit unit.	General Internal Controls	<p>In-order to ensure that the internal audit unit is properly capacitated in order to execute the internal audit plans, the following must be implemented:</p> <ol style="list-style-type: none"> 1. Assign a budget sufficient to cater for the staff salaries and related internal audit expenses. The budget to be revised accordingly at least once a year during the mid term budget and performance assessment process. 2. The planned staff in the unit must be recruited, selected and appointed in terms of the Municipal Appointment Policy. 3. In terms of the training regulations of the Municipality, IA staff must be provided with adequate training and support to ensure the unit's objectives are met. 	Sunday, 24 April 2022
26	Outstanding	COMM 01 : Iss 05 : Non-compliance and internal control deficiency- Audit committee	No	The limitation of scope could be due to the municipality not having a proper record keeping and approval of the minutes of the meeting of audit committee.	General Non Compliance	<p>In terms of administering the Audit Committee's functions, the following must be maintained at ALL times:</p> <ol style="list-style-type: none"> 1. All agendas, attendance registers and minutes must be formally documented and signed; 2. The above mentioned documents must be separately filed and should form part of the audit file under the audit committee folder. 3. Internal audit must ensure that the documents above are in order and acknowledge the compliance in writing. 	Monday, 25 April 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
27	Outstanding	COMM 02 : Iss 07 : Internal Control Deficiency - Annual declarations of interest - Key Management and Councillors	Yes	This is due to management not implementing adequate controls to ensure that information is submitted within 3 days.	General Non Compliance	<p>As a yearly SOP at the beginning of the FY or within the first three (3) months were practical, a checklist to be prepared that includes ALL Councillors and Key Management Personnel.</p> <p>The checklist mentioned above is for the sole purposes of monitoring compliance interms of declaring financial interest.</p> <p>ALL the Councillors and Key Management Personnel must complete and sign the declarations of interest. ALL managers are considered as key management personnel for instance Head: SCM.</p> <p>Copies of the declarations including the abovementioned checklist MUST be part of the audit file 2022 to be submitted to the AGSA.</p>	Tuesday, 26 April 2022
28	Outstanding	COMM 03 : Iss 08: AFS Preparation & Year end Processes BP	Yes	The Financial statements been submitted without the review and finalisation by the various reviewer levels.	General AFS	<p>As part of the interim and annual financial statement preparation process, a high level review of the financial statements must be performed as follows:</p> <ol style="list-style-type: none"> 1. A quality reviewer (independent of the financial statement preparation) must be assigned to perform a review based on the information reported in the financial statements without referring to the audit file. This will also include a review based on the GRAP disclosure checklist. 2. A second review must be performed to ensure consistency between the financial statements and the audit file. 3. Both reviews (1&2) must be properly documented for further review and audit purposes. 	Wednesday, 27 April 2022
29	Outstanding	COMM 02 : ISS 12 : Internal Control Deficiency : Organisational Structure	Yes	This is due to management not implementing adequate controls to ensure that information submitted is properly reviewed.	General Internal Controls	<p>The organisational structure approved in resolution A60/12/2020 must be rectified to take into account the following omissions:</p> <p>Community services (Parks & Cemeteries)</p> <ul style="list-style-type: none"> • Caretaking X1 • Small Tools Mechanic Repairs X1 • General Worker : Small Tools Mechanic X1 • Operator (TLB) X4 • General Workers X30 <p>The amended organogram must be submitted to Council for approval.</p>	Thursday, 28 April 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
30	Outstanding	COMM 02 : Iss 16: Strategic budgeting and planning BP - internal control deficiency	No	Lack of oversight over the council minutes of meetings.	General Non Compliance	In terms of administering the Council functions, the following must be maintained at ALL times: 1. All agendas, attendance registers and minutes OR resolutions must be formally documented and signed; 2. The above mentioned documents must be separately filed and should form part of the audit file under the Council folder: and 3. Internal audit must ensure that the documents above are in order and acknowledge the compliance in writing.	Friday, 29 April 2022
31	Outstanding	COMM 04 : Iss 17 : Consumer deposits : Differences in amount charged and the tariff	No	The above is caused by the lack of adequate review of the annual financial statements along with the consumer deposits register submitted for audit as part of the audit file.	Consumer Deposits	As a standard operating procedure, the following must be performed to ensure correctness of the tariff charged on consumer deposits: 1. For every consumer that is levied a consumer deposit, the Head: Revenue and Debtors OR a senior delegated official must authorise the amount charged and must be compared to the approved charge. 2. The documentation prepared in terms of (1) above must clearly show separation of duties by way of signatures of the preparer and approver. 3. As part of the consumer deposits review process, either internal audit OR a delegated senior official must run an exception report to identify instances where consumer deposits were incorrectly levied and follow ups performed. This process must be formally documented and filed accordingly.	Saturday, 30 April 2022
32	Outstanding	COMM 03 : Iss 18 : Internal Control Deficiency - Initial Budget	No	The budget was not adequately reviewed to ensure that all the information that should be in the budget is included.	General Internal Controls	The following SOPs must be in place when the original budget OR adjustment budget is prepared: 1. The correct template issued by National Treasury must always be used; 2. ALL the schedules in the budget MUST be fully completed and aligned to the other schedules in the budget; 3. Internal Audit or a senior delegated official must review the budget to ensure that all the schedules are completed and consistent. 4. The budget must be officially approved by the CFO and MM and officially signed.	Sunday, 01 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
33	Outstanding	COMM 03 : Iss 20 :Internal Control deficiency : Policies	No	The policies were not adequately reviewed to ensure that all policies were signed nor was a resolution passed as proof of approval.	General Internal Controls	<p>The following policies must be reviewed and formally approved by Council:</p> <ol style="list-style-type: none"> 1. Occupational Health and Safety Policy; 2. Overtime Policy; <p>The following policies must be officially tabled in Council and approved:</p> <ol style="list-style-type: none"> 1. Internal Bursary Policy 2. Employment Practice Policy 3. Engagement of internships, temporary casual and voluntary workers policy 4. Engagement of temporary staff policy 5. Employment equity policy 6. Human resource management & development strategy 	Monday, 02 May 2022
34	Outstanding	COMM 05 : Iss 33 Consumer Deposits : Difference between AFS and Trial Balance	Yes	Inadequate review of the Annual Financial Statement to ensure that they are free from material misstatements and/ or errors.	Consumer Deposits	<p>As part of the interim and annual financial statements review process, the consumer deposits register must be reconciled to the amounts in the TB/GL and financial statements. This will form part of the SOPs to agree all amounts for all AFS components to the TB/GL and supporting schedules.</p> <p>Record of the work performed on the above must be properly documented.</p>	Tuesday, 03 May 2022
35	Outstanding	COMM 05 : Iss 21: Expenditure - Payments not made in 30 days	Yes	Lack of reviews by the finance department when receiving invoices.	General Non Compliance	<ol style="list-style-type: none"> 1. A cashflow management programme must be developed that incorporates the preparation of monthly cashflow projections. 2. The cashflow projections must be utilised to determine the financial needs of the Municipality in-order to address payment of suppliers within the prescribed time. 3. A payment schedule covering a period of 3 months can be used to determine future cash flow requirements in-order to prepare accordingly. 	Wednesday, 04 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
36	Outstanding	COMM 08 :Iss 54 - Property Plant and Equipment Other Movements	Yes	Management did not ensure all amounts disclosed on the AFS are supported and assets associated to such movements actually exist.	Property, Plant and Equipment	<p>The following must be performed during the interim and at year end to correctly account for movements in asset balances and totals.</p> <ol style="list-style-type: none"> 1. Perform a physical verification exercise and agree all asset register information to the physical assets. 2. Update the asset register with the information obtained during the asset verification exercise. 3. The asset verification process must have documented plans and progress reports that are reviewed by the respective departmental head and CFO. 	Thursday, 05 May 2022
37	Outstanding	COMM 10 : Iss.76 -Internal control defie Property, Plant and Equipment - Transfers not adequately valued and authorised	No	Management did not ensure that there is adequate experties in placing values to transfers made from Work in progress.	Property, Plant and Equipment	<p>The residual finding relates to lack of adequate support for retentions on capital projects, hence, the PMU department with the assistance of the Asset Management unit must ensure that there is proper supporting evidence of the record of work performed on projects, the payments made to date and the completion certificates.</p> <p>The record of the calculations performed to determine the retained funds MUST be part of the project file.</p>	Friday, 06 May 2022
38	Outstanding	COMM 04 : Iss 10: Investment property - difference between valuation certificate and investment property register	No	The above is caused by the lack of adequate review of the Investment Property register submitted for audit as part of the audit file.	Investment Property	<p>The following SOPs must be performed when investment property is revalued at year end:</p> <ol style="list-style-type: none"> 1. Obtain ALL valuation certificates and the updated investment property register; 2. Reconcile ALL the details on the valuation certificates to the amounts updated on the new register; 3. Perform an analytical procedure on the revalued figures to those of the prior year for reasonableness and investigate any unusual changes i.e. significant increases in value of decreases in value. 	Saturday, 07 May 2022
39	Outstanding	Partially RESOLVED_COMM 08 : Iss 47 - Property Plant and Equipment- Motor Vehicle included in register does not exist	Yes	Mangement did not ensure that all assets additions made and included in the asset register actually exist and have supporting documentation.	Property, Plant and Equipment	<p>The following must be performed during the interim and at year end to correctly account for movements in asset balances and totals.</p> <ol style="list-style-type: none"> 1. Perform a physical verification exercise and agree all asset register information to the physical assets. 2. Update the asset register with the information obtained during the asset verification exercise. 3. The asset verification process must have documented plans 	Sunday, 08 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
						and progress reports that are reviewed by the respective departmental head and CFO.	
40	Outstanding	COMM 09 : Iss 72 : Property, Plant and Equipment - Incorrect disclosure of an amount	No	The financial statements were not properly reviewed to ensure that the amounts on the financial statements are correctly disclosed.	Property, Plant and Equipment	<p>ALL adjustments to the AFS relating to prior period errors must be subjected to the following SOPs:</p> <ol style="list-style-type: none"> 1. Journals must be reviewed by the Head: AFS for correctness; 2. Supporting documents and motivation must be attached to the journals; and 3. A separate review must be performed by the Head: AFS to ensure that the corrections have been correctly presented and disclosed in the AFS. 	Monday, 09 May 2022
41	Outstanding	COMM 06 : Iss 40 : General Expenditure - Amount recorded in the GL includes VAT.	No	This is caused due to lack of review of transactions captured and processed in the system.	Expenditure	<p>The following SOPs should be in place at ALL times to ensure the correct accounting of VAT:</p> <ol style="list-style-type: none"> 1. ALL suppliers must be assessed to ensure the correctness of the VAT status on the system; 2. The official approving the capturing of invoices MUST always check to ensure the amounts recorded are exclusive of VAT; and 3. A separate review to be performed either by the internal audit unit OR an experienced official to review ALL transactions per month to ensure that VAT has been correctly accounted for. 	Tuesday, 10 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
42	Outstanding	COMM 11: Iss 102: Trade Payables: Difference between the age analysis and supporting documentation	Yes	There was a lack of oversight in relation to Trade Payables by management where the reconciliations and statements submitted were not reviewed to ensure that they are accurately captured and calculated.	Trade and Other Payables	As part of the interim and year end financial statements review process, the following must be performed: 1. A separate review procedure to be included on the review template to compare the amounts for trade and other payables recorded on the age analysis to the amounts as per the supplier statement for completeness and accuracy. 2. The above processes must be clearly and formally documented and included in the trade and other payables audit file. 3. Any discrepancies identified during (1) above must be fully investigated and resolved before the finalisation of the financial statements.	Wednesday, 11 May 2022
43	Outstanding	COMM 05 : Iss 22 AoPO - Limitation of Scope on the Validity and Accuracy of Number of illegal dumping spots cleaned	Yes	Non-submission of information requested could be due to the inadequate record keeping within the municipality, which results in the information not being easily accessible when requested by the auditors.	Audit of Predetermined Objectives	The following control activities must be implemented on a quarterly basis based on the quarterly performance reports: 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes.	Thursday, 12 May 2022
44	Outstanding	COMM 07 : Iss 30:AoPO - Limitation of scope, performance indicator not measurable and verifiable for 2.5km gravel roads constructed in Lothlakane	Yes	This may be as a result of lack of processes and procedures to collect, process and report on performance information.	Audit of Predetermined Objectives	The following control activities must be implemented on a quarterly basis based on the quarterly performance reports: 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes.	Friday, 13 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
45	Outstanding	COMM 07 : Iss 43: AoPO: Target reported as per the annual report does not agree to the quarterly reports	No	Management did not ensure that thorough review was performed on the APR in order to ensure that targets reported on the APR are accurate and agree to the corroborating quarterly reports	Audit of Predetermined Objectives	As part of the quarterly and annual performance reporting process, a competent official must review the reported achievements against the portfolio of evidence for accuracy and completeness. A separate SOP to be implemented to reconcile the total results of the reported performance in the quarterly reports to the final reported performance in the annual performance report. This procedure must be formally documented.	Saturday, 14 May 2022
46	Outstanding	COMM 07 : Issue 44: AoPO : Difference between reported achievement (APR) and actual achievement (POE)	Yes	Management did not ensure that thorough review was performed on the APR in order to ensure that targets reported are accurate and the achievement recorded in the APR are for the service rendered by the municipality.	Audit of Predetermined Objectives	The following control activities must be implemented on a quarterly basis based on the quarterly performance reports: 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes.	Sunday, 15 May 2022
47	Outstanding	COMM 08 -Issue 45: AoPO : Reported achievement NOT complete	Yes	Management did not ensure that there are adequate controls in place that ensure that all roads and storm water drainage maintained is included in the reported achievements.	Audit of Predetermined Objectives	The following control activities must be implemented on a quarterly basis based on the quarterly performance reports: 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes.	Monday, 16 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
48	Outstanding	COMM 08 -Issue 46: AoPO : Inconsistencies between planned target and reported achievement	No	Care should be exercised through internal review procedures to ensure that reported achievements are consistent with planed achievements.	Audit of Predetermined Objectives	A separate SOP to be included in the review process to ensure consistency between planned and reported targets. The SOP must ensure that if there is a change in the planned target, the SDBIP must be adjusted accordingly and tabled in Council.	Tuesday, 17 May 2022
49	Outstanding	COMM 08 : Issue 52 AoPO : KPI 52- Reported achievement not accurate and complete	Yes	Management might have not reviewed the reported achievements in the APR and the quarterly reports. The progress reported by the contractors did not agree to the reported achievement as per APR.	Audit of Predetermined Objectives	The following control activities must be implemented on a quarterly basis based on the quarterly performance reports: 1. Review through inspection of the supporting evidence contained in the POE against the reported target to ensure that the reported performance or non-performance is correct. The reported target must be fully supported with evidence that is clear and documentary evidence signed by the appropriate officials. Amounts must agree, descriptive information must have the same meaning and results must not be misleading. 2. A template must be prepared for the procedure (1) above and must be completed, signed and reviewed accordingly. 3. Evidence of procedure (2) must be filed accordingly for review and audit purposes.	Wednesday, 18 May 2022
50	Outstanding	COMM 04 : Iss 13 : Procurement and contract management- Lack of substantive evidence / reasons for deviation from SCM processes are not justifiable	Yes	The reasons for deviations relating to the transactions below R200 000 which did not go through three(3) Quotation processes and are not justifiable and were not adequately reviewed for compliance with supply chain management regulations.	Procurement and Contrat Management	1. An SCM compliance checklist to be prepared, maintained and reviewed for all awards made by the municipality to ensure all SCM policies and regulations regarding deviations are applied correctly. The checklist to be attached to each award made for review and audit purposes. The Checklist must contain the requirement of ALL legislation relating to deviations. All deviations reviewed for compliance and implemented must be recorded on the deviation register, tabled in Council and disclosed in the financial statements. The register must be reconciled to the AFS and list of deviations tabled in Council. Training might also be required for all SCM staff, BEC and BAC	Thursday, 19 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
						members on the correct application of the SCM deviation processes.	
51	Outstanding	COMM 07 : ISS 50 : Unauthorised, Irregular Fruitless and wasteful expenditure	Yes	The above is caused by the following 1. Non submission of reports for unauthorised Irregular fruitless and wasteful expenditure reports to the mayor, MEC for Local government and the Auditor-General. 2. Management did not implement steps to recover expenditure and preventing a recurrence of Unauthorised, Irregular and, fruitless and wasteful expenditure.	Unauthorised, Irregular Fruitless and wasteful expenditure	1. An extensive investigation project to be initiated by the Chief Financial Officer and Accounting Officer to investigate and recommend the actions to be pursued regarding the UIFW expenditure incurred until 30 June 2021. A detailed investigation plan to be prepared in accordance with MFMA section 32 and MFMA circular 68 and implemented accordingly with the oversight of MPAC and the Audit Committee. 2. A qualified official to review the record of work performed under (1) above and recommend corrective measures were required. The AGSA must also be consulted to ensure that the investigation performed is fully compliant with MFMA section 32 and MFMA circular 68. 3. As part of (1) and (2) above, it must be regarded and emphasised that the investigations are to determine if a financial loss was incurred and to determine recoverability thereof.	Friday, 20 May 2022
52	Outstanding	COMM 09 : Iss 73 - Procurement and contract management: Interest not declared in MBD 4	Yes	The non-submission of information requested could be due to inadequate record keeping within the Supply Chain Management unit as well as the lack of follow up on any declarations for any conflict of interests and/or any connections of officials to suppliers of the Municipality.	Procurement and Contract Management	1. An SCM compliance checklist to be prepared, maintained and reviewed for all awards made by the municipality to ensure all the minimum documents prescribed by SCM policies and regulations are filed together for effective retrieval during audits. 2. The tender register to be reviewed against the tender documents monthly by the SCM departmental head to ensure all prescribed SCM minimum information has been attached to file. Follow ups should be performed without delay on all non-compliance cases. 3. The following documents should be contained in the tender files as a minimum: All Quotations (minimum of 3); Approved Deviation Letter (where applicable); Declaration of Interest, Valid Tax Clearance Certificates CSD reports, Declaration of Local Content and Production and Bid Specifications. 4. ALL information pertaining to competitive bidding processes	Saturday, 21 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
						must also form part of the supporting evidence to be filed for review and audit purposes.	
53	Outstanding	COMM 09: Iss 78 - Internal control deficiency commitments register	Yes	The above is caused due to insufficient reconciliation between the commitments register and all completed projects.	Commitments	<p>1. Obtain the payments listing for the period (mid-term or annual) and select all suppliers. These suppliers relate to capital projects, hence, the list of payments must be obtained from the project management unit.</p> <p>2. From the list of suppliers identified above, obtain the original contracts and inspect it to ensure that the contract is valid by way of signatures of the relevant senior officials of the supplier and MM.</p> <p>3. Obtain statements from the respective suppliers and a payment report from the inception of the contracts. Use the information to perform the following reconciliation:</p> <p>Contact Price Less Payments = Contract Closing Balance</p> <p>The reconciliation above must be performed by a junior official and reviewed by a senior official.</p> <p>4. Agree the calculated balance (3) to the amount disclosed on the commitment register and make corrections were required.</p>	Sunday, 22 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
54	Outstanding	COMM 09 : Iss 79 - Limitation of scope on SCM - RFI 72	Yes	The information requested above was not submitted as per the agreed time frames (i.e. within three working days) and this is due to the following lack of communication between management about any delays or extensions.	Procurement and Contract Management	<p>1. An SCM compliance checklist to be prepared, maintained and reviewed for all awards made by the municipality to ensure all the minimum documents prescribed by SCM policies and regulations are filed together for effective retrieval during audits.</p> <p>2. The tender register to be reviewed against the tender documents monthly by the SCM departmental head to ensure all prescribed SCM minimum information has been attached to file. Follow ups should be performed without delay on all non-compliance cases.</p> <p>3. ALL information pertaining to competitive bidding processes must also form part of the supporting evidence to be filed for review and audit purposes.</p>	Monday, 23 May 2022
55	Outstanding	COMM 09 : Iss 82 - Procurement and contract management: Non-compliance with MFMA 112(1)(l)(iii)	Yes	The tax compliant status of Renody Trading and Projects was not considered (as per the CSD Registration Report) during the evaluation stage.	Procurement and Contract Management	<p>1. An SCM compliance checklist to be prepared, maintained and reviewed for all awards made by the municipality to ensure all the minimum documents prescribed by SCM policies and regulations are filed together for effective retrieval during audits.</p> <p>2. The tender register to be reviewed against the tender documents monthly by the SCM departmental head to ensure all prescribed SCM minimum information has been attached to file. Follow ups should be performed without delay on all non-compliance cases.</p> <p>3. The following documents should be contained in the tender files as a minimum: All Quotations (minimum of 3); Approved Deviation Letter (where applicable); Declaration of Interest; Valid Tax Clearance Certificates.</p> <p>4. ALL tax clearance certificates must be valid and a control measure programmed on the system to ensure that no payment is made to a supplier with an expired/invalid certificate.</p>	Tuesday, 24 May 2022
56	Outstanding	COMM 09: ISS 89 - Procurement and contract management : Reasons for deviation from SCM processes are not justifiable	Yes	The reasons for deviations relating to the transactions below R200 000 which did not go through three(3) Quotation processes and are not justifiable and were not adequately reviewed for compliance with supply chain management regulations.	Procurement and Contract Management	<p>1. An SCM compliance checklist to be prepared, maintained and reviewed for all awards made by the municipality to ensure all SCM policies and regulations regarding deviations are applied correctly. The checklist to be attached to each award made for review and audit purposes.</p> <p>The Checklist must contain the requirement of ALL legislation relating to deviations.</p> <p>All deviations reviewed for compliance and implemented must be recorded on the deviation register, tabled in Council and disclosed in the financial statements. The register must be reconciled to the AFS and list of deviations tabled in Council.</p>	Wednesday, 25 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
						Training might also be required for all SCM staff, BEC and BAC members on the correct application of the SCM deviation processes.	
57	Outstanding	COMM 07 : Iss 39 Provisions - Incomplete disclosure of provisions	No	Lack of management review of the submitted AFS to ensure fair presentation and complete disclosure.	Provisions	<p>The following must be included in the disclosure note for provisions and added as part of the disclosure checklist:</p> <p>(a) A brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits or service potential;</p> <p>(b) An indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph .55; and</p> <p>(c) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.</p>	Thursday, 26 May 2022
58	Outstanding	COMM 07 : Iss 23: Receivables from non exchange:Overstament of Fines	Yes	Lack of proper review and monitoring of each line item on the Annual Financial Statements.	Receivables from Non Exchange Transactions	<p>1. A reconciliation must be performed monthly between the traffic books (fines) and the information record on the traffic management system.</p> <p>2. Perform reconciliations between Traffic Management System and Munsoft monthly to ensure accuracy and agree figures to the approved traffic tariffs 2022.</p> <p>3. Perform a reconciliation between the Information as per the Fines, Penalties and Forfeits report and the information on the actual fine document and follow up on all differences.</p> <p>All errors or omissions identified above must be corrected in the month after which the reconciliation was performed and the error identified.</p> <p>3. Record of the work performed above must be clearly and properly documented for review and audit purposes.</p>	Friday, 27 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
59	Outstanding	COMM 05: Iss 24 - Differences identified on Receivables (Exch and Non) Impairment amounts	No	Management applied calculations that are not as per the approved policy of the Municipality. Impact.	Receivables from Non Exchange Transactions	As part of the interim and annual financial statements review process, ALL supporting schedules (Impairment working papers etc) must be reconciled to the amounts in the TB/GL and financial statements. This will form part of the SOPs to agree all amounts for all AFS components to the TB/GL and supporting schedules. Record of the work performed on the above must be properly documented.	Saturday, 28 May 2022
60	Outstanding	COMM 10: Iss 26: Follow up of prior year: Receivable from non exchange-differences between the court roll and report on fines	Yes	Lack of proper review and monitoring of each line item on the Annual Financial Statements.	Receivables from Non Exchange Transactions	Review court charge sheet and compare to the fines listing. Any incorrect charges may result in lost revenue. Assess whether a material amount of review was not processed or processed and make the necessary adjusting entries provided GRAP guidance on adjustment is met.	Sunday, 29 May 2022
61	Outstanding	COMM 08: Iss 61 - Receivables from exchange - Differences identified on AFS and schedules	Yes	Management failure to perform monthly reconciliations on the receivables schedules.	Receivables from Exchange Transactions	As part of the interim and year end financial statements review process, the following must be performed: 1. A separate review procedure to be included on the review template to compare the amounts for all AFS line items recorded in the GL/TB to the amounts presented in the AFS and against the detailed debtors schedule reports from Munsoft. All errors but be corrected before submission of the AFS to AGSA. 2. The above processes must be clearly and formally documented.	Monday, 30 May 2022
62	Outstanding	COMM 08: Iss 62 - Receivables from exchange - Internal control on impairment considerations	No	Management did not consider additional external factors that might be indicators of impairment or write-offs.	Receivables from Exchange Transactions	Make use of Debtor Collection service provider to assess delinquencies and sequestrations by obtaining company and individual data about the financial credit profiles of customers. Further engage the legal department to obtain estate data if required to assess debtors. Write-off inactive accounts with balances if required and table to council. The Credit Control and Debt Management policy must be amended to include the abovementioned procedures.	Tuesday, 31 May 2022

#	Status (Outstanding, In Progress, Completed & Resolved)	Audit Finding Details as per management report (Heading as reported in the management report Annexure A, B & C)	Recurrence (Was the finding reported in 2019 & 2020?) Yes or No?	Root Causes (Identified by Both Management and Auditor General (SA))	Annual Financial Statement Component	Action Plan Activities (Must address both prior and current year audit findings were applicable)	Planned Completion Date (For finalising the implementation of the action plan activities)
63	Outstanding	COMM 09 :ISS 88 :Follow up of prior year:Receivable from non exchange-Limitation on fines	Yes	This is due to management not implementing adequate controls to ensure that evidence of the amounts disclosed in the annual financial statements is available.	Receivables from Non Exchange Transactions	<p>Review listing of traffic fines outstanding as at year end and identify all fines which have to be written-off due to prescription or other circumstance and forward the listing and item to council.</p> <p>All duplicate traffic fines must be filed separately at the Traffic Department with the back up at the Head Office.</p> <p>Consider the practicality of implementing a requirement that all traffic books must be submitted to the Head Office and at Traffic department whether the book(s) are full or not. This will ensure proper record keeping. Traffic books may, therefore be used on for the FY.</p>	Wednesday, 01 June 2022
64	Outstanding	COMM 08: Iss 64: Revenue from non-exchange transactions-Property Rates (Completeness)	No	Lack of adequate, automated reviews of levies to ensure accounts are levied at the correct tariff category and correctly calculated.	Receivables from Non Exchange Transactions	<p>Make use of Debtor Collection service provider to assess delinquencies and sequestrations by obtaining company and individual data about the financial credit profiles of customers.</p> <p>Further engage the legal department to obtain estate data if required to assess debtors. Write-off inactive accounts with balances if required and table to council.</p> <p>Ensure that the Credit Control and Debt Manage policy is updated accordingly.</p>	Thursday, 02 June 2022
65	Outstanding	COMM 06 : Iss 37 VAT - Input VAT claimed at 100% of payments when Municipality makes 94,10 taxable supplies	No	Failure to comply with the VAT act.	Value Added Tax	<p>In terms of the VAT Act, apportionment of VAT must be performed if less than 95% is taxable supplies.</p> <p>This calculation must be based either on the prior year results OR the budgeted figures and corrected accordingly if the results are different at year end.</p> <p>Input VAT can be claimed to the proportion % of revenue from taxable supplies when MLM makes less than 95% taxable supplies.</p> <p>The calculation must be properly documented and reviewed by internal audit OR a senior delegated official.</p>	Friday, 03 June 2022

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	COUNCIL MEETINGS ATTENDANCE	APOLOGIES FOR NON ATTENDANCE	NUMBER OF COUNCIL MEETINGS
	FT/PT					#
N.D MOSEKI	PT	COMMUNITY SERVICES	ANC	4	0	7
T. MOTSHABI	FT	MMC DEVELOPMENT & TOWN PLANNING	ANC	7	0	7
T.G.E. MALEBADI	PT	MPAC	ANC	3	0	7
M.G.MOKGOSI	PT	CORPORATE SERVICES	ANC	5	0	7
K.L. PHETHA	FT	MMC OF PUBLIC SAFETY	ANC	7	0	7
M.C.SEGOE	FT	MMC INFRASTRUCTURE	ANC	7	0	7
S.L. MOLEFE	FT	MPAC CHAIRPERSON	ANC	3	0	7
S.T.M.M.GASEALAHWE	PT	COMMUNITY SERVICES	ANC	2	0	7
P.I.MOKGELE	PT	CORPORATE SERVICES	ANC	2	0	
K.I.MOTALANE	PT	DEVELOPMENT AND TOWN PLANNING	ANC	0	0	7

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE						NUMBER OF COUNCIL MEETINGS
COUNCIL MEMBERS	FULL TIME / PART TIME	COMMITTEES ALLOCATED	*WARD AND/ OR PARTY REPRESENTED	COUNCIL MEETINGS ATTENDANCE	APOLOGIES FOR NON ATTENDANCE	
	FT/PT					
K.A.PHASHE	PT	CORPORATE SERVICES	ANC	4	0	7
G.A. KGWADIBANE	FT	SINGLE WHIP	ANC	7	0	7
D.K. MOLEMA	PT	CORPORATE SERVICES	ANC	2	0	7
M.M.MANYENENG	PT	INFRASTRUCTURE FINANCE BOARD OF TRUSTEES	ANC	3	0	7
T.B.MAKOLOMAKWA	FT	RULES COMMITTEE CHAIRPERSON	ANC	7	0	7
M.C.SEGWE	PT	MPAC	ANC	0	0	7
NTAMEHLO	FT	MMC OF COMMUNITY SERVICES(RESIGNED)	ANC	7	0	7
N.V.MOILWA	PT	MMC OF INFRUSTRUCTURE (RELACED BY CLLR SEGOE)	ANC	4	0	7
N.G. HLAZO	PT	CORPORATE SERVICES	ANC	0	0	7
M. PHUTHEGO	PT	INFRASTRUCTURE ANC	ANC	4	0	7
B .S. NGOBENI	FT	MMC OF FINANCE ANC	ANC	2	0	7

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE						
COUNCIL MEMBERS	FULL TIME / PART TIME	COMMITTEES ALLOCATED	*WARD AND/ OR PARTY REPRESENTED	COUNCIL MEETINGS ATTENDANCE	APOLOGIES FOR NON ATTENDANCE	NUMBER OF COUNCIL MEETINGS
	FT/PT					#
P.D.SEELE	PT	FINANCE ANC	ANC	3	0	7
S.N.MOKWENA	PT	MPAC ANC	ANC	3	0	7
C.M.MOSETLO	PT	MMC SPECIAL PROJECTS	ANC	7	0	7
M.DICHABE	PT	INFRASTRUCTURE	ANC	2	0	7
K.L.DLAMINI	PT	FINANCE PUBLIC SAFETY	ANC	7	0	7
K.G. MATHAKATHAKA	PT	INFRASTRUCTURE	ANC	4	0	7
T.G.DAMANITI	PT	PUBLIC SAFETY	ANC	5	0	7
M.E.LEKHOBE	PT	MMC STAKEHOLDER RELATIONS	ANC	7	0	7
K.C.SEHERI	PT	COMMUNITY SERVICES	ANC	4	0	7
T.J.MATOANE	PT	MMC SOCIO ECONOMIC	ANC	7	0	7
N.M.NLOVU	PT	MPAC	ANC	0	0	7
K.B.DIAKANYO	FT	EXECUTIVE MAYOR	ANC	7	0	7
T.NEBE	FT	SPEAKER	ANC	7	0	7

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE						NUMBER OF COUNCIL MEETINGS
COUNCIL MEMBERS	FULL TIME / PART TIME	COMMITTEES ALLOCATED	*WARD AND/ OR PARTY REPRESENTED	COUNCIL MEETINGS ATTENDANCE	APOLOGIES FOR NON ATTENDANCE	
	FT/PT					
G.A.MASIBI	PT	DEVELOPMENT AND TOWN PLANNING FINANCE	ANC	3	0	7
M.E. MOETI	PT	COMMUNITY SERVICES RULES COMMITTEE	ANC	2	0	7
G.A.SEATLHOLO	PT	RULES COMMITTEE	ANC	0	0	7
M.J.MONERE	PT	MPAC	ANC	3	0	7
M.C.MAKOLEMAKO	FT	MMC FOR PUBLIC SAFETY	ANC	4	0	7
I.L. MACHAPA	PT	MPAC	EFF	3	0	7
P.P.MOKOLOPI	PT	RULES COMMITTEE	EFF	5	0	7
P. LEMME	PT	PUBLIC SAFETY	EFF	4	0	7
T.F PHAMBANE	PT	FINANCE	EFF	3	0	7
K.K.G. NKO	PT	INFRASTRUCTURE	EFF	1	0	7
S.L MOGOTLA	PT	CORPORATE SERVICES	EFF	2	0	7
M.G.BILLIOT	PT	COMMUNITY SERVICES	EFF	3	0	7
E.P. EBUSANG	PT	INFRASTRUCTURE	EFF	2	0	7
S.K.MATSHEKA	PT	CORPORATE SERVICES	EFF	3	0	7

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE						NUMBER OF COUNCIL MEETINGS
COUNCIL MEMBERS	FULL TIME / PART TIME	COMMITTEES ALLOCATED	*WARD AND/ OR PARTY REPRESENTED	COUNCIL MEETINGS ATTENDANCE	APOLOGIES FOR NON ATTENDANCE	
	FT/PT					
T.D.	PT	DEVELOPMENT AND TOWN PLANNING	EFF	0	0	7
T.C.KENALEMONGWE	PT	MPAC	EFF	3	0	7
D.M.MOROE	PT	INFRASTRUCTURE	EFF	5	0	7
M.M.CHANDA	PT	RULES COMMITTEE	COPE	6	0	7
L.R.MANGE	PT	PUBLIC SAFETY	DA	4	0	7
T.L.SELEPE	PT	MPAC BOARD OF RUSTEES	DA	7	0	7
MOTAU	PT	DEVELOPMENT AND PLANNING TOWN	DA	6	0	7
D.E.VAN ROOYEN	PT	FINANCE	DA	5	0	7
M.P. MODISENYANE	PT	FINANCE	DA	4	0	7
W.N.BOHNER	PT	INFRASTRUCTURE	DA	6	0	7
M. RAMAKGOLO	PT	PUBLIC SAFETY	F4SD	1	0	7
M.J.RABOTAPI	PT	DEVELOPMENT AND PLANNING TOWN	F4SD	0	0	7
O.J.MOTSEPE	PT	MPAC	F4SD	0	0	7

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE						NUMBER OF COUNCIL MEETINGS
COUNCIL MEMBERS	FULL TIME / PART TIME	COMMITTEES ALLOCATED	*WARD AND/ OR PARTY REPRESENTED	COUNCIL MEETINGS ATTENDANCE	APOLOGIES FOR NON ATTENDANCE	
	FT/PT					#
E.O.E.SELEKE	PT	CORPORATE SERVICES	UCDP	1	0	7
G.K.KGAJE	PT	DEVELOPMENT AND PLANNING TOWN	UCDP	1	0	7
M.E.DINGILE	PT	INFRASTRUCTURE MPAC	ACDP	2	0	7
L.F. MACHAKA	PT	COMMUNITY SERVICES	COPE	0	0	7

**APPENDIX B
COMMITTEES AND COMMITTEE PURPOSES**

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
RULES (Rules Committee)	Making sure that Councilors adhere to rules and regulations as set out
MPAC (Municipal Public Accounts Committee)	Playing internal oversight role on municipal administration
LLF (Local Labour Forum)	Bargaining Forum between employer and labour component regarding matters affecting employees

**APPENDIX C
THIRD TIER ADMINISTRATIVE STRUCTURE**

Third Tier Structure		
Directorate	Director/Manager	Name
Office of the Municipal Manager	Municipal Manager:	Mr.N.M. Mokgwamme
Budget Treasury Office/Finance Office	Chief Financial Officer:	Mr. R.A. Morris
Corporate and Administration	Director Corporate and Administration support:	Mrs. K. Masuku
Planning and Development	Director Planning and Development:	Mr. T. Masia
Infrastructure	Director Infrastructure:	Mrs M. Moloi-Tsae
Public Safety	Director Public Safety:	Mr T. Marumo
Community Service	Director Community Services:	Mrs. K. Nyembe
Local Economic Development	Vacant	

**APPENDIX D
FUNCTIONS OF MUNICIPALITY**

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	N/A
Building regulations	No	N/A
Child care facilities	No	N/A
Electricity and gas reticulation	No	N/A
Fire fighting services	Yes	N/A
Local tourism	No	N/A
Municipal airports	No	N/A
Municipal planning	Yes	N/A
Municipal health services	No	N/A
Municipal public transport	No	N/A
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	N/A
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	N/A
Storm water management systems in built-up areas	Yes	N/A
Trading regulations	No	N/A
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	N/A
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public places	Yes	N/A
Cemeteries, funeral parlours and crematoria	Yes	N/A

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	No	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	No	N/A
Licensing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	No	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	Yes	N/A
Municipal roads	Yes	N/A
Noise pollution	No	N/A
Pounds	Yes	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic and parking	Yes	N/A

**APPENDIX E
WARD REPORTING**

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
1	Cllr N.D. Moseki 1.Malefu Georgina Thulo 2.Nthabiseng Francinah Molehe 3.Molaudi Ezekiel Phora 4. Kebiditse Ruth Gabatsewe 5.Leswalaise Jeremia Bogatsu 6.Phadima Shadrack Khauoe 7.Segametse Confidence Tau 8.Shololo Catherine Tsotsoane 9.Kenaleone Patience Leburu 10. Godfrey Bakam Mokone	Yes	0	0	0
2	Cllr T. Motshabi 1.Obakeng Enoch Mokgobinyane 2.Odirile Selome (S) 3.Pule Moetje 4.Pako Gloria Gaolaolwe 5.Sebang Edwin Tshireletso 6.Chabaesele Modise (B) 7.Karabo Answer Moeti 8.Eva Seonyatseng Leburu 9.Itumeleng Wesley Kgatle 10.Sheila Gaogamediwe	Yes	0	0	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
3	Cllr T.G.E. Malebadi 1.Tebogo Kenneth Morris 2.Sello Isaac Noah Makau 3.Mathabathi Cornelius Kgati 4.Pulane Gloria Majwe 5.Lucas Ramabya Mothabane 6.Tebogo James Phefo 7.Seipati Gladys Serati (S) 8.Maria Nkarabeng Mbobo 9.Cornelius Naledi 10.Esther Mogoshane	Yes	0	0	0
4	Cllr M.G. Mokgosi 1.Mashebetsane Simon Letswamotse 2.Mthutuzeli Livingstone Phatho 3.Lerato Molefe 4.Tumelo Goolam 5.Doctor Sedito 6.Motlalepula Shiela Mkhwanazi 7.Mosetsanagape Virginia Mokgatthe 8.Sana S. Boinamo 9.Mmathapelo Julia Matsapola 10. Sentso Johannes Monye	Yes	0	0	0
5	Cllr K.L. Phetha 1.Kedidimetse Grace Sethibelo 2.Tiny Lenah Ntsie 3.Samuel Ngutyana 4.Mabena Modipane	Yes	0	0	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
	5.David Kgothile Maleke 6.Florence Lephadi 7.Herman Oupa Mokwena 8.Papi Dikupe 9.Babra Ciphakallo 10.Khumo Molebatsi				
6	Cllr M.C. Segoe 1. Basebi Marumo 2.Johannes Kamogelo Mokgweetsi 3.Kgomotso Collen Letlakana 4.Seadimo Martha Morule 5.Ernest Thabang Mooketsi 6.Mpho Mabe 7.Kesaobaka Sannah Disebo 8.Obakeng Howard Motswamere 9. Boitumelo Joyce Ijane	Yes	0	0	0
7	Cllr S.L. Molefe 1.Cathel Batsile Gavrilovic 2.Motlalepula Rebecca Matlhoko 3.Moniemang Juddy Motlhamme 4.Lehlohonolo Justice Mokhethi 5.Lebogang Germinah Segwai 6.Mothusi Joseph Thekiso 7.Lerato Mavis Ramatolo 8.Dolores Gabaitsiwe Pele 9.Kebone Agnes Segotso 10.Molemoeng Jeanah Moamogwa	Yes	0	0	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
8	Cllr S.T.M.M. Gasealahwe 1.Jeremia Jonny Seitisho Monnapula 2.Bontsi Simon Togoe 3.Tshireletso Pagell Mogau 4.Oarabile Lore Ramongala 5.Nonofo Gaokgwathe 6.Kebogile Christina Tshele 7.Mantshebo Veronica Rakgotla 8.Ntomizodwa Virginia Mogale 9.Tebogo Brenda Leburu 10.Lebogang Jayson Dambuza	Yes	0	4	0
9	Cllr P.I. Mokgele 1.Marias Nche 2.Boitshoko Magdeline Medupe 3.Billy Duncan Ngakantsi 4.Nomantombozane Phildah Mmolo 5.Kedibone Joice Khumalo 6.Patrick Ndande Dlamine 7.Esther Mothupi 8.Toko Richard Taunyane 9.Lorna Mengel 10.Saketa Nelly Nnela Kgasoe	Yes	0	0	0
10	Cllr K.I. Motalane 1.Kedidimetse Alinah Molatedi 2.Ofentse Reginald Seadira 3.Keboditse Oriah Maleshane 4.Kgalalelo Cynthia Kgositau	Yes	0	0	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
	5.Paseka David Obuseng 6.Nomalizo Margaret Mampe 7.Maria Lolikie Mothupi 8.Obakeng Cherish Kgonare 9.Molly Moniemang Rens				
11	Cllr K.A. Phashe 1.Pankie Engeline Mokole 2.Boitumelo Dinah Gaobuse 3.Barileng Dikoko 4.Nondlela Cecilia Masumpa (S) 5.Neonyane Reginah Kepadisa 6.Oratile King Modise 7.Tumisang Prince Rakgomo 8. Motshidisi Winnie Karabo 9.Tsiyetsi Joseph Toons 10.Ntikenyane Jacob Modise	Yes	0	0	0
12	Cllr G.A. Kgwadibane 1. Keikantsemang Monica Pitso 2.Kgosimore Lucas Lebelelang 3.Kamogelo Kenneth Makgathi 4.Betty Mogopudi 5.Mahlubi Nixon Kraai 6.Alinah Ntswaki Koboekae 7.Golosiwang Shadrack Ramogae 8.Tshegofatso Cindi Matebele 9.Enerst Dilodilo 10.Mothibedi David Lekoma	Yes	0	0	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
13	Cllr D.K. Molema 1.Lenky Mpotanyana Leah Molamu 2.Tsheole Paul Lenkwe 3.Sizwe Ephraim Mashinini 4.Oageng Collen Sebaeng 5.Qhobela Kitchener Semuli 6.Omphile Padiri 7.Keselepile Emmah Meso 8. Kago Pitso Macililan Ngakane 9. Gugulethu Mabizela 10.Motlogelwa Z. Seate	Yes	0	0	0
14	Cllr M.M. Manyeneng 1.Dipuo Lesley Makallane 2.Mogomotsi Desmond Ramatae 3.Kegomoditswe Josephine Mongala 4.Neo Maureen Mooki 5.Keneilwe Edith Shole 6. Thabo Loeto 7.Modisaotsile Emmanuel Disetlhe 8.Bonolo Julia Mokalaka 9.Nicholas Seatlhodi Tsholo 10.W Nkonjani	Yes	0	0	0
15	Cllr T.B. Makolomakwa 1.Neo Lindah Mogodinyane 2.Itumeleng Monageng 3.Ntebaleng Elsie Sefako 4.Lesego Edith Moralo	Yes	0	0	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
	5.Phenyo Wesley Molokele 6.Keitumetse Agnes Naane 7.Michael Dikgwatlhe 8.Solofelang Victor Sechogo 9.Tebogo Losaba 10.Kebitsamang Ruth Maano				
16	Cllr M.C. Segwe 1.Montwedi Sydwell Modise 2.Keorapetse Sefithlo 3.Tshepo James Mokoroane 4.Kgomotso Cynthia Matsheka 5.Boitumelo Esther Zwane 6.Mogomotsi Comfort Mmulutsi 7.Kgotlatsile Sylvester Tsimane 8.Amantle Nomatter Koikoi 9.Thuso Sebokolodi	Yes	0	0	0
17	Cllr K. Ntamehlo 1.Angela Lizelle Ludick 2.Katlego Malcolm Moncho 3.Kenneth Zwelibanzi Ntamehlo 4.Goitseone Augustus Menoane 5.Gaolatlhe Mirriam Mokaila 6.Phinda Ida Ntshontsho 7.Deon Anthony Ferris 8.Ofentse Abel Tsetse 9.Eugene Gerold Swartz 10.Lionel Benedict Visagie	Yes	0	0	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
18	Cllr N.V. Moilwa 1.Nontsizi Euginia Plaatjie 2.Kgalalelo Elvis Maseng 3.Aboleleng Yvonne Dichaba 4. Motlalepula Ellen Makhaya 5.Tshepang M. Gopane 6.Pharare Felix Nko 7.Kabelo Joel Molatlhegi 8.Martha Sando 9.Nomsangaphi Susan Motlhala 10.Mohau Kealeboga Marumo	Yes	0	0	0
19	Cllr N.G. Hlazo 1. Dikano Shadrack Ditire 2.Sealogane Precious Seiteo 3.Dikeledi Magdeline Nthaoedi 4.Phenyo Calphius Tsoeu 5.Nompumelelo Sinah Mtshamba 6.Gaborone Augustus Noko 7.Piet Stephen Kesilwe 8.Caroline Ngobeni 9.Kegomoditswe Annitjie Khubu 10.Sediri Freedom Seleka	Yes	0	0	0
20	Cllr T.W. Maseng 1.Elizabeth Goeditswe Lenoke 2.Milton Gape Mokgobinyane 3.Ntesang Martha Golelelwang 4.Mmaphefo Mofinta	Yes	0	0	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
	5.Kenneth Bakang Mabudi 6.Lucky Lesego Skhonde 7.Tsholofelo Kaizer Tawana 8.Octavia Thomas 9.Koketso Tsienyane George Kgaladi 10.Dinaledi Theodora Leshomo				
21	Cllr M. Phuthego 1.Rosina Kelebogile Sethibelo 2.Thabo Lucas Chacha 3.Tumisang Patrick Mocumi 4.Selebano Angelina Dingoko 5.Lebogang John Molefe 6.David Moremedi 7.Nomathemba P. Ntwasho 8.Tumelo Faith Tsoeu 9.Morwa Martha Marumo 10.Rosina Kelebogile Sethibelo	Yes	0	0	0
22	Cllr B.S. Ngobeni 1.Kgosietsile Luckyboy Oliphant 2.Mmasabata Florence Poifo 3.Mosetsanagape Phethe 4.Mabontle Patricia Mooketsi 5.Itumeleng Jackson Mokgethi 6.Joseph Sebolai Nitane 7.Kenalemang Rosinah Thebe 8.Itholeng Soniah Gaongalelwe 9.Boikanyo Collen Pinase	Yes	0	0	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
	10.Malerato Annastacia Matlholwa				
23	Cllr P.D. Seele 1.Tebogo Tlale 2.Gabatshwane Rosina Mahao 3.Setshego Magdeline Tshweu 4.Kesentseng Johanna Lesolle 5.Seipati Gladys Molwantwa (S) 6.Letsholo Lawrence Motsemme 7.Neo Bernett Mabote 8.Keadimilwe Gloria Sebonego 10.Maselemela Louisa Seatlholo	Yes	0	2	0
24	Cllr S.N. Mokoena 1.Koolebogile Anna Malefane 2.Puong Aletta Manoto 3.Morapedi Motswenyane 4.Selloane Martha Baleni 5.Godfrey Mosala 6.Mothusi Msimanga 7.Mokate Julia Matlakala 8.Bathusang Margaret Kekgoketse 9.Maletsatsi Eunice Itumeleng 10.Masalasuping Abel Sejamoholo	Yes	0	0	0
25	Cllr G.N. Monnapula 1.Neo Anna Mongane 2.Noge Jacob Matsile 3.Keorapetse Lesley Lethoba 4.Kagiso Meshack Manuel	Yes	0	0	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
	5.Mmakale Elizabeth Tsatsi 6.Mpho Gift Mogale 7.Clara Elizabeth Namane 8.Keletso Simon Padire 9.Kebalepile Simon Mokate (B)				
26	Cllr C.M. Moseetlo 1.Matthews Dithuso Sharp 2.Mmasikwa Agnes Seima 3.Phindile Matthews Saul 4.Kagiso Emmanuel Dire 5.Obakeng Christopher Mothibi 6.Kenanao Kenny Mokgantshang 7.Gopolang Victoria Mashaba 8.Mothibedi Donald Mokhasi 9.Mosadikhumo Molosiwa 10.Kedibone Andretta Seanego	Yes	0	0	0
27	Cllr M. Dichabe 1.Magauta Irene Mehlwana 2.Gladys Maqungela 3.Lenewa Jim 4.Lucas Motlhale 5.Joseph Boetie Moalusi 6.Dikeledi Rebecca Tsagae 7.Kesaobaka Nelly Batshegi 8.Boipelo Honey Teemane 9.Refilwe Revonia Mooketsi	Yes	0	0	0
28	Cllr K.P. Motsumi	Yes	0	0	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
	1.Chere Mokhesi 2.Thembeni Samuel Mbasu 3.George Dube 4.Tebogo Nelson More 5.Jacob Tshekiso Moepi 6.Mapelonomi Eva Springbok 7.Garry Gaenyane 8.Puleng Bella Ntwagae 9.Thebe Mosagale 10.Cecilia Sellone Semetse				
29	Cllr K.L. Dlamini 1.Ofentse Kgosi Bogosi 2.Tshepiso Lentswane 3.Anna Mmamonang Sefemo Mekgwe 4.Kesekang M. Vaaltein 5.Mmaphefo Joy Vaaltyn 6.Majakoba Joyce Lethoko 7.Senogang Josephine Sebolao 8.Daniel Tau 9.Tuelo Petrus Mojafi	Yes	0	0	0
30	Cllr K.G. Mathakathaka 1.Seatshogeng Ben Sekomere 2.Mzwandile Godwin Africa 3.Kelebogile Kgorinyane 4.Botinyane David Moshoeshoe 5.Lebogang Emily Segwe 6.Boitumelo Joyce Botsime	Yes	0	2	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
31	Cllr T.G. Damaniti 1.Daniel Aron Abrams 2.Kenalemang Thelma Mogola 3.Obakeng Edwin Makolomakwa 4.Orapeleng Pius Diseko 5.Pelonomi Constance Tshweu 6.Oarabile Labious Africa 7.Selebaleng Dorcas Segopolo 8.Pule Phoofolo 9.Adolphinah Kgomotso Sejamoholo 10. Boitirelo Modipane	Yes	0	0	0
32	Cllr M.E. Lekhobe 1.Kelebogile Monica Mathonzi 2.Kealeboga Brian Mpanza 3.Letlhogonolo Mogabe 4. Patricia Khutsafalo Mpama 5.Moreetsi Ratshefola 6.Pule Albavius Magodiele 7.Daniel Letlamoreng Motaung 8.Eunice Pelonomi Serekwane 9.Bertha Maruaspene Applegreen 10.Masego Khathazo	Yes	0	0	0
33	Cllr K.C. Seheri 1.Dibuelo Ellen Mogotsi 2.Tumelo Motswadi 3. Lesego Maduo Gloria More 4.Tereslei Caswe Casule	Yes	0	2	0

Ward Name (Number)	Name of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number of Monthly Committee Meetings Held During The Year	Number of Monthly Reports Submitted to Speakers Office On Time	Number of Quarterly Public Ward Meetings Held During Year
	5.Mary Modiegi Jabane 6.Difference Moagi Matsididi 7.John Lentikile Makoa 8.Isaac Malakaje 9. Mho Issac Ndona				
34	Cllr T.J. Matoane 1.Jeanet Matshidiso 2.Kelebogile Mercy Kgopodithata 3.Mosala Wesley Leepile 4.Omphilerato Mmareikanne Blessed Kas 5.Kerileng Anna Mmile 6.Paul Nyaniso Ngalo 7.Sophy Kgaiso Mojaki 8.Sefako Elias Leburu 9.David Leshomo	Yes ba	0	0	0
35	Cllr N.M. Ndlovu 1.Wageng Aubrey Molaodi 2 Tebogo Timothy Motswana 3.Lesego Sonyingwa 4.Lucas Kabiso Thibedi 5.Dikeledi Roslina Mes 6.Zamile Saul Mtshamba 7.Thiwe Agelinah Gobile 8.Thuso Lucky Duma 9.Ouma Elisa Diphoko	Yes	0	0	0

**APPENDIX F
WARD INFORMATION**

Top Four Service Delivery Priorities for Ward (Highest Priority First)	
Priority Name and Detail	Progress During Year 2020-2021
Roads	Project Ongoing
High Mast Lights	Project Complete
RDP Houses	Function of the Department: Human Settlement
Water Stand pipes	Function of Ngaka Modiri Molema District Municipality

**APPENDIX G
RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE**

AUDIT COMMITTEE ANNUAL REPORT 2020/2021

We are pleased to present our report for the financial year ended 30 June 2021

1. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

2. Audit Committee members and attendance

The Audit Committee, consisting of independent outside members, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

Present ✓

Absent ✗

Initials and Surname	Position	24 Nov 2020	12 Feb 2021	05 March 2021	22 Jun 2021	28 Jun 2021
Mr SAB Ngobeni	Chairperson	✓	✓	✓	✓	✓
Mr M Sebeelo	Member	✓	✓	✓	✓	✓
Mr MI Motala	Member	✓	✓	✓	✓	✓
Mr CT Matsimela	Member	X	✓	✓	✓	✓
Mr Mr L Menziwa	Member	✓	✓	✓	✓	✓

3. The Effectiveness of Internal Control

Our review of the internal control environment revealed that there has been a room for improvement in the system of internal control of the municipality and reducing qualification issues of previous year. Furthermore, there are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General. However, the Audit Committee notes management's commitment and action plan to correct deficiencies.

4. In-Year Management and Monthly/Quarterly Report

The municipality does have an effective monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA).

5. Performance Management

The Audit Committee reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and submission of portfolio of evidence timeously as well as increasing the capacity within the Performance Management unit.

6. Risk Management

The Audit Committee is of the opinion that municipality's risk management appears to be partial effective for the better of the year and material respect, and the municipality did implement a comprehensive risk management strategy and related policies. Management has no sound and effective approach has been followed in developing strategic risk management plans and there

12. Progress in implementation of AGSA findings from prior year

AGSA recommendations were mostly implemented by management at the time of this report. There is a room for improvement in this regard and the Audit Committee recommended to the municipality to priorities the implementation of recommendations by AGSA fully and consistently.

13. Progress on implementations of Internal audit recommendations

A number of internal audit recommendations were not implemented by management. However, there is a room for improvement in this regard and thus, Audit Committee recommended to municipality to priorities the implementation of recommendations by Internal Audit.

14. Implementations of Audit Committee Recommendations by management

There is a room for improvement in this regard and thus, Audit Committee recommended to municipality to fast track the implementation of recommendations by Audit Committee.

15. COVID 19

COVID-19 remain a major risk for the municipality and should be management closely.

16. Conclusion

The Audit Committee wishes to acknowledge the commitment from Council, management and staff of the municipality. The stability in terms of the political and administrative leadership of the municipality has contributed to these improvements report above. We would also like to thank the Mayor for her support, Councillors, senior management for their efforts and internal audit for their contribution.

SAB Ngobeni (Mr)

Chairperson of the Audit Committee

21 August 2021

APPENDIX H

LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

LONG TERM CONTRACTS (20 LARGEST CONTRACTS ENTERED INTO DURING 202-2021)					
NAME OF SERVICE PROVIDER (ENTITY OR MUNICIPAL DEPARTMENT)	DESCRIPTION OF SERVICES RENDERED BY THE SERVICE PROVIDER	START DATE OF CONTRACT	EXPIRY DATE OF CONTRACT	PROJECT MANAGER	CONTRACT VALUE
OZOW SECURE PAYMENT	PROVISION OF INSTANT ELECTRONIC TRANSFER SYSTEM	2020-01-12	31/12/2023	R A MORRIS	1,50%
DINCLIFFS	SUPPLY DELIVERY AND INSTALLATION OF GUARDRAILS	16/04/2021	17/04/24	M U MOLOI-TSAE	PRICE PER ITEM
REYAKOPELE TRADING 149 CC	WEBSITE DESIGN AND DEVELOPMENT	20/03/2021	20/03/2024	KARABO MASUKU	R 986 400.00
MPHOKE TRADING ENTERPRISE CC	REQUEST FOR PROPOSAL TO RENDER THE SERVICE OF ANIMAL POUND FOR A PERIOD OF THREE (3) YEARS	2021-01-02	28/02/2024	THABO MARUMO	R3 528 000.00
HCB VALUATION	COMPILATION OF VALUATION ROLL	2021-01-06	30/06/2026	R A MORRIS	R 2 400 000.00

APPENDIX I

MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule									
Name of the Service Provider	Service Key Performance Indicators	Previous Year		Current year			Following Year		
		Target	Actual	Target		Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
Lethando Engineeirng	Number of highmast lights constructed	20 highmast lights constructed by 30 June 2020	Achieved 20 highmast lights constructed	20 highmast lights constructed by 30 June 2020	50 highmast lights constructed by 30 June 2021	Achieved 50 highmast lights constructed	80 high mast lights to be constructed by end of June 2023 - Multi year projects	80 high mast lights to be constructed by end of June 2023 - Multi year projects	Target not applicable for the year period
Mafoko Brothers JV	Number of Kms gravel roads upgraded to paving in magogoe	None	None	None	3.5 Kms gravel roads constructed in magogoe ward 14 by 30 June 2021	Not Achieved 0 Kms gravel roads constructed in magogoe ward 14, the contractor still on site. The project progress report: Bridge - 20% Box cutting - 100% Roadbed - 100% Sub base - 92% Kerbing and paving 70%	3.5 gravel roads upgraded to paving in magogoe ward 14 by 31 December 2021	Target not applicable for the year period	Target not applicable for the year period
Mopani Civils	Number of Kms gravel roads upgraded to paving in Signal hill	None	None	None	2.5 Kms gravel roads constructed in signal hill ward 28 by 30 June 2021	Not Achieved 0 Kms gravel roads constructed in signal hill ward 28, the contractor still on site. The project progress report: Box cutting - 80% Roadbed - 70% Sub base - 60% Kerbing and paving 55%	2.5 Kms gravel roads upgraded to paving in Signal hill Ward 28 by 31 December 2021	Target not applicable for the year period	Target not applicable for the year period
Xol-Mak JV	Number of Kms gravel roads upgraded to paving in Lotlhakane	None	None	None	2.5 km in Lotlhakane constructed in ward 23 by 30 June 2021	Not Achieved 0 km in Lotlhakane constructed in ward 23, the contractor still on site. The project progress report:Box cutting - 100% Road Bed - 100% Sub base - 90% Kerbing and paving 75%	2.5 Kms gravel roads upgraded to paving in Lotlhakane Ward 23 by 31 December 2021	Target not applicable for the year period	Target not applicable for the year period
Mafoko JJ Trading	Number of Kms gravel roads upgraded to paving in	None	None	None	2 km constructed in paving in tloung to bokone village in ward 15 by 30 June 2021	Not Achieved 0 km constructed in paving in tloung to bokone village in ward 15, the contractor still	2 Kms gravel roads upgraded to paving in tloung village to bokone vilage Ward 15 by 31 December 2021	Target not applicable for the year period	Target not applicable for the year period

Municipal Entity/Service Provider Performance Schedule									
Name of the Service Provider	Service Key Performance Indicators	Previous Year		Current year			Following Year		
		Target	Actual	Target		Actual	Target		
		Annual Performance Target 2019/20	Annual actual Performance 2019/20	Annual Performance Target 2019/20	Annual Performance Target 2020/21	Annual actual Performance 2020/21	Annual Performance Target 2021/22	Annual Performance Target 2022/23	Annual Performance Target 2023/24
	Tloung village to Bokone Village					on site. The project progress report: Box cutting - 100% Road Bed - 100% Sub base - 100% Kerbing and paving 10%			
Tharhani Trading	Number of facilities and tennis courts constructed	None	None	None	14 tennis courts constructed and 1 facility change rooms and guard house constructed by 30 June 2021	Achieved Paving - 100% Conditioning 100% Fencing - 100% Overall - 95%	1 new indoor sports centre with one centre court in site. At Mmabatho stadium - Phase III by June 2022	Target not applicable for the year period	Target not applicable for the year period

**APPENDIX J
DISCLOSURES OF FINANCIAL INTERESTS**

Disclosures of Financial Interests		
Period 1 July 2020 to 30 June 2021 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Cllr K.B. Diakanyo	05
Member of MayCo / Exco	Cllr T. Motshabi	None
	Cllr. T. G. Damaniti	02
	Cllr. B. Segoe	None
	Cllr. K.L. Phetha	None
	Cllr M. M. Tsolo-Mulasi	None
	Cllr. K.L. Dlamini	None
	Cllr. C.M. Moseitlo	None
	Cllr. T. J. Matoane	None
	Cllr. M.E. Lekhobe	None
Municipal Manager	N.M Mokgwamme	02
Chief Financial Officer	A. Morris	None
Other S57 Officials	M. Moloi-Tsae	None
	T. Masia	None
	T. Marumo	None
	K. Nyembe	01
	K. Masuku	None
<p><i>Note Schedule 1 of the Municipal system Act no 32 of 2000 section 7(1) compels Councillors to disclose/declare their business interest in writing to Accounting Officer.</i></p>		

APPENDIX K

REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

(i) REVENUE COLLECTION PERFORMANCE BY VOTE

NW383 Mafikeng - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - June 2021

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
Revenue by Vote	1											
Vote 1 - Council General		320	320	-	-	-	-	-	-	320	349	371
Vote 2 - Corporate Supports												
Services		165	165	-	-	-	-	-	-	165	180	192
Vote 3 - Financial Services		692 088	692 088	-	-	-	-	(19 343)	(19 343)	672 745	721 884	771 407
Vote 4 - Infrastructure		363 798	363 798	-	-	-	-	94 833	94 833	458 631	396 540	422 315
Vote 5 - Public Safety		2 665	2 665	-	-	-	-	-	-	2 665	2 905	3 094
Vote 6 - Community Services		61 465	61 465	-	-	-	-	-	-	61 465	66 897	71 352
Vote 7 - Planning and Development		4 010	4 010	-	-	-	-	-	-	4 010	4 371	4 655
Vote 8 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 124 512	1 124 512	-	-	-	-	75 490	75 490	1 200 002	1 193 126	1 273 386
Expenditure by Vote	1											
Vote 1 - Council General		65 827	65 827	-	-	-	-	(474)	(474)	65 353	72 352	77 097
Vote 2 - Corporate Supports												
Services		50 275	50 275	-	-	-	-	12 975	12 975	63 250	54 100	57 818
Vote 3 - Financial Services		415 012	415 012	-	-	-	-	5 555	5 555	420 568	426 104	453 098
Vote 4 - Infrastructure		187 551	187 551	-	-	-	-	32 682	32 682	220 232	220 214	237 073
Vote 5 - Public Safety		97 052	97 052	-	-	-	-	28 515	28 515	125 567	94 157	100 934
Vote 6 - Community Services		69 401	69 401	-	-	-	-	(354)	(354)	69 047	65 909	71 789
Vote 7 - Planning and Development		33 108	33 108	-	-	-	-	22 551	22 551	55 660	40 816	43 992
Vote 8 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	918 227	918 227	-	-	-	-	101 450	101 450	1 019 677	973 651	1 041 801
Surplus/ (Deficit) for the year	2	206 285	206 285	-	-	-	-	(25 960)	(25 960)	180 325	219 474	231 585

(ii) REVENUE COLLECTION PERFORMANCE BY SOURCE

NW383 Mafikeng - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - June 2021

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands	1											
Revenue By Source												
Property rates	2	374 023	374 023	-	-	-	-	-	-	374 023	407 685	434 185
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	158 126	158 126	-	-	-	-	-	-	158 126	172 358	183 561
Service charges - sanitation revenue	2	47 059	47 059	-	-	-	-	-	-	47 059	51 294	54 628
Service charges - refuse revenue	2	42 066	42 066	-	-	-	-	-	-	42 066	45 852	48 832
Rental of facilities and equipment		7 971	7 971	-	-	-	-	-	-	7 971	8 688	9 253
Interest earned - external investments		4 053	4 053	-	-	-	-	-	-	4 053	4 418	4 705
Interest earned - outstanding debtors		107 379	107 379	-	-	-	-	-	-	107 379	117 043	124 651
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		132	132	-	-	-	-	-	-	132	144	154
Licences and permits		1 745	1 745	-	-	-	-	-	-	1 745	1 902	2 026
Agency services		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		289 009	289 009	-	-	-	-	65 976	65 976	354 985	309 367	330 648
Other revenue	2	7 629	7 629	-	-	-	-	-	-	7 629	8 087	8 653
Gains		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 039 193	1 039 193	-	-	-	-	65 976	65 976	1 105 169	1 126 839	1 201 296
Expenditure By Type												
Employee related costs	-	293 106	293 106	-	-	-	-	17 209	17 209	310 315	311 425	330 889
Remuneration of councillors		29 250	29 250	-	-	-	-	3 600	3 600	32 850	31 882	33 954
Debt impairment		284 226	284 226	-	-	-	-	-	-	284 226	309 807	329 944
Depreciation & asset impairment		60 015	60 015	-	-	-	-	-	-	60 015	63 583	66 972
Finance charges		2 641	2 641	-	-	-	-	-	-	2 641	2 799	2 967
Bulk purchases		88 383	88 383	-	-	-	-	(2 000)	(2 000)	86 383	94 813	101 753
Other materials		44 658	44 658	-	-	-	-	4 529	4 529	49 187	32 866	37 324
Contracted services		88 002	88 002	-	-	-	-	63 197	63 197	151 199	96 161	105 703
Transfers and subsidies		4 000	4 000	-	-	-	-	800	800	4 800	4 360	4 643
Other expenditure		23 947	23 947	-	-	-	-	14 115	14 115	38 062	26 102	27 799
Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		918 227	918 227	-	-	-	-	101 450	101 450	1 019 677	973 798	1 041 948
Surplus/(Deficit)		120 966	120 966	-	-	-	-	(35 474)	(35 474)	85 492	153 041	159 348
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		85 825	85 825	-	-	-	-	9 008	9 008	94 833	66 058	71 887
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		206 791	206 791	-	-	-	-	(26 466)	(26 466)	180 325	219 099	231 235
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		206 791	206 791	-	-	-	-	(26 466)	(26 466)	180 325	219 099	231 235
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		206 791	206 791	-	-	-	-	(26 466)	(26 466)	180 325	219 099	231 235
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		206 791	206 791	-	-	-	-	(26 466)	(26 466)	180 325	219 099	231 235

APPENDIX L

CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

No Conditional Grants Received Excluding MIG

APPENDIX M

CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

(i) CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

NW383 Mafikeng - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class	1									
Infrastructure		68 779	94 208	57 528	24 617	23 667	23 667	12 156	13 250	14 111
Roads Infrastructure		68 779	84 600	39 478	467	467	467	1 406	1 533	1 632
<i>Roads</i>		68 779	84 600	39 478	467	467	467	1 406	1 533	1 632
<i>Road Structures</i>										
<i>Road Furniture</i>										
<i>Capital Spares</i>										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
<i>Drainage Collection</i>										
<i>Storm water Conveyance</i>										
<i>Attenuation</i>										
Electrical Infrastructure		-	7 213	-	-	-	-	10 750	11 717	12 479
<i>Power Plants</i>										
<i>HV Substations</i>										
<i>HV Switching Station</i>										
<i>HV Transmission Conductors</i>										
<i>MV Substations</i>										
<i>MV Switching Stations</i>										
<i>MV Networks</i>								10 750	11 717	12 479
<i>LV Networks</i>										
<i>Capital Spares</i>			7 213							
Water Supply Infrastructure		-	2 396	4	950	-	-	-	-	-
<i>Dams and Weirs</i>										
<i>Boreholes</i>					650	-	-			
<i>Reservoirs</i>			2 396	4						
<i>Pump Stations</i>										
<i>Water Treatment Works</i>					300	-	-			
<i>Bulk Mains</i>										
<i>Distribution</i>										
<i>Distribution Points</i>										
<i>PRV Stations</i>										
<i>Capital Spares</i>										
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-

NW383 Mafikeng - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<i>Pump Station</i>										
<i>Reticulation</i>										
<i>Waste Water Treatment Works</i>										
<i>Outfall Sewers</i>										
<i>Toilet Facilities</i>										
<i>Capital Spares</i>										
Solid Waste Infrastructure		-	-	18 047	23 200	23 200	23 200	-	-	-
<i>Landfill Sites</i>				18 047	23 200	23 200	23 200			
<i>Waste Transfer Stations</i>										
<i>Waste Processing Facilities</i>										
<i>Waste Drop-off Points</i>										
<i>Waste Separation Facilities</i>										
<i>Electricity Generation Facilities</i>										
<i>Capital Spares</i>										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>										
<i>Rail Structures</i>										
<i>Rail Furniture</i>										
<i>Drainage Collection</i>										
<i>Storm water Conveyance</i>										
<i>Attenuation</i>										
<i>MV Substations</i>										
<i>LV Networks</i>										
<i>Capital Spares</i>										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>										
<i>Piers</i>										
<i>Revetments</i>										
<i>Promenades</i>										
<i>Capital Spares</i>										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<i>Data Centres</i>										
<i>Core Layers</i>										
<i>Distribution Layers</i>										
<i>Capital Spares</i>										
Community Assets		53 564	-	-	28 400	28 400	28 400	23 900	25 573	27 619
Community Facilities		53 564	-	-	8 400	8 400	8 400	3 900	4 173	4 507
<i>Halls</i>								100	107	116
<i>Centres</i>					400	400	400			
<i>Crèches</i>										
<i>Clinics/Care Centres</i>										
<i>Fire/Ambulance Stations</i>								800	856	924
<i>Testing Stations</i>										
<i>Museums</i>										
<i>Galleries</i>										

NW383 Mafikeng - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
<i>Theatres</i>	1										
<i>Libraries</i>											
<i>Cemeteries/Crematoria</i>											
<i>Police</i>											
<i>Parks</i>			53 564								
<i>Public Open Space</i>											
<i>Nature Reserves</i>											
<i>Public Ablution Facilities</i>											
<i>Markets</i>						8 000	8 000	8 000	3 000	3 210	3 467
<i>Stalls</i>											
<i>Abattoirs</i>											
<i>Airports</i>											
<i>Taxi Ranks/Bus Terminals</i>											
<i>Capital Spares</i>											
<i>Sport and Recreation Facilities</i>			-	-	-	20 000	20 000	20 000	20 000	21 400	23 112
<i>Indoor Facilities</i>											
<i>Outdoor Facilities</i>						20 000	20 000	20 000	20 000	21 400	23 112
<i>Capital Spares</i>											
Heritage assets			-	-	-	-	-	-	-	-	-
<i>Monuments</i>											
<i>Historic Buildings</i>											
<i>Works of Art</i>											
<i>Conservation Areas</i>											
<i>Other Heritage</i>											
Investment properties		-	-	-	-	-	-	-	-	-	
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	
<i>Improved Property</i>											
<i>Unimproved Property</i>											
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	
<i>Improved Property</i>											
<i>Unimproved Property</i>											
Other assets		-	1 498	10 554	2 800	2 800	2 800	5 000	5 350	5 778	
<i>Operational Buildings</i>		-	1 498	10 554	2 800	2 800	2 800	5 000	5 350	5 778	
<i>Municipal Offices</i>			1 301	10 554							
<i>Pay/Enquiry Points</i>											
<i>Building Plan Offices</i>											
<i>Workshops</i>											
<i>Yards</i>					2 800	2 800	2 800	5 000	5 350	5 778	
<i>Stores</i>											
<i>Laboratories</i>											
<i>Training Centres</i>											
<i>Manufacturing Plant</i>											
<i>Depots</i>											

NW383 Mafikeng - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
<i>Capital Spares</i>			197							
Housing		-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>										
<i>Social Housing</i>										
<i>Capital Spares</i>										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	650	200	200	120	128	139
<i>Servitudes</i>										
<i>Licences and Rights</i>		-	-	-	650	200	200	120	128	139
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>					650	200	200	120	128	139
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
Computer Equipment		1 444	-	31	7 153	5 907	5 907	1 170	1 252	1 352
Computer Equipment		1 444		31	7 153	5 907	5 907	1 170	1 252	1 352
Furniture and Office Equipment		-	-	-	2 476	2 464	2 464	2 919	3 561	3 731
Furniture and Office Equipment					2 476	2 464	2 464	2 919	3 561	3 731
Machinery and Equipment		-	-	1 189	25 755	10 160	10 160	7 598	8 490	9 069
Machinery and Equipment				1 189	25 755	10 160	10 160	7 598	8 490	9 069
Transport Assets		2 328	-	1 984	6 100	5 000	5 000	5 650	6 238	6 798
Transport Assets		2 328		1 984	6 100	5 000	5 000	5 650	6 238	6 798
Land		-	-	-	-	-	-	-	-	-
Land										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	126 115	95 706	71 285	97 951	78 597	78 597	58 513	63 843	68 597

(ii) CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

NW383 Mafikeng - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	20 000	20 000	-	-	-
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										

NW383 Mafikeng - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<i>Waste Separation Facilities</i>										
<i>Electricity Generation Facilities</i>										
<i>Capital Spares</i>										
Rail Infrastructure										
<i>Rail Lines</i>										
<i>Rail Structures</i>										
<i>Rail Furniture</i>										
<i>Drainage Collection</i>										
<i>Storm water Conveyance</i>										
<i>Attenuation</i>										
<i>MV Substations</i>										
<i>LV Networks</i>										
<i>Capital Spares</i>										
Coastal Infrastructure										
<i>Sand Pumps</i>										
<i>Piers</i>										
<i>Revetments</i>										
<i>Promenades</i>										
<i>Capital Spares</i>										
Information and Communication Infrastructure										
<i>Data Centres</i>										
<i>Core Layers</i>										
<i>Distribution Layers</i>										
<i>Capital Spares</i>										
Community Assets		-	-	-	-	-	-	1 900	2 045	2 199
Community Facilities								1 900	2 045	2 199
<i>Halls</i>								1 000	1 070	1 156
<i>Centres</i>										
<i>Crèches</i>										
<i>Clinics/Care Centres</i>										
<i>Fire/Ambulance Stations</i>								600	654	697
<i>Testing Stations</i>										
<i>Museums</i>										
<i>Galleries</i>										
<i>Theatres</i>										
<i>Libraries</i>										
<i>Cemeteries/Crematoria</i>										
<i>Police</i>										
<i>Parks</i>										
<i>Public Open Space</i>								300	321	347
<i>Nature Reserves</i>										
<i>Public Ablution Facilities</i>										
<i>Markets</i>										
<i>Stalls</i>										
<i>Abattoirs</i>										
<i>Airports</i>										

NW383 Mafikeng - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<i>Taxi Ranks/Bus Terminals</i>										
<i>Capital Spares</i>										
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>										
<i>Outdoor Facilities</i>										
<i>Capital Spares</i>										
Heritage assets		-	-	-	-	-	-	-	-	-
<i>Monuments</i>										
<i>Historic Buildings</i>										
<i>Works of Art</i>										
<i>Conservation Areas</i>										
<i>Other Heritage</i>										
Investment properties		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>										
<i>Unimproved Property</i>										
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>										
<i>Unimproved Property</i>										
Other assets		-	-	-	-	90	90	100	109	116
<i>Operational Buildings</i>						90	90	100	109	116
<i>Municipal Offices</i>								100	109	116
<i>Pay/Enquiry Points</i>										
<i>Building Plan Offices</i>										
<i>Workshops</i>						90	90			
<i>Yards</i>										
<i>Stores</i>										
<i>Laboratories</i>										
<i>Training Centres</i>										
<i>Manufacturing Plant</i>										
<i>Depots</i>										
<i>Capital Spares</i>										
Housing										
<i>Staff Housing</i>										
<i>Social Housing</i>										
<i>Capital Spares</i>										
Biological or Cultivated Assets										
<i>Biological or Cultivated Assets</i>										
Intangible Assets										
<i>Servitudes</i>										

NW383 Mafikeng - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Licences and Rights										
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>										
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
Computer Equipment										
Computer Equipment										
Furniture and Office Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Machinery and Equipment										
Transport Assets										
Transport Assets										
Land										
Land										
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	20 090	20 090	2 000	2 154	2 315
<i>Renewal of Existing Assets as % of total capex</i>		0,0%	0,0%	0,0%	0,0%	15,3%	15,3%	1,8%	1,8%	1,8%
<i>Renewal of Existing Assets as % of deprecn"</i>		0,0%	0,0%	0,0%	0,0%	16,7%	16,7%	3,3%	3,4%	3,5%

APPENDIX N

CAPITAL PROGRAMME BY PROJECT

Capital Programme by Project: Year 2020-2021					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
R' 000					
Electricity					
LV Networks: provision of High Mast Lights MIG/2547	R 6 395 676,00	R 6 395 676,00	R 5 857 640,30	0%	92%
Refuse removal					
Landfill Sites: Upgrading of Landfill Site Phase III MIG/2544	R 2 385 615,00	R 2 385 615,00	R 1 885 614,37	0%	79%
Roads and Stormwater					
Roads: Upgrading Moshawane Road MIG/2461	R 1 350 000,00	R 1 350 000,00	R 875 277,92	0%	65%
Roads: Upgrading Tsetse Road MIG/2460	R 596 898,00	R 596 898,00	R 589 098,28	0%	99%
Roads: Upgrading Road in Tloung Village to Bokone MIG/2627	R 7 679 993,00	R 7 679 993,00	R 7 664 628,86	0%	99,80%
Roads: Upgrading Tar Road From Lotlhakane to Rapulane Clinic MIG/1393	R 8 190 783,00	R 8 190 783,00	R 7 593 679,40	0%	93%
Roads: Upgrading Signil Hill Internal Road MIG/2625	R 11 191 368,00	R 11 191 368,00	R 8 110 350,72	0%	72%
Roads: Upgrading Magoegoe Village Road MIG/2628	R 14 803 916,00	R 14 803 916,00	R 11 130 887,51	0%	75%
Roads: Upgrading Lomanyaneng Police Station Road MIG/2546	R 821 844,00	R 821 844,00	R 819 364,23	0%	99,70%
Roads Structures: Provision of Bldges MIG/2579	R 942 411,00	R 942 411,00	R 942 409,70	0%	100%
Roads: Thembane Road MIG/1912	R 1 118 952,00	R 1 118 952,00	R 1 037 304,51	0%	93%

Capital Programme by Project: Year 2020-2021					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Sports, Arts & Culture					
Outdoor Facilities:Construction of Mmabatho Tennis Court MIG/2548	R 32 188 541,00	R 32 188 541,00	R 23 837 397,99	0%	74%
Other					
Cemeteries/Crematoria: Upgrading Matlalong Graveyard MIG/2365	R 425 004,00	R 425 004,00	R 0,00	0%	0%
Cemeteries/Crematoria: Upgrading Matlalong Graveyard Phase II MIG/2365	R 3 000 000,00	R 3 000 000,00	R 3 190 397,14	0%	106%

**APPENDIX O
CAPITAL PROGRAMME BY PROJECT BY WARD**

Capital Programme by Project by Ward		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Electricity		
LV Networks: provision of High Mast Lights MIG/2547	All wards: 35	Yes November 2020
Refuse removal		
Landfill Sites: Upgrading of Landfill Site Phase III MIG/2544	17	Yes November 2020
Roads and Stormwater		
Roads: Upgrading Moshawane Road MIG/2461	6	Yes September 2020
Roads: Upgrading Tsetse Road MIG/2460	2	Yes October 2019
Roads: Upgrading Road in Tloung Village to Bokone MIG/2627	15	No
Roads: Upgrading Tar Road From Lotlhakane to Rapulane Clinic MIG/1393	23	No
Roads: Upgrading Signil Hill Internal Road MIG/2625	28	No
Roads: Upgrading Magoegoe Village Road MIG/2628	14	No
Roads: Upgrading Lomanyaneng Police Station Road MIG/2546	17,21,5	Yes September 2020
Roads Structures: Provision of Bldgs MIG/2579	1	Yes September 2020
Roads: Thembane Road MIG/1912	5	Yes February 2021
Sports, Arts & Culture		
Outdoor Facilities: Construction of Mmabatho Tennis Court MIG/2548	8	Yes June 2020
Other		
Cemeteries/Crematoria: Upgrading Matlalong Graveyard MIG/2365	6	Yes June 2020
Cemeteries/Crematoria: Upgrading Matlalong Graveyard Phase II MIG/2365	6	Yes June 2020

**APPENDIX P
SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS**

Schools and clinics are not functions of the Mahikeng Local Municipality

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

Housing delivery is low as there is still a backlog of 35000 houses

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

Refer to Chapter 5 - Mahikeng Local Municipality Annual Financial Statements, Notes to the Annual Financial Statements No.12. Financial liabilities - Loans.

APPENDIX S**NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT**

National and Provincial outcomes of Local Government		
Outcome/output	Progress to date	Number or percentage achieved
Output: improving access to basic services	Water Sanitation Electricity Refuse removal	67%
Output: implementation of Community Works Programme	Community Works Programme is implemented in all wards in the municipality with an employment of 500 jobs	-
Output: Deepening Democracy through refined ward committee model	Municipality through Ward Committees consult with community. Planning and prioritisation is also communicated through ward Committees	100%
Output: administrative & financial capabilities	The administrative wing of the municipality is stable, as well as the financial muscles however it is not enough to provide more service to the community	90%