



ANNUAL REPORT

2023/24



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CHAPTER 1

Component A: Executive Mayor's Foreword

It's an honour to present the 2023/24 Annual Report for Laingsburg Municipality in terms of the Local Government: Municipal Systems Act (32 of 2000) and the Local Government Municipal Finance Act (56 of 2003).

The Annual Report gives an account of work that was undertaken during the past financial year.

Reflecting on the past year, there has been work done on the ground to address the needs of our people as stipulated in our Integrated Development Plan (IDP). This reflection must strengthen our purpose as we continue to collaborate with our stakeholders towards fulfilment of our strategic objectives.

Our focus extends beyond the present, aiming to create a town, where not only the current generation but also our children and their descendants, can enjoy a multitude of opportunities for a successful fulfilling lives.

To shape the Laingsburg of tomorrow, we recognize the need to lay a solid foundation today. This involves building safe communities and achieving service delivery excellence.

We present the Annual Report in our efforts to implement our Service Delivery and Budget Implementation Plan (SDBIP) 2023/24 the year under review. The Report serves as a reload of accounting mechanisms to our communities on the institutional achievements, challenges mitigation and remedial measures implemented to address the Auditor-General's Management Letter, while it reflects progress achieved in service delivery there are still undesirable challenges.

For the year under review, the Municipality had remained stagnant on a adverse audit outcome. The outcome has been stagnant for the past three (3) years. It is extremely critical for the Municipality to improve the audit option.

Despite all the challenges, the Municipality was able to complete capital projects to improve service delivery.

In our pursuit of long term sustainability, operations for the Town is paramount. This Report outlines our progress towards its crucial objectives.

I express my gratitude to all the officials who have invested countless hours and tirelessly works towards making Laingsburg a beacon of hope for all.

All our efforts during this period, we made possible by working together as a team, which includes the Chairpersons of Committee's, fellow Councillors, the entire Management Team, Staff Members and our Stakeholders.

Your constructive criticisms remain a pillar of our public participation and solid foundation for good governance and service delivery.



.....

COUNCILLOR AMANDA KLEINBOOI

EXECUTIVE MAYOR OF LAINGSBURG



Component B: Executive Summary

1.1 Municipal Manager's Overview

The Laingsburg Municipality prepared its Annual Report for the year under review in line with section 121 of the Local Government Municipal Finance Management Act, Act 56 of 2003 as well as accompanying circulars, templates and guidelines and the Municipal Systems Act (32 of 2000). The Report provides an overview of the performance and progress made by the Municipality in fulfilling its strategic objectives and priorities as aligned in the Integrated Development Plan (IDP), budget as well as Provincial and National strategic Directives.

This Report highlights all the programmes and projects we embarked on during this period to enhance service delivery.

The past year has proven to be particularly difficult for our Local Municipality due to various issues. Economic conditions controlling us as a country continued to impact negatively on the collection rate of revenue. The reality of unemployment and the inability of the economy to create meaningful employment has a negative impact on the Municipality. These factors and the financial challenges have compromised the Municipality's ability to perform against certain deliverables.

Over the past five (5) years, the Municipality has faced both challenges and successes, navigating a drought, load shedding and power outages. These trials tested the resilience of our Residents, Officials, Management Councillors And Stakeholders. Despite these adversities, the Municipality demonstrates resilience, ensuring the community of basic service delivery. The collective strength that emerged positioned us for a promising future.

We are however, making strides towards mitigating both strategically and operational risk focussed on improved audit outcomes. As the Municipality, we are also working to employing all measures to move from an adverse opinion we have obtained for the last three (3) years to an improved audit outcome that we will pride ourselves of.

We extended our deepest gratitude to all political leadership for corporation and oversight role on the work we done.

I would therefore like to thank all for having insured to make 2023/24 a success.

We still have a lot of work to do but we are making good progress, if we as a Municipality is focused to deliver basic services and improve the quality of life of all our valued citizens.

Our existence as a Municipality depends on the community and I would like to take this opportunity to express our sincere and profound appreciation on the constructive criticism from our community which serves as a stepping stone to realize our objectives.



J Booyesen

Municipal Manager

1.2 Municipal Overview

This report addresses the performance of the Laingsburg Municipality in the Western Cape with respect to its core legislative obligations. Local government must create a participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on programme performance and the general situation in their locality.

The 2023/24 Annual Report reflects on the performance of the Laingsburg Municipality for the period 1 July 2023 to 30 June 2024. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.2.1 Vision and Mission

Vision

“A destination of choice where people come first”

Mission

To function as a community focused and sustainable Municipality by:

- Rendering effective basic services
- Promoting local economic development
- Consulting communities in the processes of Council
- Creating a safe social environment where people can thrive

1.3 Municipal Functions, Population and Environmental Overview

1.3.1 Population

The Municipality is estimated to have a population of **11 366 in the 2022/23 financial year compared to 10 160 in the 2023/24 financial year**. This shows an **11.87% increase** in 2023/24.

a) Total Population

The table below indicates the total population within the municipal area:

Year	Number of Households	Total Population	African	Coloured	Indian	White	Other
2019/20	2 862	9 795	662	7 834	14	1 237	48
2020/21	2 862	9 981	676	8 020	8	1 235	42
2021/22	2 862	10 160	692	8 172	5	1 249	42
2022/23	3 314	11 366	713	8 965	5	1 628	55

Year	Number of Households	Total Population	African	Coloured	Indian	White	Other
2023/24	3314	11 582	715	9135	4	1677	51
<i>Source: Stats SA Census, 2011</i>							

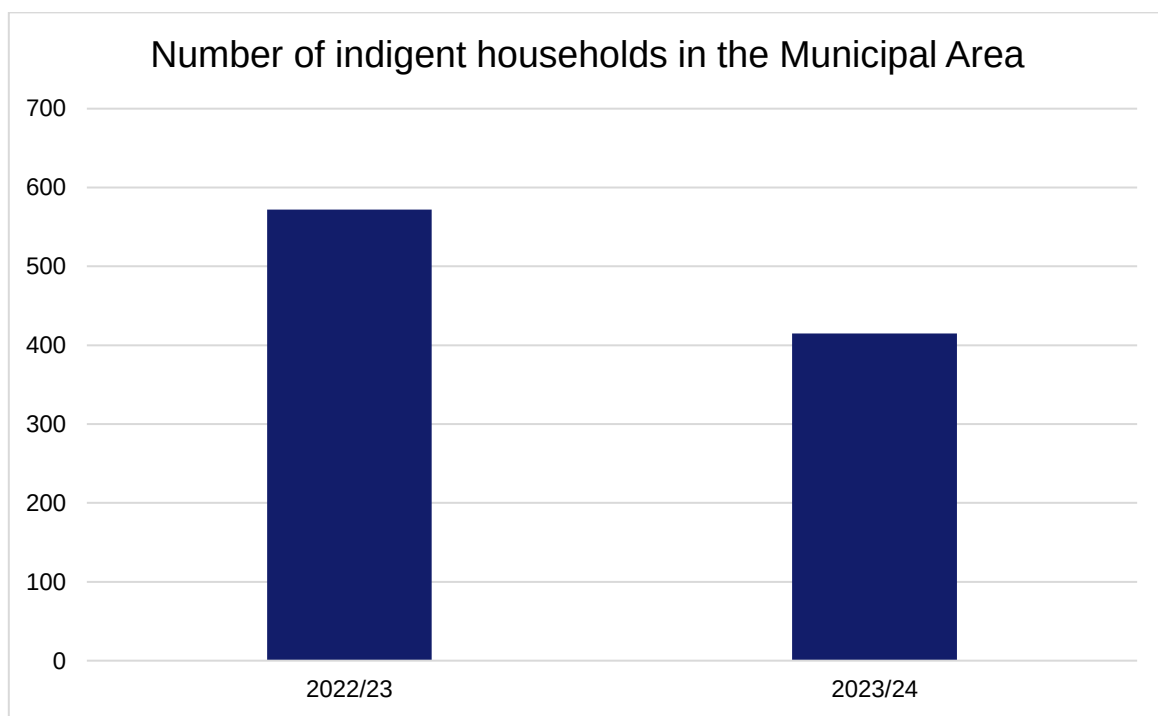
Table 1: Demographic Information of the Municipal Area – Total Population

1.3.2 Households

Households	2019/20	2020/21	2021/22	2022/23	2023/24
Number of households in the municipal area	2 862	2 862	2 862	3314	3314
Number of indigent households in the municipal area	784	653	546	572	415

Table 2: Total Number of Households

The graph below shows that the total number of indigent households decreased **from 572** households in the **2022/23** financial year **to 415** households in the **2023/24** financial year:



1.3.3 Socio Economic Status

Financial Year	Housing Backlog	Unemployment Rate	Households with no Income	HIV/AIDS Prevalence 2010	Urban/rural household split
2022/23	914	20.2%	123 HH	1%	91%/9%
2023/24	944	20.3%	123HH	1%	91%/9%

Table 3: Socio-Economic Status

1.3.4 Demographic Information

a) Municipal Geographical Information

Laingsburg Local Municipality (LLM) is in the Central Karoo region of the Western Cape. It is the smallest Municipality in South Africa with a total population estimate of 11 582 with 3 314 households. The Municipality's main socio-economic challenges include the municipal inability to attract investors to the town, high unemployment and declining school enrolment. Agriculture has historically been the dominant sector in the region, but there has been strong growth in finance, insurance, real estate and business services which are linked to various sectors within the Laingsburg Municipality environment, including wholesale and retail, trade, catering, and accommodation.

The Municipality covers an area of approximately 8 800 square kilometres and the town of Laingsburg, 276 km from Cape Town, is the main centre which straddles the N1 National Road.

Historically, a village was established along the banks of the Buffels River in 1880, which was first called Buffalo, followed by Nassau and then Laingsburg. Thirty years ago, on Sunday 25th of January 1981, a devastating flood that laid Laingsburg waste, secured this Karoo town a permanent place on the map and in the history of South Africa. Within a few hours the whole town was under water (the water reached heights four times greater than any other flood over the previous two centuries). 104 Inhabitants lost their lives and 184 houses were destroyed.

b) Wards

The Municipality is structured into the following 4 wards:

Ward	Areas
1	Bergsig (Laingsburg)
2	Matjiesfontein and surrounding farms
3	Acacia Park, Central Town (Laingsburg) and Up to Faberskraal
4	Göldnerville (Laingsburg)

Table 4: Municipal Wards

Below is a map that indicates the municipal area in the Central Karoo District area:

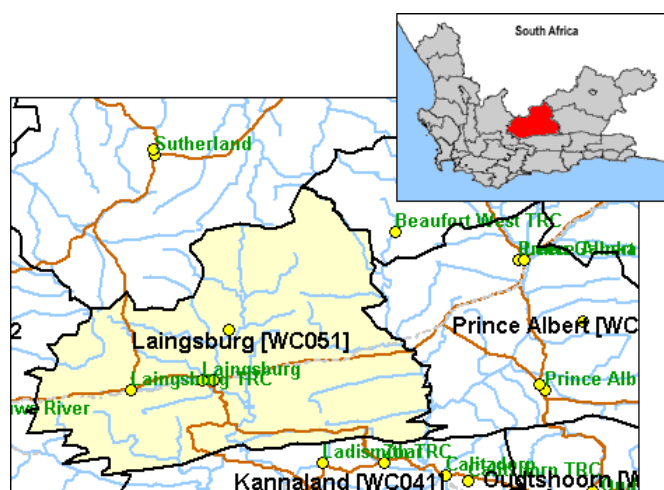


Figure 1.: Laingsburg Area Map

Laingsburg

This friendly, modern Karoo village, only 280 km from Cape Town, was almost destroyed by a huge flood only a century after it started. The town lies in a geologically fascinating area, steeped in history and tradition. It's a worthwhile and hospitable stop on the busy N1 highway through the Great Karoo.

The warm welcome that awaits tourists in Laingsburg dates to the mid-1700s. In those years' farmers along the banks of the Buffels River offered hospitality to adventurers brave enough to cross the mountains and venture out onto the arid plains of the Great Karoo. In exchange for news of Cape Town and the civilised world, as well as gossip garnered from other farms along the way, these isolated farmers of the interior offered accommodation, sustenance and fodder.

Many early officials and explorers, such as Barrow, Lichtenstein, De Mist and Swellengrebel, wrote of the people they met in what was later to become the district of Laingsburg. They described the Karoo as "awesome, hot, dry, and dusty. An inhospitable land peppered with friendly outspans veritable jewels in the desert."

At tiny homesteads dotted about on the vast plains' travellers found fresh, drinking water, safe outspans, "a true welcome, homely hospitality and a nourishing meal." Many wrote that "such comforts were offered by God-fearing but brusque men, their shy women and hordes of children."

Matjiesfontein

In 1884, young immigrant Scot, James Logan, purchased lands at "a place called Matjiesfontein", an insignificant railway halt in the depths of the Karoo. The Cape Government Railways had, by then, reached the Kimberley diamond fields, and - following Cecil Rhodes' vision of the "road to the North", his dream of a Cape to Cairo line - was extending into the Zambezi hinterland. Logan, whose meteoric rise was based on energetic and meticulous efficiency, had been awarded the government catering contract at Touws River, which lies within the vast spaces of the Karoo.

In those days, dining cars were unheard of, and - aware that travellers needed sustenance on those interminable journeys to the interior - Logan saw the potential of this remote Matjiesfontein halt. He had already found the Karoo air beneficial for his weak chest; and, entranced by the lunar majesty of the landscape, resigned his post and set about creating a village, seemingly in the depths of nowhere, which would make his fortune and become for many what John Buchan (remember "Prester John" and "The 39 Steps"?) would have recognised as a "Temenos" - a special place of the spirit.

Logan purchased the farm Matjiesfontein and, with his thoroughly commercial instincts, three others which possessed plentiful water. He created what an enthusiast describes as an "Oasis"; planted trees (inevitably including the ubiquitous pepper) and a garden; built his still-surviving residence, Tweedside Lodge; and established the famous Hotel Milner, which was conveniently completed in 1899, and shortly thereafter served as the Headquarters of the Cape Western Command.

By early 1899, Matjiesfontein had become a fashionable watering place, attracting those who could afford to seek relief for chest complaints in the clear, bright air, entertaining distinguished visitors, some of whom were more parasites than patrons. Lord Randolph Churchill is still remembered for "borrowing" a hunting dog which he never returned.

Olive Schreiner lived in her cottage here for five years and published the book "Story of an African Farm", which brought her instant fame and an income to last her a lifetime. Olive later became one of the first voices of feminism in South Africa. Today her small three-roomed cottage is a landmark in the village; Logan, a cricket fanatic, entertained most of the famous early teams

visiting the Colony. Rudyard Kipling, on his first call at the Cape, made a special journey inland specifically to visit her. During the Boer War, Matjesfontein supported a base hospital, and Logan offered five of his villas as convalescent homes for soldiers.

Virtually all the British Army commanders - Lord Roberts, Douglas Haig, after his post as Commander-in-Chief of the BEF in France, and Edmund Ironside (Chief of the Imperial General Staff, 1940) - stayed or were entertained in the Village. Edgar Wallace - ex-trooper, war correspondent, and thriller writer - sent his superb "Unofficial Despatches" from there.

All were celebrated in their time and, even now, some are still remembered.

Vleiland

There is a delightful short drive quite close to Laingsburg which offers some unbeatable mountain scenery. Follow the road past the railway bridge and drive to the small settlements of Vleiland and Rouxpos. Turn left and drive through the tiny, seemingly forgotten little village of Vleiland. It consists of little more than a post office and library which seem trapped in time. The road curves through this scenic historic spot and re-joins the main road. A little further along is a turn-off to the right which takes the tourist through the awe-inspiring scenery of the Rouxpos settlement area of tiny historic thatched farms. Again, the road curves along and meets the main road back to Laingsburg. This drive is truly a worthwhile experience.

If the tourist continues along the road from Vleiland he or she will reach the entrance to Seweweeks Poort. On the left, the road goes down the Bosluiskloof Pass, which is in excellent condition and is a fine example of early roads in the Karoo. Breath-taking scenery causes one to climb out of the car to take it all in. Photographers will take shots of seemingly endless vistas of undulating valleys. Nature lovers will notice a variety of wildlife including antelope and baboons and birds such as Brown-hooded Kingfishers, which keep drying areas of thorn bush and Rock Kestrels. This road ends at the Gamka Dam which is worth a visit.

If the traveller continues straight on with the gravel road into Seweweeks Poort he or she will be rewarded with 15 km of awe-inspiring mountain views. The level road winds on with high mountains towering over it, their slopes covered with indigenous trees and plants. Rock rabbits or dassies and other small game scurry over the road which crosses the Seweweeks Poort stream many times. In winter the mountain peaks may be covered with snow. Where the traveller meets the asphalt road at the tiny village of Amalienstein, he or she may turn right towards Ladismith and Montague or left to the Huis River Pass into Calitzdorp and on to Oudtshoorn.

c) Key Economic Activities

The Municipality is dependent upon the following economic activities according to the Western Cape Government Socio-economic Profile:

Key Economic Activities	Description
Services Sector (Community)	Community services, consisting mainly of government departments, made up 16.6% of Laingsburg's economic sector
Construction	Although the construction industry only makes up 5.2% of the economic activities of Laingsburg, this sector is growing again
Finance	The finance sector consists mainly of private sector businesses and services, which are the biggest contributors to the GDP of Laingsburg. The sector makes up around 3.8% of the economic sector of Laingsburg
Wholesale and Retail	This is the third largest sector in Laingsburg which contributes approximately 12.8% of the regional GDP. This sector includes the areas of catering and accommodation and showed a

Key Economic Activities	Description
	positive growth. The N1 national road running through the town is the main contributor to this growth
Agriculture	Agriculture is one of the main sectors providing employment opportunities in the Laingsburg region. Processing is seen as a major opportunity for employment creation as raw materials are currently being exported to neighbouring regions such as the Cape Winelands Districts in the Western Cape and Port Elizabeth in the Eastern Cape. Agriculture is also one of the leading economic contributors and makes up around 22.9% of the economic activities in the area
Transport	This sector accounts for 7.4% of the regional GDP. This is attributed to the road traffic traversing the N1 between Cape Town and Johannesburg. There is however concern that only a small portion of the population benefits from the business propelled by the traffic on the N1. This is directly related to all the current economic opportunities being concentrated on the N1. This is perceived to limit economic development in other sections of the town and thus promote skewed development
General Government	This sector contributes 20.5% of the economic activities of Laingsburg
Electricity, gas and water	This sector contributes 10.2% of the economic activities of Laingsburg

Table 5: Key Economic Activities

1.4 Service Delivery Overview

1.4.1 Basic Services Delivery Performance Highlights

Highlights	Description
The completion of the Matjiesfontein Waste water treatment works	This plant improved the municipal ability to deliver a reliable waste water service to the community of Matjiesfontein while protecting the environment for future generations
The Refurbishment of waste water pump stations	This upgrade ensures that the Laingsburg community gets an improved sanitation service and eliminates sewer spillages
Zoutkloof water augmentation	This project ensured the water supply to the community was reliable and consistent even during the peak season

Table 6: Basic Services Delivery Highlights

1.4.2 Basic Services Delivery Challenges

Service Area	Challenge	Actions to address
Waste management	Landfill site depleted	The municipality has applied for additional funding to assist with the combating of its challenges
Waste management	Illegal dumping by the community	
Water management	Community is wasteful in their water use	

Table 7: Basic Services Delivery Challenges

1.4.3 Proportion of Households with Access to Basic Services

Description	2022/23	2023/24
	%	
Electricity service connections	3187	3312
Water - available within 200 m of dwelling	3187	3312
Sanitation - Households with at least VIP service	93	93
Waste collection - kerbside collection once a week	3187	3312

Table 8: Households with Minimum Level of Basic Services

1.5 Financial Health Overview

1.5.1 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the Municipality's performance in terms of the **National Key Performance Indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the **National Key Performance Area namely Municipal Financial Viability and Management**.

KPA & Indicator	2022/23	2023/24
Financial viability measured in terms of the Municipality's ability to meet its service debt obligations at 30 June 2024 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	0%	0%
Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2024 [(Total outstanding service debtors/annual revenue received for services) x 100]	46.96%	40.23%
Financial viability is measured in terms of the available cash to cover fixed operating expenditure at 30 June 2024 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	0.6%	1.58%

Table 9: National KPI's for Financial Viability and Management

1.6 Organisational Development Overview

1.6.1 Municipal Transformation and Organisational Development Highlights

The highlights for municipal transformation and organisational development are as follows:

Description	Actions to address
HR Policies	All policies was reviewed and tabled to Council

Table 10: Municipal Transformation and Organisational Development Highlights

1.6.2 Municipal Transformation and Organisational Development Challenges

Description	Actions to address
Vacant posts	Critical posts were filled but still other vacancies needs to be filled

Table 11: Municipal Transformation and Organisational Development Challenges

1.7 Auditor-General Report

1.7.1 Audited Outcomes

Year	2020/21	2021/22	2022/23	2023/24
Opinion received	Qualified	Adverse	Adverse	Adverse

Table 12: Audit Outcomes

1.8 IDP/Budget Process 2023/24

The table below provides details of the key deadlines for the IDP/Budget process 2023/24:

Activity	Responsible person	Date
IDP Time Schedule	A. Abrahams	23 August 2023
Budget Process Plan	A. Groenewald	23 August 2023
Approved Draft 2023/24 IDP	Abrahams	29 March 2023
Approved Draft Budget 2023/24	Groenewald	29 March 2023
Submission of IDP and Budget to MEC, Provincial and National Treasury	A. Abrahams and A. Groenewald	31 March 2023
21 Days Public Comments on IDP and Budget	A. Abrahams and A. Groenewald	31 March -21 April 2023
IDP Roadshow	Mayor A. Kleinbooï	15-23 May 2023
Approved Final 2023/24 IDP	A. Abrahams	31 May 2023
Approved Final Budget 2023/24	A. Groenewald	31 May 2023
Submission of Final IDP and Budget to MEC, Provincial and National Treasury	A. Abrahams and A. Groenewald	31 May 2023
Service Delivery and Budget Implementation Plan (SDBIP) 2023/24	Mayor A. Kleinbooï	14 June 2023

Table 13: IDP/Budget Process

Chapter 2

Component A: Political and Administrative Governance

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

2.1 National Key Performance Indicators - Good Governance and Public Participation

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & Indicators	2022/23	2023/24
The percentage of the municipal capital budget actually spent on capital projects by 30 June 2023 [(Amount actually spent on capital projects/ Amount budgeted for capital projects) x100]	95%	95%

Table 14: National KPIs - Good Governance and Public Participation Performance

2.2 Performance Highlights - Good Governance and Public Participation

Highlights	Description
Ward Committees and the IDP.	Ward Committees and CDW's assist Municipal Officials in the IDP and Budget by mobilizing the community to attend Meetings, Roadshows and Imbizo's
Ward Committee Meetings	Ward Operational Plans are developed and the Ward Committee attendance rates are high in each ward
Performance Monitoring of Section 56/57 employees	Ward Committee members form part of the evaluation panel

Table 15: Good Governance and Public Participation Performance Highlights

2.3 Challenges - Good Governance and Public Participation

Description	Actions to address
Ward Councillor Report back meetings	It is difficult to call Community Meetings due to poor attendance, door-to-door campaigns with the assistance of CDW's and Ward Committee members were conducted. The municipality is also looking into other mechanisms to attract communities to attend meetings

Table 16: Good Governance and Public Participation Challenges

2.4 Governance Structure

2.4.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

a) Council

The Council comprise of 7 elected Councillors as of 30 June 2024, made up from 4 Ward Councillors and 3 Proportional Representation (PR) Councillors. The portfolio committees are made up of Councillors drawn from all political parties.

Below is a table that categorised the Councillors within their specific political parties and wards for the 2023/24 financial year:

Council Members	Capacity	Political Party
Councillor Amanda Kleinbooi	Executive Mayor	PA
Councillor Samuel Laban	Deputy Mayor	KDF
Councillor Mike Gouws	Speaker	ANC
Councillor Johanna Botha	Councillor	ANC
Councillor Aletta Theron	Councillor	DA
Councillor Lindi Potgieter	Councillor	DA
Councillor Juliet Pieterse	Councillor	DA

Table 17: Council 2023/24

Below is a table which indicates the Council meetings attendance for the 2023/24 financial year:

Meeting Dates	Council Meetings Attendance	Apologies for Non-Attendance
7 July 2023	General Council Meeting	0
18 July 2023	General Council Meeting	0
22 August 2023	Additional Agenda Meeting	0
26 October 2023	General Council Meeting	0
20 November 2023	Special Council Meeting	0
29 January 2024	General Council Meeting	0
29 February 2024	Council Budget Meeting	0
13 March 2024	Special Council Meeting	0
27 March 2024	Special Council Meeting	0
25 April 2024	General Council Meeting	0
4 June 2024	Council Budget Meeting	0
24 June 2024	General Council Meeting	0

Table 18: Council Meetings

b) Executive Mayoral Committee

Due to the size of the Municipality and its Council, there is no Mayoral Committee as it would not be practical.

c) Portfolio Committees

Below is a table which indicates the Portfolio Committee meetings attendance for the 2023/24 financial year

Portfolio Committee	Meeting dates	Apologies for non-attendance
MPAC meeting	13 September 2023	0
Council committee meeting	21 September 2023	0
MPAC meeting	21 November 2023	0
MPAC meeting	28 February 2024	0
MPAC meeting	12 June 2024	0

Table 19: Portfolio Committee Meetings

2.4.2 Administrative Governance Structure

The Municipal Manager is the Chief Accounting Officer of the Municipality. He/she is the head of the administration, and primarily must serve as chief custodian of service delivery and implementation of political priorities. He/she is assisted by his direct reporters, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		Yes/No
Alida Groenewald	Senior Manager Finance and Compliance services	Yes
John Komanisi	Senior Manager Infrastructure	Yes
Noeline Gouws	Manager Corporate services	Yes
Neil Hendrikse	Manager Community Services	Yes

Table 20: Administrative Governance Structure

Component B: Intergovernmental Relations

2.5 Intergovernmental Relations

2.5.1 Intergovernmental Structures

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

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Municipal Managers Forum	J. Booysen and A. Groenewald	Provincial planning, assistance and buy-in
CFO Forum	A. Groenewald and G. Bothma	Provincial planning, assistance and buy-in
Provincial Coordinating Forum	Mayor Kleinbooi, J. Booysen and A. Groenewald	Planning and developing of provincial programmes and projects
District Coordinating Forum	Mayor Kleinbooi, J. Booysen, A. Groenewald and J. Komanisi	District alignment, programmes and projects

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
District IDP Forums	A. Abrahams	District Planning
Provincial IDP Forums	A. Abrahams	Provincial Planning
IDP Indaba	J. Booysen, A. Groenewald, J. Komanisi, G. Bothma, N. Hendrikse, J. Mouton, A. Abrahams, W. Adams, N Gouws	Joint Planning
District Public Participation Forum and Communication Forum	A. Abrahams, W. Adams, k. Mokgobo S. Gouws, M. Walters, R. Pedro	Public Participation and Communication
Provincial Public Participation and Communication Forum	A. Abrahams, W. Adams, K. Mokgobo, S. Gouws, M. Walters, R. Pedro	Public Participation and Communication
District EPWP	J. Komanisi, J. Mouton, K. Mauries, L. Tshikhovi	Progress Reports, implementation, assistance and guidance
Provincial EPWP	J. Komanisi, J. Mouton	Progress Reports, implementation, assistance and guidance
ICT Forums	R. Pedro	ICT Initiatives, assistance and programmes
District LED Forums	W. Adams, M. Walters	Local Economic Development
Provincial LED Forums	W. Adams, M. Walters	Local Economic Development
SDF Forum	N. Gouws, P. Buys, J. Willemse, H. Jansen, J. Lottering	SDF assistance and guidance

Table 21: Intergovernmental Structures

2.5.2 Joint Projects and Functions with Sector Departments

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

Name of Project/Function	Expected Outcome/s of the Project	Sector Department/s Involved	Contribution of Sector Department
Improved Public Participation	Getting the community to participate and communicate in society and government programmes	DLG Laingsburg Municipality GCIS	Funding Technical Support
Review and Implementation of Community Safety Strategy	Functional Community Safety Forum. Alignment of strategy with NDP and PSP	DOCS SAPS Laingsburg Municipality	Technical Support Training Equipment

Table 22: Joint Projects and Functions with Sector Departments

Component C: Public Accountability and Participation

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

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

2.6.1 Public Meetings

The below table indicates the number of public meetings that were held for the year under review:

Nature and purpose of meeting	Date of events	Number of Community members attending
Ward 1 IDP Roadshow	23 May 2023	45
Ward 2 IDP Roadshow	22 May 2023	37
Ward 3 IDP Roadshow	18 May 2023	23
Ward 4 IDP Roadshow	15 May 2023	28

Table 23: Public Meetings

2.6.2 Ward Committees

The ward committees support the ward councillor who receives reports on development, participates in development planning processes, and facilitates wider community participation.

To this end, the Municipality constantly strives to ensure that all ward committees:

- function optimally with community information provision,
- convening of meetings,
- ward planning,
- service delivery and
- IDP formulation and performance feedback to communities

The Local Government Elections were held on 1 November 2022 and new Ward Committees were established in January 2023.

a) Ward 1: Bergsig (Laingsburg), Bo Dorp

Name of representative	Capacity representing	Dates of meetings held during the year
Councillor Juliet Pieterse	Chairperson	4 July 2023 1 August 2023 5 September 2023 3 October 2023
Johan Verrooi	Deputy Chair / Health	
Benjamin Horn	Business	
Ilse Harmse / Emerenthia Goliat	Elderly / Disabled	

Name of representative	Capacity representing	Dates of meetings held during the year
Ronelda Berg	Schools	7 November 2023
Fytjie Pietersen / Johannes Sas / Celeste Nel	Women / Safety	5 December 2023
Candice Buys	Youth	16 January 2024
Hestia de Bruyn / Lea Wagenstroom	Churches	6 February 2024
Mervyn Coakley	Merging Farmers	5 March 2024
Anna Maans	Secretary / Sport	2 April 2024
Beverley Vorster	Community Development Worker	7 May 2024
		4 June 2024

Table 24: Ward 1 Committee Meetings (1 July 2023 to 30 June 2024)

b) Ward 2: Matjiesfontein and Surrounding Farms

Name of representative	Capacity representing	Dates of meetings held during the year
Councillor Aletta Theron	Chairperson	14 July 2023
Katriena Mckeet	Secretary	10 August 2023
Lilly Witbooi	Elderly	7 September 2023
Ebrahiem Adams	Sport	5 October 2023
Antoinette Bothma	Deputy Chairperson	9 November 2023
Jacobus Stadler	Safety	27 November 2023
Susanna Maritz	Churches	29 January 2024
Katriena Bandjies	Women	22 February 2024
Kerneels Solomons	Youth	14 March 2024
Chantelle Alexander	Agriculture	15 April 2024
Gloria Coakley	Community Development Worker	22 May 2024
		25 June 2024

Table 25: Ward 2 Committee Meetings (1 January 2024 to 30 June 2024)

c) Ward 3: Bo Dorp, Nuwe Dorp and Acacia Park (Laingsburg)

Name of representative	Capacity representing	Dates of meetings held during the year
Councillor Lindi Potgieter	Chairperson	12 July 2023
Arthur Smith	Churches	23 August 2023
Tania Klansie	Youth	4 September 2023
Francis van Wyk	Disabled	2 October 2023
Rika Hendricks	Agriculture	1 November 2023
Martha Jantjies	Women	28 November 2023
Marlene Gibello	Secretary	23 January 2024
Anthony Smith	Schools	13 February 2024
Chantelle Buys	Businesses	4 March 2024
Elize Fisher	Sport	16 April 2024
Wayne Willemsse	Safety	8 May 2024
Colleen Jantjies	Community Development Worker	11 June 2024

Table 26: Ward 3 Committee Meetings (1 July 2023 to 30 June 2024)

d) Ward 4: Goldnerville (Laingsburg), Acacia Park (Laingsburg)

Name of representative	Capacity representing	Dates of meetings held during the year
Councillor Mike Gouws	Chairperson / Speaker	21 July 2023
Christiaan van der Westhuizen	Schools	17 August 2023
Jaqueline Loggenberg	Women	20 September 2023
Wilfred van Niekerk	Sport / Secretary	17 October 2023
Lewonia Jantjies	Disabled / Elderly	23 October 2023 (Community)
Tania Klansie	Taxes and Indigent Subsidy	21 November 2023
Sophia van Wyk	Churches	8 December 2023
Douglas Horn	Youth / Deputy Chair	18 January 2024
Dudley Grootboom	Safety	26 February 2024
Ricardo Louw	Labour	25 March 2024
Francina Hermanus	Community Development Worker	25 April 2024
		23 May 2024
		24 June 2024

Table 27: Ward 4 Committee Meetings (1 July 2023 to 30 June 2023)

2.6.3 Functionality of Ward Committees

The purpose of a ward committee is:

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

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

The table below provides information on the establishment of Ward Committees and their functionality:

Ward Number	Committee established	Number of meetings held during the year	Committee functioning effectively	Actions to address
1	Yes	12	Yes	Unemployment, Housing, Youth Facilities, Teenage Pregnancy, Early childhood development
2	Yes	12	Yes	Unemployment, Housing, Youth Facilities, Teenage Pregnancy, Early School Dropouts
3	Yes	12	Yes	Unemployment, Housing, Youth Facilities, Teenage Pregnancy, Early School Dropouts, Begging
4	Yes	12	Yes	Unemployment, Housing, Youth Facilities, Teenage Pregnancy, Skills Development, Substance Abuse

Table 28: Functioning of Ward Committees

2.6.4 Representative Forums

a) IDP Forum

The table below specifies the members of the IDP Forum for the 2023/24 financial year:

Name of representative	Capacity	Meeting dates
Simphiwo Piti	IDP Central Karoo District Municipality	21 September 2023 22 November 2023 29 February 2024
Mike Gouws	Ward Councillor / Speaker	
Anchill van Graan	Department of Justice	
Lindi Potgieter	Ward Councillor	
Juliet Pieterse	Ward Councillor	
Aletta Theron	Ward Councillor	
John Komanisi	Manager: Infrastructure	
Fezeka Stuurman	Cultiver Group	
Alida Groenewald	CFO	
Neil Hendrikse	Manager: Community Services	
Carmen Hendrikse	Department Home Affairs	
Sophia Stadler	Department Social Development	
Sgt. J. Rooi	South African Police Services	
Johanna Botha	Central Karoo District Mayor	
Sophia van Wyk	Churches / Neighbourhood watch	
Stephanie Williams	Roggeveld Windfarm	
Madre Walters	Laingsburg Municipality Tourism Official	
Willem Adams	Laingsburg Municipality: LED Official	
Amanda Kleinbooi	Laingsburg Municipality: Mayor	
Douglas Horn	LADAAG / Ward Committees	
Samuel Laban	Laingsburg Municipality Deputy Mayor	
Shireen Gouws	Thusong and NPO's	

Table 29: IDP Forum

Component D: Corporate Governance

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

2.7 Risk Management

In terms of Section 62 (1)(c)(i) of the MFMA states “the accounting officer of a municipality is responsible for managing the financial administration of the Municipality, and must for this purpose take all reasonable steps to ensure- that the Municipality has and maintains effective, efficient and transparent systems – of financial and risk management and internal control;”.

The table below includes the top 10 risks of the Municipality:

Risk	Department	Division
Lack of Contingency Plan to ensure continued service delivery in case of emergency to ensure continued supply of electricity services	Infrastructure Services	Electricity
Unauthorised Access to Information due to lack of up-to-date security of all System Software	Finance and Compliance Services	Information Technology
Inspections not adequately performed	Town Planning	Building Control
Ineffective implementation of Town Planning By-Laws	Town Planning	Building Control
Unauthorised/ Invalid Changes to Programs	Finance and Compliance Services	Information Technology
Safety of Traffic Officers	Community Services	Traffic and Law Enforcement
Vacancies not timely filled	Corporate Services	Human Resources
Completed houses not transferred to beneficiary's name at the Deeds Office	Corporate Services	Housing
Over-dependency on the Contractor appointed for electrical work	Infrastructure Services	Electricity
Pandemic Business Continuity Risks	Strategic	All

Table 30: Top Ten Risks

2.8 Anti-Corruption and Anti-Fraud

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

2.8.1 Developed Strategies

Name of strategy	Developed Yes/No	Date Adopted
Anti-corruption Strategy	Yes	2011
Fraud Prevention Strategy	Yes	2017

Table 31: Anti-Corruption & Fraud Prevention Strategies

2.9 Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

- (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the Municipality, on matters relating to –
- internal financial control;
 - risk management;
 - performance management; and
 - effective governance

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

2.9.1 Functions of the Audit Committee

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

2.9.2 Members of the Audit Committee

Name of representative	Capacity	Meeting dates
Wynne Phillips	Audit Committee Chairman	30 August 2023
Sam Ngwevu	Audit Committee Member	22 November 2023
Marius Andrews	Audit Committee Member	22 December 2023
Simon Qwina	Audit Committee Member	22 March 2024
		30 April 2024
		28 June 2024

Table 32: Members of the Audit Committee

2.10 Performance Audit Committee

The Municipal Planning and Performance Management Regulation require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a Councillor nor an employee) of the Municipality. Section 14(2)(b) of the Municipal Planning and Performance Management Regulation further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the council of a municipality designate neither a member of the performance audit committee who is neither a councillor nor an employee of the Municipality as the chairperson of the committee.

In terms of Section 166(4)(a) of the MFMA, an audit committee must consist of at least three persons with appropriate experience, of whom the majority may not be in the employ of the Municipality.

Section 166(5) of the MFMA, requires that the members of an audit committee must be appointed by the council of the Municipality. One of the members, not in the employ of the Municipality, must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of a performance audit committee entirely.

In accordance with the requirements of Section 14(2)(e) of the Regulations, if the chairperson is absent from a specific meeting of the committee, the members present must elect a chairperson from those present to act as chairperson for that meeting.

Further, Section 14(2)(f) of the Regulations provides that, in the event of a vacancy occurring amongst the members of the performance audit committee, the Municipality concerned must fill that vacancy for the unexpired portion of the vacating member's term of appointment.

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

a) Functions of the Performance Audit Committee

In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

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

b) Members of the Performance Audit Committee

Name of representative	Capacity	Meeting dates
Mr. Wayne Phillips	Audit Committee Chairman	AC assumes the role of Performance Audit Committee
Mr. Marius Andrews	Audit Committee Member	
Mr. Sam Ngwevu	Audit Committee Member	

Name of representative	Capacity	Meeting dates
Mr. Simon Qwina	Audit Committee Member	

Table 33: Members of the Performance Audit Committee

2.11 Internal Auditing

Section 165 (2)(a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk-based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
 - (i) internal audit;
 - (ii) internal controls;
 - (iii) accounting procedures and practices;
 - (iv) (iv) risk and risk management;
 - (v) performance management;
 - (vi) loss control; and
 - (vii) compliance with this Act, the annual DoRA and any other applicable legislation
- (c) perform other duties as may be assigned to it by the accounting officer.

Below are the functions of the Internal Audit Unit that were performed during the financial year under review:

Function	Date/Number
Annual Financial Statements (AFS) Review	No review (due to late submission)
Quarterly Performance Information Assessment – Quarter 1	None
Quarterly Performance Information Assessment – Quarter 2	None
Quarterly Performance Information Assessment – Quarter 3	None
Quarterly Performance Information Assessment – Quarter 4	None
Expenditure	None
Division of Revenue Act (DORA) Audit	Terminated
SCM: Contract Management	None
SCM: Deviations	None

Table 34: Functions of the Internal Audit Unit

2.12 By-Laws and Policies

Section 11 of the MSA gives a council the executive and legislative authority to pass and implement by-laws and policies. Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation conducted prior to the adoption of the policy Yes/No
Disaster Management Policy	April 2024	No

Table 35: By-laws and Policies 2023/24

2.13 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of **Batho Pele** and this, in simple terms, means that those we elect to represent us (Councillors at Municipal level) and those who are employed to serve us (the Municipal Officials at Municipal level) must always put people first in what they do.

The table below details the communication activities of the Municipality:

Communication activities	Yes/No
Communication Unit	Yes
Communication Strategy	Yes
Communication Policy	Yes
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters	Yes (Bi-annually)

Table 36: Communication Activities

2.14 Website

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

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

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

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

Description of information and/or document	Yes/No and/or Date Published
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	No
Financial Information (Sections 53, 75, 79 and 81(1) of the Municipal Finance Management Act)	
Draft Budget 2023/24	Yes
Adjusted Budget 2023/24	Yes
SDBIP 2023/24	Yes
Budget and Treasury Office Structure	No
Budget and Treasury Office delegations	No
Integrated Development Plan and Public Participation (Section 25(4)(b) of the Municipal Systems Act and Section 21(1)(b) of the Municipal Finance Management Act)	
Reviewed IDP for 2023/24	Yes
IDP Process Plan 2023/24	No
SCM contracts above R30 000	No
Reports (Sections 52(d), 71, 72 & 75(1)(c) and 129(3) of the Municipal Finance Management Act)	
Annual Report of 2023/24	No
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
Local Economic Development (Section 26(c) of the Municipal Systems Act)	
Local Economic Development Strategy	No

Table 37: Website Checklist

2.15 Supply Chain Management

The Supply Chain Management Policy of the Laingsburg Municipality is deemed to be fair, equitable, transparent, competitive and cost-effective as required by Section 217 of the Constitution.

2.15.1 Competitive Bids in Excess of R200 000

a) Bid Committee Meetings

The following table details the number of bid committee meetings held for the 2023/24 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
16	17	21

Table 38: Bid Committee Meetings

The attendance figures of members of the Bid Specification Committee are as follows (whether or not a user department attends the Bid Specification Committee meeting depends on their need):

Member	Attendance %
Alida Groenewald	38
Anthonico Quinn	100
Antoinette v/d Merwe	13
Gert Bothma	19
Johan Mouton	56
John Komanisi	88
Keith Gertse	100
Lusani Tshikovhi	44
Neil Hendrikse	19
Noeline Gouws	13
Realdo Pedro	19

Table 39: Attendance of Members of the Bid Specification Committee

The attendance figures of members of the bid evaluation committee are as follows:

Member	Attendance %
Anthonico Quinn	12
Antoinette v/d Merwe	6
Arthur Abrahams	88
Elbenice Hermanus	12
Gaylord Pharo	24
Johan Mouton	65
Lusani Tshikovhi	65
Odette Noble	100
Realdo Pedro	18

Table 40: Attendance of Members of the Bid Evaluation Committee

The attendance figures of members of the bid adjudication committee are as follows:

Member	Attendance %
Alida Groenewald	100
Gert Bothma	81
John Komanisi	100
Neil Hendrikse	90
Keith Gertse	100

Table 41: Attendance of Members of the Bid Adjudication Committee

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.

b) Awards Made by the Bid Adjudication Committee

The highest bids awarded by the bid adjudication committee are the following:

Bid Number	Date of award	Title of bid	Successful Bidder	Value of bid awarded
T05 - 2022/23	10 July 2023	Supply and Delivery of High-Security Locks and Keys	Patch Industrial Supplies and Consulting (Pty) Ltd	Rates Contract
T07 - 2022/23	01 August 2023	The Compilation of the General Valuation Roll and Supplementary Rolls and Maintenance thereof for the financial years 01 July 2024 to 30 June 2029	DDP Property Valuers (Pty) Ltd	R999 215.00
T09 - 2022/23	25 August 2023	The Supply and Installation of Aerators at Laingsburg Wastewater Treatment Works	Lektratek Water Technology (Pty) Ltd	R1 447 832.42
T01 - 2023/24	10 October 2023	Replacement of existing water tower in Matjiesfontein	CJL Roads and Infrastructure (Pty) Ltd	R3 241 280.55
T02 - 2023/24	18 October 2023	Refurbishment of sewer pump stations in Laingsburg	Guerrini Marine Construction cc	R7 489 297.38
T03 - 2023/24	05 December 2023	Lease of Municipal Building (Erf 1647)	Pietersbult Wynverspreiders (Edms) Bpk	R18 400.00 pm
T06 - 2023/24	10 January 2024	Drilling and refurbishment of boreholes	Steyns Drilling cc	Rates Contract
T07 - 2023/24	26 March 2024	Professional services for the planning and implementation of integrated human settlements projects	EAS WC (Pty) Ltd	Rates Contract
T11 - 2023/24	26 March 2024	Supply and Installation of Back-Up Hosting Servers	Munsoft (Pty) Ltd	R611 705.70
T09 - 2023/24	03 June 2024	Provision of accounting support services for a period of three (3) years	Mubeko Africa (Pty) Ltd in consortium with Tsholo Consulting Solutions (Pty) Ltd	R6 802 637.00
T10 - 2023/24	20 May 2024	Construction of Bergsig Sports Facility Phase One	Umzali Civils (Pty) Ltd	R8 888 993.79
T12 - 2023/24	24 June 2024	Supply, delivery, installation and commissioning of prepaid vending solution	Utilities World (Pty) Ltd	Rates Contract
T14 - 2023/24	26 June 2024	Supply, delivery, installation, maintenance and financing of office automation equipment	Boland Kantoortoerusting cc	Rates Contract

Table 42: The Highest Bid Awarded by the Bid Adjudication Committee

c) Awards Made by the Accounting Officer

The award was made by the Accounting Officer for Tender T08 - 2023/24 to JVZ Construction (Pty) Ltd to the amount of R20 323 172.55.

d) Appeals Lodged by Aggrieved Bidders

Two (2) appeals were lodged during the 2023/24 financial year.

2.15.2 Deviation from Normal Procurement Processes

Reason for deviation	Number of deviations	Value of deviations	Percentage of total deviations value
Where it can be demonstrated that goods or services are produced or available from a single provider only;	1	R11 507.38	5
In any other exceptional case where it is impractical or impossible to follow the official procurement processes.	4	R198 614.84	95
Total	5	R210 122.22	100

Table 43: Details of Deviations for Procurement Services

2.16 B-BBEE Compliance Performance Information

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

2.16.1 Management Control

Category	Race Classification	Gender	Disability
Senior Management	African= 1 Coloured = 3 Indian White = 1	Male = 3 Female = 2	N/A

Table 44: Management Control – B-BBEE

2.16.2 Skills Development

Category	Number	Race Classification	Gender	Disability
Black employees	6	African	Male – 5 Female - 1	None
Black non-employees	0	0	0	0
Black people on internships, apprenticeship, learnership	1	African	Female - 1	0
Unemployed black people on any programme under the learning programme matrix	0	0	0	0
Black people absorbed at end of internships, apprenticeship, learnership	1	African	Male - 1	0

Table 45: Management Control – B-BBEE

2.16.3 Enterprise and Supplier Development

Enterprise and supplier development statistics is not available for the year under review. To obtain this data, the Municipality would need to engage a B-BBEE verification agency to conduct an assessment in accordance with the B-BBEE Codes of Good Practice.

As soon as the Municipality will have the funding for the service, the data will be provided in the Annual Report.

Chapter 3: Service Delivery Performance

3.1 Overview of Performance Within the Organisation

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At the local government level performance management is institutionalised through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The Constitution of S.A (1996), Section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195 (1) are also linked with the concept of performance management, concerning the principles of inter alia:

- the promotion of efficient, economic and effective use of resources;
- accountable public administration;
- to be transparent by providing information;
- to be responsive to the needs of the community; and
- to facilitate a culture of public service and accountability amongst staff

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the Municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

The Municipality adopted a Performance Management and Development System Framework that was approved by Council in 2024.

3.1.1 Legislative Requirements

In terms of Section 46(1)(a) a municipality must prepare for each financial year a performance report reflecting the Municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities, the performance targets set by the Municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.2 Organisation Performance

Strategic performance indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer SDBIP, performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA and an overall summary of performance on municipal services.

3.1.3 The Performance System Followed For 2023/24

a) The IDP and the Budget

The IDP and the budget for 2023/24 was approved by Council on **31 May 2023**. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management, in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

b) The Service Delivery Budget Implementation Plan

The organisational performance is evaluated using a municipal scorecard (Top Layer SDBIP) at the organisational level.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the Municipality are implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget. The Top Layer SDBIP was approved by the Executive Mayor on **14 June 2023**.

The Top Layer SDBIP was revised with the adjustments budget in terms of Section 26(2)(c) of the Municipal Budget and Reporting Regulations and approved by the Council on **29 February 2024**. The following were considered in the development of the amended Top Layer SDBIP:

- Areas to be addressed and root causes of the Auditor-General management letter, as well as the risks identified during the 2022/23 audit
- Alignment with the IDP, National KPA's, Municipal KPA's and IDP objectives
- Alignment with the Adjustments Budget
- Oversight Committee Report on the Annual Report of 2022/23
- The risks identified by the Internal Auditor during the municipal risk analysis

c) Actual Performance

The Municipality utilises an electronic web-based system on which KPI owners update actual performance monthly. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- the actual result in terms of the target set;
- a performance comment;

- actions to improve the performance against the target set if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results.

3.2 Introduction to Strategic and Municipal Performance For 2023/24

3.2.1 Strategic Service Delivery Budget Implementation Plan (Top Layer)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the strategic achievement of the Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents (IDP, budget and performance agreements).

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the IDP (strategic) objectives.

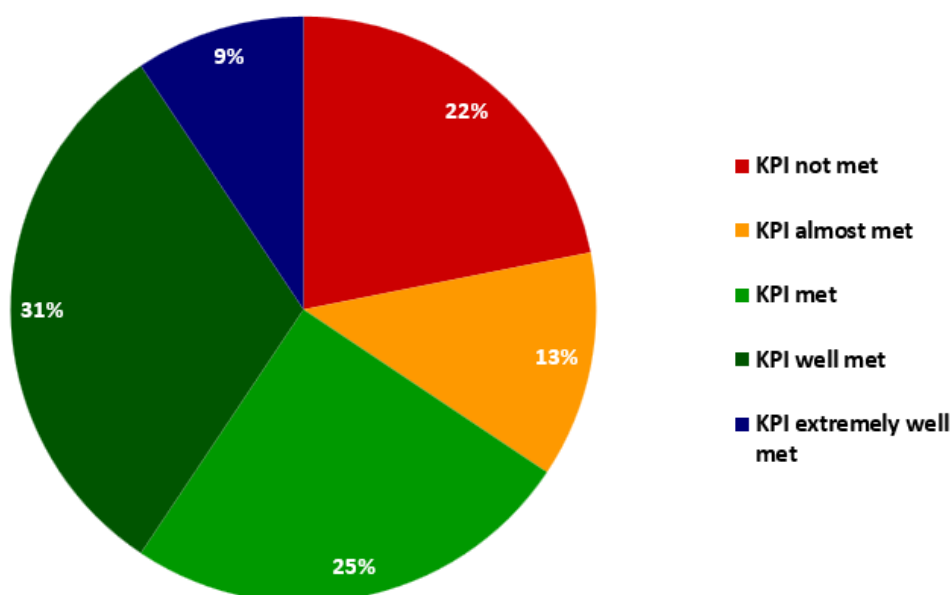
The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP is measured:

Category	Colour	Explanation
KPI Not Yet Measured	N/A	KPI's with no targets or actuals in the selected period
KPI Not Met	R	0% > = Actual/Target < 75%
KPI Almost Met	O	75% > = Actual/Target < 100%
KPI Met	G	Actual/Target = 100%
KPI Well Met	G2	100% > Actual/Target < 150%
KPI Extremely Well Met	B	Actual/Target > = 150%

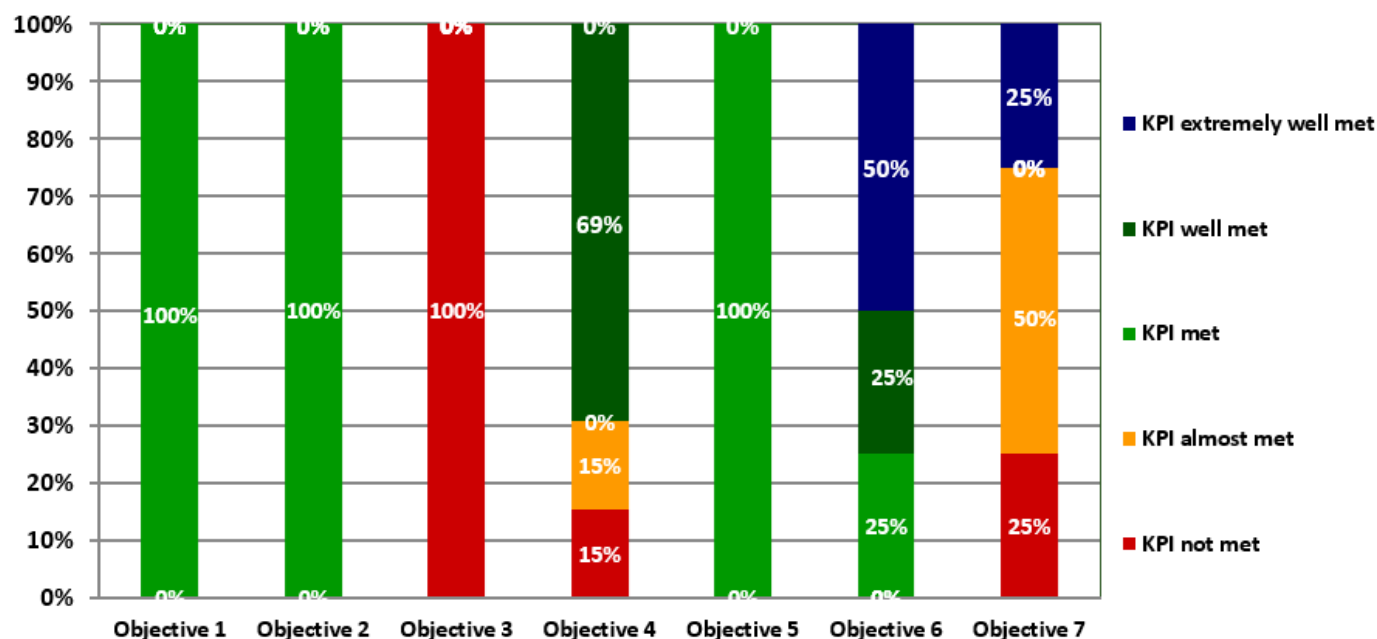
Figure 2.: SDBIP Measurement Categories

The graph below displays the overall performance per Strategic Objective for 2023/24:

Overall Performance



Performance per Objective



Graph 1.: Top Layer SDBIP per Strategic Objective

	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Objective 7
Measurement Category	Developing a safe, clean, healthy and sustainable environment for communities	Promote Local Economic Development	Improve the living environment of all people in Laingsburg	Provision of infrastructure to deliver improved services to all residents and business	To create an institution with skilled employees to provide a professional service to its clientele guided by Municipal Values	To achieve financial viability in order to render affordable services to residents	Effective maintenance and management of municipal assets and natural resources
KPI Not Met	0	0	4	2	0	0	1
KPI Almost Met	0	0	0	2	0	0	2
KPI Met	1	1	0	0	5	1	0
KPI Well Met	0	0	0	9	0	1	0
KPI Extremely Well Met	0	0	0	0	0	2	1
Total	1	1	4	13	5	4	4

Table 46: Top Layer SDBIP per Strategic Objective

a) Developing a safe, clean, healthy and sustainable environment for communities

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL20	Review the Disaster Management Plan	Reviewed Disaster Management Plan	All	0	0	0	1	0	1	1	G

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
	and submit to Council by 31 March 2024	submitted to Council by 31 March 2024									

Table 47: Top Layer SDBIP – Developing a safe, clean, healthy, and sustainable environment for communities

b) Promote Local Economic Development

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL16	Create job opportunities through EPWP and LED projects by 30 June 2024	Number of job opportunities created by 30 June 2024	All	160	0	0	0	160	160	160	G

Table 48: Top Layer SDBIP – Promote local economic development

c) Improve the living environment of all people in Laingsburg

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL8	Provide free 50kWh electricity to indigent households as at 30 June 2024	Number of households receiving free basic electricity	All	411	456	456	456	456	456	334	R
Corrective Measures			Senior Manager: Finance and Administration: Due to more job creation during this period less households applied for indigency								
TL9	Provide free 6kl water to indigent households as at 30 June 2024	Number of households receiving free basic water	All	464	580	580	580	580	580	407	R
Corrective Measures			Senior Manager: Finance and Administration: Depends on applications received targets might be adjusted or revised								
TL10	Provide free basic sanitation to indigent households as at 30 June 2024	Number of households receiving free basic sanitation services	All	458	580	580	580	580	580	405	R
Corrective Measures			Senior Manager: Finance and Administration: More jobs created, target needs revision								
TL11	Provide free basic refuse removal to indigent households as at 30 June 2024	Number of households receiving free basic refuse removal services	All	470	580	580	580	580	580	415	R
Corrective Measures			Senior Manager: Finance and Administration: Due to lower renewals and applications target was not reached, needs revision								

Table 49: Top Layer SDBIP – Improve the living environment of all people in Laingsburg

d) Provision of infrastructure to deliver improved services to all residents and business

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL4	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2024	Number of residential properties which are billed for electricity or have prepaid meters (Excluding Eskom areas) as at 30 June 2024	All	865	896	896	896	896	896	866	O
Corrective Measures			Senior Manager: Finance and Administration: Connections needs to be assessed and revised								
TL5	Number of formal residential properties that receive piped water (credit and prepaid water metering) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2024	Number of residential properties which are billed for water	All	1363	1 336	1 336	1 336	1 336	1 336	1 379	G2
TL6	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2024	Number of residential properties which are billed for sewerage	All	1313	1 294	1 294	1 294	1 294	1 294	1 327	G2
TL7	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2024	Number of residential properties which are billed for refuse removal	All	1360	1 341	1 341	1 341	1 341	1 341	1 373	G2
TL18	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2024 [(Amount actually spent on capital projects/ Amount budgeted for capital projects)x100]	% of capital budget spent on capital projects	All	95%	15.00%	40.00%	60.00%	95.00%	95.00%	96.00%	G2
TL25	95% of the approved project budget spent on the refurbishment of pump stations in Southkloof and Bergsig by 30 June 2024	% of budget spent by 30 June 2024	All	New KPI for 2023/24	15.00%	40.00%	60.00%	95.00%	95.00%	100.00%	G2

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
	[(Actual expenditure divided by the total approved project budget) x 100]										
TL26	95% of the approved project budget spent on the rising water main from the south in Laingsburg (Phase 2) by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2024	All	New KPI for 2023/24	15.00%	40.00%	60.00%	95.00%	95.00%	20.00%	R
Corrective Measures			Manager: Infrastructure Services: Project in EIA phase								
TL27	95% of the approved project budget spent on the new main pump station in Laingsburg by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2024	All	New KPI for 2023/24	15.00%	40.00%	60.00%	95.00%	95.00%	100.00%	G2
TL28	95% of the approved project budget spent on the replacement of the elevated water tower in Matjiesfontein by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2024	All	New KPI for 2023/24	15.00%	40.00%	60.00%	95.00%	95.00%	72.00%	O
Corrective Measures			Manager: Infrastructure Services: Report saving to DWS								
TL29	95% of the approved project budget spent on new sanitation infrastructure in Matjiesfontein by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2024	All	New KPI for 2023/24	15.00%	40.00%	60.00%	95.00%	95.00%	98.00%	G2
TL30	95% of the approved project budget spent on new bridges in Göldnerville by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2024	All	New KPI for 2023/24	15.00%	40.00%	60.00%	95.00%	95.00%	30.00%	R
Corrective Measures			Manager: Infrastructure Services: Project in EIA phase								
TL31	95% of the approved project budget spent on the new	% of budget spent by 30 June 2024	All	New KPI for 2023/24	15.00%	40.00%	60.00%	95.00%	95.00%	100.00%	G2

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
	stormwater infrastructure in Matjiesfontein by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]										
TL32	95% of the approved project budget spent on the new Bergsig Sport Field by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2024	All	New KPI for 2023/24	15.00%	40.00%	60.00%	95.00%	95.00%	100.00%	G2

Table 50: Top Layer SDBIP – Provision of infrastructure to deliver improved services to all residents and business

e) To create an institution with skilled employees to provide a professional service to its clientele guided by Municipal Values

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL1	Limit the vacancy rate to less than 5% of budgeted posts by 30 June 2024 [(Number of posts filled/Total number of budgeted posts) x 100]	% vacancy rate of budgeted posts by 30 June 2024	All	0%	0.00%	0.00%	0.00%	5.00%	5.00%	5.00%	G
TL2	The percentage of the Municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2024 [(Actual amount spent on training/total operational budget) x 100]	% of the Municipality's personnel budget on implementing its workplace skills plan by 30 June 2024	All	0%	0.00%	0.00%	0.00%	0.40%	0.40%	0.40%	G
TL15	The number of people from employment equity target groups employed (to be appointed) by 30 June 2024 in the three highest levels of management in compliance with the equity plan	Number of people employed (to be appointed) by 30 June 2024	All	0	0	0	0	0	0	0	G
TL17	Develop a Risk Based Audit Plan for 2024/25 and submit	RBAP submitted to the Audit Committee by 30 June 2024	All	1	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
	to the Audit Committee for consideration by 30 June 2024										
TL19	Develop and distribute at least two municipal newsletters by 30 June 2024	Number of municipal newsletters developed and distributed	All	2	0	1	0	1	2	2	G

Table 51: Top Layer SDBIP – To create an institution with skilled employees to provide a professional service to its clientele guided by Municipal Values

f) To achieve financial viability in order to render affordable services to residents

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL3	Achieve a debtor payment percentage of 75% by 30 June 2024 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100]	% debtor payment achieved	All	0%	0.00%	0.00%	0.00%	75.00%	75.00%	96.57%	G2
TL12	Financial viability measured in terms of the municipality's ability to meet its service debt obligations at 30 June 2024 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue -Operating Conditional Grant) x 100]	Debt coverage ratio as at 30 June 2024	All	0%	0.00%	0.00%	0.00%	45.00%	45.00%	45.00%	G
TL13	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2024 [(Total outstanding service debtors/annual revenue received for services)x 100]	% outstanding service debtors at 30 June 2024	All	0%	0.00%	0.00%	0.00%	80.00%	80.00%	40.30%	B
TL14	Financial viability measured in terms of	Cost coverage ratio as at 30 June 2024	All	0%	0	0	0	0.35	0.35	1.58	B

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
	the available cash to cover fixed operating expenditure at 30 June 2024 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]										

Table 52: Top Layer SDBIP – To achieve financial viability in order to render affordable services to residents

g) Effective maintenance and management of municipal assets and natural resources

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL21	Limit the % electricity unaccounted for to less than 10% by 30 June 2024 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased] × 100]	% electricity unaccounted for by 30 June	All	15%	0.00%	0.00%	0.00%	10.00%	10.00%	12.00%	R
Corrective Measures			Manager: Infrastructure Services: Will verify during assessment								
TL22	Limit unaccounted for water to less than 30% by 30 June 2024 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100]	% of water unaccounted	All	32%	0.00%	0.00%	0.00%	30.00%	30.00%	23.00%	B
TL23	95% of water samples comply with SANS241 [(Number of water samples that comply with SANS241 indicator (e-coli)/Number of water samples tested) × 100]	% of water samples compliant	All	95%	0.00%	0.00%	0.00%	95.00%	95.00%	90.00%	O
Corrective Measures			Manager: Infrastructure Services: Reservoir cleaned and pump levels adjusted								

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2022/23	Target					Overall performance for 2023/24	
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL24	95% of effluent samples comply with permit values in terms of SANS 242 by 30 June 2024 [(Number of effluent samples that comply with permit values (suspended solids)/Number of effluent samples tested) x 100]	% of effluent samples compliant	All	60%	0.00%	0.00%	0.00%	95.00%	95.00%	90.00%	O
Corrective Measures			Manager: Infrastructure Services: New WwTW built								

Table 53: Top Layer SDBIP – Effective maintenance and management of municipal assets and natural resources

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

Service provider means a person or institution or any combination of persons and institutions which provide a municipal service

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

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- the performance of each service provider
- a comparison of the performance with targets set for and performances in the previous financial year; and
- measures taken to improve performance
- measures taken to improve performance

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

3.2.3 Municipal Functions

a) Analysis of functions

The municipal functional areas are as indicated below:

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

Municipal Function	Municipal Function Yes / No
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 54: Functional Areas

3.3 Component A: Basic Services

3.3.1 Water Services

a) Introduction to Water Services

Laingsburg's main water supply comes from the municipal farm Southkloof Fountain with additional water sources of Southkloof pit, Southkloof borehole, 2 boreholes at Buffels River and a borehole in town.

The Municipality is both the water services authority (compliance) and the water service provider (function) in the municipal area. This allows for proactive problem-solving. The Municipality generally meets its compliance targets set by the Water Act for portable water and has achieved a high compliance rate for the past financial year; this means that the water is safe for human consumption within our municipal area.

The Municipality also observed positive changes to weather patterns over the municipal catchment area showing recovery from the long gripping drought that crippled water supply not just to the community but also to the agricultural economy.

b) Highlights: Water Services

Highlights	Description
The winter rains were great this year and the region also received snow on the mountain caps that will assist through the summer in replenishing the raw water sources	The region is a summer rain region and winter rains are scarce. The winter rains received will assist in raising the underground water table and will result in reduced stress on the raw water system
Additional water sources that were drilled over the year will also assist in creating a buffer for the municipality	The additional boreholes will enable the municipality to have a diverse number of holes to use that will also result in less stress on the boreholes

Table 55: Water Services Highlights

c) Challenges: Water Services

Description	Actions to address
Funding and collection of water revenue is a problem and this has been highlighted by the fact that the prepaid water meters are starting to fail and needs to be replaced	Funding was received to buy new meters in the following financial year and the water was increased above inflation to close the gap of under-collection

Table 56: Water Services Challenges

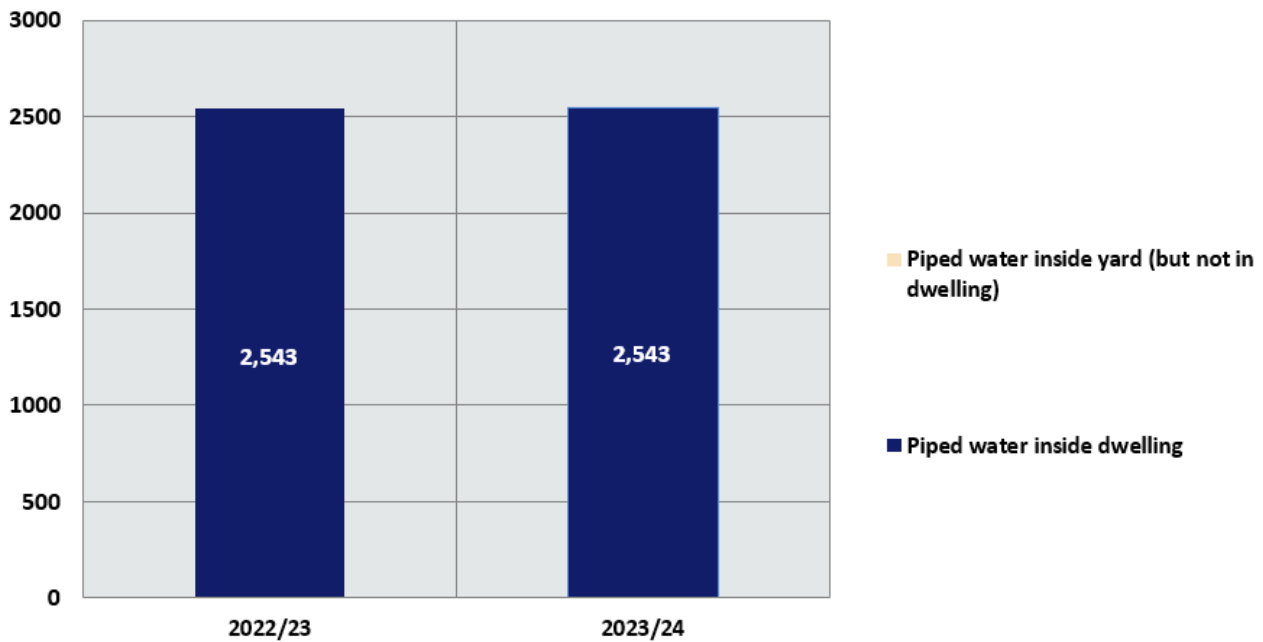
d) Water Service Delivery Levels

The table below specifies the different water service delivery levels per household for the financial years 2022/23 and 2023/24 in the areas in which the Municipality is responsible for the delivery of the service:

Water Service Delivery Levels		
Households		
Description	2022/23	2023/24
	Actual	Actual
	No.	No.
<u>Water: (above min level)</u>		
Piped water inside dwelling	2 543	2 543
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	0	0
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	2 543	2 543
Minimum Service Level and Above Percentage	100	100
<u>Water: (below min level)</u>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households	2 543	2 543
<i>Include informal settlements</i>		

Table 57: Water Service Delivery Levels: Households

Water Service Delivery Levels



Graph 2.: Water Service Delivery Levels

e) Employees: Water Services

Employees: Water Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	3	3	3	0	0
4 – 6	1	1	1	0	0
7 - 9	3	3	3	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	7	7	7	0	0

Table 58: Employees: Water Services

3.3.2 Wastewater (Sanitation) Provision

a) Introduction to Wastewater (Sanitation) Provision

The basic functions of the Wastewater Section (Sanitation) are to upgrade existing sewerage infrastructure (as to meet future requirements), extend the network (provide a higher level of service to consumers) and maintain the existing network (ensure

adequate rehabilitation and maintenance). The upgrade of existing reticulation is planned in terms of priorities as determined in the IDP, by Council and Civil Engineering Services.

With the regulated segregation of functions between WSA (Compliance) and WSP (Engineering). Wastewater Management function is divided into two main units being the Sewage Collection and Conveyance (Sanitation Services), which resides with the WSP function (Engineering). This unit consists of:

- Outfall Sewer Operations and Maintenance
- Sewer Pump Stations and
- Sewer Collection System.

Wastewater Treatment, which is under the WSA management (Compliance). There are two (2) Wastewater treatment works (WWTW) in Laingsburg municipal area:

- Laingsburg WWTW
- Matjiesfontein WWTW

Generally, the condition of wastewater management infrastructure is good to fair in some areas with old infrastructure. The Municipality has invested, and still investing in the improvement of the infrastructure to realise its goals. The minimum requirements in terms of basic sanitation services delivery are generally met, but challenges still exist with the pump stations and the Municipality is investing in the refurbishment and upgrade of all pump stations with Matjiesfontein now boasting with a new pump station.

b) Highlight: Wastewater (Sanitation) Provision

Highlights	Description
Replacement of elevated water tower in Matjiesfontein	This project will ensure that the water distributed in Matjiesfontein is of a very high and clean standard as the old tank was open and rusted.
Installation of new aerators at Laingsburg WWTW	This project will ensure that the wastewater is treated to a standard that is acceptable to be released back into the environment.
Upgrade of the sewer pump stations	The pump stations will assist in reducing the risk of spillage into the environment

Table 59: Wastewater (Sanitation) Provision Highlight

c) Challenge: Wastewater (Sanitation) Provision

Description	Actions to address
The honey sucker is old and needs to be replaced	The municipal honey sucker is old and needs to be replaced as it is used to serve the rural communities and when the pump stations are out of service.

Table 60: Wastewater (Sanitation) Provision Challenge

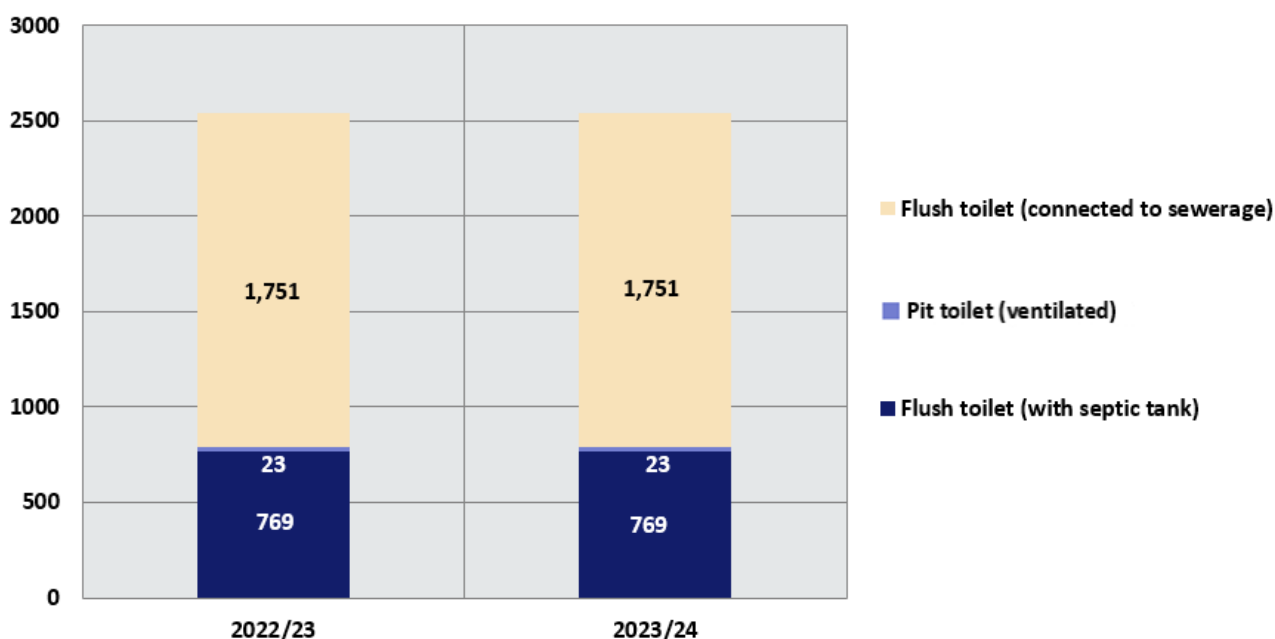
d) Wastewater (Sanitation) Provision Service Delivery Levels

The table below specifies the different sanitation service delivery levels per household for the financial years 2022/23 and 2023/24 in the areas in which the Municipality is responsible for the delivery of the service:

Wastewater (Sanitation) Service Delivery Levels		
Households		
Description	2022/23	2023/24
	Actual	Actual
	No.	No.
<i>Sanitation/sewerage: (above minimum level)</i>		
Flush toilet (connected to sewerage)	1 751	1 751
Flush toilet (with septic tank)	769	769
Chemical toilet	0	0
Pit toilet (ventilated)	23	23
Other toilet provisions (above minimum service level)	0	0
<i>Minimum Service Level and Above sub-total</i>	2 543	2 543
<i>Minimum Service Level and Above Percentage</i>	100	100
<i>Sanitation/sewerage: (below minimum level)</i>		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level Percentage</i>	0	0
Total households	2 543	2 543
<i>Including informal settlements</i>		

Table 61: Wastewater (Sanitation) Provision Service Delivery Levels

Waste Water (Sanitation) Service Delivery Levels



Graph 3.: Wastewater (Sanitation) Provision Service Delivery Levels

e) Employees: Wastewater (Sanitation) Provision

Employees: Sanitation Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	2	2	2	0	0
7 – 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	2	2	2	0	0

Table 62: Employees Wastewater (Sanitation) Provision

f) Capital Expenditure: Wastewater (Sanitation) Provision

Capital Expenditure 2023/24				
R'000				
Capital Project	Budget (R)	Adjustment Budget (R)	Actual Expenditure (R)	Variance from original budget (%)
Construction of bulk sewer line in Matjiesfontein	3 800 000	0	3 800 000	0
Upgrade sanitation connections - Matjiesfontein	1 790 000	700 000	1 090 000	39.10
Matjiesfontein WWTW	3 200 000	0	3 200 000	0
Totals	8 790 000	700 000	8 090 000	7.96

Table 63: Capital Expenditure: Wastewater (Sanitation) Provision

3.3.3 Electricity Services

a) Introduction to Electricity Services

The electricity section is tasked to maintain the existing electrical infrastructure through the replacement of outdated equipment and installation of new equipment to reduce losses and ensure compliance and aims to reduce electricity backlogs by electrifying settlements as identified Council.

The section ensures access to reliable electricity and is responsible for all aspects of the distribution network of the Municipality – the planning, construction, maintenance and protection of the network, and the metering technologies that measure the consumption of customers are all part of the following:

- To provide electricity to the community, households and the business sector
- Provision of streetlights

- To develop the electrification programme and the section as an undertaking that maximises the value of its electricity supplies and makes effective use of all its resources
- The transmission and distribution of electricity to all customers

b) Highlights: Electricity Services

Highlights	Description
Solar street lights	The conversion of street lights to solar has not only resulted in lower energy usage but also resulted in a decrease in light failure
Allowing Solar installation and online application	The allowance of compliant solar installation assists in a reduction of energy demand and energy resilience
Submission of Cost of supply	The submission of a cost of supply study has given the municipality perspective on the cost drivers and allows for improved planning.

Table 64: Electricity Services Highlights

c) Challenges: Electricity Services

Description	Actions to address
Increase illegal inverter usage	The increased use of illegal inverter installation is resulting in an increased demand that results in penalty charges. This cost can be seen in the tariff increases

Table 65: Electricity Services Challenges

d) Electricity Service Delivery Levels

The table below indicates the different service delivery level standards for electricity in the areas in which the Municipality is responsible for the delivery of the service:

Electricity Service Delivery Levels		
Households		
Description	2022/23	2023/24
	Actual	Actual
	No.	No.
<u>Energy: (above minimum level)</u>		
Electricity (at least minimum service level)	228	228
Electricity - prepaid (minimum service level)	472	472
Minimum Service Level and Above sub-total	700	700
Minimum Service Level and Above Percentage	100	100
<u>Energy: (below minimum level)</u>		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< minimum service level)	0	0
Other energy sources	137	137
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households	837	837

Table 66: Electricity Service Delivery Levels

Electricity Service Delivery Levels

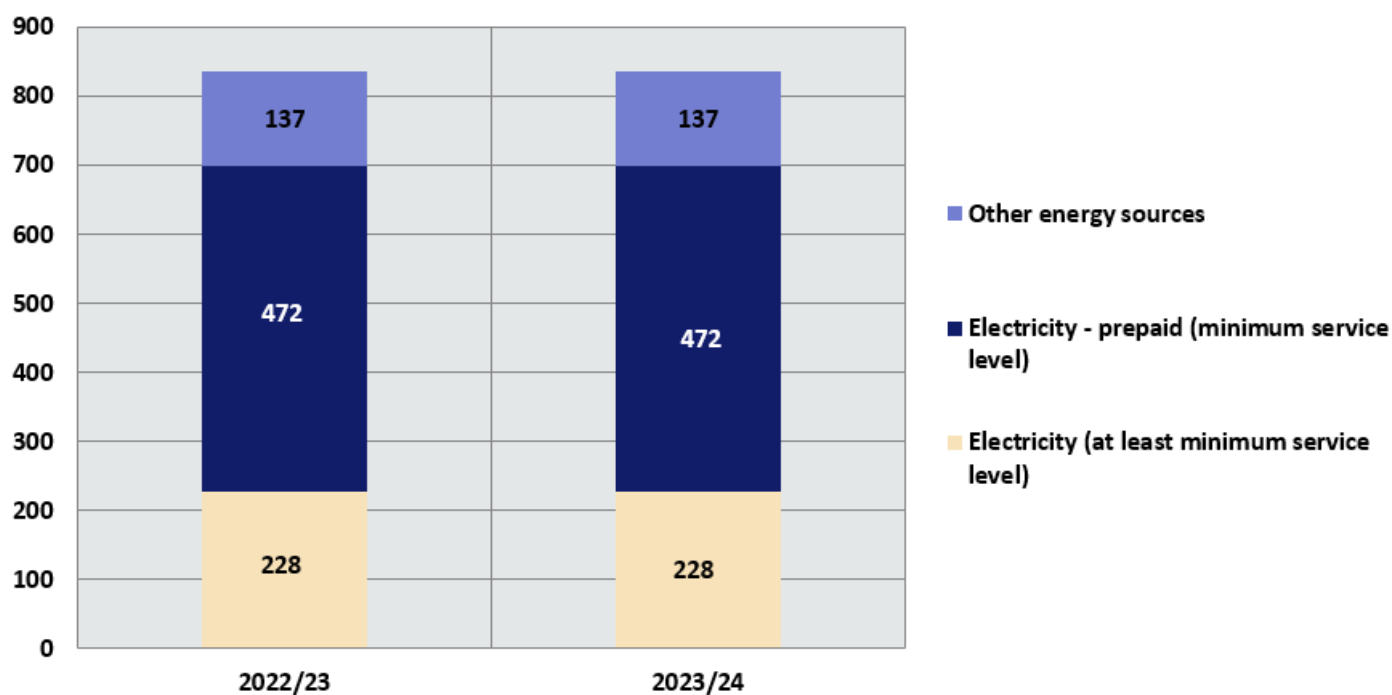


Table 67: Electricity Service Delivery Levels

e) Employees: Electricity Services

Employees: Electricity Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	1	1	0	0

Table 68: Employees: Electricity Services

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

a) Introduction to Waste Management

Solid Waste Management Services are at the centre of environmental sustainability and are guided by the National Environmental Management Waste Act (NEM: WA). It is also guided by the Integrated Waste Management Plan.

Departmental functions:

- Street sweeping - Encompasses litter picking, and gutter clearing.
- Refuse removal - Entails domestic and business refuse removal and clearing of drop-off points as per the refuse collection schedule. Refuse bag distribution to households is also done. The Municipality also deals with illegal waste hot spots.
- Landfills and transfer stations - Waste is disposed of at the Landfills where it is covered on a daily basis. The garden transfer station is where all the garden refuse is dumped at no charge.
- Waste minimisation planning and education

Embraces the concepts of reduce, re-use, recycle and recover. It is responsible for the development of By-Laws and development of a Waste Management Strategy. Communication, awareness and education are the responsibility of this unit. This unit ensures that the waste that goes to landfills is reduced, and all the inhabitants of Laingsburg Municipality are aware of the waste.

b) Highlights: Waste Management

Highlights	Description
New green areas	The town has added to its green areas by planting new plants

Table 69: Waste Management Highlights

c) Challenges: Waste Management

Description	Actions to address
Failure to fully implement recycling	The appointed recycler failed to attain the required documents from SAPS and this resulted in the failure of the project

Table 70: Waste Management Challenges

d) Waste Management Service Delivery Levels

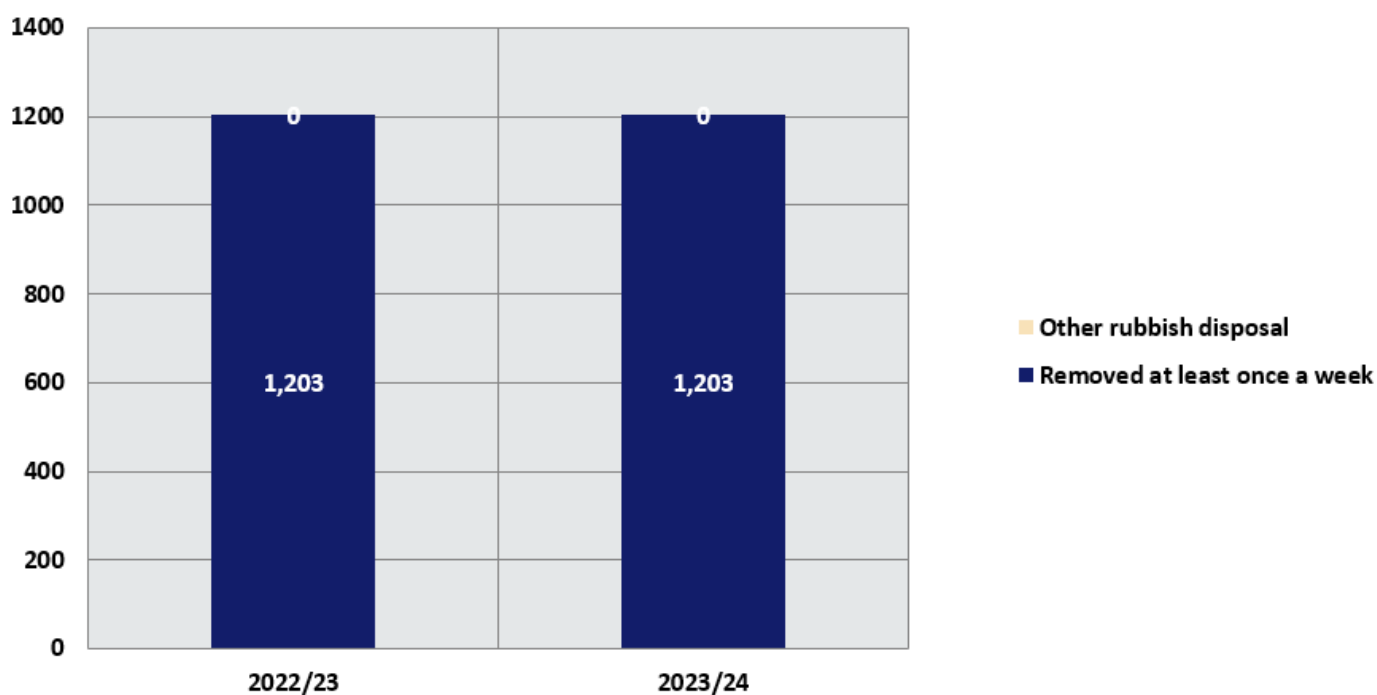
The table below specifies the different refuse removal service delivery levels per household for the financial years 2022/23 and 2023/24 in the areas in which the Municipality is responsible for the delivery of the service:

Waste Management Service Delivery Levels		
Description	Households	
	2022/23	2023/24
	Actual	Actual
	No.	No.
<u>Solid Waste Removal: (Minimum level)</u>		
Removed at least once a week	1 203	1 203
<i>Minimum Service Level and Above sub-total</i>	1 203	1 203
<i>Minimum Service Level and Above percentage</i>	100	100
<u>Solid Waste Removal: (Below minimum level)</u>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0

Waste Management Service Delivery Levels		
Description	Households	
	2022/23	2023/24
	Actual	Actual
	No.	No.
Other rubbish disposal	0	0
No rubbish disposal	0	0
<i>Below Minimum Service Level Sub-total</i>	0	0
<i>Below Minimum Service Level Percentage</i>	100	100
Total number of households	1 203	1 203

Table 71: Waste Management Service Delivery Levels

Waste Management Service Delivery Levels



Graph 4.: Waste Management Service Delivery Levels

e) Employees: Waste Management

Employees: Waste Management					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	4	4	4	0	0
4 – 6	4	4	4	0	0
7 – 9	0	0	0	0	0
10 - 12	0	0	0	0	0

Employees: Waste Management					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	8	8	8	0	0

Table 72: Employees: Solid Waste Services

3.3.5 Housing

a) Introduction to Housing

Due to the high poverty level in the Laingsburg Municipal area, it is essential to provide the poor members of our community with Reconstruction and Development Programme (RDP) houses. It contributes to sustainable human settlements where families can live in a safe and hygienic environment.

The following table shows the number of people on the housing waiting list. There are currently approximately **1210** housing units on the waiting list.

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2022/23	1 137	20
2023/24	1 210	5

Table 73: Housing Waiting List

b) Highlights: Housing

Highlight	Description
New housing development	The municipality has received approval for its application to develop a housing development project

Table 74: Housing Highlights

c) Challenges: Housing

Description	Actions to address
Back yard rental	The residence has increasingly added backyard dwellings for rental to construction workers adding to the housing backlog

Table 75: Housing Challenges

3.3.6 Free Basic Services and Indigent Support

a) Introduction to Free Basic Services and Indigent Support

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the Municipality, all households earning less than R4 160 per month will receive the free basic services as prescribed by national policy.

The table indicates the total number of indigent households and other households that received free basic services in the past two financial years:

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2022/23	1 363	411	30	464	34	458	34	470	34
2023/24	1 379	304	30.1	407	29.5	405	29.4	415	30.1
Figures as of 30 June 2024									

Table 76: Free Basic Services to Indigent Households

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2022/23	411	50	496	454	0	0	498	50	601
2023/24	304	50	421	475	0	0	513	50	190
Figures as of 30 June 2024									

Table 77: Free Basic Electricity Services to Indigent Households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value	No. of HH	Unit per HH (kl)	Value
			R'000			R'000
2022/23	464	6	1 033	899	0	0
2023/24	407	6	1010	972	0	0
Figures as of 30 June 2024						

Table 78: Free Basic Water Services to Indigent Households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2022/23	458	157	864	855	0	0

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2023/24	405	168	816	922	0	0
Figures as of 30 June 2024						

Table 79: Free Basic Sanitation Services to Indigent Households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2022/23	470	1	756	890	0	0
2023/24	415	1	722	958	0	0
Figures as of 30 June 2024						

Table 80: Free Basic Refuse Removal Services to Indigent Households Per Type of Service

3.4 Component B: Road Transport

3.4.1 Roads

a) Introduction to Roads

To provide appropriate, cost-effective, safe, efficient and affordable Roads, Stormwater and Transportation Infrastructure in Laingsburg Municipality to improve the quality of life of our communities by stimulating economic growth and development.

ROAD AND STORMWATER INFRASTRUCTURE (OPERATIONS)

This Division deals with road maintenance (tarred and gravel), street verge maintenance, the surfacing of roads, reinstatement of service trenches, cleaning and rehabilitation of the stormwater system and culverts

ROAD AND STORMWATER INFRASTRUCTURE (CAPITAL EXPENDITURE)

The division has implemented the upgrade of the internal road and stormwater system in Matjiesfontein and has up to date completed more than 1000 meters of new surfaced roads. We have also applied and have been granted the access road into Matjiesfontein which was owned by the provincial roads department, and this will allow for the upgrade of this section of the road as well.

MANAGEMENT SYSTEMS AND PLANNING

This Division is responsible for the development, implementation and management of various electronic management systems and master planning for all roads and stormwater infrastructure. This Division is also responsible for the implementation of capital projects, administration of the capital budget and approval of applications for new development.

For optimal performance, it is essential that roads are maintained to provide the road user with an acceptable level of service, to protect the structural layers of pavement from the abrasive forces of traffic, as well as from the effects of the environment

The tables below show the number of kilometres of new and upgraded roads (gravel and tarred) that have been built and maintained:

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2022/23	0.91	0	0	0.91
2023/24	2.30	0	0	2.30

Table 81: Gravel Road Infrastructure

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2022/23	27.8	1.1	0	0	27.8
2023/24	27.8	0.9	0	0	28.7

Table 82: Tarred Road Infrastructure

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements	Resealed	Maintained
	R'000		
2022/23	11 000	0	150
2023/24	4 000	0	200

The cost for maintenance includes stormwater

Table 83: Cost of Construction/Maintenance of Roads

b) Employees: Roads

Employees: Roads					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	5	9	7	2	0
4 – 6	0	0	0	0	0
7 – 9	2	2	2	0	0
10 – 12	0	1	0	1	100
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
Total	7	12	9	3	25

Table 84: Employees: Roads

c) Capital Expenditure: Roads

Capital Expenditure 2023/24				
R'000				
Capital Project	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget (%)
Goldnerville - New Stormwater Channel	5 600	-5 600	0	100
New Paved Streets – Matjiesfontein Phase 2	1 200	0	1200	0
Total	6 800	-5 600	1 200	82.35

Table 85: Capital Expenditure: Roads

3.4.2 Wastewater (Stormwater Drainage)

a) Introduction to Wastewater (Stormwater Drainage)

It is common practice to provide a formal drainage system of pipes or channels to convey stormwater away from erven and streets and to discharge this water into natural watercourses. The stormwater system must be cleaned and maintained on a regular basis to ensure a proper working drainage system.

b) Wastewater (Stormwater Drainage) Maintained and Upgraded

The table below shows the total kilometres of stormwater maintained and upgraded as well as the kilometres of new stormwater pipes installed:

Stormwater Infrastructure: Kilometres				
Year	Total Stormwater measures (km)	New stormwater measures (km)	Stormwater measures upgraded (km)	Stormwater measures maintained (km)
2022/23	8.13	0	0	8.13
2023/24	8.40	0	0	8.40

Table 86: Stormwater Infrastructure

The table below indicates the amount of money spent on stormwater projects:

Financial year	Stormwater Measures		
	New R'000	Upgraded R'000	Maintained R'000
2022/23	0	0	0
2023/24	200	0	120

Table 87: Cost of Construction/Maintenance of Stormwater Systems

3.5 Component C: Planning and Local Economic Development (LED)

3.5.1 Planning

a) Introduction to Planning

The Municipality makes use of its Land Use Planning By-Law, National Building Regulations and Building Standards (Act 103 of 1977) to ensure that land use applications and building plan applications adhere to the required regulations and legislation. It is also a managing tool to ensure compliance.

a) Service Delivery Statistics: Planning

Type of service	2022/23	2023/24
Building plans application processed	4	10
Total surface (m ²)	555	1 500
Residential extensions	4	9
Rural applications	0	0
Land use applications processed	7	11

Table 88: Service Delivery Statistics: Planning

3.5.2 LED (Including Tourism and Marketplaces)

a) Introduction to LED

The vision of the LED strategy is to create sustainable communities in the central Karoo through local economic development.

b) Highlights: LED

The performance highlights regarding the implementation of the LED strategy are as follows:

Highlights	Description
Identify the need for a TVET in Laingsburg and the buy-in of Southern Cape College	Identify training for unemployed youth
Training identified through the SANRAL Project	Teach 56 entrepreneurs in the construction
Empowerment of Women through the RWF Project	Woman receives training in Catering and Baking

Table 89: LED Highlights

c) Challenges: LED

The challenges regarding the implementation of the LED strategy are as follows:

Description	Actions to address
This office does not have a budget and must rely on info that is not credible/available	Forums, Workshops
	Community engagements in rural areas

Table 90: Challenges LED

d) LED Strategy

LED includes all activities associated with economic development initiatives. The Municipality is mandated to provide strategic guidance to the Municipality's IDP and economic development matters and work in partnership with the relevant stakeholders on strategic economic issues. The LED strategy identifies various issues and strategic areas for intervention such as:

Objective	Strategies
Diversifying the economy	
- With the inception of the Green Energy programme in the Laingsburg Municipal Area, more opportunities were identified for the establishment of small, medium and micro business opportunities - The SANSA project in Matjiesfontein enables the previously disadvantaged community to be at the forefront of tourism in the form of Township Tourism, SMME development and entrepreneurial development - Identify suitable land through the Spatial Development Framework and Land Use Planning Act	- Create an environment for investors to create jobs and develop facilities - Establish a market for investment - Updating the Spatial Development Framework to be aligned with specific needs required e.g. access roads, infrastructure and essential services
Transport and service sector	
- The upgrading of inner town transport routes which can accommodate more traffic - Public facilities need to be upgraded to restore dignity and add value	- Establish Semi- Urban Transport Development Plan - Identify public facilities to create a secure environment e.g. Taxi Rank, Assembly Points, Public Toilets
Human resources development	
- Identify the need for a community education training centre - Develop opportunities for the youth and unemployed through learnerships and training - Encourage employers to create opportunities for self-development	- Invest in education and training through career development - Engagement with CET and Higher Education Department - Identify skills development opportunities
Integrated human settlement	
- Improves land use integration to enhance the access of less fortunate communities to economic and social services - Creates an environment where the house becomes an asset to be appreciated - Suitable Housing for first-time homeowners and access for middle-class persons	- Leverage the living standards to become active in economic growth and opportunities - Understand the concept of SDF and the Land Use Planning Act - Create an environment for growth

Table 91: LED Objectives and Strategies

e) LED Initiatives

Within a limited budget for LED projects and one official to assist with LED implementation the following programmes have been initiated in the municipal area:

Job creation through Extended Public Works Programme (EPWP) projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2022/23	2	200
2023/24	4	458

Table 92: Job Creation Through EPWP Projects

f) Additional Service Delivery Statistics: LED Initiatives

Type of service	2022/23	2023/24
Small businesses assisted	2	5
SMME's trained	36	20
Community members trained for tourism / PACA	15	0
Local artisans and crafters assisted	1	7
Recycling awareness programmes	0	0

Table 93: LED Initiatives

3.6 Component D: Community and Social Services

3.6.1 Libraries

a) Introduction: Libraries

The Library Service of Laingsburg Municipality consists of one main library and three mini-libraries. The library function promotes a reading culture and the importance of reading from a young age.

b) Highlights: Libraries

Highlights	Description
Upgrading of Laingsburg Library	Library upgrade is in progress
The procurement process of a modular library in Vleiland	Procurement process is in progress

Table 94: Libraries Highlights

c) Challenges: Libraries

Description	Actions to address
Shortage of space at the Thusong library	Submit application for funding for a modular library to DCAS
No library in Bergsig	Submit application for funding for a modular library to DCAS

Table 95: Libraries Challenges

d) Service Statistics for Libraries

Type of service	2022/23	2023/24
Library members	1 992	1 514
Books circulated	13 735	8 587
Exhibitions held	13	12
Internet users	506	551
Children programmes	15	17
Book group meetings for adults	0	0

Table 96: Service Statistics for Libraries

e) Employees Libraries

Employees: Libraries					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	4	4	4	0	0
10 – 12	1	1	0	1	100
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
Total	5	5	4	1	20

Table 97: Employees: Libraries

3.6.2 Cemeteries

a) Introduction to Cemeteries

The Municipality has three cemeteries within the town of Laingsburg. The cemeteries located in Kambro Street and in Göldnerville are used for new burials, whereas the other one located in the town CBD was used to bury the victims and fatalities of the 1981 flood disaster.

b) Service Statistics for Cemeteries

Type of service	2022/23	2023/24
Pauper burials	2	1

Table 98: Service Stats for Cemeteries

3.6.3 Childcare; Aged Care; and Social Programmes

a) Introduction to Childcare; Aged Care; and Social Programmes

Childcare is to assist parents who cannot take care of their young children because of work or other reasons. The Social Welfare Department subsidises non-governmental organisations to provide a variety of childcare services, to meet the different needs of the parents and their young children.

Aged care is the term for daily living and nursing care services provided to older citizens who either need some help at home or can no longer live independently. These services are generally divided into two categories namely residential care and home-based care.

Social programmes are welfare subsidies designed to aid the needs of the population.

b) Highlights: Childcare; Aged care; and Social programmes

Description	Actions to address
Care bears programme in Bergsig	To apply for funding other than EPWP

Table 99: Childcare; Aged Care; and Social Programmes Highlights

c) Challenges: Childcare; Aged care; and Social programmes

Description	Actions to address
Limited space for aftercare as the space is shared with other organisations	To get funding and build or procure a building for the aftercare

Table 100: Childcare; Aged Care; and Social Programmes Challenges

d) Service Statistics for Childcare; Aged Care; and Social Programmes

Description	2022/23	2023/24
Trees planted	540 (Laingsburg and Matjiesfontein)	0
Veggie gardens established or supported	1	1
Soup kitchens established or supported	4	2
Initiatives to increase awareness of child abuse	0	0
Youngsters educated and empowered	0	0
Initiatives to increase awareness of disability	1 (APD)	1 (APD)
Initiatives to increase awareness of women	0	0
Women Empowered	0	0
Initiatives to increase awareness of HIV/AIDS	0	0
Initiatives to increase awareness of Early Childhood Development (ECD)	0	0
Initiatives to increase awareness of substance abuse and high drug and alcohol-related crimes	0	0
Special events hosted (World's Aids Day, Arbour Day, World Disability Day, Youth Day, 16 Days of Activism against Women Abuse)	1	1

Table 101: Service Statistics for Childcare; Aged Care; and Social Programmes

3.7 Component E: Security and Safety

3.7.1. Public Safety

a) Introduction to Public Safety

Neighbourhood Watch and Law Enforcement: Attends to all complaints from the public related to Laingsburg Municipality's by-laws

Traffic: Enforces all offences regarding the Road Traffic Act 93 of 1996, for example disobeying stop signs, parking on the wrong side of the road and driving a motor vehicle without a driving license. Furthermore, monitor hotspots/ dangerous areas in town and manage parking bay outlays within the town.

Fire and disaster management: Attends to fire callouts within the jurisdiction of Laingsburg Municipality and the N1.

The Municipality has a Traffic Department which consists of seven traffic officers, three of which are permanent and four are employed on an annual contract basis. Recent recruits, ten of them, funded by the Department of Community Safety, completed a peace officer course. They are all employed on a contract base between themselves and the Department of Community Safety.

b) Highlights: Public Safety

Highlights	Description
Installation of surveillance and ANPR cameras	Safety within town and execution of warrant of arrests

Table 102: Public Safety Services Highlights

c) Challenges: Public safety

Description	Actions to address
Limited budget	To urgently address all financial shortages within the department
Limited Personnel	
Limited Patrol Vehicles	
Limited overtime	

Table 103: Public Safety Services Challenges

d) Service statistics For Public Safety

Details	2022/23	2023/24
Motor vehicle licenses processed	1 679	1 476
Learner driver licenses processed	238	306
Driver licenses processed	359	381
Driver licenses issued	605	636
R-value of fines collected	5 957 201	5 815 624
Operational callouts	87	84
Roadblocks held	48	48
Complaints attended to by Traffic Officers	95	101
Special Functions – Escorts	0	0
Awareness initiatives on public safety	5	4

Details	2022/23	2023/24
Operational callouts: Fire Services	42	46
Awareness initiatives on fire safety	1	1
Reservists and volunteers trained in firefighting	0	0

Table 104: Service Statistics for Public Safety

e) Employees: Public Safety

Employees: Public Safety					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	2	2	1	1	50
7 – 9	0	0	0	0	0
10 - 12	2	2	2	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	4	4	3	1	20

Table 105: Employees: Public Safety

3.8 Component F: Sport and Recreation

3.8.1 Introduction to Sport and Recreation

The Municipality consists of three sports fields which are situated in Laingsburg, Matjiesfontein and Vleiland. Furthermore, it also has two “kickabout” mini sports fields within the suburbs of Göldnerville and Bergsig.

a) Highlights: Sport and Recreation

Description	Actions to address
New sports field in Bergsig	In progress

Table 106: Highlights: Sport and Recreation

b) Challenges: Sport and Recreation

Description	Actions to address
Safety measures at sports fields to avoid vandalism	Secure and strengthen security

Table 107: Challenges: Sport and Recreation

c) Service Statistics for Sport and Recreation

Type of service	2022/23	2023/24
Community Parks		
Number of parks with play park equipment	5	5
Number of wards with community parks	4	4
Sports fields		
Number of wards with sports fields	2	2
Number of sports associations utilising sports fields	5	5
R-value collected from the utilisation of sports fields	0	0
Sports halls		
Number of wards with sports halls	2	2
Number of sport associations utilising sports halls	4	5
R-value collected from the rental of sports halls (R)	55 362.55	75 404.89

Table 108: Additional Performance Information for Sport and Recreation

d) Employees: Sport and Recreation

Employees: Sport and Recreation					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	3	0	0	3	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	3	0	0	3	0

Table 109: Employees: Sport and Recreation

3.9 Component G: Corporate Policy Offices and Other Services

3.9.1 Financial Services

a) Challenges: Financial Services

Description	Actions to address
Budget Control	Management must see this as a focus area and priority
Lack of capacity in BTO	Train and capacitate personnel
Unfunded Budget	Purposeful control in budget spending

Table 110: Challenges: Sport and Recreation

b) Employees: Financial Services

Employees: Financial Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	2	2	1	1	50
7 – 9	6	6	6	0	0
10 – 12	4	5	4	1	20
13 – 15	0	0	0	0	0
16 – 18	1	2	2	0	100
19 – 20	0	0	0	0	0
Total	13	15	13	2	13.33

Table 111: Employees: Financial Services

3.9.2 Human Resources (HR)

a) Introduction to HR

The Laingsburg Municipality's Mission and Vision provide direction to achieve the goals and objectives of the Municipality and Human Resources division must drive business excellence and contribute towards the Municipality's business strategy through strategic human resource management.

b) Highlights: HR

Highlights	Description
Municipal Staff Regulations	MSR was implemented on 1 July 2023
Performance Management	Cascading performance management from the highest level to the lowest
Vacancies	Filling of vacant post

Table 112: Highlights: HR

c) Challenges: HR

Description	Actions to address
Shortage of Staff	Appoint staff in the Human Resources Division

Table 113: Challenges: HR

d) Employees: HR

Employees: Human Resources					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	2	3	3	0	0
7 – 9	2	2	2	0	0
10 - 12	1	3	3	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	6	8	8	0	0

Table 114: Employees: HR

3.9.3 Information and Communication Technology (ICT) Services

a) Introduction to ICT Services

Laingsburg Municipality is one of the smallest municipalities in the Western Cape and is still in the beginning phases of developing its ICT infrastructure. Before 2015, the Municipality had no proper ICT infrastructure, or a fixed ICT dedicated official to handle its daily tasks.

The Municipality only appointed a qualified official in May 2015 and thereafter the ICT environment started to become more stable. Even though an ICT official is in place, budgetary constraints are still a problem for Laingsburg Municipality and for that reason, growth in the ICT environment is substantially slow.

b) Highlights: ICT Services

Highlights	Description
Local and District ICT Steering Committees	Has been established needs to operate actively

Table 115: Highlights: ICT Services

b) Challenges: ICT Services

Description	Actions to address
Staff capacity	A challenge to service the entire Municipality's ICT needs, leading to delays in addressing the needs and implementation of new technology
Disaster Recovery site	Lacks a backup system which can pose a challenge if unforeseen incidents occur
ICT budget constraints	ICT not having its own budget creates issues of not always having the financial capacity to buy new equipment or equipment to maintain PC's, laptops and other network infrastructure

Table 116: Challenges: ICT Services

c) Employees: ICT Services

Employees: ICT Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	1	1	0	0

Table 117: Employees: ICT Services

3.9.4 Procurement Services

a) Introduction to Procurement Services

Supply chain management (SCM) is a vital function in Laingsburg Local Municipality, ensuring the efficient and timely procurement of goods and services necessary for effective service delivery. By optimising the procurement process, the municipality can reduce costs, improve quality, and enhance transparency.

SCM plays a crucial role in supporting the municipality's constitutional mandate of providing essential services to its residents. This includes ensuring that capital spending targets are met through the efficient allocation of resources for infrastructure projects. Moreover, all divisions and departments within the municipality rely on SCM to achieve their objectives, from procuring materials for road repairs to acquiring supplies for social services programs.

In essence, SCM is a cornerstone of effective governance in Laingsburg Local Municipality, enabling the municipality to deliver quality services to its community while managing resources efficiently.

Despite the capacity constraints of the supply chain management unit, which currently consists of only three employees, we are committed to optimising processes and improving systems. This approach enables us to enhance service delivery while maintaining strict adherence to all relevant legislation.

b) Challenges: Procurement Services

Description	Actions to address
Insufficient collaboration and coordination in procurement planning	Implement a cross-departmental procurement committee to ensure that procurement planning aligns with the Integrated Development Plan (IDP) and the Medium-Term Revenue and Expenditure Framework (MTREF). This will foster better collaboration between departments and ensure that

Description	Actions to address
	procurement is in line with available resources and strategic goals
Procuring goods and services without sufficient budget allocation available	Enforce strict adherence to budget allocation by requiring all procurement requests to be accompanied by a budget confirmation from the finance department
Procuring goods with no clear specifications from the user departments	Implement a pre-procurement meeting between the user department and the procurement team. During this meeting, both parties will agree on the specifications, ensuring that they are clear and achievable. This will provide clarity from the outset and reduce the risk of receiving goods or services that do not meet expectations
Workplace dynamics impeding efficient operations (e.g., unsigned orders, accumulating tasks)	Establish clear accountability and escalation procedures within the procurement process, with strict timelines for approvals. Regular audits and performance evaluations should be conducted to ensure that all stakeholders fulfil their responsibilities promptly and fairly. Evaluate and revise the delegation framework that outlines authorization and approval procedures

Table 118: Challenges: Procurement Services

c) Service Statistics: Procurement Services

Description	Total No	Monthly Average
Orders processed	1823	152
Extensions	1	0.083
Bids received (number of documents)	152	12.67
Bids awarded	14	1.17
Bids awarded ≤ R200 000	64	5.33
Appeals registered	3	0.25
Successful appeals	0	0

Table 119: Service Statistics: Procurement Services

e) Details of Deviations for Procurement Services

Reason for Deviation	Number of Applications Considered and Approved	Value of Applications Approved (R)
Section 36(1)(a)(i)- In an emergency which is considered an unforeseeable and sudden event with materially harmful or potentially materially harmful consequences for the Municipality which requires urgent action to address	0	0.00
Section 36(1)(a)(ii)- Where it can be demonstrated that goods or services are produced or available from a single provider only	1	11 507.38
Section 36(1)(a)(iii)- For the acquisition of special works of art or historical	0	0.00

Reason for Deviation	Number of Applications Considered and Approved	Value of Applications Approved (R)
objects where specifications are difficult to compile		
Section 36(1)(a)(v)- Exceptional case and it is impractical or impossible to follow the official procurement processes	4	198 614.84
Total	5	210 122.22

Table 120: Details of Deviations for Procurement Services

3.10 Component H: Service Delivery Priorities For 2024/25

The main development and service delivery priorities for 2024/25 form part of the Municipality's Top Layer SDBIP for 2024/25 and are indicated in the table below:

3.10.1 Developing a safe, clean, healthy and sustainable environment for communities

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL15	Review the Disaster Management Plan and submit to Council by 31 March 2025	Reviewed Disaster Management Plan submitted to Council by 31 March 2025	All	1
TL16	Facilitate roadblocks on a quarterly basis	Number of roadblocks facilitated	All	48
TL17	Spend 95% of the Library Grant [(Actual expenditure divided by the total approved grant received) x 100]	% grant spent	All	95%
TL18	Facilitate the Thusong Outreach Programme on a bi-annual basis	Number of programmes facilitated	All	2

Table 121: Service Delivery Priorities for 2024/25– Developing a Safe, Clean, Healthy and Sustainable Environment for Communities

3.10.2 Promote Economic Development

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL33	Create job opportunities through EPWP and LED projects by 30 June 2025	Number of job opportunities created by 30 June 2025	All	66

Table 122: Services Delivery Priorities for 2024/25– Promote Economic Development

3.10.3 Improve the living environment of all people in Laingsburg

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL8	Provide free 50kWh electricity to indigent households as at 30 June 2025	Number of households receiving free basic electricity	All	370
TL9	Provide free 6kl water to indigent households as at 30 June 2025	Number of households receiving free basic water	All	480
TL10	Provide free basic sanitation to indigent households as at 30 June 2025	Number of households receiving free basic sanitation services	All	480

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL11	Provide free basic refuse removal to indigent households as at 30 June 2025	Number of households receiving free basic refuse removal services	All	480

Table 123: Services Delivery Priorities for 2024/25– Improve the living environment of all people in Laingsburg

3.10.4 Provision of infrastructure to deliver improved services to all residents and business

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL2	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2025 [(Amount actually spent on capital projects/ Amount budgeted for capital projects)x100]	% of capital budget spent on capital projects	All	95%
TL4	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2025	Number of residential properties which are billed for electricity or have prepaid meters (Excluding Eskom areas) as at 30 June 2025	All	896
TL5	Number of formal residential properties that receive piped water (credit and prepaid water metering) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2025	Number of residential properties which are billed for water	All	1 336
TL6	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2025	Number of residential properties which are billed for sewerage	All	1 320
TL7	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2025	Number of residential properties which are billed for refuse removal	All	1 370
TL23	95% of the approved project budget spent on the new main pump station in Laingsburg by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2025	All	95%
TL24	95% of the approved project budget spent on new bridges in Göldnerville by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2025	All	95%
TL25	95% of the approved project budget spent on the new stormwater infrastructure in Matjiesfontein by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2025	All	95%
TL26	95% of the approved project budget spent on the new Bergsig Sport Field by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2025	All	95%
TL27	Complete the Site G Development Planning Phase in Laingsburg by 30 June 2025	Development Planning Phase completed by 30 June 2025	All	1
TL28	95% of the approved project budget spent on Drilling and equipping of boreholes in	% of budget spent by 30 June 2025	All	95%

Ref	KPI	Unit of Measurement	Wards	Annual Target
	Soutkloof by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]			
TL29	95% of the approved project budget spent on Water Supply Infrastructure (Bulk Mains) within the Municipal area by 30 June 2025 [(Actual expenditure divided by the total approved project budget) x 100]	% of budget spent by 30 June 2025	All	95%

Table 124: Services Delivery Priorities for 2024/25– Provision of infrastructure to deliver improved services to all residents and business

3.10.5 To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Develop a Risk Based Audit Plan for 2025/26 and submit to the Audit Committee for consideration by 30 June 2025	RBAP submitted to the Audit Committee by 30 June 2025	All	1
TL30	Limit the vacancy rate to less than 5% of budgeted posts by 30 June 2025 [(Number of posts filled/Total number of budgeted posts) x 100]	% vacancy rate of budgeted posts by 30 June 2025	All	5%
TL31	The percentage of the Municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2025 [(Actual amount spent on training/total operational budget) x 100]	% of the Municipality's personnel budget on implementing its workplace skills plan by 30 June 2025	All	0.40%
TL32	The number of people from employment equity target groups employed (to be appointed) by 30 June 2025 in the three highest levels of management in compliance with the equity plan	Number of people employed (to be appointed) by 30 June 2025	All	0
TL34	Develop and distribute at least two municipal newsletters by 30 June 2025	Number of municipal newsletters developed and distributed	All	2
TL35	Review of the Leave Policy and submit to Council by 31 December 2024	Leave Policy reviewed and submitted to Council by 31 December 2024	All	1
TL36	Submit the Occupational Health and Safety Policy to Council by 31 December 2024	Occupational Health and Safety Policy submitted to Council by 31 December 2024	All	1
TL37	Submit the Employee Assistance Programme (EAP) Policy by 31 December 2024	Employee Assistance Programme (EAP) submitted to Council by 31 December 2024	All	1

Table 125: Service Delivery Priorities for 2024/25 - To Create an Institution with Skilled Employees to Provide a Professional Service to its Clientele Guided by Municipal Values

3.10.6 To achieve financial viability in order to render affordable services to residents

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL3	Achieve a debtor payment percentage of 75% by 30 June 2025 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors	% debtor payment achieved	All	75%

Ref	KPI	Unit of Measurement	Wards	Annual Target
	Closing Balance - Bad Debts Written Off)/Billed Revenue x 100]			
TL12	Financial viability measured in terms of the municipality's ability to meet its service debt obligations at 30 June 2025 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue -Operating Conditional Grant) x 100]	Debt coverage ratio as at 30 June 2025	All	45%
TL13	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2025 [(Total outstanding service debtors/annual revenue received for services)x 100]	% outstanding service debtors at 30 June 2025	All	75%
TL14	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2025 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Cost coverage ratio as at 30 June 2025	All	0.3

Table 126: Services Delivery Priorities for 2024/25– To Achieve Financial Viability in Order to Render Affordable Services to Residents

3.10.7 Effective maintenance and management of municipal assets and natural resources

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL19	Limit the % electricity unaccounted for to less than 10% by 30 June 2025 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) x 100]	% electricity unaccounted for by 30 June	All	10%
TL20	Limit unaccounted for water to less than 30% by 30 June 2025 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100]	% of water unaccounted	All	30%
TL21	95% of water samples comply with SANS241 [(Number of water samples that comply with SANS241 indicator (e-coli)/Number of water samples tested) x 100]	% of water samples compliant	All	95%
TL22	95% of effluent samples comply with permit values in terms of SANS 242 by 30 June 2025 [(Number of effluent samples that comply with permit values (suspended solids)/ Number of effluent samples tested) x 100]	% of effluent samples compliant	All	95%

Table 127: Services Delivery Priorities for 2024/25– Effective maintenance and management of municipal assets and natural resources

Chapter 4: Organisational Development Performance

4.1 National KPI – Municipal Transformation And Organisational Development

The following table indicates the Municipality's performance in terms of the National KPI required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These KPI's are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2022/23	2023/24
People employed from employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	0	0
Percentage of municipality's personnel budget actually spent on training by 30 June 2024 ((Total Actual Training Expenditure/ Total personnel Budget)x100)	0	1

Table 128: National KPIs– Municipal Transformation and Organisational Development

4.2 Component A: Introduction to The Municipal Workforce

The Laingsburg Municipality currently employs **70** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2.1 Employment Equity

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

a) Employment Equity Targets/Actual

African		Coloured		Indian		White	
Target June	Actual June	Target June	Actual June	Target June	Actual June	Target June	Actual June
1	1	1	1	0	0	1	0

Table 129: 2023/24 EE Targets/Actual by Racial Classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
1	1	1	2	1	1	1	0	0

Table 130: 2023/24 EE Targets/Actual by Gender Classification

b) Specific Occupational Categories - Race

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

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	0	1	0	0	0	0	0	0	1
Senior management	1	0	0	0	0	0	0	1	2
Professionally qualified and experienced specialists and mid-management	1	2	0	1	0	1	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2	16	0	0	1	20	0	0	39
Semi-skilled and discretionary decision-making	0	5	0	0	0	0	0	0	5
Unskilled and defined decision-making	0	13	0	0	0	5	0	0	18
Total permanent	4	37	0	1	1	26	0	1	70
Non-permanent employees	0	0	0	0	1	6	0	0	7
Grand Total	4	37	0	1	2	32	0	1	77

Table 131: Occupational Categories

c) Departments - Race

The following table categorises the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	1	1	0	0	0	1	0	0	3
Finance	0	4	0	1	0	6	0	2	13
Corporate Services	0	3	0	0	0	6	0	0	9
Community Services	0	5	0	0	0	10	0	0	15
Infrastructure Services	3	24	0	0	1	2	0	0	30
Total permanent	4	37	0	1	1	25	0	2	70
Non- permanent	0	0	0	0	1	6	0	0	7
Grand Total	4	37	0	1	2	31	0	2	77

Table 132: Department – Race

4.2.2 Vacancy Rate

The approved organogram for the Municipality had **76** posts for the 2023/24 financial year. The actual positions filled are indicated in the table below by functional level. **10** posts were vacant at the end of 2023/24, resulting in a vacancy rate of **13.16%**.

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

Per Functional Level		
Post level	Filled	Vacant
MM & MSA section 57 & 56	1	0
Middle management (T14-T19)	7	0
Admin Officers (T4-T13)	46	4
General Workers (T3)	16	4
Total	70	8
Functional area	Filled	Vacant
Office of the Municipal Manager	3	0
Finance	13	0
Corporate Services	9	0
Community Services	15	2
Infrastructure Services	30	6
Total	70	8

Table 133: Vacancy Rate Per Post

The table below indicates the number of critical vacancies per salary level:

Salary Level	Number of current critical vacancies	Total posts as per organogram	Vacancy job title
Municipal Manager	0	0	0
Chief Financial Officer	0	0	0
Other Section 57 Managers	0	0	0
Senior management (T14-T19)	0	0	0
Highly skilled supervision (T4-T13)	2	2	Librarian & Superintendent-Technical Services
Total	2	2	

Table 134: Critical Vacancies Per Salary Level

4.2.3 Staff Turnover Rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the staff turnover rate within the Municipality.

The table below indicates the turnover rate over the last two years:

Financial year	Total employees at the end of the financial year	New appointments	No Terminations during the year	Turn-over Rate
2022/23	78	0	3	33%
2023/24	77	9	7	9.03%

Table 135: Staff Turnover Rate

4.3 Component B: Managing the Municipal Workforce

4.3.1 Injuries

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

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

Directorates	2022/23	2023/24
Office of the Municipal Manager	0	0
Finance	0	0
Corporate Services	0	0
Community Services	0	0
Infrastructure Services	4	0
Total	4	0

Table 136: Injuries

4.3.2 Sick Leave

The number of sick leave days taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken. The total number of employees that have taken sick leave during the 2022/23 financial year shows a decrease when comparing it with the 2023/24 financial year.

The table below indicates the total number of sick leave days taken within the year:

Year	Total number of sick leave days taken within the year
2022/23	527
2023/24	509

Table 137: Sick Leave

4.3.3 HR Policies and Plans

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

The table below shows the HR policies and plans that are approved:

Approved policies	
Name of policy	Date approved/ revised
Human Resource Management Strategy and Implementation Plan 2022-2026	14 June 2023
Recruitment and Selection Policy	14 June 2023
Induction and onboarding Policy	14 June 2023
Probation Policy	14 June 2023

Approved policies	
Placement Policy	14 June 2023
T.A.S.K Job Evaluation Policy	14 June 2023
Employment Equity Policy	14 June 2023
Acting Policy	14 June 2023
Scarce Skills and Retention Policy	14 June 2023
Education, Training and Development Policy	14 June 2023
Exit Management Policy	14 June 2023
Policies still to be Approved	
Name of policy	
Occupational Health and Safety	
Leave of Absence	
Overtime and Standby	

Table 138: HR Policies and Plans

4.4 Component C: Capacitating the Municipal Workforce

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

4.4.1 Skills Matrix

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

Management level	Gender	Number of employees identified for training at the start of the year (2023/24)	Number of Employees that received training (2023/24)
MM and S57	Female	0	0
	Male	1	1
Legislators, Senior Officials and Managers	Female	7	7
	Male	5	5
Associate Professionals and Technicians	Female	0	0
	Male	0	0
Professionals	Female	1	1
	Male	2	2
Clerks	Female	19	14
	Male	7	7
Service and Sales Workers	Female	3	0
	Male	2	2

Management level	Gender	Number of employees identified for training at the start of the year (2023/24)	Number of Employees that received training (2023/24)
Craft and related Trade Workers	Female	0	0
	Male	0	0
Plant and Machine Operators and Assemblers	Female	1	1
	Male	5	4
Elementary Occupations	Female	5	3
	Male	8	4
Subtotal	Female	36	26
	Male	30	25
Total		66	51

Table 139: Skills Matrix

4.4.2 Skills Development – Training Provided

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

Training provided within the reporting period 2023/24			
Management level	Gender	Total	
		Actual	Target
MM and S57	Female	0	0
	Male	1	1
Legislators, Senior Officials and Managers	Female	6	7
	Male	5	5
Associate Professionals and Technicians	Female	0	1
	Male	2	2
Professionals	Female	0	0
	Male	0	0
Clerks	Female	14	19
	Male	7	7
Service and Sales Workers	Female	0	1
	Male	2	2
Craft and related Trade Workers	Female	0	0
	Male	0	0
Plant and Machine Operators and Assemblers	Female	1	1
	Male	4	5

Training provided within the reporting period 2023/24			
Management level	Gender	Total	
		Actual	Target
Elementary Occupations	Female	3	5
	Male	4	8
Subtotal	Female	24	30
	Male	25	34
Total		49	64

Table 140: Skills Development

4.4.3 Skills Development - Budget Allocation

The table below indicates that a total amount of R82 464 was allocated to the workplace skills plan and that 47.95% of the total amount was spent in the 2023/24 financial year:

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
2022/23	34 746 921	201 192	112 188	55.76
2023/24	33 125 095	82 464	39 536	47.95

Table 141: Budget Allocated and Spent for Skills Development

4.4.4 MFMA Competencies

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

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

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior Managers	3	3	3	3
Any other Financial Officials	5	5	N/A	5
Supply Chain Management Officials				
Heads of Supply Chain Management units	1	1	N/A	1
Supply Chain Management Senior Managers	0	0	0	0
Total	11	11	5	11

Table 142: MFMA Competencies

4.5 Component D: Managing the Municipal Workforce Expenditure

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

4.5.1 Personnel Expenditure

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

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2022/23	34 303	71 033	48.29
2023/24	36 799	87 371	42.23

Table 143: Personnel Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2022/23	2023/24		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
<u>Councillors (Political Office Bearers plus Other)</u>				
Basic salaries and wages	2 926	3 145	3 091	3 206
Motor vehicle allowance	53	55	53	53
Other allowances	290	281	309	298
Sub Total	3 172	3 481	3 453	3 557
% increase/ (decrease)	3.06	9.74	8.86	12.13
<u>Senior Managers of the Municipality</u>				
Salary	3 819	3 987	3 992	4 040
Contributions	565	622	616	616
Allowances	559	559	748	748
Other benefits	197	219	219	421
Performance bonus	0	0	0	0
Sub Total	5 140	5 387	5 575	5 826
% increase/ (decrease)	0.92	5.77	9.46	14.4
<u>Other Municipal Staff</u>				
Basic Salaries and Wages	18 537	20 110	19 344	19 297
Contributions	4 308	4 247	4 214	4 219
Allowances	1 646	2 022	2 065	2 079
Housing allowance	57	130	81	66
Overtime	1 148	1 297	1 325	1 320
Other benefits or allowances	643	632	418	535
Sub Total	26 339	24 438	27 447	27 516
% increase	6.44	14.92	10.92	11.2
Total Municipality	34 748	37 306	36 475	36 899
% increase/ (decrease)	5.27	13.01	10.50	11.78

Table 144: Personnel Expenditure

Chapter 5

This chapter provides details regarding the financial performance of the Municipality for the 2023/24 financial year.

Component A: Statements Of Financial Performance

The Statement of Financial Performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

5.1 Financial Summary

5.1.1 Overall Financial Summary

The table below indicates the summary of the financial performance for the 2023/24 financial year:

Financial Summary						
R'000						
Description	2022/23	2023/24			2023/24% Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	5 180	5 830	5 251	5 448	-7.02	3.61
Service charges	22 125	29 549	28 774	27 678	-6.76	-3.96
Investment revenue	1 093	995	1 470	2 043	51.27	28.03
Transfers recognised - operational	29 825	35 784	35 734	29 972	-19.39	-19.23
Other own revenue	56 347	34 139	34 479	2 715	-1157.34	-1169.85
Total Revenue (excluding capital transfers and contributions)	114 570	106 299	105 709	67 855	-56.66	-55.79
Employee costs	31 587	33 824	33 023	32 033	-5.59	-3.09
Remuneration of Councillors	3 318	3 527	3 505	3 607	2.20	2.81
Depreciation & asset impairment	12 258	5 919	5 929	0	0.00	0.00
Finance costs	2 767	957	957	0	-1 565 042.30	-1 565 042.30
Bulk purchases	10 737	13 604	12 711	11 873	-14.58	-7.06
Transfers and subsidies	12	210	212	0	0.00	0.00

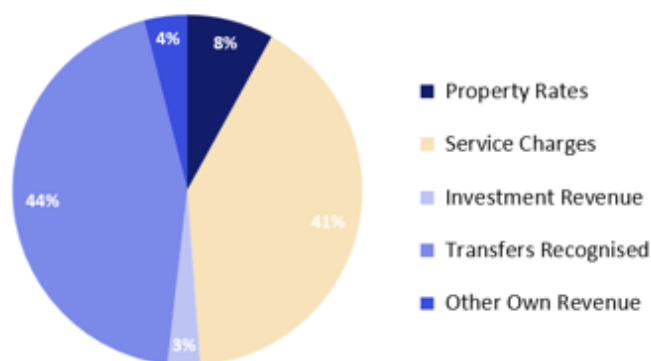
Financial Summary						
R'000						
Description	2022/23	2023/24			2023/24% Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Other expenditure	77 232	53 285	39 953	15 651	-240.46	-155.27
Total Expenditure	137 912	111 326	96 291	63 164	-76.25	-52.45
Surplus/(Deficit)	(23 342)	(5 027)	9 418	4 691	207.16	-100.75
Transfers recognised - capital	23 887	48 344	45 092	35 402	-36.56	-27.37
Gains and other operations	(708)	1 531	2 782	0	0.00	0.00
Surplus/(Deficit) for the year	1 252	41 786	51 728	40 094	-4.22	-29.02
Capital Expenditure & Funds Sources						
Capital Expenditure						
Transfers recognised - capital	23 887	48 344	45 092	35 402	-36.56	-27.37
Total sources of capital funds	23 887	48 344	45 092	35 402	-36.56	-27.37
Financial Position						
Total current assets	21 137	20 976	26 477	13 766	-52.38	-92.33
Total non-current assets	287 180	257 047	331 237	323 958	20.65	-2.25
Total current liabilities	(18 561)	(20 673)	(21 513)	(9 844)	-110.00	-118.54
Total non-current liabilities	(24 794)	(24 797)	(26 099)	(26 337)	5.85	0.90
Community Wealth/Equity	(264 963)	(232 553)	(310 102)	(301 543)	22.88	-2.84
Cash Flows						
Net cash from (used) operating	5 225	10 295	10 295	20 756	50.40	50.40
Net cash from (used) investing	(11 903)	(6 338)	(6 338)	(21 318)	70.27	70.27
Net cash from (used) financing	0	0	0	0	0.00	0.00
Cash/cash equivalents at	3 041	9 718	9 718	2 479	-292.02	-292.02

Financial Summary						
R'000						
Description	2022/23	2023/24			2023/24% Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
the beginning of the year						
Cash/cash equivalents at the year-end	9 718	13 675	13 675	3 041	-349.69	-349.69
Cash Backing/Surplus Reconciliation						
Cash and investments available	3 041	9 718	9 718	2 479	-292.02	-292.02
Balance - surplus (shortfall)	3 041	9 718	9 718	2 479	-292.02	-292.02
Asset Management						
Asset register summary (WDV)	288 734	288 734	0	0	0	0.00
Depreciation & asset impairment	12 258	12 258	5 919	5 929	0	0.00
Repairs and Maintenance	1 579	1 579	1 792	1 732	1 370	-30.85
Free Services						
Cost of Free Basic Services provided	3 325	2 767	2 419	2 503	0	0.00
Revenue cost of free services provided	5 038	5 038	4 032	4 171	0	0.00
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 145: Financial Performance 2023/24

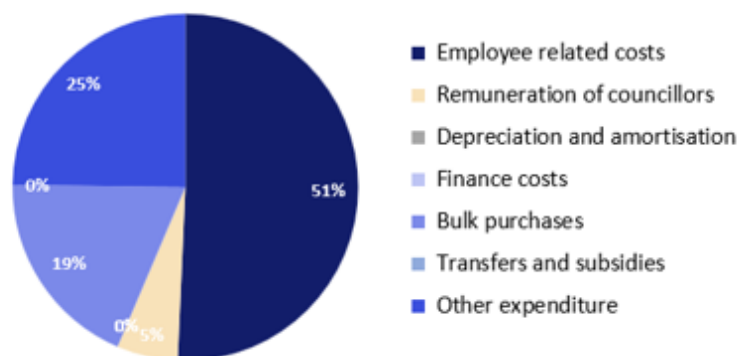
The following graphs indicate the various types of revenue and expenditure items in the municipal budget for 2023/24:

Total Revenue



Graph 5.: Revenue

Operational Expenses



Graph 6.: Operating Expenditure

5.1.2 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2022/23	2023/24			2023/24% Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Vote 1 - Mayoral & Council	0	0	0	0	0.00	0.00
Vote 2 - Municipal Manager	0	0	0	0	0.00	0.00
Vote 3 - Corporate Services	1 299	2 894	3 555	2 387	-17.51	-32.86
Vote 4 - Budget & Treasury	56 138	86 571	82 549	68 723	-20.62	-16.75
Vote 5 - Planning and Development	0	0	0	0	0.00	0.00
Vote 6 - Community and Social Services	1 615	1 865	1 852	1 483	-20.43	-19.90
Vote 7 - Sport and Recreation	1	1	2	4	261.80	93.74
Vote 8 - Housing	11	13	11	11	-16.24	-0.43
Vote 9 - Public Safety	54 286	28 471	28 781	420	-98.53	-98.54
Vote 10 - Road Transport	1 140	1 250	1 265	576	-53.92	-54.47
Vote 11 - Waste Management	3 002	3 652	4 246	3 098	-15.15	-27.03
Vote 12 - Waste Water Management	2 751	3 638	4 410	3 126	-14.06	-29.12
Vote 13 - Water	3 451	5 667	4 681	4 427	-21.89	-5.44
Vote 14 - Electricity	15 373	20 623	19 448	19 003	-7.85	-2.29
Total Revenue by Vote	139 067	154 643	150 801	103 258	-33.23	-31.53
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 146: Revenue by Vote

5.1.3 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2023/24 financial year:

Description	2022/23	2023/24			2023/24% Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Property rates	5 180	5 474	4 973	5 025	-8.21	1.03
Property rates - penalties & collection charges	238	356	278	423	18.77	52.16
Service Charges - electricity revenue	14 764	19 525	18 350	18 131	-7.14	-1.19
Service Charges - water revenue	2 882	5 408	4 422	3 936	-27.21	-10.99
Service Charges - sanitation revenue	2 225	2 209	3 008	2 844	28.73	-5.48
Service Charges - refuse revenue	2 528	2 408	2 994	2 767	14.90	-7.57
Service Charges - other	0	0	0	0	0.00	0.00
Rental of facilities and equipment	1 732	1 806	1 659	1 651	-8.59	-0.46
Interest earned - external investments	903	995	1 470	2 043	105.22	38.95
Interest earned - outstanding debtors	0	35	84	103	193.47	22.14
Fines penalties and forfeits	54 092	28 290	28 514	173	-99.39	-99.39
Licences and permits	194	181	284	256	41.36	-9.84
Agency services	185	221	221	197	-11.09	-11.09
Transfers recognised - operational	29 825	35 784	35 734	29 972	-16.24	-16.13
Transfers recognised - capital	23 887	48 344	45 092	35 402	-26.77	-21.49
Other revenue	139	3 606	3 717	336	-90.70	-90.97
Gains on disposal of PPE	0	0	0	0	0.00	0.00
Total Revenue (excluding capital transfers and contributions)	138 774	154 643	150 801	103 258	-33.23	-31.53
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 147: Revenue by Source

5.1.4 Operational Services Performance

The table below indicates the operational services performance for the 2023/24 financial year:

Financial Performance of Operational Services - Operating Cost						
R'000						
Description	2022/23	2023/24			2023/24% Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Water	6 290	6 565	5 645	3 286	-49.95	-41.79
Wastewater (Sanitation)	3 326	3 378	3 154	1 623	-51.94	-48.53
Electricity	12 742	15 611	15 932	12 867	-17.58	-19.24

Financial Performance of Operational Services - Operating Cost						
R'000						
Description	2022/23	2023/24			2023/24% Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Waste Management	6 163	2 588	2 720	1 471	-43.16	-45.92
Housing	5	8	7	6	-18.55	-12.63
Component A: sub-total	28 526	28 150	27 458	19 253	-31.61	-29.88
Roads and Stormwater	14 338	13 068	13 074	10 836	-17.08	-17.12
Component B: sub-total	14 338	13 068	13 074	10 836	-17.08	-17.12
Planning	773	865	827	831	-4.01	0.42
Component C: sub-total	773	865	827	831	-4.01	0.42
Libraries	1 506	1 456	1 763	1 550	6.39	-12.13
Cemeteries	654	101	51	37	-63.29	-27.35
Social Services: Other	1	7	7	3	-54.35	-55.51
Component D: sub-total	2 161	1 564	1 822	1 590	1.62	-12.72
Environmental Protection	0	0	0	0	0.00	0.00
Component D: sub-total	0	0	0	0	0.00	0.00
Public Safety	51 772	28 584	18 200	4 018	-85.94	-77.92
Fire Services and Disaster Management	54	94	89	79	0.00	0.00
Component E: sub-total	51 825	28 678	18 289	4 097	-85.71	-77.60
Sport and Recreation	238	515	347	268	-47.90	-22.74
Component F: sub-total	238	515	347	268	-47.90	-22.74
Financial Services	23 448	21 954	22 411	13 513	-38.45	-39.70
Administration	7 038	9 746	6 259	5 173	-46.93	-17.36
Office of the MM	3 689	3 163	3 347	3 432	8.53	2.54
Office of the Mayor	7 032	5 153	5 239	4 202	-18.46	-19.79
Component G: sub-total	41 207	40 015	37 256	26 320	-34.23	-29.35
Total Expenditure	139 067	112 856	99 073	63 195	-44.00	-36.21
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 148: Operational Services Performance

5.2 Financial Performance Per Municipal Function

5.2.1 Water Services

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	3 451	5 667	4 681	4 427	-21.89
Expenditure:					
Employees	1 567	1 847	1 489	1 596	-13.55
Repairs and Maintenance	839	975	777	855	-12.33
Other	3 883	3 743	3 379	834	-77.71
Total Operational Expenditure	6 290	6 565	5 645	3 286	-49.95
Net Operational (Service) Expenditure	(2 839)	(899)	(964)	1 141	-226.93
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 149: Financial Performance: Water Services

5.2.2 Wastewater (Sanitation) Provision

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	2 751	3 638	4 410	3 126	-14.06
Expenditure:					
Employees	1 021	1 192	1 126	1 152	-3.33
Repairs and Maintenance	93	142	140	106	-25.22
Other	2 213	2 045	1 888	365	-82.13
Total Operational Expenditure	3 326	3 378	3 154	1 623	-51.94
Net Operational (Service) Expenditure	(575)	260	1 257	1 503	478.69
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 150: Financial Performance: Wastewater (Sanitation) Services

5.2.3 Electricity

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	15 373	20 623	19 448	19 003	-7.85
Expenditure:					
Employees	235	470	470	405	-13.94
Operational cost	138	145	130	177	21.67
Other	12 369	14 995	15 331	12 285	-18.08
Total Operational Expenditure	12 742	15 611	15 932	12 867	-17.58
Net Operational (Service)	2 632	5 012	3 516	6 137	22.45
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 151: Financial Performance: Electricity

5.2.4 Waste Management

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	3 002	3 652	4 246	3 098	-15.15
Expenditure:					
Employees	869	646	973	916	41.92
Operational cost	82	127	114	88	-31.10
Other	5 212	1 815	1 633	467	-74.27
Total Operational Expenditure	6 163	2 588	2 720	1 471	-43.16
Net Operational (Service)	(3 161)	1 064	1 526	1 628	52.96
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 152: Financial Performance: Waste Management

5.2.5 Housing

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	11	13	11	11	-16.24
Expenditure:					
Employees	0	0	0	0	0.00
Operational cost	5	7	6	6	-3.25
Other	0	1	1	0	-100.00
Total Operational Expenditure	5	8	7	6	-18.55
Net Operational (Service)	6	5	3	4	-12.53
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 153: Financial Performance: Housing

5.2.6 Roads and Stormwater

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	1 140	1 250	1 265	576	-53.92
Expenditure:					
Employees	8 971	9 400	9 147	9 278	-1.30
Operational cost	522	520	459	450	-13.51
Other	4 844	3 148	3 468	1 108	-64.81
Total Operational Expenditure	14 338	13 068	13 074	10 836	-17.08
Net Operational (Service)	(13 198)	(11 818)	(11 809)	(10 260)	-13.19
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 154: Financial Performance: Roads and Stormwater

5.2.7 Planning and Building Control

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	0	0	0	0	0.00
Expenditure:					
Employees	751	829	795	691	-16.59
Operational cost	22	34	30	21	-38.70
Other	0	3	3	119	4 581.33
Total Operational Expenditure	773	865	827	831	-4.01
Net Operational (Service)	(773)	(865)	(827)	(831)	-4.01
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 155: Financial Performance: Planning and Building Control

5.2.8 Libraries

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	1 595	1 836	1 836	1 466	-20.13
Expenditure:					
Employees	1 456	1 269	1 530	1 473	16.06
Operational cost	41	52	58	40	-21.44
Other	9	136	176	36	-73.19
Total Operational Expenditure	1 506	1 456	1 763	1 550	6.39
Net Operational (Service)	89	379	72	(83)	-122.00
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 156: Financial Performance: Libraries

5.2.9 Cemeteries

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	20	29	16	17	-39.87
Expenditure:					
Employees	0	0	0	0	0.00
Operational cost	0	0	0	0	0.00
Other	654	101	51	37	-63.29
Total Operational Expenditure	654	101	51	37	-63.29
Net Operational (Service)	(634)	(72)	(35)	(20)	-72.65
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 157: Financial Performance: Cemeteries

5.2.10 Childcare; Aged Care; Social Programmes

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	0	0	0	0	0.00
Expenditure:					
Employees	0	0	0	0	0.00
Operational cost	2	3	5	4	46.75
Other	(2)	4	2	(1)	-120.29
Total Operational Expenditure	1	7	7	3	-54.35
Net Operational (Service)	(1)	(7)	(7)	(3)	-54.35
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 158: Financial Performance: Childcare, Aged Care, Social Programmes

5.2.11 Public Safety (Traffic and Law Enforcement)

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	54 286	28 471	28 781	420	-98.53
Expenditure:					
Employees	3 152	3 587	3 470	3 200	-10.78
Operational cost	426	634	241	464	-26.84
Other	48 193	24 363	14 489	354	-98.55
Total Operational Expenditure	51 772	28 584	18 200	4 018	-85.94
Net Operational (Service)	2 515	(113)	10 581	(3 598)	3 085.54
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 159: Financial Performance: Public Safety (Traffic and Law Enforcement)

5.2.12 Fire Services and Disaster Management

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	0	0	0	0	0.00
Expenditure:					
Employees	0	0	0	0	0.00
Operational cost	18	35	33	21	-39.10
Other	36	60	56	58	-2.95
Total Operational Expenditure	54	94	89	79	-16.24
Net Operational (Service)	(54)	(94)	(89)	(79)	-16.24
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 160: Financial Performance: Fire Services and Disaster Management

5.2.13 Sport and Recreation

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	1	1	2	4	261.80
Expenditure:					
Employees	158	177	177	166	-6.10
Operational cost	62	87	94	83	-5.38
Other	18	250	76	19	-92.40
Total Operational Expenditure	238	515	347	268	-47.90
Net Operational (Service)	(238)	(514)	(345)	(265)	-48.50
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 161: Financial Performance: Sport and Recreation

5.2.14 Administration

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	1 720	1 814	1 714	1 726	-4.84
Expenditure:					
Employees	2 106	3 277	2 282	2 198	-32.94
Operational cost	2 560	2 850	2 180	2 126	-25.41
Other	2 373	3 618	1 797	849	-76.55
Total Operational Expenditure	7 038	9 746	6 259	5 173	-46.93
Net Operational (Service)	(5 318)	(7 932)	(4 546)	(3 446)	-56.55
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 162: Financial Performance: Administration

5.2.15 Office of the Municipal Manager

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	0	0	0	0	0.00
Expenditure:					
Employees	3 180	2 828	3 024	3 091	9.30
Operational cost	318	118	108	342	188.86
Other	191	217	215	0	-99.99
Total Operational Expenditure	3 689	3 163	3 347	3 432	8.53
Net Operational (Service)	(3 689)	(3 163)	(3 347)	(3 432)	8.53
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 163: Financial Performance: Office of the Municipal Manager

5.2.16 Office of the Mayor

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	0	0	0	0	0.00
Expenditure:					
Employees	1 387	4 339	4 344	3 885	-10.46
Operational cost	321	406	506	259	-36.22
Other	5 324	408	389	58	-85.83
Total Operational Expenditure	7 032	5 153	5 239	4 202	-18.46
Net Operational (Service)	(7 032)	(5 153)	(5 239)	(4 202)	-18.46
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 164: Financial Performance: Office of the Mayor

5.2.17 Financial Services

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	54 418	84 757	80 835	66 996	-20.95
Expenditure:					
Employees	6 734	7 492	7 700	7 588	1.29
Operational cost	8 346	10 996	11 117	2 989	-72.81
Other	8 368	3 466	3 593	2 935	-15.30
Total Operational Expenditure	23 448	21 954	22 411	13 513	-38.45
Net Operational (Service)	30 969	62 803	58 424	53 483	-14.84
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 165: Financial Performance: Financial Services

5.3 Grants

5.3.1 Grant Performance

The Municipality had a total amount of R50.34 million for infrastructure and other projects available that was received in the form of grants from the National and Provincial Governments during the 2022/23 financial year.

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

Grant Performance						
R'000						
Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Capital Transfers and Grants						
National Government:	51 925	80 469	77 167	63 779	-20.74	-17.35
Equitable share	20 139	21 520	21 520	21 520	0.00	0.00
Department of Water Affairs	17 360	34 133	31 832	21 737	-36.32	-31.71
Municipal Infrastructure Grant (MIG)	6 870	14 959	13 958	14 102	-5.73	1.03
Expanded Public Works Programme	1 074	1 173	1 173	489	-58.33	-58.33
Integrated National Electrification Programme	0	0	0	0	0.00	0.00
Allocation in kind	4 471	6 884	6 884	4 818	-30.01	-30.01
Finance Management Grant	2 010	1 800	1 800	1 113	-38.15	-38.15
Provincial Government:	1 734	3 621	3 621	1 591	-56.06	-56.06
Municipal Service Delivery and Capacity Building	0	0	0	0	0.00	0.00

Grant Performance						
R'000						
Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Proclaimed roads	43	50	50	50	0.00	-0.01
Community Development Workers Operating Grant	95	76	76	76	0.00	0.01
Library Grant	1 595	1 835	1 835	1 465	-20.16	-20.16
SMME Booster Grant	0	0	0	0	0.00	0.00
Municipal Finance Improvement Programme	0	0	0	0	0.00	0.00
Financial Management Support Grant	0	0	0	0	0.00	0.00
Human Settlements	0	1 660	1 660	0	-100.00	-100.00
Department of Sport and Recreation	0	0	0	0	0.00	0.00
Municipal drought support grant	0	0	0	0	0.00	0.00
Allocation in kind	0	0	0	0	0.00	0.00
District Municipality:	0	0	0	0	0.00	0.00
Grant mSCOA	0	0	0	0	0.00	0.00
Covid-19 Support Grant	0	0	0	0	0.00	0.00
Other grant providers:	53	38	38	4	-89.63	-89.63
Private Enterprise - Covid-19	0	0	0	0	0.00	0.00
Seta	53	38	38	4	-89.63	-89.63
Total Operating Transfers and Grants	53 711	84 128	80 826	65 374	-22.29	-19.12
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 166: Grant Performance for 2022/23

5.3.2 Level of Reliance on Grants & Subsidies

Financial year	Total grants	Total	Percentage
	and subsidies received	Operating Revenue	
	R'000	R'000	%
2022/23	53 711	115 181	46.63
2023/24	65 374	67 855	96.34

Table 167: Reliance on Grants

5.3.3 Three Largest Assets

The following table indicates the details of the three largest assets within the Municipality:

Asset 1		
Name	WSIG: Construction of bulk sewer line in Matjiesfontein	
Description	Construction of bulk sewer line	
Asset Type	Sanitation Infrastructure	
Key Staff Involved	Technical Department	
Staff Responsibilities	Manager Infrastructure	
Asset Value as at 30 June 2024	2022/23 R million	2023/24 R million
	2 378	15 180

Asset 2		
Name	MIG: 435154 - New Paved Streets - Matjiesfontein	
Description	Roads	
Asset Type	Civil structures: Roads	
Key Staff Involved	Technical Department	
Staff Responsibilities	Manager Infrastructure	
Asset Value as at 30 June 2024	2022/23 R million	2023/24 R million
	786	4 540

Asset 3		
Name	Goldnerville New Gabions and Channel	
Description	New Stormwater Channels	
Asset Type	Infrastructure Stormwater Management	
Key Staff Involved	Technical Department	
Staff Responsibilities	Manager Infrastructure	
Asset Value as at 30 June 2024	2022/23 R million	2023/24 R million
	1 713	1 434

Table 168: Three Largest Assets

5.3.4 Sources of Finance for Capital Expenditure

The following table indicates the sources of finance used for capital expenditure during the financial year:

Details	2022/23	2023/24				
	<i>Audited outcome</i>	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of finance						
Description	R'000				%	
Grants and subsidies	23 887	48 344	45 092	35 402	-6.73	-26.77
Own funding	0	0	0	0	0.00	0.00
Total	23 887	48 344	45 092	35 402	-6.73	-26.77
Percentage of finance						
Grants and subsidies	100.00	100.00	100.00	100.00	0.00	0.00
Own funding	0	0.00	0.00	0.00	0.00	0.00
Capital expenditure						
Description	R'000				%	
Water and sanitation	15 183	34 133	33 946	18 582	-0.55	-45.56
Electricity	3 104	0	596	0	0.00	0.00
Housing	0	0	0	0	0.00	0.00
Roads and storm water	0	6 611	5 580	0	-15.59	-100.00
Other	3 029	7 600	7 680	182	1.05	-97.61
Total	21 316	48 344	47 802	18 764	-1.12	-61.19
Percentage of expenditure						
Water and sanitation	71.23	70.60	71.01	99.03	0.58	40.26
Electricity	14.56	0	1.25	0	0.00	0.00
Housing	0	0	0	0	0.00	0.00
Roads and Stormwater	0	13.67	11.67	0	-14.64	-100.00
Other	14.21	15.72	16.07	0.97	2.20	-93.83

Table 169: Sources of Finance for Capital Expenditure

5.3.5 Grants made by the Municipality

The following table indicates the grants made by the Municipality during the financial year:

All organisations or person in receipt of grants provided by the Municipality	Nature of Project	Conditions attached to funding	Value 2023/24 (R'000)	Total Amount committed over previous and future years
Indigent households	Repairs and maintenance on electrical and plumbing equipment in	None	0	400

All organisations or person in receipt of grants provided by the Municipality	Nature of Project	Conditions attached to funding	Value 2023/24 (R'000)	Total Amount committed over previous and future years
	private houses and indigent burials			

Table 170: Grants Made by the Municipality

5.4 Asset Management

5.4.1 Repairs and Maintenance

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Budget variance
		R'000			%
Repairs and Maintenance Expenditure	1 579	1 792	1 732	1 370	-20.91

Table 171: Repairs & Maintenance

5.5 Financial Ratios Based on Key Performance Indicators

5.5.1 Liquidity Ratio

Description	Basis of calculation	2022/23	2023/24
		Audited outcome	Pre-Audited outcome
Current Ratio	Current assets/current liabilities	0.80	1.40
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.69	0.72
Liquidity Ratio	Cash and equivalents/Trade creditors and short-term borrowings	0.12	0.68

Table 172: Liquidity Financial Ratio

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2022/23	2023/24
		Audited outcome	Pre-Audited outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	24.1%	127.5%
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	9.0%	12.8%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	3.94	2.50

Table 173: Financial Viability National KPAs

5.5.3 Employee Costs

Description	Basis of calculation	2022/23	2023/24
		Audited outcome	Pre-Audited outcome
Employee costs	Employee costs/ (Total Revenue - capital revenue)	27.42%	47.21

Table 174: Employee Costs

5.5.4 Repairs and Maintenance

Description	Basis of calculation	2022/23	2023/24
		Audited outcome	Pre-Audited outcome
Repairs and maintenance (R&M) as a percentage of total revenue excluding capital revenue	R&M/ (total revenue excluding capital revenue)	1.37	2.02

Table 175: Repairs and Maintenance Ratio

Component B: Cash Flow Management and Investments

Cash flow management is critical to the Municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.6 Cash Flow

Description	2022/23	2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from operating activities				
Receipts				
Property Rates	4 579	4 792	4 792	4 817
Service Charges	21 797	23 225	23 225	(21 795)
Government Grants	30 777	37 982	37 982	48 677
Interest	280	673	673	415
Other receipts	8 484	9 082	9 082	113 135
Payments				
Suppliers and employees	(60 231)	(64 685)	(64 685)	(123 812)
Finance charges	(461)	(773)	(773)	(682)
Transfers and Grants	0	0	0	0
Net cash from/(used) operating activities	5 225	10 295	10 295	20 755

Description	2022/23	2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	0	0	0	0
Decrease (Increase) in non-current debtors	151	0	0	95
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(12 054)	(6 338)	(6 338)	(21 413)
Net cash from/(used) investing activities	(11 903)	(6 338)	(6 338)	(21 318)
Cash flows from financing activities				
Receipts				
Repayment of other financial and cash equivalents	0	0	0	0
Increase/(decrease) in consumer deposits	0	0	0	0
Payments				
Repayment of borrowing	0	0	0	0
Net cash from/(used) financing activities	0	0	0	0
Net increase/ (decrease) in cash held	(6 677)	3 957	3 957	(562)
Cash/cash equivalents at the year begin:	9 718	3 041	3 041	3 041
Cash/cash equivalents at the year-end:	3 041	6 998	6 998	2 479

Table 176: Cash Flow

5.7 Gross Outstanding Debtors Per Service

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000					
2022/23	294	2 778	(57)	1 405	111	4 531
2023/24	307	3 905	540	1 348	114	6 213
Difference	13	1 127	597	(58)	3	1 682
% growth year on year	4.3	40.5	-1 045.8	-4.1	2.8	37.1
Note: Figures exclude provision for bad debt						

Note: Figures exclude provision for bad debt

Table 177: Gross Outstanding Debtors per Service

5.8 Total Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2022/23	1 661	457	370	8 177	10 666
2023/24	1 646	485	474	9 427	12 033
Difference	(15)	28	104	1 250	1 366
% growth year on year	-0.93	6.05	28.14	15.28	12.81
<i>Note: Figures exclude provision for bad debt.</i>					

Table 178: Outstanding Debtor Age Analysis

5.9 Borrowing and Investments

5.9.1 Municipal Investments

Actual Investments		
R'000		
Investment type	2022/23	2023/24
	Actual	Actual
Deposits – Bank	2 479	0
Total	2 479	0

Table 179: Municipal Investments

5.9.1 Municipal Borrowing

Actual Investments		
R'000		
Investment type	2022/23	2023/24
	Actual	Actual
Financial Leases	2	2
Total	2	2

Table 180: Municipal Borrowing

Chapter 6

Component A: Auditor-General Opinion 2022/23

6.1 Auditor-General Report 2022/23

Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
Property, plant and equipment The Auditor General was unable to obtain sufficient appropriate audit evidence for property, plant, and equipment, due to inadequate information presented in the fixed assets register. I was unable to confirm the physical assets by alternative means. I was also unable to obtain sufficient and appropriate audit evidence of the adjustments to the comparative figures which also impacts the current year balances due to insufficient supporting information. Consequently, I was unable to determine whether any adjustments relating to property, plant, and equipment of R265 748 621 (2022: R263 528 149) as disclosed in note 7, depreciation and amortisation of R12 257 598 (2022: R12 207 183) as disclosed in note 32, Impairment losses as disclosed in note 33 of R50 307 929 (2022: R23 471 777) in the financial statements were necessary Also, the Municipality did not disclose all projects under construction as part of work in progress, as required by GRAP 17, Property, plant and equipment, due to the Municipality including a project that was under construction to be part of completed assets. Consequently, work in progress as disclosed in note 7.3 and delayed projects as disclosed in note 7.4 is understated by R 7 757 885, and completed projects is overstated with R 7 757 885 in the current year, while it was impracticable to quantify the impact in the prior periods Furthermore, the Municipality did not recognise all additions made to infrastructure assets in accordance with GRAP 17, Property, plant and equipment, as additions to property, plant and equipment were identified which were not recorded in the financial statements. Consequently, property, plant and equipment as disclosed in note 7 and payables from exchange transactions as disclosed in note 14 was understated by R1 709 567 in the financial statements. The work in progress disclosure included in note 7.3 was further also understated with this amount. Furthermore, the Municipality recorded a disposal of land linked to Reconstruction and Development Programme (RDP) houses in property, plant and equipment while the land has been transferred in prior periods and will not consist of a current year disposal in accordance with GRAP 17, Property, plant and equipment. Consequently, property, plant and equipment as disclosed in note 7 is understated and loss of disposal of property, plant and equipment as disclosed in note 41 is overstated with R4 411 483 in the financial statements. In addition, the Municipality recorded land that does not meet the recognition criteria in accordance with GRAP 17, Property, plant and equipment. The land recorded belonged to other governmental entities. Consequently, property, plant and equipment as disclosed in note 7 was overstated and accumulated surplus understated by R2 214 406 in the financial statements. Lastly, the Municipality did not recognise properties held in accordance with GRAP 16, investment property. Properties that	In terms of "Movable Asset Register not completely recorded". A review of the internal control system on the moveable assets of the Municipality By Whom: Finance/Infrastructure Department By When: 31 June 2024 In terms of "Incorrect Classification". Fixed Asset Register to be adjusted By Whom: Finance Department By When: August 2024 In terms of "Disposals": Adjust the Fixed Asset Register. By Whom: Finance/Infrastructure/Community services Department By When: 30 June 2024 In terms of "Land belonging to other government entities", the finding has been resolved. Matjiesfontein/Hospital) Management will adjust the Fixed Assets Register, Erf 104 will be removed from the Asset Register By Whom: Finance Department By When: June 2024 Erf 6 is the property of Laingsburg Municipality see attached the winded report, register in name of Municipality By Whom: None By When: June 2024 Erf 104, Matjiesfontein was the property of Laingsburg Municipality but it was transfer to Private owner- see winded report, the necessary adjustment will be complete in asset register By Whom: Finance Department By When: June 2024 In terms of "Internal Control deficiencies in the recording of start date for depreciation of additions". A review of the internal control system on the moveable assets of the Municipality By Whom: Finance By When: April 2024 to June 2024

Details	
were held for capital appreciation and/or to earn rental income were incorrectly recognised as property, plant and equipment. Investment property as disclosed in note 9 was understated by R1 681 847 while property, plant and equipment as disclosed in note 7 was overstated by the same amount	In terms of "Fixed Asset Register deficiencies". Investigate the whole population By When: Management By Whom: August 2024 In terms of "Addition to PPE (WIP) not completely recorded in the fixed Asset Register". Adjust the WIP. By Whom: Finance/Infrastructure Department By When: Final AFS
Revenue from non-exchange transactions Fines, penalties, and forfeits The Municipality did not record revenue from traffic offences in accordance with GRAP 23 Revenue from non-exchange transactions, these fines were not recorded at the full amount as per the supporting documentation and/or were not recorded at all. Consequently, fines, penalties and forfeits in note 20 and statutory receivables from non-exchange transactions in note 5 are understated by R6 825 501 (2022: R2 071 878). Additionally, there was a consequential impact on the surplus for the period, statutory receivables from non-exchange transactions, impairment losses and on the accumulated surplus.	Investigation and monitoring to be done. By Whom: N Hendrikse By When: June 2024 Oversee that system is maintained. By Whom: N Hendrikse By When: January 2024 Processes to be adjusted. By Whom: N Hendrikse By When: May 2024 Correction in AFS By Whom: G Bothma By When: Final AFS
Revenue from exchange transactions Service charges The Auditor General was unable to obtain sufficient and appropriate audit evidence to confirm the value of consumed services provided as the conventional water and electricity meters were faulty. I was unable to confirm the service charges through alternative means. Consequently, I was unable to determine if any adjustments to revenue from exchange transactions: service charges of R22 124 527 (2022: R22 540 182) as disclosed in note 24, receivables from exchange transactions amounting to R 5 017 566 (2022: R5 375 591) as disclosed in note 3, and impairment losses amounting to R 48 536 969 (2022: R21 935 984) as disclosed in note 33 were required to the financial statements.	The financial statements will be amended with the current and the prior period disclosures. Accounting for the free water and electricity will be carried out monthly. By Whom: GS Bothma By When: Adjusted AFS, November 2023
Receivables from exchange transactions The Auditor General could not obtain sufficient and appropriate audit evidence on a credit journal adjustment processed through receivables from exchange transactions and debited to accumulated surplus as the adjustment was not adequately supported with initiating supporting documents. Consequently, I was unable to determine if any adjustments to note 3 relating to receivables from exchange transactions stated at R5 017 566 and note 19 relating to accumulated surplus stated R259 073 502 was appropriate and could not be confirmed through alternative means	No recalculation for 'Impairment Provision' has been done at this stage as the projected misstatement on accounts like the first item, is not material
Statutory receivables from exchange transactions The Auditor General was unable to obtain sufficient and appropriate audit evidence to confirm the value added tax (VAT) receivable as the Municipality had not maintained appropriate records to	Laingsburg Municipality to submit VAT return on or before due dates By When: E Hermanus By Whom: Monthly

Details	
reconcile the VAT receivable disclosed. Alternative procedures could not be performed to confirm the reliability of the VAT receivable. Consequently, I was unable to determine if any adjustments were required to the statutory receivables from exchange transactions disclosed at R7 229 602 (2022: R 6 615 286) in note 4 of the financial statements.	
Statutory receivables from non-exchange transactions The Auditor General could not obtain sufficient and appropriate audit evidence on a credit journal adjustment processed through statutory receivables from non-exchange transactions and debited to accumulated surplus as the adjustment was not adequately supported with initiating supporting documents. Consequently, I was unable to determine if any adjustments to note 5 relating to statutory receivables from non-exchange transactions stated at R4 283 469 and note 19 relating to accumulated surplus stated R259 073 502 was appropriate and could not be confirmed through alternative means.	No recalculation for 'Impairment Provision' has been done at this stage as the projected misstatement on accounts like the first item, is not material
Inventories The Auditor General was unable to obtain sufficient and appropriate audit evidence for inventory as the Municipality did not have an adequate system of records management to account for inventory consumed due to bulk water meters not working effectively during the financial year. I was unable to confirm the inventory by alternative means. Consequently, I was unable to determine whether adjustments relating to inventory of R270 700 (2022: R306 365) disclosed in note 2, the inventory consumed of R2 542 020 (2022: R2 591 486) as disclosed in note 37 and material water losses as disclosed in note 40.2 and note 47.1.10 of R1 603 339 (2022: R1 809 150) to the financial statements were necessary	The populations for the account numbers were checked and errors were discovered that could be corrected. By Whom: N Quinn By When: March 2024 Starting on the 1st of August 2023, all day-to-day inventory consumed items are purchased through the stores programs and received and issued automatically by the financial system. From the 1st of November 2023, a permanent store employee has been employed, which will lead to improved control over inventory used and accurate recording and accounting for each stock item counted. By Whom: N Quinn and K Gertse By When: 1 January 2024 Issue 1 and 3: Starting on the 1st of August 2023, all day-to-day inventory consumed items are purchased through the stores programs and received and issued automatically by the financial system. From the 1st of November 2023, a permanent store employee has been employed, which will lead to improved control over inventory used and accurate recording and accounting for each stock item counted. Issue 2: Management will put plans in place to address the deficiencies identified By Whom: N Quinn and K Gertse, J Komanisi By When: March 2024 Management will put plan in place to address the deficiencies identified. By Whom: J Komanisi By When: February 2024 with the draft budget
Payables from exchange transactions The Municipality recorded unallocated receipts relating to traffic fines incorrectly as advance payments within the payables from exchange transactions note and not as statutory receivables from	A proper reconciliation will be done. By Whom: Traffic Department By When: February 2024

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non-exchange transactions in accordance with GRAP 1, Presentation of financial statements. The Municipality did not reduce the statutory receivable from non-exchange transactions for fines with the receipts received. Consequently, payables from exchange transactions as disclosed in note 14 and statutory receivables from non-exchange transactions as disclosed in note 5 is overstated with R 4 380 645 in the financial statements	
Provisions The Municipality did not value the rehabilitation of landfall sites provision in note 18 as require by GRAP 19, Provisions, Contingent Liabilities and Contingent Assets as the Municipality did not adhere to the operating licence of the landfill site to rehabilitate once the site is fully utilised Consequently, provisions as disclosed in note 18 were understated by R1 643 083 (2022: R4 921 198), property, plant and equipment as disclosed in note 7 is overstated by R3 727 923 (2022: R 2 460 599), Interest, dividends and rent on land earned as disclosed in note 34 is understated by R 2 084 840 (2022: R2 460 599). In addition, I could not obtain sufficient and appropriate audit evidence over amounts disclosed in note 18.2, as the Municipality did not support the amount and disclosure made with the licence to operate. Consequently, I was unable to determine if the amounts disclosed of R26 134 142 (2022: R24 739 847) is appropriate	Extend useful life By Whom: Infrastructure Department By When: March 2024
Impairment losses The Auditor General was unable to obtain sufficient and appropriate audit evidence over the impairment losses as disclosed in note 33.2 of the financial statements as the amounts disclosed within this note does not agree with the impairment disclosed in note 3, receivables from exchange transactions and note 5, statutory receivables from non-exchange transactions. Consequently, am unable to determine if any were necessary relating to the impairment note disclosed at R48 536 969 (2022: R21 935 984).	Note 33 in the Annual Financial Statements has been improved to align to the Provision Accounts. Note 33 in the Annual Financial Statements has been improved to align to the Provision Accounts. By Whom: Consultant By When: 30 April 2024
Reclassification of annual financial statements The Auditor General was unable to obtain sufficient and appropriate audit evidence for the prior year adjustments disclosed in note 42 relating to reclassification of annual financial statements due to the status of the accounting records. I was unable to confirm the disclosures of these adjustments by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the prior year adjustments as disclosed in the financial statements.	Adjust AFS By Whom: Consultant By When: June 2024
Correction of error The Auditor General was unable to obtain sufficient and appropriate audit evidence for the prior year adjustments disclosed in note 43 relating to correction of error due to the status of the accounting records. They were unable to confirm the disclosures of these adjustments by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the prior year adjustments as disclosed in the financial statements	The AFS is amended with the findings above. By Whom: Consultant By When: 30 June 2024
Cash flow statement Net cash flows from operating activities The Municipality did not correctly prepare and disclose the net cash flows from operating activities as required by GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating	Management will conduct an in-depth investigation on these transactions again and the appropriate corrections will be made. Management will urgently contact the Vendor about completing the detection of the difference in the balances as mentioned above By Whom: G Bothma/ E Hermanus By When: 30 March 2024/ 31 January 2024

Details	
activities as stated at R20 755 604 in the financial statements were necessary	
Commitments Commitments were not accounted for in terms of GRAP 1, Presentation of financial statements, as the Municipality recorded rate-based contracts for consulting engineers as part of commitments. Consequently, commitments as disclosed in note 48 is overstated by R4 209 819, in the financial statements.	Training and capacitation on the financial reporting requirements for the disclosure of commitments in the AFS. Adjustment of the financial statements of the disclosure note for commitments. By Whom: Management By When: June 2024
Unauthorised expenditure The Municipality did not include all unauthorised expenditure in note 46.1 to the financial statements, as required by section 125(2)(d) of the MFMA, as the Municipality incorrectly calculated the unauthorised expenditure in the current year by using the pre-adjusted trial balance votes resulting in an understatement of R4 129 761 in the financial statements	If agreed, Management will adjust note 46.1 in the AFS as undertaken in the answer to Comaf 64 By Whom: Consultant By When: Afs 2023/24
Change in accounting estimates The Municipality did not disclose all changes in estimates made in the financial statements as required by GRAP 3, Accounting Policies, Changes in Accounting Estimates and Errors. The change in estimate adjustments made to the provisions to decommissioning, restoration, and similar liabilities as disclosed in note 18 of the financial statements has not been disclosed in note 44: change in accounting estimates. Consequently, the change in estimates disclosure is understated with R3 129 739 (2022: R4 239 128) in the financial statements. Statement of comparison of budget vs actual amounts	Extend useful life By Whom: Infrastructure Department By When: March 2024
Statement of comparison of budget vs actual amounts The Municipality did not appropriately disclose the statement of comparison of budget and actual amounts as required by GRAP 24, Presentation of Budget Information in Financial Statements, as various disclosure misstatements were identified that do not provide a fair presentation which will assist users in understanding the material departures from the approved budget. I was unable to determine the full extent of the omitted disclosure as it was impracticable to do so.	The amendment will be calculated in the meantime and applied in amended AFS when permitted. By Whom: Consultant and G Bothma By When: August 2024
Financial Instruments The Municipality did not make all the qualitative and quantitative disclosures required by GRAF 104, Financial Instruments as disclosed in note 49. Some financial instruments were incorrectly recorded, including the capital risk management, the credit risk management disclosure and liquidity risk management disclosure. The disclosure was not in accordance to the reporting requirements. I was unable to determine the full extent of the omitted disclosure as it was impractical to do so.	Adjust AFS By When: Consultants By Whom: AFS 2023/24
Operational costs During 2022, the Municipality did not accurately record operating expenditure occurred as required in GRAP 1, Presentation of financial statements as disclosed in note 40. Consequently, audit fees of the prior year are overstated by R2 587 406 in the financial statements.	Made corrections By Whom: GS Bothma By When: AFS 2023/24

Table 181: AG Report 2022/23

Component B: Auditor-General Opinion 2023/24

6.2 Auditor-General Report 2023/24

Details	
Audit Report Status:	Adverse opinion
Issue raised	Corrective steps implemented
Property, plant and equipment The AG was unable to obtain sufficient appropriate audit evidence for property, plant, and equipment, due to inadequate information presented in the fixed assets register. I was unable to confirm the physical assets by alternative means. Consequently, The AG was unable to determine whether any adjustments relating to Property, plant, and equipment of R302 810 358 (2023: R265 804 648) as disclosed in note 2 to the financial statements, were necessary. The municipality did not recognise expenditure incurred on infrastructure assets, in accordance with GRAP 17, Property, plant and equipment. This is due to there being no project plans in place which supported the capitalisation determinations. Consequently, property, plant and equipment is overstated by R1 503 552, and contracted services are understated by R1 503 552. Contrary to the requirements of GRAP 17, Property, plant and equipment, the municipality's assets were not disclosed appropriately in note 2 of the financial statements, due to multiple errors made therein. The AG has not included the omitted information in this auditor's report as it was impracticable to do so. The municipality did not disclose all projects under construction, in accordance with GRAP 17, Property, plant and equipment. This was due to the municipality including project that were under construction as part of completed assets. Consequently, property plant and equipment which is in the process of being constructed or developed is understated by R7 757 885 (2023: R7 757 885) as disclosed in note 2.3 to the financial statements. In addition, the municipality did not disclose construction projects taking significantly longer period to complete. Consequently, property, plant and equipment that is taking a significantly longer period of time to complete than expected is understated by R7 757 885 (2023: R7 757 885) as disclosed in note 2.4 to the financial statements. The municipality did not recognise land in accordance with GRAP 18, Recognition and derecognition of land. This was due to the land being under the control of other governmental entities. Consequently, property, plant and equipment as disclosed in note 2 to the financial statements was overstated by R2 214 406 (2023: R2 214 406) and accumulated surplus understated by R2 214 406 (2023: R2 214 406) in the financial statements. The municipality did not account for properties in accordance with the requirements of GRAP 17, Property, plant and equipment. This was due to the properties being held for capital appreciation and/or to earn rental income, and not for held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. Consequently, property, plant and equipment as disclosed in note 2 to the financial statements was overstated by R1 681 847 (2023: R1 681 847) and investment property as disclosed in note 3 to the financial statements was understated by R1 681 847 (2023: R1 681 847). The municipality did not recognise all additions made to infrastructure assets in accordance with GRAP 17, Property, plant and equipment. This was due to management not maintaining	• Adjust the financial Statements with the misstatements identified. • Implement audit action plan to address prior year findings on Property, Plant and Equipment in order to prevent repeat findings. • Update the asset register with all details required to account for each asset. Reviews the asset register to confirm that all pertinent details relating to each asset are recorded. • Ensure to unbundle all assets recorded on the fixed assets register. Perform reviews on the assets register to confirm each individual asset is separately recorded. • Perform any infrastructure asset verifications to confirm all assets under the municipality's control are recorded in the fixed assets register. • Correctly interpret and applied the financial reporting framework as it relates to the classification of buildings based on their nature and use. • Develop and monitor the implementation of action plans to address internal control deficiencies • Implemented management controls were deficient to ensure all assets recorded in the asset register can be verified to confirm their existence. • Implement control over daily and monthly processing and reconciling of transactions. • Recommended that management attend GRAP training to enhance their understanding for the financial reporting framework requirements as it relates to the accounting and disclosure of PPE in the annual financial statements.

Details	
adequate record-keeping per the capital project to ensure the all the additions to work-in-progress were included. Consequently, property, plant and equipment as disclosed in note 2 to the financial statements was understated by R1 709 567 and accumulated surplus was understated by R1 709 567.	
Investment property Properties for which there was a change in use were not transferred to inventory, as required by GRAP 16, Investment property. This was due to council resolutions to sell these properties and for which purchase agreements had been concluded. Consequently, investment property was overstated by R2 959 370 and inventory was understated by R2 959 370, respectively. The municipality did not appropriately disclose rentals earned from investment property, and from property, plant and equipment, as misstatements were made in attributing the amounts earned from both the underlying categories of assets in notes 3.2 and 30 of the financial statements. Consequently, revenue from rental of investment property (note 3.2) is understated by R1 558 993 (2023: R11 190), rentals from investment property (note 30) were understated by R1 566 440 (2023: R1 649 204), and rentals from property, plant and equipment (note 30) were overstated by R1 566 440 (2023: R1 649 204), respectively.	- Adjust the financial Statements with the misstatements identified. - Review the investments fixed asset register to confirm assets are correctly classified based on their nature and use.
Inventory The AG was unable to obtain sufficient and appropriate audit evidence for water inventory as the municipality did not have an adequate system of records management to account for inventory consumed due to bulk water meters not working effectively during the financial year. The AG was unable to confirm the inventory by alternative means. Consequently, the AG was unable to determine whether adjustments relating to inventory of R61 151 (2023: R73 274) and inventory consumed disclosed in note 9, and the material water losses of R2 200 009 (2023: R569 993) disclosed in note 59.8 of the financial statements, were necessary.	- Investigate the entire population of inventory consumed to determine the full extent of items incorrectly classified as inventory. - Implement the audit action plan to address prior year findings on inventory consumed in order to prevent repeat findings. - Implemented inventory management controls were deficient to ensure all inventory are accounted for. - Adjust the financial Statements with the misstatements identified. - Review the water inventory cost calculations to ensure that all the information is complete and correctly used. - Ensure timeous replacement and installation of the meter to completely measure all water abstracted for the year.
Receivables from exchange transactions Receivables were not classified as exchange receivables where the municipality will receive services of approximate equal value for those given up in exchange, in accordance with GRAP 9, Revenue from exchange transactions. The municipality was party to a number of agreements that arose from exchange transactions, which were accounted for as arising from non-exchange transactions. Consequently, receivables from exchange transactions were understated by R2 436 835 (2023: R2 252 540), and receivables from non-exchange transactions were overstated by R2 436 835 (2023: R2 252 540), respectively. Receivables (prepayments) for the acquisition of site materials were inappropriately capitalised as additions of property, plant and equipment, which is not in accordance with GRAP 1, Presentation of financial statements. Consequently, receivables from exchange transactions were understated by, and property, plant and equipment was overstated by R9 342 103, respectively. The municipality did not disclose receivables from exchange transactions appropriately in note 10 of the financial statements, as misstatements were made in attributing the amounts between Residential, Industrial/Commercial, National and Provincial Government, and Other for the both the current and comparative periods impacting the overall disclosure note. Furthermore,	- Adjust the financial Statements with the misstatements identified. - Review the annual financial statements before submission for audit.

Details	
misstatements were made in the disclosure of the ageing of the amounts due but not impaired, which was not in accordance with GRAP 104, Financial instruments. I have not included the omitted information in this auditor's report as it was impracticable to do so.	
Receivables from non-exchange transactions The AG was unable to obtain sufficient and appropriate audit evidence for fines receivables as the municipality did not have an adequate system of records management. The AG was unable to confirm these receivables by alternative means. Consequently, the AG was unable to determine whether adjustments relating to fines receivables disclosed in note 11 of R2 626 503 (2023: R4 036 013) were necessary. The municipality did not disclose all receivables from non-exchange transactions appropriately, as required by GRAP 108, Statutory receivables. This was due to fines and other receivables being excluded from the ageing of these receivables in note 11. Furthermore, misstatements were made in the disclosure of the ageing of the amounts due but not impaired. This also resulted in a number of misstatements in the disclosure of these receivables in note 62 of the financial statements, as a result of multiple errors.	• Ensure that sufficient and appropriate audit evidence is accessible and available to support the prior year error corrections processed. • Review the annual financial statements before submission for audit
VAT receivable The AG was unable to obtain sufficient and appropriate audit evidence that value-added tax (VAT) receivable had been properly accounted-for, due to the status of the accounting records. The AG was unable to confirm the balance by alternative means. Consequently, the AG was unable to determine if any adjustment was necessary to the VAT receivable stated at R9 182 600 (2023: R6 445 428) in the financial statements.	• Adjust the financial Statements with the misstatements identified. • Review and Monitor Compliance with the VAT Act. • Implement the audit action plan as it relates to addressing repeat findings on VAT Receivable and that adequate oversight is provided over its action plan implementation by leadership and those charged with governance. • Leadership must implement their audit action plan to address prior year findings on VAT Receivables in order to prevent repeat findings
Non-current provisions - landfill sites The municipality did not value the rehabilitation of landfill sites provision as required by GRAP 19, Provisions, contingent liabilities and contingent assets as the municipality did not adhere to the operating licence of the landfill site to rehabilitate once the site is fully utilised. Consequently, provisions as disclosed in note 13 were understated by R2 088 761 (2023: R2 823 428), property, plant and equipment as disclosed in note 2 is understated by R539 549 (2023: R904 495), and finance costs as disclosed in note 34 is understated by R1 549 212 (2023: R2 084 840). Additionally, there was an impact on the estimated licensing and rehabilitation costs disclosed in note 13.1, which the AG was unable to determine the full extent thereof as it was impracticable to do so.	• Adjust the financial Statements with the misstatements identified.
Trade and other payables from exchange transactions The municipality did not derecognise fines receivables for rights to cash flows which had been settled, as required by GRAP 108, Statutory receivables. This is due to the municipality not having allocated settlement receipts against the associated receivables. Consequently, trade and other payables from exchange transactions are overstated by R6 588 212 (2023: R4 380 645), and receivables from non-exchange transactions are overstated by R6 588 212 (2023: R4 380 645).	• Adjust the financial Statements with the misstatements identified. • Implement audit action plan to address prior year findings on Trade and Other Payables form Exchange Transactions in order to prevent repeat findings • Ensure that sufficient and appropriate audit evidence is accessible and available to support the recorded trade creditors.
Unspent transfers and subsidies The municipality did not record transfer revenue for grant funding received in accordance with GRAP 23, Revenue from non-exchange transactions. This was due to the municipality not having satisfied the conditions of the obligations from these monies. Consequently,	• Ensure that management understood and applied the financial reporting framework requirements as it relates to the accounting of the Human Settlements Acceleration Grant.

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government grants and subsidies were overstated by R5 237 912, and unspent transfers and subsidies were understated by R5 237 912, respectively. The municipality received grant funding from various government entities. Contrary to the requirements of GRAP 23, Revenue from non-exchange transactions, these grant funding arrangements were not disclosed appropriately in note 23 of the financial statements due to multiple errors therein including omitted information. The AG has not included the omitted information in this auditor's report as it was impracticable to do so.	
Revenue from non- exchange transactions Fines, penalties and forfeits The municipality did not record revenue from traffic offences in accordance with GRAP 23, Revenue from non-exchange transactions, as these fines were not recorded at the full amount as per the supporting documentation and/or were not recorded at all. The AG was unable to determine the full extent of such fines as disclosed in note M2 that were earned during the financial year as it was impracticable to do so.	• Adjust the financial Statements with the misstatements identified. • Consider adjusting the financial statements to correct the above amounts disclosed including considering the effects on other financial statement line items and disclosures. • Implement their audit action plan to address prior year findings on Revenue from non-exchange transactions (fines, penalties and forfeits) in order to prevent repeat findings. • Ensure that sufficient and appropriate audit evidence is accessible and available to support the revenue recorded traffic fines. • Ensure to provide supporting documentation to the auditors on request. • Attend GRAP training to enhance the understanding of the financial reporting framework requirements as it relates prior period error corrections.
Revenue from exchange transactions Service charges Service charges revenue was not recognised as required by GRAP 9, Revenue from exchange transactions. Properties were identified for which service charges were not billed and recorded. The AG was unable to determine the full extent of the understatement of service charges, stated at R27 390 132 (2023: R22 017 848) as disclosed in note 27 to the financial statements, and related receivables from exchange transactions, stated at R3 165 425 (2023: R2 801 567) in note 10 to the financial statements, as it was impracticable to do so.	• Review the annual financial statements before being submitted for audit • Ensure that sufficient and appropriate audit evidence is accessible and available to support prior-year corrections recorded in the financial statements. • Implemented monthly reconciliations between the total revenue charged per the billing reports and the amounts recorded in the revenue general ledger accounts. • Implement the audit action plan to address prior year findings on Revenue from Exchange Transactions in order to prevent repeat findings. • Ensure formal agreements are established for arrangements established before the implementation of the MFMA. • Adequately review the accounting policy to ensure that accounting policy is consistent with the critical judgments, estimations and assumptions disclosed in the financial statements and that the accounting policy is in line with the requirements of the applicable financial reporting framework related to estimates (including the recognition criteria, measurement bases, and the related presentation and disclosure requirements). • Investigate the entire population and adjust the financial statements with the misstatement identified. • Implement adequate steps to ensure that the revenue due to the municipality was calculated on a monthly basis and that customers were billed for the services consumed. • Implement adequate internal controls to properly account for VAT on rental income to ensure that the VAT portion of rental transactions is correctly allocated to the VAT control account and that the correct output VAT amount is declared to SARS.
Aggregated revenue misstatements Total revenue was materially misstated by R1 613 406 due to the	• Adjust the financial Statements with the misstatements identified.

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cumulative effect of individually immaterial uncorrected misstatements in the following items: - Interest Earned - Non-exchange transactions for which reliable balances could not be obtained as stated at R423 163; Rental from Fixed assets for which contracts could not be obtained of R87 213 as stated at R1 643 719; - Interest Earned - Exchange transactions for which reliable balances could not be obtained as stated at R777 982; and Licences and Permits (Exchange transactions) for which application forms could not be obtained as stated at R256 397. Consequently, I was unable to determine whether any further adjustment was necessary to total revenue.	Implement audit action plan to address prior year findings on Revenue from non-exchange transactions in order to prevent repeat findings.
Employee related costs The amounts stated for employee related costs in the financial statements could not be reconciled to the underlying accounting records as required by GRAP 1, Presentation of financial statements. Consequently, employee related costs as stated in note 34 were overstated by R3 573 963 and accumulated surplus understated by the same amount.	- Adjust the financial statements with the misstatements identified. - Provide supporting documentation to the auditors on request. - Implement appropriate record keeping controls to ensure that bonuses recorded are supported by reliable information which is readily accessible.
Statement of comparison of budget and actual amounts The municipality did not appropriately present the statement of comparison of budget and actual amounts as required by GRAP 24, Presentation of budget information in financial statements. This was due to multiple presentation errors which resulted in the actual amounts not being presented on a comparable basis as the approved budget. The AG was unable to determine the full extent of the omitted presentation as it was impracticable to do so.	Adjust the financial statements with the misstatements identified.
Cash flow statement The municipality did not prepare the cash flow statement, and the associated disclosure notes 54 and 56 in accordance with GRAP 2, Cash flow statements. This was due to multiple errors made in determining the cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities. The AG was not able to determine the full extent of the errors in the cash flow statement as it was impracticable to do so.	- Adjust the financial statements with the misstatements identified. - Ensure that Bank reconciliations are properly prepared and cash book reconciling items are timeously followed up and cleared to prevent differences between the cash book balance and the amounts per bank statements. - Management must ensure that they correctly interpreted and applied the financial reporting framework requirements as it relates to the preparation and disclosure of the Cash Flow Statement in the annual financial statements.
Segment reporting The municipality did not appropriately present the segment information as required by GRAP 18, Segment reporting. This was due to multiple presentation errors made in presenting the performance of the municipality's various segments. The AG has not included the omitted information in this auditor's report as it was impracticable to do so.	Adjust the financial statements with the misstatements identified.
Contractual commitments acquisition of property, plant and equipment Amounts of contractual commitments for the acquisition of property, plant and equipment were not appropriately disclosed in note 2.9 in accordance with GRAP 17, Property, plant and equipment. This is due to management not having determined these amounts by taking into account the accrual invoices, retentions and reduced final contract amounts. Consequently, the note disclosure is overstated by R10 309 189 (2023: R4 209 819).	- Implement audit action plan to address prior year findings on Commitments in order to prevent repeat findings. - Adjust the financial statements with the misstatements identified. - Drive a process of determining the detailed root cause, action required to address the audit finding as well as identifying the responsible person. Ensure responsible staff are followed up with and held accountable for addressing audit findings and the implementation of consequence management where required. - Ensured that there are clear and documented roles and responsibilities for the implementation of the audit action plan.

Details	
Key management personnel Contrary to the requirements of GRAP 20, Related party disclosures, transactions and balances with key management personnel were not disclosed appropriately in note 34 of the financial statements, due to multiple errors made therein. The AG has not included the omitted information in this auditor's report as it was impracticable to do so.	Adjust the financial statements with the misstatements identified.
Reversal of impairment loss/(Impairment loss) on receivables The 2022/23 corresponding figures amounts disclosed in note 48 for impairment losses on receivables did not correspond with the underlying amounts disclosed in notes 10 and 11, as required by GRAP 1, Presentation of financial statements. Consequently, the reversal of impairment loss/impairment loss on receivables is understated by R6 009 495 and the accumulated surplus overstated by the same amount.	Adjust the financial statements with the misstatements identified.
Correction of error The AG was unable to obtain sufficient appropriate audit evidence that retrospective restatements had been properly accounted for, due to the status of the accounting records. The AG was unable to confirm whether all retrospective restatements were recorded by alternative means. Consequently, the AG was unable to determine whether any adjustment was necessary to disclosure note 53 of the financial statements.	Adjust the financial statements with the misstatements identified.
Unauthorised expenditure The municipality did not include all unauthorised expenditure in note 58.1 to the financial statements, as required by section 125(2)(d) of the MFMA, as the municipality made material omissions in the information disclosed, including making no disclosures for the 2022-23 year. Consequently, disclosure note 58.1 is understated by R36 337 515 (2023: R38 099 732).	- Adjust the financial statements with the misstatements identified. - Implement audit action plan to address prior year findings on Unauthorised Expenditure in order to prevent repeat findings. - Drive a process of determining the detailed root cause, action required to address the audit finding as well as identifying the responsible person. Ensure responsible staff are followed up with and held accountable for addressing audit findings and the implementation of consequence management where required. - Ensured that there are clear and documented roles and responsibilities for the implementation of the audit action plan.
Irregular expenditure The irregular expenditure incurred during the current financial year under audit and related information on irregular expenditure was not included in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. Expenditure was incurred in contravention of the supply chain management requirements, resulting in irregular expenditure. The AG was unable to determine the full extent of the irregular expenditure that occurred during the financial year as it was impracticable to do so.	- Adjust the financial statements with the misstatements identified. - Investigate the entire population of irregular expenditure as disclosed for the 2023/24 financial year to ensure that only valid irregular expenditure as defined in the MFMA is disclosed.

Table 182: AG Report 2023/24

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ANNEXURE A:
AUDITED FINANCIAL
STATEMENTS

LAINGSBURG

MUNICIPALITY



[These financial statements have not been audited]

ANNUAL FINANCIAL STATEMENTS

30 JUNE 2024

LAINGSBURG MUNICIPALITY

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LAINGSBURG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

NATURE OF BUSINESS

Laingsburg Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 108 of 1998)

GRADING OF MUNICIPALITY

Grade 1

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Laingsburg Municipality includes the following areas:

Laingsburg

Matjiesfontein

Vleiland

Scattered Farming community

EXECUTIVE MAYOR

A Kleinbooi

DEPUTY EXECUTIVE MAYOR

S Laban

SPEAKER

M Gouws

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor

Deputy Executive Mayor

Speaker

Executive Councillor

A Kleinbooi

S Laban

M Gouws

J Botha

A Theron

L Potgieter

J Pieterse

MUNICIPAL MANAGER

Mr J Booysen

CHIEF FINANCIAL OFFICER

Ms A Groenewald

REGISTERED OFFICE

Private Bag X4

Laingsburg

6900

AUDITORS

Office of the Auditor-General (Western Cape)

PRINCIPLE BANKERS

LAINGSBURG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

ABSA Bank

ATTORNEYS

Wilna Roux Prokureurs
Abraham Kiewiets Inc

LAINGSBURG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

RELEVANT LEGISLATION

Constitution (Act no.108 of 1998)
Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and regulations issued in terms of the Act)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE LAINGSBURG MUNICIPALITY

WARD

1
2
3
4
Proportional
Proportional
Proportional

COUNCILLOR

J Pieterse
A Theron
L Potgieter
M Gouws
J Botha
S Laban
A Kleinbooi

ABBREVIATIONS

DBSA	Development Bank of South Africa
COID	Compensation for Occupational Injuries and Diseases
HDF	Housing Development Act
GRAP	Generally Recognised Accounting Practice
LGSETA	Local Government Services Sector Education & Training Authority
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
MSIG	Municipal System Improvement grant
NDPG	Neighbourhood Development and Partnership Grant
SALGA	South African Local Government Association

LAINGSBURG MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2024, which are set out on pages 3 to 120 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2025 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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



Mr J Booysse
Municipal Manager

07/10/2024

Date

LAINGSBURG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R	2023 R
ASSETS			
Non-Current Assets		324 704 404	288 789 763
Property, Plant and Equipment	2	302 810 358	265 804 648
Investment Property	3	21 207 961	22 152 686
Intangible Assets	4	155 515	263 637
Heritage Assets	5	43 354	43 354
Non-Current Receivables from Exchange Transactions	6	483 248	502 107
Non-Current Receivables from Non-Exchange Transactions	7	3 968	23 331
Current Assets		24 701 480	18 525 288
Inventory	9	143 433	259 675
Receivables from Exchange Transactions	10	3 165 425	2 801 567
Receivables from Non-exchange Transactions	11	5 426 118	6 461 557
Operating Lease Asset	8.1	70 529	77 976
VAT receivable	19	9 182 600	6 445 428
Cash and Cash Equivalents	12.1	6 713 375	2 479 086
Total Assets		349 405 884	307 315 051
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		39 527 042	26 096 553
Non-current Provisions	13	33 723 042	20 175 553
Non-current Employee Benefits	14	5 804 000	5 921 000
Current Liabilities		26 399 266	23 262 401
Consumer Deposits	15	1 045 670	929 607
Current Employee Benefits	16	3 259 784	3 004 592
Trade and Other Payables from Exchange Transactions	17	20 098 672	18 164 549
Unspent Transfers and Subsidies	18	1 995 140	1 161 351
VAT Payable	19.3	-	-
Operating Lease Liability	8.2	-	2 302
Total Liabilities		65 926 308	49 358 954
Net Assets		283 479 576	257 956 097
Accumulated Surplus/(Deficit)		283 479 576	257 956 097
Total Net Assets and Liabilities		349 405 884	307 315 051

LAINGSBURG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R	2023 R
REVENUE			
Revenue from Non-exchange Transactions		113 370 795	113 346 909
Taxation Revenue		5 320 209	5 116 496
Property Rates	22	5 024 646	5 116 496
Surcharges and Taxes		295 563	-
Transfer Revenue		73 574 342	53 489 945
Government Grants and Subsidies	23	72 364 342	53 489 945
Contributed Property, Plant and Equipment	24	1 210 000	-
Other Revenue		34 476 244	54 740 469
Availability Charges	25	287 668	275 418
Fines, Penalties and Forfeits	M2	33 765 412	54 128 341
Interest Earned - Non-exchange Transactions		423 163	336 710
Licences and Permits	26	-	-
Revenue from Exchange Transactions		31 969 274	25 365 537
Service Charges	27	27 390 132	22 017 848
Sales of Goods and Rendering of Services	28	294 883	119 534
Rent on Land	29	102 655	24 948
Rental from Fixed Assets	30	1 643 719	1 711 845
Interest Earned - External Investments	31	1 264 711	415 483
Interest Earned - Exchange Transactions	32	777 982	676 843
Licences and Permits	26	256 397	194 405
Agency Services	64.2	196 641	184 917
Operational Revenue	33	42 155	19 713
Total Revenue		145 340 070	138 712 446
EXPENDITURE			
Employee related costs	34	33 342 125	31 573 712
Remuneration of Councillors	35	3 606 532	3 318 112
Bad Debts Written Off		-	622 351
Contracted Services	36	5 205 268	5 068 194
Depreciation and Amortisation	37	13 371 821	12 257 598
Finance Costs	38	2 517 880	2 766 972
Bulk Purchases	39	11 873 369	10 737 433
Inventory Consumed	11	2 200 073	2 540 695
Operating Leases		744 852	622 710
Transfers and Subsidies	40	-	12 473
Operational Costs	41	14 509 018	13 876 341
Total Expenditure		87 370 937	83 396 592
Operating Surplus/(Deficit) for the Year		57 969 132	55 315 855
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	9	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	48	(33 069 872)	(48 622 618)
Gains/(Loss) on Sale of Fixed Assets	49	(248 845)	(4 830 853)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	2.8	10 934	(1 770 960)
Actuarial gain/(loss)	14	862 129	708 000
Water Losses	50	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		25 523 478	799 424.43

LAINGSBURG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Accumulated Surplus/ (Deficit) R	Total R
Balance at 1 July 2022	257 889 488	257 889 488
Correction of Error - note	(732 815)	(732 815)
Change in Accounting Policy - note	-	-
Restated balance	257 156 673.01	257 156 673
Net Surplus/(Deficit) for the year	799 424	799 424
Net Surplus/(Deficit) previously reported	1 214 810	1 214 810
Effects of Correction of Errors - note	(415 385)	(415 385)
Effects of Change in Accounting Policy - note	-	-
Transfer to/from CRR	-	-
Property, Plant and Equipment purchased	-	-
Capital Grants used to purchase PPE	-	-
Transfer to Housing Development Fund	-	-
Asset Disposals	-	-
Offsetting of depreciation	-	-
Balance at 30 June 2023	257 956 097.44	257 956 097
Correction of Error - note	-	-
Change in Accounting Policy - note	-	-
Restated balance	257 956 097	257 956 097
Net Surplus/(Deficit) for the year	25 523 478	25 523 478
Transfer to/from CRR	-	-
Property, Plant and Equipment purchased	-	-
Capital Grants used to purchase PPE	-	-
Transfer to Housing Development Fund	-	-
Asset Disposals	-	-
Offsetting of depreciation	-	-
Balance at 30 June 2024	283 479 576	283 479 576

LAINGSBURG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R	2023 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		5 884 167	4 817 186
Service Charges		26 539 806	25 968 004
Other Revenue		5 689 540	277 783
Government - Operating and Capital		74 610 772	53 601 377
Interest		1 264 711	415 483
Dividends		-	-
Cash payments			
Suppliers of goods and services		(36 005 944)	(29 701 340)
Employee related cost		(35 948 336)	(34 280 104)
Finance Charges		(968 667)	(682 133)
Transfers and Grants		-	(12 473)
Net Cash from Operating Activities	58	41 066 047	20 403 784
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(37 222 382)	(21 412 548)
Proceeds on Disposal of Fixed Assets		-	(419 370)
Purchase of Investment Properties		630 000	419 370
Purchase of Intangible Assets		-	-
Purchase of Heritage Assets		-	-
Purchase of Agricultural Assets		-	-
Net Cash from Investing Activities		(36 592 382)	(21 412 548)
CASH FLOW FROM FINANCING ACTIVITIES			
Short term Loans			-
Borrowing - Long term/Refinancing		-	-
Repayment of Borrowing		-	-
Repayment of Finance leases		-	-
Decrease / (Increase) in Long-term Receivables		38 222	95 026
Net Cash from Financing Activities		38 222	95 026
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4 511 887	(913 738)
Cash and Cash Equivalents at the beginning of the year		2 479 086	3 041 002
Cash and Cash Equivalents at the end of the year	59	6 713 375	2 479 086
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4 234 289	(561 916)

LAINGSBURG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Approved Budget	Adjustments	Budget Adjustments (I.L.O. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (I.L.O. s31 of the MFMA)	Virement (I.L.O. Council approved by-law)	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Reasons for Material variances
			R	R	R	R	R	R	R	R	R	
ASSETS												
Current Assets												
62.2.1												
Cash and cash equivalents	Cash and cash equivalents		25 995 459		(761 553)	25 233 906			25 233 906	6 713 375	(18 520 531)	<i>Insert reason</i>
Trade and other receivables from exchange transactions	Receivables from Exchange Transactions		3 105 672		(683 328)	2 422 344			2 422 344	3 165 425	743 081	<i>Insert reason</i>
Receivables from non-exchange transactions	Receivables from Non-exchange Transactions		(17 905 052)		8 361 469	(9 543 583)			(9 543 583)	5 426 118	14 969 701	
Other current assets			2 233 328		99 407	2 332 735	-	-	2 332 735	70 529	(2 262 206)	<i>Insert reason</i>
	Unpaid Transfers and Subsidies									-	-	
	Operating Lease Asset									70 529	-	
	Finance lease assets									-	-	
	Construction contracts - assets									-	-	
Current Portion of non-current receivables	Current Portion of Non-Current Receivables		-		-	-			-	-	-	
VAT	VAT receivable		7 240 053		(1 479 614)	5 760 439			5 760 439	9 182 600	3 422 161	
Inventory	Inventory		306 290		(35 590)	270 700			270 700	143 433	(127 267)	
Total Current Assets			20 975 750	-	5 500 791	26 476 541	-	-	26 476 541	24 701 480	(1 775 061)	
Non-Current Assets												
62.2.2												
Investments	Investments		-		-	-			-	-	-	<i>Insert reason</i>
Investment property	Investment Property		23 414 113		(1 261 427)	22 152 686			22 152 686	21 207 961	(944 725)	
Property, plant and equipment	Property, Plant and Equipment		232 960 707		75 029 719	307 990 426			307 990 426	302 810 358	(5 180 068)	
Biological assets	Agricultural Assets		-		-	-			-	-	-	
Living and non-living resources	Living Resources		-		-	-			-	-	-	
Heritage assets	Heritage Assets		43 354		-	43 354			43 354	43 354	-	
Intangible assets	Intangible Assets		611 122		(86 213)	524 909			524 909	155 515	(369 394)	
Trade and other receivables from exchange transactions	Non-Current Receivables from Exchange Transactions		18 135		507 303	525 438			525 438	483 248	(42 190)	
Non-current receivables from non-exchange transactions	Non-Current Receivables from Non-Exchange Transactions		-		-	-			-	-	-	
Other non-current assets	Operating Lease Asset		-		-	-			-	-	-	
Total Non-Current Assets			257 047 431	-	74 189 382	331 236 813	-	-	331 236 813	324 700 435	(6 536 378)	
TOTAL ASSETS			278 023 181	-	79 690 173	357 713 354	-	-	357 713 354	349 401 915	(8 311 439)	
LIABILITIES												
Current Liabilities												
62.2.3												
Bank Overdraft	Cash and Cash Equivalents (Current Liability)		-	-	-	-			-	-	-	<i>Insert reason</i>
Financial liabilities			-	-	-	-			-	(0)	-	<i>Insert reason</i>
	Current Portion of Long-term Borrowings									(0)	-	
	Short-term Borrowings									-	-	
Consumer Deposits	Consumer Deposits		852 185		77 423	929 608			929 608	1 045 670	1 045 670	<i>Insert reason</i>
Trade and other payables from exchange transactions	Trade and Other Payables from Exchange Transactions		14 037 575		6 459 773	20 497 348			20 497 348	20 096 672	(399 676)	<i>Insert reason</i>
Trade and other payables from non-exchange transactions			1 710 919		(562 764)	1 148 155			1 148 155	1 995 140	846 985	
	Unspent Transfers and Subsidies									1 995 140	-	
	Transfers and Subsidies Payable									-	-	
Provisions			2 886 872		(2 608 872)	278 000			278 000	3 259 784	481 784	<i>Insert reason</i>
	Provisions									-	-	
	Current Employee Benefits									3 259 784	-	
VAT	VAT payable		1 064 223		(2 533 386)	(1 469 163)			(1 469 163)	-	-	
Other current liabilities			121 000		8 000	129 000			129 000	-	-	
	Construction contracts - liability									-	-	
	Operating Lease Liability									-	-	
Total Current Liabilities			20 672 774	-	840 174	21 512 948	-	-	21 512 948	26 399 266	5 886 318	
Non-Current Liabilities												
62.2.4												
Borrowing	Long-term Borrowings		2 998		(696)	2 302			2 302	-	-	<i>Insert reason</i>
Provisions			24 794 166		1 302 387	26 096 553			26 096 553	39 527 042	13 430 489	<i>Insert reason</i>
	Non-current Provisions									33 723 042	-	
	Non-current Employee Benefits									5 804 000	-	
Long-term portion of trade payables	Trade and Other Payables from Exchange Transactions		-		-	-			-	-	-	
Other non-current liabilities	Operating Lease Liability		-		-	-			-	-	-	
Total Non-Current Liabilities			24 797 164	-	1 301 691	26 098 855	-	-	26 098 855	39 527 042	13 430 489	
TOTAL LIABILITIES			45 469 938	-	2 141 865	47 611 803	-	-	47 611 803	65 926 308	20 366 370	
NET ASSETS												
62.2.5												
Accumulated Surplus/(Deficit)			232 499 822		82 719 924	315 219 746			315 219 746	283 479 576	(31 740 170)	<i>Insert reason</i>
Funds and reserves			-		-	-			-	-	-	<i>Insert reason</i>
	Capital Replacement Reserve									-	-	
	Compensation for Occupational Injuries and Diseases Reserve									-	-	
	Donations and Public Contribution Reserve									-	-	
	Employee Benefits Reserve									-	-	
	Housing Development Fund									-	-	
	Non-Current Provisions Reserve									-	-	
	Revaluation Reserve									-	-	
	Self Insurance Reserve									-	-	
	Social Contribution Reserve									-	-	
	Valuation Roll Reserve									-	-	
TOTAL NET ASSETS			232 499 822	-	82 719 924	315 219 746	-	-	315 219 746	283 479 576	(49 020 250)	
			53 421	-	(5 171 616)	(5 118 195)	-	-	(5 118 195)	(3 968)	(48 451 027)	

LAINGSBURG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Approved Budget	Adjustments	Budget Adjustments (I.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (I.t.o. s31 of the MFMA)	Virement (I.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Reasons for Material variances
		62.2.6	R	R	R	R	R	R	R	R	R	
REVENUE BY SOURCE												
Exchange Revenue												
Service Charges	Service Charges		29 496 040	-	4 396 187	33 892 227	-	-	33 892 227	27 390 132	(6 502 095)	
Service Charges - Electricity			19 471 221		784 823	20 256 044			20 256 044			
Service Charges - Water			5 407 678		(153 083)	5 254 595			5 254 595			
Service Charges - Waste water management			2 208 901		2 079 151	4 288 052			4 288 052			
Service Charges - Waste management			2 408 240		1 685 296	4 093 536			4 093 536			
Sales of Goods and Rendering of Services			191 040	#REF!	153 312	344 352			344 352	294 883	(49 469)	
Agency Services	Agency Services		221 172		-	221 172			221 172	196 641	(24 531)	
Interest			-		-	-			-	-	-	
Interest earned from receivables	Interest Earned - Exchange Transactions		541 128		44 304	585 432			585 432	777 982	192 550	
Interest Earned from current and non-current assets	Interest Earned - External Investments		454 224		430 440	884 664			884 664	1 264 711	380 047	
Dividends			-		-	-			-	-	-	Insert reason
Rent on land	Rent on Land		34 980		49 068	84 048			84 048	102 655	18 607	
Rental from Fixed Assets	Rental from Fixed Assets		1 806 360		(147 504)	1 658 856			1 658 856	1 643 719	(15 137)	
Licences and Permits	Licences and Permits		181 368		103 008	284 376			284 376	256 397	(27 979)	
Operational revenue			112 260	-	(42 480)	69 780			69 780	42 155	(27 625)	
	Operational revenue									42 155		
	Development charges									-		
	Construction revenue									-		
Non-Exchange Revenue												
Property Rates	Property Rates		5 473 892		(500 588)	4 973 304			4 973 304	5 024 646	51 342	
Surcharges and Taxes	Surcharges and Taxes		3 302 568		-	3 302 568			3 302 568	295 563	(3 007 005)	
Fines, penalties and forfeits	Fines, Penalties and Forfeits		28 289 748		224 268	28 514 016			28 514 016	33 765 412	5 251 396	Insert reason
Licences and Permits	Licences and Permits		-		-	-			-	-	-	Insert reason
Transfers and subsidies - operational	Government Grants and Subsidies (Operational only)		35 784 208		(50 068)	35 734 140			35 734 140	33 434 717	(2 299 423)	Insert reason
Interest	Interest Earned - Non-exchange Transactions		356 280		(78 180)	278 100			278 100	423 163	145 063	
Fuel levy	Fuel levy		-		-	-			-	-	-	
Operational revenue			-	-	-	-			-	287 668	287 668	
	Operational Revenue											
	Public Contributions and Donations											
	Availability charges									287 668		
Gains on disposal of assets	Gains on Sale of Fixed Assets		6 360		-	6 360			6 360	(248 845)	(255 205)	
Other gains			-	-	-	-			-	862 129	862 129	Insert reason
	Actuarial Gains									862 129		
	Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets											
	Inventories/(Write-down)/Reversal of Write-down to Net Realisable Value											
	Profit/(Loss) on Fair Value Adjustments											
	Profit/(Loss) from Discontinued Operations											
Discontinued operations			-		-	-			-	-	-	
Total Revenue (excluding capital transfers and contributions)			106 251 628	#REF!	4 581 767	110 833 395	-	-	110 833 395	105 813 729	(5 019 666)	

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Approved Budget	Adjustments	Budget Adjustments (I.L.O. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (I.L.O. s31 of the MFMA)	Virement (I.L.O. Council approved by-law)	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Reasons for Material variances
		62.2.7	R	R	R	R	R	R	R	R	R	
EXPENDITURE												
Employee Related Costs			33 823 944		(800 748)	33 023 196			33 023 196	33 342 125	318 929	<i>Insert reason</i>
Remuneration of Councillors			3 527 340		(22 309)	3 505 032			3 505 032	3 606 532	101 500	<i>Insert reason</i>
Bulk purchases - electricity	Reversal of Impairment Loss/(Impairment Loss) on Receivables		13 604 040		(892 872)	12 711 168			12 711 168	11 873 369	(837 799)	<i>Insert reason</i>
Inventory consumed	Bad Debts Written Off		3 607 260		(636 156)	2 971 104			2 971 104	2 200 073	(771 031)	<i>Insert reason</i>
Debt impairment	Depreciation and Amortisation		1 530 612		1 251 588	2 782 200			2 782 200	33 069 872	30 287 672	<i>Insert reason</i>
Depreciation and amortisation	Finance Costs		5 918 520		10 524	5 929 044			5 929 044	13 371 821	7 442 777	<i>Insert reason</i>
Interest	Bulk Purchases (Electricity only)		956 928		-	956 928			956 928	2 517 880	1 560 952	<i>Insert reason</i>
Contracted Services			7 315 140		(1 646 028)	5 669 112			5 669 112	5 205 268	(463 844)	<i>Insert reason</i>
Transfers and Subsidies			209 844		2 652	212 496			212 496	-	(212 496)	<i>Insert reason</i>
Irrecoverable debts written off			24 442 152		(10 048 440)	14 393 712			14 393 712	-	(14 393 712)	<i>Insert reason</i>
Operational costs			17 926 924		(1 001 332)	16 925 592			16 925 592	15 253 870	(1 671 722)	<i>Insert reason</i>
	Operational Costs									14 509 018		
	Operating leases									744 852		
Losses on disposal of assets	(Loss) on Sale of Fixed Assets		-		-	-			-	-	-	<i>Insert reason</i>
Other losses			-		-	-			-	-	-	
	Actuarial Losses											
	Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets											
	Profit/(Loss) on Fair Value Adjustments											
	Inventories.(Write-down)/Reversal of Write-down to Net Realisable Value											
	Profit/(Loss) from Discontinued Operations											
	Water Losses											
Total Expenditure			112 862 704	-	(13 783 120)	99 079 584	-	-	99 079 584	120 440 809	21 361 225	
Surplus/(Deficit)			(6 611 076)		18 364 887	11 753 811	-	-	11 753 811	(14 627 080)	(26 380 890)	
Transfers and subsidies - capital (monetary allocations)	Government Grants and Subsidies (Capital only)		48 344 050		(3 251 950)	45 092 100			45 092 100	41 349 624	(3 742 476)	<i>Insert reason</i>
Transfers and subsidies - capital (in-kind - all)	Contributed Property, Plant and Equipment				-				-			<i>Insert reason</i>
Surplus/(Deficit) after Capital Transfers & Contributions			41 732 974		15 112 937	56 845 911	-	-	56 845 911	26 722 545	(30 123 366)	
Taxation					-				-			<i>Insert reason</i>
Surplus/(Deficit) after Taxation			41 732 974		15 112 937	56 845 911	-	-	56 845 911	26 722 545	(30 123 366)	
Attributable to Minorities					-				-			<i>Insert reason</i>
Surplus/(Deficit) Attributable to Municipality			41 732 974		15 112 937	56 845 911	-	-	56 845 911	26 722 545	(30 123 366)	
Share of Surplus/(Deficit) of Associate					-				-			<i>Insert reason</i>
Surplus/(Deficit) for the year			41 732 974		15 112 937	56 845 911	-	-	56 845 911	26 722 545	(30 123 366)	

LAINGSBURG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Approved budget	Adjustments	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Reasons for Material variances
			R	R	R	R	R	R	R	R	R	
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates	Taxation		5 378 180		(424 292)	4 953 888			4 953 888	5 884 167		<i>Insert reason</i>
Service Charges			28 128 563		1 790 653	29 919 216			29 919 216	26 539 806		<i>Insert reason</i>
	Service charges											
	Less:											
	Increase/(Decrease) in Consumer Deposits											
Other Revenue			34 131 864		1 217 940	35 349 804			35 349 804	5 689 540		<i>Insert reason</i>
Transfers and Subsidies - Operational	Government - Operating		35 784 198		(10 846 446)	24 937 752			24 937 752	74 610 772		<i>Insert reason</i>
Transfers and Subsidies - Capital	Government - Capital		48 344 050		(3 251 950)	45 092 100			45 092 100	-		<i>Insert reason</i>
Interest			454 224		430 440	884 664			884 664	1 264 711		<i>Insert reason</i>
Dividends			-		-	-			-	-		<i>Insert reason</i>
Payments												
Suppliers and Employees			(79 972 144)		5 024 152	(74 947 992)			(74 947 992)	(36 005 944)		<i>Insert reason</i>
	Suppliers of goods and services											
	Employee related cost											
Finance charges			(956 928)		-	(956 928)			(956 928)	(968 667)		<i>Insert reason</i>
Transfers and Subsidies	Transfers and Grants				-				-	-		<i>Insert reason</i>
Net Cash from/(used) Operating Activities		62.2.8	71 292 007		(6 059 503)	65 232 504	-	-	65 232 504	77 014 384		
CASH FLOW FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			-		-	-			-	-		<i>Insert reason</i>
Decrease (increase) in Non-Current Receivables			-		-	-			-	-		<i>Insert reason</i>
Decrease/(Increase) in Non-Current Investments			-		-	-			-	-		<i>Insert reason</i>
Payments												
Capital Assets			(48 344 052)		(88 068)	(48 432 120)			(48 432 120)	(36 592 382)		<i>Insert reason</i>
	Purchase of Property, Plant and Equipment											
	Purchase of Investment Properties											
	Purchase of Intangible Assets											
	Purchase of Heritage Assets											
	Purchase of Agricultural Assets											
Net Cash from/(used) Investing Activities		62.2.9	(48 344 052)		(88 068)	(48 432 120)	-	-	(48 432 120)	(36 592 382)		

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Approved budget	Adjustments	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Reasons for Material variances
			R	R	R	R	R	R	R	R	R	
CASH FLOW FROM FINANCING ACTIVITIES												
Receipts												
Short Term Loans			-		-	-			-	-		<i>Insert reason</i>
Borrowing long term/refinancing			-		-	-			-	-		<i>Insert reason</i>
Increase (decrease) in consumer deposits			-		-	-			-	-		<i>Insert reason</i>
Payments												
Repayment of Borrowing			-		-	-			-	-		<i>Insert reason</i>
	Repayment of Borrowing											
	Repayment of Finance leases											
Net Cash from/(used) Financing Activities		62.2.10	-		-	-	-	-	-	-		
NET INCREASE/(DECREASE) IN CASH HELD			22 947 955		(6 147 571)	16 800 384	-	-	16 800 384	40 422 001		
Cash and Cash Equivalents at the year begin:			3 089 852		(612 766)	2 477 086			2 477 086	2 479 086		
Cash and Cash Equivalents at the year end:			26 037 807		(6 760 337)	19 277 470	-	-	19 277 470	42 901 087		

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

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

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Municipal Manager	10101 - Mayoral Council - Council General Expenses	Aggregated	Executive and Council	Supporting service departments
	10102 - Mayoral Council - Subsidies	Aggregated	Executive and Council	Supporting service departments
	11111 - Municipal Manager - Municipal Manager	Aggregated	Executive and Council	Supporting service departments
Vote 2 - Corporate Services	12121 - Corporate Services - Administration	Aggregated	Corporate Services	Supporting service departments
	12122 - Corporate Services - Fixed Property	Aggregated	Corporate Services	Supporting service departments
	12123 - Corporate Services - Matjiesfontein	Aggregated	Corporate Services	Supporting service departments
	13133 - Budget Treasury - Tourism	Aggregated	Corporate Services	Supporting service departments
	14141 - Planning and Development - Integrated Development (GOP)	Aggregated	Corporate Services	Supporting service departments
	17171 - Housing - Housing - Rental Schemes	Aggregated	Corporate Services	Supporting service departments
Vote 3 - Financial Services	13131 - Budget Treasury - Financial Services	Aggregated	Financial Services	Supporting service departments
	13132 - Budget Treasury - Property Rates	Aggregated	Financial Services	Supporting service departments
Vote 4 - Community Services	15151 - Community and Social Services - Health Services	Aggregated	Community and Public Safety	Community services, including cemetery, library, parks and community facilities
	15152 - Community and Social Services - Cemetery	Aggregated	Community and Public Safety	
	15153 - Community and Social Services - Library	Aggregated	Community and Public Safety	
	16161 - Sports and Recreation - Airfield	Aggregated	Community and Public Safety	
	16162 - Sports and Recreation - Parks Recreation	Aggregated	Community and Public Safety	
	16163 - Sports and Recreation - Sport Facilities - Vleiland	Aggregated	Community and Public Safety	
	18181 - Public Safety - Fire Brigade	Aggregated	Community and Public Safety	Disaster management
	18182 - Public Safety - Traffic Services	Aggregated	Community and Public Safety	Traffic control and policing
Vote 5 - Infrastructure Services	19191 - Road Transport - Public Works - Administration	Aggregated	Technical Services	Management of roads and storm water
	19192 - Road Transport - Streets Stormwater	Aggregated	Technical Services	
	19193 - Road Transport - Main Roads	Aggregated	Technical Services	
	20201 - Waste Management - Cleaning Services - Refuse Removal	Aggregated	Technical Services	Water management, Electricity services, waste water management and waste management
	21211 - Waste Water Management - Sewerage Services	Aggregated	Technical Services	
	21221 - Waste Water Management - Water Supply	Aggregated	Technical Services	
	22221 - Water - Water Supply	Aggregated	Technical Services	
	23231 - Electricity - Electricity Supply	Aggregated	Technical Services	

SECONDARY SEGMENTS

Mscosa Functional Segments Identified	Function	Aggregation	Reportable Segment	Types of Goods/Services delivered
Governance and Administration	Executive and council	Aggregated	Governance and Administration	Supporting service departments
	Finance and administration	Aggregated	Governance and Administration	Supporting service departments
Community and public safety	Community and social services	Aggregated	Community and public safety	Library services, Community halls rentals and recreation centers
	Sport and recreation	Aggregated	Community and public safety	
	Public safety	Aggregated	Governance and Administration	Disaster management and traffic control
	Health services	Aggregated	Governance and Administration	Community services
	Housing services	Aggregated	Governance and Administration	Housing
Economic and environmental services	Planning and development	Aggregated	Economic and environmental services	Integrated Development Planning (IDP)
	Road transport	Aggregated	Economic and environmental services	Management of roads and storm water
Trading services	Energy sources	Individually Reported	Energy sources	Electricity services
	Water management	Individually Reported	Water management	Water management
	Waste water management	Individually Reported	Waste water management	Waste water management
	Waste management service	Individually Reported	Waste management service	Waste management service
Other	Air Transport	Aggregated	Other	Airfield management
	Tourism	Aggregated	Other	Tourism

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

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

LAINGSBURG MUNICIPALITY
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Executive and Council	Corporate Services	Financial Services	Community Services and Public Safety	Technical Services	Total
SEGMENT REVENUE	R	R	R	R	R	R
External revenue from exchange transactions	-	4 028 190	414 351	278 883	27 535 519	32 256 943
Service Charges - Electricity	-	-	-	-	18 131 066	18 131 066
Service Charges - Water	-	-	-	-	3 936 094	3 936 094
Service Charges - Waste water management	-	62 628	-	-	2 780 940	2 843 569
Service Charges - Waste management	-	-	127 569	-	2 639 503	2 767 072
Sales of Goods and Rendering of Services	-	158 350	70 170	18 882	47 481	294 883
Agency Services	-	-	196 641	-	-	196 641
Interest Earned - Receivables - Exchange Transactions	-	593 685	-	-	-	593 685
Interest Earned - External Investments	-	1 264 711	-	-	-	1 264 711
Rent on land	-	102 655	-	-	-	102 655
Rental of Facilities and Equipment	-	1 639 681	-	3 604	435	1 643 719
Licences and Permits	-	-	-	256 397	-	256 397
Operational Revenue	-	22 183	19 972	-	-	42 155
External revenue from non-exchange transactions	-	22 489	29 739 905	35 376 242	7 048 150	72 186 786
Property rates	-	-	5 024 646	-	-	5 024 646
Fines, Penalties and Forfeits	-	8 300	-	33 757 112	-	33 765 412
Transfers Recognised - Operational	-	263 033	23 134 404	1 619 130	7 048 150	32 064 717
Interest Earned - Non-exchange Transactions	-	-	423 163	-	-	423 163
Gains on disposal of Assets	-	(248 845)	-	-	-	(248 845)
Total Segment Revenue (excluding capital transfers and contributions)	-	4 050 679	30 154 256	35 655 126	34 583 669	104 443 729
SEGMENT EXPENDITURE						
Employee Related Costs	4 309 464	3 293 314	7 293 593	5 015 333	13 430 421	33 342 125
Remuneration of Councillors	3 606 532	-	-	-	-	3 606 532
Bulk Purchases - Electricity	-	-	-	-	11 873 369	11 873 369
Inventory consumed	17 498	66 224	1 495	220 895	1 893 961	2 200 073
Debt Impairment	(10 934)	-	424 468	31 540 959	1 104 445	33 058 938
Depreciation and Amortisation	435 535	137 199	174 003	706 059	11 919 025	13 371 821
Interest	-	-	968 667	-	1 549 212	2 517 880
Contracted Services	40 361	848 668	2 812 874	357 349	1 146 017	5 205 268
Transfer and subsidies	-	-	-	-	-	-
Irrecoverable debt written off	-	-	-	-	-	-
Operational cost	600 557	2 596 884	9 797 059	594 098	1 665 272	15 253 870
Losses on disposal of Assets	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-
Total Segment Expenditure	8 999 014	6 942 290	21 472 159	38 434 692	44 581 721	120 429 875
Surplus/(Deficit)	(8 999 014)	(2 891 611)	8 682 098	(2 779 567)	(9 998 052)	(15 986 146)
Transfers and subsidies - capital (monetary allocations)	-	-	41 509 624	-	-	41 509 624
Surplus/(Deficit) after Capital Transfers & Contributions	(8 999 014)	(2 891 611)	50 191 722	(2 779 567)	(9 998 052)	25 523 478
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(8 999 014)	(2 891 611)	50 191 722	(2 779 567)	(9 998 052)	25 523 478
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(8 999 014)	(2 891 611)	50 191 722	(2 779 567)	(9 998 052)	25 523 478
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	(8 999 014)	(2 891 611)	50 191 722	(2 779 567)	(9 998 052)	25 523 478

LAINGSBURG MUNICIPALITY								
SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024								
SEGMENT REVENUE	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading services				Other
				Energy Sources	Water Management	Waste water management	Waste management services	
	R	R	R	R	R	R	R	R
External revenue from exchange transactions	4 304 147	289 708	37 296	18 131 066	3 936 094	2 780 940	2 777 692	-
Service Charges - Electricity	-	-	-	18 131 066	-	-	-	-
Service Charges - Water	-	-	-	-	3 936 094	-	-	-
Service Charges - Waste water management	62 628	-	-	-	-	2 780 940	-	-
Service Charges - Waste management	-	-	-	-	-	-	2 767 072	-
Sales of Goods and Rendering of Services	228 520	18 882	36 861	-	-	-	10 620	-
Agency Services	196 641	-	-	-	-	-	-	-
Interest Earned - Receivables - Exchange Transactions	593 685	-	-	-	-	-	-	-
Interest Earned - External Investments	1 264 711	-	-	-	-	-	-	-
Rent on land	102 655	-	-	-	-	-	-	-
Rental of Facilities and Equipment	1 628 855	14 429	435	-	-	-	-	-
Licences and Permits	-	256 397	-	-	-	-	-	-
Operational Revenue	42 155	-	-	-	-	-	-	-
External revenue from non-exchange transactions	29 762 394	35 376 242	1 223 000	2 062 120	1 457 555	1 218 687	1 086 788	-
Property rates	5 024 646	-	-	-	-	-	-	-
Fines, Penalties and Forfeits	8 300	33 757 112	-	-	-	-	-	-
Transfers Recognised - Operational	23 397 437	1 619 130	1 223 000	2 062 120	1 457 555	1 218 687	1 086 788	-
Interest Earned - Non-exchange Transactions	423 163	-	-	-	-	-	-	-
Gains on disposal of Assets	(248 845)	-	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	34 066 540	35 665 951	1 260 296	20 193 187	5 393 648	3 999 627	3 864 480	-
SEGMENT EXPENDITURE								
Employee Related Costs	13 821 964	5 015 333	10 043 124	404 742	1 609 526	1 164 366	929 328	353 742
Remuneration of Councillors	3 606 532	-	-	-	-	-	-	-
Bulk Purchases - Electricity	-	-	-	11 873 369	-	-	-	-
Inventory consumed	62 884	220 895	850 460	45 624	519 349	152 594	326 286	21 982
Debt Impairment	413 535	31 540 959	-	23 070	436 217	254 298	390 860	-
Depreciation and Amortisation	729 333	706 059	3 890 162	669 495	2 402 038	2 131 985	2 825 345	17 404
Interest	968 667	-	-	-	-	-	1 549 212	-
Contracted Services	3 581 618	357 349	341 253	365 816	241 198	212 397	103 533	2 105
Transfer and subsidies	-	-	-	-	-	-	-	-
Irrecoverable debt written off	-	-	-	-	-	-	-	-
Operational cost	12 960 215	585 527	460 300	176 968	855 152	105 991	87 693	22 023
Total Segment Expenditure	36 144 748	38 426 121	15 585 299	13 559 083	6 063 479	4 021 631	6 212 258	417 256
Surplus/(Deficit)	(2 078 207)	(2 760 171)	(14 325 004)	6 634 104	(669 831)	(22 004)	(2 347 778)	(417 256)
Transfers and subsidies - capital (monetary allocations)	41 509 624	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	39 431 417	(2 760 171)	(14 325 004)	6 634 104	(669 831)	(22 004)	(2 347 778)	(417 256)
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	39 431 417	(2 760 171)	(14 325 004)	6 634 104	(669 831)	(22 004)	(2 347 778)	(417 256)
Attributable to Minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	39 431 417	(2 760 171)	(14 325 004)	6 634 104	(669 831)	(22 004)	(2 347 778)	(417 256)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	39 431 417	(2 760 171)	(14 325 004)	6 634 104	(669 831)	(22 004)	(2 347 778)	(417 256)

LAINGSBURG MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Executive and Council	Corporate Services	Financial Services	Community Services and Public Safety	Technical Services	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	-	2 882 291	249 001	214 524	22 295 139	25 640 955
Service Charges - Electricity	-	-	-	-	14 739 213	14 739 213
Service Charges - Water	-	-	-	-	2 833 672	2 833 672
Service Charges - Waste water management	-	14 235	-	-	2 201 789	2 216 024
Service Charges - Waste management	-	-	7 806	-	2 496 552	2 504 358
Sales of Goods and Rendering of Services	-	39 221	36 831	19 570	23 913	119 534
Agency Services	-	-	184 917	-	-	184 917
Interest	-	96 853	-	-	-	96 853
Interest Earned - Receivables - Exchange Transactions	-	579 990	-	-	-	579 990
Interest Earned - External Investments	-	415 483	-	-	-	415 483
Rent on land	-	24 948	-	-	-	24 948
Rental of Facilities and Equipment	-	1 711 295	-	549	-	1 711 845
Licences and Permits	-	-	-	194 405	-	194 405
Operational Revenue	-	267	19 447	-	-	19 713
External revenue from non-exchange transactions	-	147 799	30 935 043	55 502 101	3 308 047	89 892 991
Property rates	-	-	5 116 496	-	-	5 116 496
Fines, Penalties and Forfeits	-	-	-	54 128 341	-	54 128 341
Transfers Recognised - Operational	-	147 799	24 773 838	1 373 760	3 308 047	29 603 445
Interest Earned - Non-exchange Transactions	-	-	336 710	-	-	336 710
Total Segment Revenue (excluding capital transfers and contributions)	-	3 030 091	31 184 044	55 716 625	25 603 187	115 533 946
SEGMENT EXPENDITURE						
Employee Related Costs	4 567 171	3 184 148	6 406 313	4 766 087	12 649 993	31 573 712
Remuneration of Councillors	3 318 112	-	-	-	-	3 318 112
Bulk Purchases - Electricity	-	-	-	-	10 737 433	10 737 433
Inventory consumed	16 938	108 418	567	194 975	2 219 797	2 540 695
Debt Impairment	-	-	2 665 471	46 947 802	780 305	50 393 578
Depreciation and Amortisation	347 028	182 447	86 213	641 106	11 000 806	12 257 598
Interest	-	-	682 133	-	2 084 840	2 766 972
Contracted Services	54 677	1 388 631	1 986 560	374 194	1 264 132	5 068 194
Transfer and subsidies	7 861	4 612	-	-	-	12 473
Irrecoverable debt written off	-	-	-	-	622 351	622 351
Operational cost	638 734	3 136 378	8 503 990	555 589	1 664 360	14 499 051
Losses on disposal of Assets	-	4 830 853	-	-	-	4 830 853
Total Segment Expenditure	8 950 521	12 835 486	20 331 245	53 479 752	43 024 017	138 621 022
Surplus/(Deficit)	(8 950 521)	(9 805 396)	10 852 799	2 236 873	(17 420 830)	(23 087 076)
Transfers Recognised - Capital	-	-	23 886 500	-	-	23 886 500
Surplus/(Deficit) after Capital Transfers & Contributions	(8 950 521)	(9 805 396)	34 739 299	2 236 873	(17 420 830)	799 424
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(8 950 521)	(9 805 396)	34 739 299	2 236 873	(17 420 830)	799 424
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(8 950 521)	(9 805 396)	34 739 299	2 236 873	(17 420 830)	799 424
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	(8 950 521)	(9 805 396)	34 739 299	2 236 873	(17 420 830)	799 424

LAINGSBURG MUNICIPALITY
SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading services				Other	Total
				Energy Sources	Water Management	Waste water management	Waste management services		
SEGMENT REVENUE	R	R	R	R	R	R	R	R	R
External revenue from exchange transactions	3 112 296	225 714	22 453	14 739 213	2 833 672	2 201 789	2 505 818	-	25 640 955
Service Charges - Electricity	-	-	-	14 739 213	-	-	-	-	14 739 213
Service Charges - Water	-	-	-	-	2 833 672	-	-	-	2 833 672
Service Charges - Waste water management	14 235	-	-	-	-	2 201 789	-	-	2 216 024
Service Charges - Waste management	-	-	-	-	-	-	2 504 358	-	2 504 358
Sales of Goods and Rendering of Services	76 051	19 570	22 453	-	-	-	1 460	-	119 534
Agency Services	184 917	-	-	-	-	-	-	-	184 917
Interest	96 853	-	-	-	-	-	-	-	96 853
Interest Earned - Receivables - Exchange Transactions	579 990	-	-	-	-	-	-	-	579 990
Interest Earned - External Investments	415 483	-	-	-	-	-	-	-	415 483
Rent on land	24 948	-	-	-	-	-	-	-	24 948
Rental of Facilities and Equipment	1 700 105	11 739	-	-	-	-	-	-	1 711 845
Licences and Permits	-	194 405	-	-	-	-	-	-	194 405
Operational Revenue	19 713	-	-	-	-	-	-	-	19 713
External revenue from non-exchange transactions	26 251 990	55 502 101	1 117 478	609 118	569 204	540 077	472 170	-	85 062 138
Property rates	5 116 496	-	-	-	-	-	-	-	5 116 496
Fines, Penalties and Forfeits	-	54 128 341	-	-	-	-	-	-	54 128 341
Transfers Recognised - Operational	24 921 637	1 373 760	1 117 478	609 118	569 204	540 077	472 170	-	29 603 445
Interest Earned - Non-exchange Transactions	336 710	-	-	-	-	-	-	-	336 710
Gains on disposal of Assets	(4 830 853)	-	-	-	-	-	-	-	(4 830 853)
Total Segment Revenue (excluding capital transfers and contributions)	29 364 286	55 727 815	1 139 932	15 348 331	3 402 876	2 741 866	2 977 988	-	110 703 094
SEGMENT EXPENDITURE									
Employee Related Costs	13 079 082	4 766 087	9 717 213	235 343	1 558 579	1 020 734	868 781	327 893	31 573 712
Remuneration of Councillors	3 318 112	-	-	-	-	-	-	-	3 318 112
Bulk Purchases - Electricity	-	-	-	10 737 433	-	-	-	-	10 737 433
Inventory consumed	70 798	194 975	674 422	275 927	810 099	78 075	381 274	55 126	2 540 695
Debt Impairment	2 665 471	46 947 802	-	(89)	399 373	212 108	168 913	-	50 393 578
Depreciation and Amortisation	615 687	641 106	3 818 946	662 280	2 316 611	1 977 137	2 225 832	-	12 257 598
Interest	682 133	-	-	-	-	-	2 084 840	-	2 766 972
Contracted Services	3 428 103	374 194	350 433	654 521	219 510	(151 983)	191 652	1 765	5 068 194
Transfer and subsidies	12 473	-	-	-	-	-	-	-	12 473
Irrecoverable debt written off	-	-	-	93 671	192 072	176 631	159 977	-	622 351
Operational cost	12 247 502	548 568	534 747	137 637	839 385	92 806	81 679	16 727	14 499 051
Total Segment Expenditure	36 119 360	53 472 731	15 095 760	12 796 723	6 335 629	3 405 508	6 162 948	401 510	133 790 169
Surplus/(Deficit)	(6 755 074)	2 255 084	(13 955 828)	2 551 607	(2 932 752)	(663 642)	(3 184 959)	(401 510)	(23 087 076)
Transfers Recognised - Capital	23 886 500	-	-	-	-	-	-	-	23 886 500
Surplus/(Deficit) after Capital Transfers & Contributions	17 131 426	2 255 084	(13 955 828)	2 551 607	(2 932 752)	(663 642)	(3 184 959)	(401 510)	799 424
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	17 131 426	2 255 084	(13 955 828)	2 551 607	(2 932 752)	(663 642)	(3 184 959)	(401 510)	799 424
Attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	17 131 426	2 255 084	(13 955 828)	2 551 607	(2 932 752)	(663 642)	(3 184 959)	(401 510)	799 424
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	17 131 426	2 255 084	(13 955 828)	2 551 607	(2 932 752)	(663 642)	(3 184 959)	(401 510)	799 424

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The Annual Financial Statements have been prepared in accordance with the historical cost convention, except where indicated otherwise.

The Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner appropriate to the municipality's operations. The Cash Flow Statement has been prepared using the Direct Method.

1.1 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.2 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1.2.1 Revenue Recognition

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions). As far as Revenue from Non-exchange Transactions is concerned, and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

- Revenue for Traffic Fines:

There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. The full amount of traffic fines issued during the year is recognised at the initial transaction date as revenue. Where a reliable estimate cannot be made of revenue from summonses, the revenue is recognised when the public prosecutor pays the cash collected over to the municipality.

1.2.2 Water Inventory

The estimation of the Water Inventory in reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

1.2.3 Impairment of Financial Assets

Accounting Policy 4.4 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

- Impairment of Trade Receivables:

The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.

1.2.4 Impairment of Statutory Receivables

Accounting Policy 5.3 on Impairment of Statutory Receivables describes the process followed to determine the value at which Statutory Receivables should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Statutory Receivables recorded during the year is appropriate.

- Impairment of Rates and other receivables

The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

- Impairment of Traffic Fines

Assessing and recognising impairment of Receivables for Traffic Fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not to be made at the time of initial recognition.

1.2.5 Capitalisation of Capital Assets

Judgement by management is required to distinguish between expenses incurred to maintain and repair capital assets and expenses incurred that will increase the remaining useful life of capital assets and needs to be capitalised to capital assets.

1.2.6 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 6.3, 7.2 and 8.2, the municipality depreciates its Property, Plant & Equipment and Investment Property, and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

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

The useful lives of assets are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical, useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings, management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Management referred to the following when making assumptions regarding useful lives and residual values of assets:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated replacement cost method, which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- Cost of items with a similar nature currently in the Municipality's asset register;
- Cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- Cost as supplied by suppliers.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

1.2.7 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, and Inventories

Accounting Policy 10 on Impairment of Assets describes the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Net Realisable Value or Current Replacement Cost.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

1.2.8 Service Concession Arrangements

The municipality assesses whether it is a party to any service concession arrangements by considering the principles contained in GRAP 32. Management has assessed all arrangements in place and concluded that there are no service concession arrangements to which it was a party during this accounting period.

1.2.9 Defined Benefit Plan Liabilities

As described in Accounting Policy 15.2, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.2.10 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.2.11 Principals and Agent Arrangements

The municipality assesses whether it is a party to any principal-agent arrangements by considering the principles contained in GRAP 109.

The municipality is assessed to be the principal and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP. In order to assess that the municipality is the principal, the following factors were considered in applying its judgement:

- The municipality acts as a principal for the service provider, Syntell, who acts

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

municipality with the sale of prepaid electricity and water.

- The municipality acts as a principal for the service provider, the Provincial Department of Transport, who acts as an agent for the municipality with regards to the issuing of fines for various traffic violations within the Laingsburg Municipal Area.
- The municipality acts as a principal for the service provider, Central Karoo Traffic Systems (Pty) Ltd, who acts as an agent for the municipality with regards to the issuing and recovery of camera fines issued within the Laingsburg Municipal Area.

1.2.12 Provision for Landfill Sites

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the best estimate or net present value of the expected future cash flows to rehabilitate the landfill site at year-end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates linked to government bond rate was used to calculate the effect of the time value of money.

1.2.13 Pre-paid electricity estimation

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year-end, which is still unused. The average pre-paid electricity sold per day during the year under review is used, and the estimate is calculated using between 5 and 10 days' worth of unused electricity.

1.2.14 Housing Arrangements

The municipality is not accredited to deliver housing under the national housing programme. However, it assesses its roles and responsibilities it undertakes for each project undertaken in terms of the national housing programme by assessing the terms and conditions agreed with the relevant Provincial Department of Human Settlements.

Management has assessed all arrangements in place and concluded that there are no housing arrangements to which it was a project manager or developer during this accounting period.

1.3 Going Concern Assumption

The Annual Financial Statements have been prepared on a Going Concern Assumption.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1.4 Standards, Amendments to Standards and Interpretations published but not yet Effective

The following GRAP Standards and Interpretations have been published but are not yet effective and have not been early adopted by the municipality. Additionally, these standards and interpretations are not always relevant to the municipality's operations and are indicated as such below:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 103	<u>Heritage assets</u> There are proposed amendments to the classification of mixed-use assets, cultural significance and the fair value accounting. The amendments to the Standard are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
GRAP 104	<u>Financial Instruments</u> The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. The Municipality might need to revise the categories of financial instruments and the impairment model. The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.	1 April 2025
GRAP 1: Going concern	<u>Presentation of Financial statements: Going concern</u> The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. Adjustments for going concern proposed to provide guidance on the preparation of AFS as going concern and the related disclosure. The transitional provisions are specified in the revised Standard. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
Improvement to GRAP standards (2023)	<u>Improvement to GRAP standards (2023)</u> The Improvements are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The Improvements may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the Improvements once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
GRAP 105, GRAP 106 and GRAP 107	<u>Transfer of Functions and Mergers</u>	

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REFERENCE	TOPIC	EFFECTIVE DATE
(amendments)	The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance. No significant impact is expected as Standards is not relevant to the operations of the Municipality.	
Guideline	<u>Application of Materiality of Financial Statements</u> The guideline is not authoritative but only encourage. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	No effective date as only encouraged
iGRAP 22	<u>Foreign Currency Transactions and Advanced Consideration</u> The interpretation is to provide guidance on determining the transaction date for purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. Early adoption of the Interpretation is encouraged. No significant impact is expected as the foreign currency transactions and advance consideration is not relevant to the operations of the Municipality.	1 April 2025

2. BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the Accounting Policies adopted by the Council for the preparation of these Annual Financial Statements. Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over- or under spending on line items. Deviations between budget and actual amount are regarded as material differences when 10% deviations exists. Explanations is provided in the budget comparison regarding classification differences between the approved budget and the actual figures. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification.

The approved budget covers the period from 1 July 2023 to 30 June 2024.

3. INVENTORIES

3.1 Recognition and Initial Measurement

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the Inventories to their current location and condition. (can also include proportion of overhead costs).

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Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

Water inventory is being measured by multiplying the cost per kiloliter of purified water by the amount of water in storage.

Where Inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

3.2 Subsequent Measurement

3.2.1 Consumable and Material and Supplies

Subsequently, Consumables sold are valued at the lower of cost and net realisable value. Material and Supplies are held for own use and measured at the lower of cost and current replacement cost.

The cost is determined using the Weighted Average Method.

Consumable stores distributed at no charge or for a nominal charge and finished goods are valued at the lower of cost and current replacement cost.

3.2.2 Water Inventory

Water is regarded as Inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the Inventory to its present location and condition, net of trade discounts and rebates.

Water inventory is measured by telemetry readings and the calculated volume in the distribution network.

3.2.3 Other Arrangements

Redundant and slow-moving Inventories identified are written down from cost to current replacement cost, if applicable.

Differences arising on the measurement of such Inventory at the lower of cost and current replacement cost or net realisable value, are recognised in Surplus or Deficit in the year in which they arise. The amount of any reversal of any write-down of Inventories arising from an increase in current replacement cost or net realisable value is recognised as a reduction in the amount of Inventories recognised as an expense in the period in which the reversal occurs.

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The carrying amount of Inventories is recognised as an expense in the period that the Inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

4. FINANCIAL INSTRUMENTS

Initial Recognition

Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.1 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Non-current receivables	Financial Assets at Amortised Cost
Receivables from Exchange transactions	Financial Assets at Amortised Cost
Receivables from Non-Exchange transactions (service charges)	Financial Assets at Amortised Cost
Cash and cash equivalents (Investments & Bank)	Financial Assets at Amortised Cost
Cash and Cash Equivalents (Cash on hand)	Financial Asset at Fair value

Financial Assets exclude Value Added Taxation, Prepayments and Operating Lease Receivables as it does not fall in the scope of GRAP 104.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

4.2 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Trade and other Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Consumer Deposits	Financial Liabilities at Amortised Cost
Unspent Transfers and Subsidies	Financial Liabilities at Amortised Cost

4.3 Initial and Subsequent Measurement

4.3.1 Financial Assets:

Financial Assets measured at Amortised Cost

Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

4.3.2 Financial Liabilities:

Financial Liabilities held at Amortised Cost

Financial Liabilities are classified are initially measured at fair value, net of transaction costs. Financial Liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

4.4 Impairment of Financial Assets

Financial Assets at amortised cost are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated, and an impairment loss is recognised through the use of an allowance account.

4.4.1 Financial Assets at Amortised Cost

A provision for impairment of Accounts Receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

When a Consumer Debtor is considered uncollectible, it is written off and recognised in the Surplus or Deficit. Subsequent recoveries of amounts previously written off are credited against revenue.

4.5 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

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If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred Financial Asset, the municipality continues to recognise the Financial Asset and also recognises a collateralised borrowing for the proceeds received.

4.6 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the 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, in Surplus or Deficit.

5. STATUTORY RECEIVABLES

Statutory Receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset.

The municipality has the following Statutory Receivables:

- Property Rates
- Fines
- VAT receivable

5.1 Recognition and Initial Measurement

Statutory Receivables are recognised if the transaction is an exchange transaction per GRAP 9 or a non-exchange transaction per GRAP 23 or, if the transaction is not within the scope of GRAP 9 or GRAP 23, or another Standard of GRAP, and 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 reliably measured.

The municipality recognises Statutory Receivables when they arise.

Statutory Receivables are initially measured at their transaction amount.

The transaction amounts of the Statutory Receivables of the municipality are determined as follows:

- Property Rates are levied in terms of the stipulations contained in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) at rates determined each year by Council.
- Fines are serviced in terms of the stipulations contained in the Criminal Procedures Act, 1977 (Act No. 51 of 1977) at rates published in the Government Gazette from time to time.
- VAT receivables are recognised in accordance with Value added Tax act no 89 of 1991.

5.2 Subsequent Measurement

Statutory Receivables are measured after initial recognition using the cost method.

Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable, where applicable
- Impairment losses; and

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- Amounts derecognised.

5.3 Impairment

Statutory Receivables are assessed for indicators of impairment at the end of each reporting period or when there is any indication of impairment, such as the probability of insolvency or significant financial difficulties of the debtor. The assessment for impairment can be done for individually significant receivables; and/or groups of similar, individually insignificant, receivables are impaired.

The municipality groups together and assesses collectively for impairment those receivables that exhibit similar characteristics which provide information about the possible collectability of the amounts owing to the municipality. The municipality uses the following groupings:

- Assessment Rates
- Fines

For further detail on the assessment refer to policy 1.2.4 Impairment of Statutory Receivables.

No impairment assessment is done on VAT, as per statutory obligation, it is expected to be fully recoverable.

If there is such evidence the carrying amount is reduced to the estimated future cash flows, an impairment loss is recognised, directly or indirectly, through the use of an allowance account, with the amount of the impairment loss being recognised in Surplus or Deficit.

5.4 Derecognition

The municipality derecognises Statutory Receivables only when the rights to the cash flows from the receivable expires or it transfers the Statutory Receivable and substantially all the risks and rewards of ownership of the receivable to another municipality, except when council approves the write-off of the receivable due to non-recoverability.

The municipality derecognises a receivable if the municipality, despite having retained some significant risks and rewards of ownership, transfers 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 party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality recognises separately any rights and obligations created or retained in the transfer. The carrying amount of and statutory receivables transferred is allocated between the rights and obligations retained and those transferred on the basis of the relative fair values at the transfer date. The municipality assesses whether any newly created rights and obligations are within the scope of GRAP 104 or another Standards of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, is recognised in surplus or deficit in the period transferred.

6. PROPERTY, PLANT AND EQUIPMENT

6.1 Initial Recognition and Measurement

Property, Plant and Equipment are initially recognised at cost. (including transaction costs).

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably

Where an asset is acquired by the municipality for no or nominal consideration (i.e. no transaction), the cost is deemed to be equal to the fair value of that asset on the date of

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transaction costs)

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit.

The following items will be regarded as Property, plant and equipment rather than investment property:

- Owner-occupied property (including held for future use);
- Owner-occupied property held for development;
- Property occupied by employees for housing;
- Owner-occupied property held for disposal;
- Property held by the municipality to fulfil their mandated function rather than rental or capital appreciation and;
- Property held by the municipality for strategic purpose

6.2 Subsequent Measurement

Subsequently all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

6.3 Depreciation and Impairment

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation rates are based on the following estimated useful lives:

Asset Class	Years	Asset Class	Years
Buildings		Community	
Improvements	10 - 100	Community Facilities	15 - 100
		Recreational Facilities	20 - 100
Infrastructure		Other	
Electricity	15 - 60	Computer Equipment	5 - 30
Roads and Paving	10 - 60	Furniture and Office Equipment	6 - 50
Sanitation / Sewerage	10 - 60	Machinery and Equipment	5 - 40
Solid Waste	15 - 60	Transport Assets	
Water	5 - 80		

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Changes to the useful life of assets and residual value are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in the accounting estimate.

For impairment considerations refer to policy 10: Impairment of Assets.

6.4 Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

6.5 Incomplete Construction Work

Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use. The municipality assesses at each reporting date if there is an indication of impairment.

6.6 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy. If cost can however not be established, then infrastructure assets will be initially measured and recognised at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market.

6.7 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

6.8 Landfill site

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, shall be accounted for as follows:

The related asset (under cost model) is measured as follows:

- Changes in the liability, shall be added or deducted from the asset cost;
- The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the municipality shall consider 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 entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount, and shall account for any impairment loss, in accordance with its impairment policy. Refer to policy 10: Impairment of assets,

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7. INTANGIBLE ASSETS

7.1 Initial Recognition and Measurement

Identifiable non-monetary assets without physical substance are classified and recognized as Intangible Assets.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e., is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognizes an intangible assets in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible Assets are initially recognised at cost.(including transaction cost)

Where an Intangible Asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost.

7.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists.

The amortisation rates are based on the following estimated useful lives:

Asset Class	Years
Computer Software Purchased	5 -10

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Changes to the useful life residual values and depreciation method of assets are reviewed annually, if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in accounting estimate.

For impairment considerations refer to policy 10: Impairment of Assets.

7.3 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

8. INVESTMENT PROPERTY

8.1 Initial Recognition and Measurement

The Municipality recognizes Investment Property in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or held for sale, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases;
- A property owned by the municipality and leased out at a below market rental; and
- Property that is being constructed or developed for future use as investment property.

At initial recognition, the municipality measures Investment Property at cost. However, where an Investment Property was acquired through a non-exchange transaction (i.e. where it acquired the Investment Property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost.

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8.2 Subsequent Measurement

Investment Property is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the Straight-line Method over the useful life of the property, which is estimated at 20 - 100 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

Land is not depreciated as it is deemed to have an indefinite useful life.

Changes to the useful life of assets, residual value and depreciation method are reviewed annually, if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in estimate.

For impairment considerations refer to policy 10: Impairment of Assets.

8.3 Derecognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

8.4 Transfers

Transfers are made to or from investment property only when there is a change in use.

For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

For a transfer from investment property to inventory (view sale), the deemed cost for subsequent accounting is the fair value as at date of change.

For a transfer from owner occupied property becomes an investment property measured at fair value, the difference between the carrying value and fair value at the reporting date, shall be recognised in surplus and deficit.

For a transfer from inventory to investment property (operating lease), the difference between the carrying value and the fair value at the reporting date, shall be recognised in surplus and deficit.

9. HERITAGE ASSETS

9.1 Initial Recognition and Measurement

A heritage asset is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

Heritage Assets are initially recognised at cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

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9.2 Subsequent Measurement

Subsequently all Heritage Assets are measured at cost, less accumulated impairment losses. Heritage assets are not depreciated.

For impairment considerations refer to policy 10: Impairment of Assets.

9.3 Derecognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits or service potential is expected from the use of the heritage asset.

The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

10. IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets. All other assets are classified as Non-cash Generating Assets.

10.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

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 recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss and recognised in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss is recognised immediately in Surplus or Deficit.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

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(a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset;
- Significant changes with an adverse effect on the Municipality have taken place during the period or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

10.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

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

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss and recognised in Surplus or Deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service

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is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss is recognised immediately in Surplus or Deficit.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information

- Evidence is available of physical damage of an asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

11. CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

12. PROVISIONS

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

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

12.1 Provision for Environmental Rehabilitation

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

13. LEASES

13.1 Operating Leases – Municipality as lessor

Operating leases are those leases that do not fall within the scope of finance lease definition. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leases asset is diminished.

13.2 Operating Leases – Municipality as lessee

Operating leases are those leases that do not fall within the scope of finance lease definition. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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14. BORROWING COSTS

All borrowing costs are treated as an expense in the period in which they are incurred.

15. EMPLOYEE BENEFIT LIABILITIES

15.1 Short-term Employee Benefits

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

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

15.1.1 Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

In terms of the Collective Agreement for Local Government annual leave shall only be accumulated to a maximum of forty-eight (48) working days. The provision for annual leave is limited to a maximum of 48 days per employee.

15.1.2 Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year-end for each employee.

15.1.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees. Municipalities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

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15.2 Post-employment Benefits

The municipality provides retirement benefits for its employees and councillors and has both defined benefit and defined contribution post-employment plans.

15.2.1 Defined Contribution Plans

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

15.2.2 Defined Benefit Plans

Post-retirement Health Care Benefits

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. 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), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified. The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an independent actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

16. REVENUE RECOGNITION

16.1 General

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

16.2 Revenue from Non-exchange Transactions

16.2.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

16.2.2 Fines

Fines constitute both spot fines and summonses.

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The municipality uses estimates to determine the amount of revenue that the municipality is entitled to collect that is subject to further legal proceedings. In cases where fines and summonses are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

16.2.3 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in Surplus or Deficit in the period in which they become receivable.

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Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in Surplus or Deficit.

16.2.4 Public Contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Where public contributions have been received, but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

16.2.5 Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

16.2.6 Interest Earned

Interest revenue is recognised using the effective interest rate method.

16.2.7 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.

16.2.8 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

16.2.9 Unclaimed deposits

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

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16.2.10 Debt forgiveness

Debt forgiven is recognised when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners. Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

16.2.11 Service in-kind

Services in-kind that are significant to the Municipality's operations are recognised as assets and the related revenue when:

- it is probable that the future economic benefits or service potential will flow to the Municipality; and
- the fair value of the assets can be measured reliably.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition is satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in-kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset because the Municipality controls the resource from which future economic benefits or service potential is expected to flow to the Municipality. The assets are immediately consumed, and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality, therefore, recognises an expense and related revenue for the consumption of services in-kind

16.3 Revenue from Exchange Transactions

16.3.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

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16.3.2 Prepaid Electricity

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

16.3.3 Rentals Received

Revenue from the rental of facilities and equipment and land is recognised on a Straight-line Basis over the term of the lease agreement.

16.3.4 Income from Agency Services

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

16.3.5 Interest Earned

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

Interest on outstanding customer receivables is calculated when the receivable is more than 30 days at prime rate plus 1% and recognised in surplus or deficit on the time-proportionate basis.

16.3.6 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 licenses and permits.

16.3.7 Sale of Goods

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

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

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16.3.8 Services rendered

Revenue from the services rendered is recognised when:

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

17. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

18. MATERIAL LOSSES

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply to the legislative requirements governing Municipalities.

Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance, purchases, sales and closing balance where applicable. The unit rate is the rate per the last purchase as inventory is measured based on the First-In-First-Out Method as defined by GRAP 12 (Inventories).

19. UNAUTHORISED EXPENDITURE

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).

All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit 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 Surplus or Deficit.

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20. IRREGULAR EXPENDITURE

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure.

Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

21. 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.

All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit 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 Surplus or Deficit.

22. COMMITMENTS

Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP;
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date;
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources;
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure Notes to the Annual Financial Statements; and
- Other commitments for contracts that are non-cancellable or only cancellable at significant cost, should relate to something other than the business of the municipality.

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23. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Executive Mayor, Speaker, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager.

The following are regarded as related parties of the Municipality:

- (a) A person or a close member of that person's family is related to the Municipality if that person:
- has control or joint control over the Municipality.
 - has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
 - is a member of the management of the Municipality or its controlling entity.
- (b) An entity is related to the Municipality if any of the following conditions apply:
- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
 - both entities are joint ventures of the same third party.
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
 - the entity is controlled or jointly controlled by a person identified in (a).
 - a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).
 - The entity, or any member of a group of which it is part, provides management services to the reporting entity or to the controlling entity of the reporting entity.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties.

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Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage; or
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality

Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

24. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

25. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. (those that provide evidence of conditions that existed at the reporting date)

The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements. (those are indicative of conditions that arose after the reporting date). If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect

26. SEGMENT REPORTING

The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective and also considered separately for each of the towns within the municipal jurisdiction. The components described below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18.

The following services are considered significant to the municipality and is accordingly managed separately:

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Primary Segments:

- Executive and Council
- Corporate Services
- Financial Services
- Community and Social Services
- Technical Services

Secondary Segments:

- Governance and Administration
- Community and Public Safety
- Economic and Environmental Services
- Energy Sources
- Waste Management
- Waste water Management
- Water Management
- Other

All other sources of income and expenditure is aggregated through means of the administrative function as these services are not significant to the other services of the municipality as a whole.

The municipality only operates in a single geographical location and accordingly does not report separately on each location within its jurisdiction.

Intersegmental transfers are per the municipality's approved tariff policy. The reconciliation clearly describes the effects of all internal transfers between segments.

The accounting policies for segmental reporting in the management accounts are aligned to the requirements of GRAP as described in these accounting policies.

No changes from were made from prior periods measurement methods used to determine reported segment surplus or deficit.

27. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section 15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991). Revenue, expenses, and assets are recognised net of the amounts of value-added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

28. COMPARATIVE FIGURES

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification are disclosed. Where accounting errors have been identified in

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the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

29. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs. Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. The revenue received is driven from legislation. Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables, which is considered a financial instrument.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder, it is recorded as part of the liability. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

30. ACCOUNTING BY PRINCIPALS AND AGENTS

A principal-agent arrangement exists where there is a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Where the municipality is considered the principal, all revenues, expenses, liabilities, and assets are recorded in the records of municipality in accordance with the relevant standards of GRAP.

Where the municipality is the agent to the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or money due being recorded in terms of GRAP.

Identification

Special consideration is given to the classification of an agreement to carefully consider whether the municipality is an agent. The considerations include (all of) the following:

- Who determines significant terms?
- Who receives the benefit from the transactions?
- Is the municipality exposed to the variability of the outcome?

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If these are not met, but the standard is applicable, the municipality would be regarded as the principal in the transaction.

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement. In the assessment reference is made to substance over form. Therefore, the exact wording of the contract is not the only indicator (for example if reference is made to "agent"). If rights and obligations are substantially transferred this could indicate a principal/agent arrangement. If not, the arrangement is accounted for as a normal supplier/customer relationship

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2024

	Opening Balance	Correction of Error	Re-classification	Additions	Other changes	Cost		Under Construction	Transfers	Disposals	Impairment	Closing Balance	Accumulated Impairment		Closing Balance	Opening Balance	Correction of Error	Re-classification	Accumulated Depreciation		Disposals	Impairment	Closing Balance	Carrying Value
						Transfer WIP OB	Transfer WIP ADD						Additional Reversal	Disposals					Depreciation	Transfers				
Infrastructure																								
Roads	59 226 640	-	-	-	-	3 314 057	3 959 141	-	-	-	-	66 499 838	-	-	-	-	-	-	1 465 373	-	-	-	28 478 264	38 021 574
Storm Water	90 700 031	-	-	-	-	1 225 823	1 464 430	165 796	-	-	-	93 556 080	2 246 630	-	2 246 630	58 150 416	-	-	1 850 872	-	-	-	60 001 288	31 308 162
Electricity	32 016 555	-	-	-	-	-	-	5 218 686	-	-	-	37 235 240	354 812	-	354 812	15 131 922	-	-	669 485	-	-	-	15 801 417	21 079 012
Water Supply	105 347 044	-	-	-	-	-	-	4 753 716	-	-	-	110 100 760	266 034	-	266 034	37 709 648	-	-	2 402 038	-	-	-	40 111 688	69 723 038
Sanitation	80 544 412	-	-	-	-	-	-	32 800 352	-	-	-	113 344 764	535	-	39 186 287	-	-	-	2 131 985	-	-	-	41 318 272	72 025 957
Solid Waste	7 479 250	-	-	-	-	-	-	-	-	-	-	7 479 250	12 688	-	12 688	3 166 346	-	-	132 417	-	-	-	3 298 763	4 167 798
Rail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coastal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites	14 081 263	-	-	-	-	11 760 213	-	-	-	-	-	25 841 475	-	-	-	8 693 563	-	-	2 692 928	-	-	-	11 386 491	14 454 984
Community Assets	389 395 194	-	-	-	-	11 760 213	4 539 880	5 423 571	42 938 549	-	-	454 057 407	2 880 696	-	2 880 696	189 951 075	-	-	11 345 108	-	-	-	200 396 183	250 790 526
Community Facilities																								
Land	6 521 534	-	-	-	-	-	-	-	-	-	-	6 521 534	-	-	-	-	-	-	28 094	-	-	-	2 396 929	6 521 534
Halls	3 215 919	-	-	-	-	-	-	-	-	-	-	3 215 919	-	-	-	2 368 845	-	-	158 171	-	-	-	4 199 799	3 120 197
Centres	7 319 996	-	-	-	-	-	-	-	-	-	-	7 319 996	-	-	-	4 041 628	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums	2 523 132	-	-	-	-	-	-	-	-	-	-	2 523 132	-	-	-	1 670 714	-	-	26 121	-	-	-	1 696 835	826 297
Galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	1 829 955	-	-	-	-	-	-	-	-	-	-	1 829 955	-	-	-	1 231 558	-	-	21 795	-	-	-	1 253 353	576 601
Cemeteries/Crematoria	1 567 411	-	-	-	-	-	-	-	-	-	-	1 567 411	-	-	-	1 128 516	-	-	24 365	-	-	-	1 152 881	414 530
Police	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Open Space	604 544	-	-	-	-	-	-	-	-	-	-	604 544	11 177	-	11 177	312 592	-	-	26 556	-	-	-	339 148	254 218
Nature Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	4 016 759	-	-	-	-	-	-	-	-	-	-	4 016 759	-	-	-	1 115 979	-	-	57 696	-	-	-	1 173 676	2 843 083
Stalls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities																								
Indoor Facilities	4 874 355	-	-	-	-	-	-	-	-	-	-	4 874 355	106 431	-	106 431	3 245 809	-	-	41 286	-	-	-	3 287 095	1 480 829
Outdoor Facilities	8 060 239	-	-	-	-	-	-	6 906 172	-	-	-	14 966 411	49 223	-	49 223	4 550 748	-	-	256 070	-	-	-	4 806 817	10 110 371
Capital Spares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	40 533 842	-	-	-	-	-	-	6 906 172	-	-	-	47 440 014	166 831	-	166 831	19 666 389	-	-	640 145	-	-	-	20 306 534	26 966 650

EXAMPLE MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

30 JUNE 2024 (Continue)

	Cost/Revaluation												Accumulated Impairment				Accumulated Depreciation and Impairment Losses								Carrying Value
	Opening Balance	Correction of Error	Re-classification	Additions	Contributed	Transfer WIP OB	Transfer WIP ADD	Under Construction	Transfers	Disposals	Impairment	Closing Balance	Opening Balance	Additions/ Reversal	Disposals	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals	Impairment	Closing Balance		
Other Assets																									
Other Land	17 517 601	-	-	-	-			-	-			17 517 601						-	-	-	-	-	-	17 517 601	
Operational Buildings																									
Municipal Offices	6 957 852	-	-	-						-		6 957 852	42 160			42 160	5 076 335	-	90 507	-	-	-	5 166 842	1 748 850	
Pay/Enquiry Points	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Stores	4 098 892	-	-	-						-		4 098 892	292 562			292 562	3 211 715	-	25 691	-	-	-	3 237 406	568 924	
Laboratories	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Housing																									
Staff Housing	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Computer Equipment	1 199 572	-	-	663 639						-		1 863 211	60 756		(9 454)	51 302	772 493	-	225 974	-	-	-	998 467	813 442	
Furniture and Office Equipment	1 670 046	-	-	106 029						-		1 776 074	34 256		(452)	33 804	1 112 217	-	96 354	-	-	-	1 208 571	533 699	
Machinery and Equipment	2 746 089	-	-	417 042	1 210 000					-		4 373 131	43 003		(1 028)	41 974	1 938 184	-	200 122	-	-	-	2 138 306	2 192 851	
Transport Assets	6 419 746	-	-	-						-		6 419 746	294 651			294 651	3 873 363	-	573 917	-	-	-	4 447 280	1 687 815	
	40 609 797	-	-	1 186 710	1 210 000					-		43 006 507	787 387	-	(10 934)	746 454	15 984 305	-	1 212 566	-	-	-	17 196 871	25 063 182	
Leases																									
Computer Equipment	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
	-	-	-	-						-		-	-			-	-	-	-	-	-	-	-	-	
Total	470 538 833	-	-	1 186 710	12 970 213	4 539 880	5 423 571	49 844 722	-	-	-	544 503 928	3 894 916	-	(10 934)	3 793 983	224 701 769	-	13 197 818	-	-	-	237 899 588	302 810 358	

2.2 30 JUNE 2023

	Cost/Revaluation											Accumulated Impairment				Accumulated Depreciation and Impairment Losses								Carrying Value
	Opening Balance	Correction of Error	Re-classification	Additions	Other changes	Transfer WIP OB	Transfer WIP ADD	Under Construction	Transfers	Disposals	Impairment	Closing Balance	Opening Balance	Additions/ Reversal	Disposals	Closing Balance	Opening Balance	Correction of Error	Re-classification	Depreciation	Transfers	Disposals	Impairment	
Infrastructure																								
Roads	58 025 096	-	-	-	-	964 709	1 433 859	4 539 880	-	(1 197 024)	-	63 766 520	-	-	-	-	26 604 163	-	-	1 437 176	-	(1 028 448)	-	27 012 891
Storm Water	102 910 084	-	-	-	-	748 177	-	-	-	(12 958 230)	-	90 700 031	1 200 554	1 046 076	-	2 246 630	66 310 411	-	-	2 029 239	-	(10 189 233)	-	58 150 416
Electricity	32 832 800	-	-	-	-	-	-	5 218 686	-	(816 245)	-	37 235 240	45 269	339 620	(30 077)	354 812	15 073 861	-	-	662 280	-	(604 219)	-	15 131 922
Water Supply	102 026 676	-	-	-	-	4 942 968	-	-	-	(1 622 600)	-	105 347 044	291 144	6 429	(31 539)	266 034	36 052 442	-	-	2 316 611	-	(659 404)	-	37 709 640
Sanitation	77 825 094	-	-	-	-	2 303 778	1 303 418	14 013 935	-	(887 878)	-	94 558 347	-	535	-	1 977 137	-	-	1 977 137	-	(574 292)	-	39 186 287	
Solid Waste	7 479 250	-	-	-	-	-	-	-	-	-	-	7 479 250	12 688	-	-	12 688	3 035 999	-	-	130 347	-	-	-	3 166 346
Rail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Coastal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Information and Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Landfill sites	14 985 758	-	-	-	(904 495)	-	-	-	-	-	-	14 081 263	-	-	-	-	6 598 079	-	-	2 095 485	-	-	-	8 693 563
	396 084 757	-	-	-	(904 495)	8 959 631	2 737 277	23 772 500	-	(17 481 977)	-	413 167 694	1 549 655	1 392 660	(61 616)	2 880 698	191 458 397	-	-	10 648 275	-	(13 055 597)	-	189 051 075
Community Assets																								
Community Facilities																								
Land	6 522 534	-	-	-	-	-	-	-	-	(1 000)	-	6 521 534	-	-	-	-	-	-	-	28 084	-	-	-	6 521 534
Halls	3 215 919	-	-	-	-	-	-	-	-	-	-	3 215 919	-	-	-	-	2 340 761	-	-	-	-	-	-	2 368 845
Centres	7 319 996	-	-	-	-	-	-	-	-	-	-	7 319 996	-	-	-	-	3 883 456	-	-	158 171	-	-	-	4 041 628
Crèches	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums	2 548 745	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-	(25 613)	-	2 523 132	-	-	-	-	1 663 112	-	-	-	-	(18 934)	-	1 670 714
Theatres	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	1 829 955	-	-	-	-	-	-	-	-	-	-	1 829 955	-	-	-	-	1 210 145	-	-	21 413	-	-	-	1 231 568
Cemeteries/Crematoria	1 967 411	-	-	-	-	-	-	-	-	-	-	1 967 411	-	-	-	-	1 104 152	-	-	24 365	-	-	-	1 128 516
Police	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Open Space	604 544	-	-	-	-	-	-	-	-	-	-	604 544	-	11 177	-	11 177	285 108	-	-	27 484	-	-	-	312 592
Nature Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	4 016 759	-	-	-	-	-	-	-	-	-	-	4 016 759	-	-	-	-	1 058 283	-	-	57 696	-	-	-	1 115 979
Stalls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities																								
Indoor Facilities	4 874 355	-	-	-	-	-	-	-	-	-	-	4 874 355	106 431	-	-	106 431	3 204 523	-	-	41 286	-	-	-	3 245 809
Outdoor Facilities	8 060 239	-	-	-	-	-	-	-	-	-	-	8 060 239	49 223	-	-	49 223	4 294 678	-	-	256 070	-	-	-	4 550 748
Capital Spares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	40 560 456	-	-	-	-	-	-	-	-	(26 613)	-	40 533 842	155 604	11 177	-	166 831	19 044 217	-	-	641 106	-	(18 934)	-	19 666 389

EXAMPLE MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

30 JUNE 2023 (Continue)

	Cost/Revaluation											Accumulated Impairment				Accumulated Depreciation and Impairment Losses								Carrying Value	
	Opening Balance	Correction of Error	Re-classification	Additions	Other changes	Transfer WIP OB	Transfer WIP ADD	Under Construction	Transfers	Disposals	Impairment	Closing Balance	Opening Balance	Additions/ Reversal	Disposals	Closing Balance	Opening Balance	Correction of Error	Re-classification	Depreciation	Transfers	Disposals	Impairment		Closing Balance
Other Assets																									
Other Land	17 556 641	-	-	-				-	-	(39 040)		17 517 601				-	-	-	-	-	-	-	-	17 517 601	
Operational Buildings																									
Municipal Offices	6 957 852	-	-	-				-	-	-	-	6 957 852	42 160			42 160	4 985 828	-	-	90 507	-	-	-	5 076 335	1 839 357
Pay/Enquiry Points	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Stores	4 098 892	-	-	-				-	-	-	-	4 098 892	292 562			292 562	3 186 024	-	-	25 691	-	-	-	3 211 715	594 615
Laboratories	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Housing																									
Staff Housing	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Computer Equipment	1 219 209	207	-	38 634				-	-	(58 478)	-	1 199 572	23 097	55 856	(18 198)	60 756	653 747	38	-	158 988	-	(40 280)	-	772 493	366 323
Furniture and Office Equipment	1 759 187	31 724	-	5 808				-	-	(126 673)	-	1 670 046	46 349	13 285	(25 378)	34 256	1 123 872	4 440	-	85 200	-	(101 295)	-	1 112 217	523 572
Machinery and Equipment	2 761 585	16 801	-	18 502				-	-	(50 799)	-	2 746 089	58 316	11 926	(27 240)	43 003	1 850 873	4 630	-	106 240	-	(23 560)	-	1 938 184	764 903
Transport Assets	6 437 616	-	-	58 513				-	-	(76 383)	-	6 419 746	30 299	284 651	(30 299)	284 651	3 566 916	-	-	352 531	-	(46 084)	-	3 873 363	2 261 732
	40 790 982	48 732	-	121 457	-			-	-	(351 373)	-	40 609 797	492 784	365 718	(101 115)	757 387	15 367 299	9 108	-	819 157	-	(211 218)	-	15 984 305	23 868 105
Leases																									
Computer Equipment	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	
	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	477 436 195	48 732	-	121 457	(904 495)			23 772 500	-	(17 859 963)	-	494 311 333	2 198 092	1 769 556	(162 731)	3 804 916	225 869 873	9 108	-	12 108 538	-	(13 285 749)	-	224 701 769	265 804 648

2. PROPERTY, PLANT AND EQUIPMENT	2024 R	2023 R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:	2024 R	2023 R
Infrastructure Assets	49 844 722	23 772 500
Total Property, Plant and Equipment under construction	49 844 722	23 772 500
The movements for the year can be reconciled as follows:	2024 R	2023 R
Balance at beginning of year	23 772 500	14 178 317
Expenditure during the year	36 035 673	21 291 091
Assets unbundled during the year	(9 963 451)	(11 696 908)
Balance at end of year	49 844 722	23 772 500
2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:	2024 R	2023 R
Infrastructure Assets	19 232 620	5 218 686
Electricity	5 218 686	5 218 686
Sanitation	14 013 935	
Total	19 232 620	5 218 686
2.5 Expenditure incurred to repair and maintain Property, Plant and	2024 R	2023 R
Contracted Services	1 290 437	1 579 123
Total Repairs and Maintenance	1 290 437	1 579 123
2.6 Impairment losses of Property, Plant and Equipment	2024 R	2023 R
Impairment losses on Property, Plant and Equipment recognised in Statement of Financial Performance are as follows:		
Infrastructure		1 392 660
Community Assets		11 177
Other		365 718
Total Impairment Losses	-	1 769 556
2.7 Reversal of Impairment losses of Property, Plant and Equipment	2024 R	2023 R
Reversal of Impairment losses on Property, Plant and Equipment recognised in statement of financial performance are as follows:		
Other	10 934	-
Total Reversal of Impairment losses	10 934	-

	2024 R	2023 R
2.8 Effect of changes in accounting estimates		
The remaining useful lives of assets were reviewed and it had no effect on the accumulated depreciation and the carrying values of assets.		
	2024 R	2023 R
2.9 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	26 020 350	10 308 128
Infrastructure	26 020 350	10 308 128
Total	26 020 350	10 308 128
	2024 R	2023 R
This expenditure will be financed from:		
Government Grants	26 020 350	10 308 128
Total	26 020 350	10 308 128
	2024 R	2023 R
2.10 Retention incurred on Property, Plant and Equipment:		
Opening Balance	1 537 850	360 087
Deposits	1 980 853	1 275 251
Withdrawals	(1 399 238)	(97 488)
Total	2 119 465	1 537 850
	2024 R	2023 R
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	22 152 686	22 638 304
Cost	23 919 317	24 338 687
Accumulated Depreciation	(1 766 631)	(1 700 383)
Disposals	(878 845)	(419 370)
Cost	(978 000)	(419 370)
Accumulated Depreciation	99 155	-
Depreciation for the year	(65 880)	(66 248)
Net Carrying amount at 30 June	21 207 961	22 152 686.07
Cost	22 941 317	23 919 317
Accumulated Depreciation	(1 733 356)	(1 766 631)
	2024 R	2023 R
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property		1 648 541

	2024 R	2023 R
4. INTANGIBLE ASSETS		
4.1 Net Carrying amount at 1 July	263 637	621 646
Cost	1 425 715	1 697 511
Accumulated Amortisation	(1 162 078)	(1 075 865)
Amortisation	(108 123)	(86 213)
Disposals	-	(271 796)
Net Carrying amount at 30 June	155 515	263 637.30
Cost	1 425 715	1 425 715
Accumulated Amortisation	(1 270 200)	(1 162 078)

	2024 R	2023 R
5. HERITAGE ASSETS		
5.1 Net Carrying amount at 1 July	43 354	43 354
Fair Value	43 354	43 354
Net Carrying amount at 30 June	43 354	43 354
Fair Value	43 354	43 354
	2024 R	2023 R
Historical building	43 354	43 354
	43 354	43 354

There are no restrictions on the title and disposal of Heritage Assets

There are no Heritage Assets pledged as security for liabilities

There are no Heritage Assets that are used by the municipality for more than one purpose.

	2024 R	2023 R
6. NON-CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Receivables with repay arrangements	666 643	654 380
Electricity	63 288	30 494
Water	78 779	47 872
Property Rental	377 578	504 059
Waste Management	72 233	34 400
Waste Water Management	70 385	37 205
Other Service Charges	4 379	350
Less: Current portion transferred to Receivables from Exchange Transactions	(183 395)	(152 273)
Total Non-Current Receivables from Exchange Transactions	483 248	502 107

	2024 R	2023 R
7. NON-CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Property rates	27 168	76 605
Electricity Availability	453	-
Water Availability	90	-
Waste Water Availability	407	-
	28 117	76 605
Less: Current portion transferred to Receivables from Non-Exchange Transactions	(24 149)	(53 274)
Total Non-Current Receivables from Non-Exchange Transactions	3 968	23 331

	2024 R	2023 R
8. OPERATING LEASE ARRANGEMENTS		
8.1 The Municipality as Lessor		
Operating Lease Asset	70 529	77 976

Disclosed as follows:

Non-Current Operating Lease Asset		
Current Operating Lease Asset	70 529	77 976
	70 529	77 976

	2024 R	2023 R
Reconciliation		
Balance at the beginning of the year	77 976	29 341
Correction of Error - Note	-	37 668
Movement during the year	(7 447)	10 968
Balance at the end of the year	70 529	77 976

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

	2024 R	2023 R
Up to 1 Year	93 842	194 199
1 to 5 Years	338 651	432 493
More than 5 Years	-	-
Total Operating Lease Arrangements	432 493	626 692

This operating lease expenditure determined from contracts that have a specific condition expenditure and does not include leases which has a undetermined conditional expenditure.

	2024 R	2023 R
8.2 The Municipality as Lessee		
Operating Lease Liability	-	2 302
	2024 R	2023 R
<u>Disclosed as follows:</u>		
Non-Current Operating Lease Liability	-	-
Current Operating Lease Liability	-	2 302
	-	2 302
	2024 R	2023 R
<u>Reconciliation</u>		
Balance at the beginning of the year	2 302	2 998
Movement during the year	(2 302)	(696)
Balance at the end of the year	-	2 302
	2024 R	2023 R
At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:		
Up to 1 Year	-	2 302
1 to 5 Years	-	-
More than 5 Years	-	-
Total Operating Lease Arrangements	-	2 302
	2024 R	2023 R
9. INVENTORY		
Consumables	8 579	1 746
Finished Goods	46 332	155 087
Materials and Supplies	27 370	29 568
Water	61 151	73 274
Balance previously reported		84 299
Plus: Corrections of error prior year		(11 025)
Total Inventory	143 433	259 675
The municipality recognised only purification costs in respect of non-purchased purified water inventory.		
	2024 R	2023 R
9.1 Inventories recognise as an expense during the year:		
Consumables	1 501 577	1 904 353
Materials and Supplies	698 495	636 342
Water	-	-
Total	2 200 073	2 540 695

	2024 R	2023 R
10. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	2 591 981.64	2 080 369
Balance previously reported		620 650
Plus: Corrections of error prior year		1 459 720
Water	2 156 559.06	1 562 309
Balance previously reported		1 211 577
Plus: Corrections of error prior year		350 731
Property Rentals	925 873.95	849 796
Balance previously reported		1 331 680
Plus: Corrections of error prior year		(481 884)
Waste Management	1 509 496.41	1 142 778
Balance previously reported		1 217 663
Plus: Corrections of error prior year		(74 885)
Waste Water Management	1 391 552.91	1 106 177
Balance previously reported		503 546
Plus: Corrections of error prior year		
Housing Selling Scheme	83 071.77	53 038
Balance previously reported		-
Plus: Corrections of error prior year		53 038
Other Service Charges		-
Balance previously reported		1 492 963.57
Less: Availability charges transferred to receivables from non-exchange transactions		(1 372 180.62)
Less: Transferred to Other Arrears		(120 783)
Other Arrears	179 334.15	130 559.64
Balance previously reported		-
Plus: Corrections of error prior year		130 560
Merchandising, Jobbing and Contracts		-
Balance previously reported		10 580
Less: Transferred to Other Arrears		(10 580)
Other Debtors		-
Balance previously reported		(154 394)
Less: Transferred to Water debtors		59 059
Less: Transferred to Property Rental debtors		10 771
Less: Transferred to Waste Management Debtors		38 747
Less: Transferred to Waste Water Management Debtors		45 818
Plus: Transferred to Other Arrears		(1)
Control, Clearing and Interface Accounts	-	-
Balance previously reported		39 889
Less: Transferred to receivables from non-exchange transactions		(39 889)
Deposits		-
Balance previously reported		2 252 538
Less: Transferred to receivables from non-exchange transactions		(2 252 538)

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

	2024 R	2023 R
Prepayments and Advances	103 134	100 000
Balance previously reported		28 593
Less: Transferred to Housing Selling Schemes		(28 593)
Subscriptions	103 134	100 000
Balance previously reported		-
Less: Transferred to Housing Selling Schemes		100 000
Total: Receivables from exchange transactions (before provision)	8 941 003	7 025 026
Less: Provision for Debt Impairment	(5 775 578)	(4 223 460)
Balance previously reported		(3 537 719)
Plus: Corrections of error prior year		(685 741)
Total: Receivables from exchange transactions (after provision)	3 165 425	2 801 567

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

Debtors with a total outstanding balance of R666 643 (2023 - R654 380) have arranged to settle their account over an re-negotiated period. Total payments to the value of R483 248 (2023 - R502 107) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

	2024 R	2023 R
<u>(Electricity): Ageing</u>		
Current (0 - 30 days)	1 274 137	793 093.65
31 - 60 Days	108 572	86 776.19
61 - 90 Days	37 617	71 806.52
+ 90 Days	355 458	391 791.67
	1 775 784	1 343 468.03
Plus: Accrued revenue not included in age analysis	866 330	771 041
Less: Non-current portion transferred to non-current receivables	(44 845)	(4 265)
Less: Not included in debtors's sub-system	(5 288)	(5 288)
Less: Prior period adjustments		(24 587)
Total	2 591 982	2 080 369

	2024 R	2023 R
<u>(Water): Ageing</u>		
Current (0 - 30 days)	334 981	224 449
31 - 60 Days	128 984	102 866
61 - 90 Days	102 629	144 466
+ 90 Days	1 511 922	1 102 043
	2 078 515	1 573 824
Plus: Accrued revenue not included in age analysis	115 473	59 064
Less: Non-current portion transferred to non-current receivables	(37 430)	(18 884)
Less: Prior period adjustments		(51 695)
Total	2 156 559	1 562 309

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

(Property Rentals): Ageing

	2024 R	2023 R
Current (0 - 30 days)	61 387	101 417
31 - 60 Days	77 328	40 345
61 - 90 Days	23 282	35 947
+ 90 Days	1 093 701	1 099 858
	1 255 698	1 277 568
Less: Non-current portion transferred to non-current receivables	(329 824)	(450 775)
Plus: Prior period adjustments		334
Plus: Not included in debtors's sub-system		22 670
Total	925 874	849 796

(Waste Management): Ageing

	2024 R	2023 R
Current (0 - 30 days)	259 305	226 208
31 - 60 Days	97 919	75 840
61 - 90 Days	75 406	65 981
+ 90 Days	1 118 071	810 886
	1 550 701	1 178 915
Less: Non-current portion transferred to non-current receivables	(41 205)	(13 108)
Plus: Prior period adjustments		(23 030)
Total	1 509 496	1 142 778

(Waste Water Management): Ageing

	2024 R	2023 R
Current (0 - 30 days)	229 297	192 759
31 - 60 Days	86 469	73 084
61 - 90 Days	66 247	64 675
+ 90 Days	1 038 899	797 119
	1 420 912	1 127 637
Less: Non-current portion transferred to non-current receivables	(29 359)	(15 049)
Plus: Prior period adjustments		(6 412)
Total	1 391 553	1 106 177

(Housing Selling Scheme): Ageing

	2024 R	2023 R
Current (0 - 30 days)	1 450	1 230
31 - 60 Days	1 357	1 167
61 - 90 Days	1 344	1 173
+ 90 Days	68 149	57 594
	72 300	61 163.72
Plus: Not included in debtors's sub-system	10 771	
Less: Not included in debtors's sub-system		(8 125)
Total	83 072	53 038

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

	2024 R	2023 R
<u>(Other): Ageing</u>		
Current (0 - 30 days)	43 139	9 823
31 - 60 Days	5 072	11 044
61 - 90 Days	3 949	1 928
+ 90 Days	117 180	97 989
Total	169 339	120 784
Less: Non-current portion transferred to non-current receivables	(585)	(27)
Plus: Not included in debtors's sub-system	10 580	9 803
	179 334	130 560

	2024 R	2023 R
<u>(Total): Ageing</u>		
Current (0 - 30 days)	2 203 696	1 548 979
31 - 60 Days	505 701	391 122
61 - 90 Days	310 474	385 978
+ 90 Days	5 303 380	4 357 281
Total	8 323 250	6 683 360
Plus: Accrued revenue not included in age analysis	981 804	830 105
Less: Non-current portion transferred to non-current receivables	(483 248)	(502 107)
Plus: Prior period adjustments		(105 391)
Plus: Not included in debtors's sub-system	16 063	19 060
	8 837 870	6 925 026

Summary of Debtors by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Other</u>	<u>Total</u>
30 June 2024					
Current (0 - 30 days)	1 111 244	826 010	244 693	21 749	2 203 696
31 - 60 Days	363 242	113 139	29 316	4	505 701
61 - 90 Days	270 633	23 557	16 280	4	310 474
+ 90 Days	4 436 774	472 420	393 802	384	5 303 380
Sub-total	6 181 893	1 435 126	684 091	22 141	8 323 250
Plus: Accrued revenue not included in age analysis	323 648	532 747	114 436	10 973	981 804
Less: Non-current portion transferred to non-current receivables	(214 544)	(60 612)	(208 091)		(483 248)
Plus: Not included in debtors's sub-system					16 063
Plus: Pre-payments and advances					103 134
	6 290 997	1 907 261	590 435	33 113	8 941 003
Less: Provision for debt impairment	(4 950 143)	(559 222)	(261 467)	(4 747)	(5 775 578)
Total debtors by customer classification	1 340 853	1 348 040	328 968	28 367	3 165 425

Summary of Debtors by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Other</u>	<u>Total</u>
30 June 2023					
Current (0 - 30 days)	758 767	748 383	29 848	11 980	1 548 979
31 - 60 Days	299 279	69 534	19 995	2 314	391 122
61 - 90 Days	240 926	123 187	20 238	1 626	385 978
+ 90 Days	3 118 390	772 450	466 415	26	4 357 281
Sub-total	4 417 363	1 713 555	536 496	15 946	6 683 360
Plus: Accrued revenue not included in age analysis transferred to non-current receivables					830 105
Less: Prior period adjustments					(502 107)
Plus: Not included in debtors's sub-system					(105 391)
Plus: Pre-payments and advances					19 060
					100 000
	4 417 363	1 713 555	536 496	15 946	7 025 026
Less: Provision for debt impairment	(3 415 080)	(681 572)	(120 735)	(6 073)	(4 223 460)
Total debtors by customer classification	1 002 283	1 031 983	415 760	9 873	2 801 567

2024
R

2023
R

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	4 223 460	4 181 742
Contribution to provision	1 552 119	487 598
Reversal of provision	-	(445 880)
Balance at end of year	5 775 578	4 223 460

2024
R

2023
R

The total amount of this provision is R5 775 578 and consist of:

Services	4 562 175	3 457 731
Other Debtors	1 213 403	765 729
Total Provision for Debt Impairment on Receivables from exchange	5 775 578	4 223 460

2024
R

2023
R

Ageing of amounts past due but not impaired:

1 month past due	505 701	391 122
2+ months past due	5 613 854	4 743 259
	6 119 555	5 134 381

	2024 R	2023 R
11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Property rates by usage	4 016 106	4 156 900
Balance previously reported		4 220 063
Plus: Corrections of error prior year		(97 075)
Availability Charges - Electricity	442 481	391 691
Availability Charges - Water	390 162	349 852
Availability Charges - Waste Water	658 944	604 461
Fines	101 676 938	71 545 489
Deposits	2 436 835	2 252 540
Balance previously reported		-
Plus: Corrections of error prior year		2 252 540
Other Receivables	164 418	39 889
Balance previously reported		-
Plus: Corrections of error prior year		39 889
	109 785 884	79 306 910
	(104 359 766)	(72 842 013)
Less: Provision for Debt Impairment		
Balance previously reported		(72 828 087)
Plus: Corrections of error prior year		(13 926)
Total Receivables from non-exchange transactions	5 426 118	6 464 897

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

	2024 R	2023 R
<u>(Rates): Ageing</u>		
Current (0 - 30 days)	33 938	62 156
31 - 60 Days	64 024	67 923
61 - 90 Days	52 515	67 334
+ 90 Days	3 869 597	4 022 651
Total	4 020 074	4 220 063
Less: Non-current portion transferred to non-current receivables	(3 968)	(23 331)
Plus: Prior period adjustments		(39 833)
	4 016 106	4 156 900

	2024 R	2023 R
<u>(Availability Charges): Electricity - Ageing</u>		
Current (0 - 30 days)	11 598	11 635
31 - 60 Days	7 224	8 157
61 - 90 Days	7 063	6 686
+ 90 Days	416 596	365 214
Total	442 481	391 691

	2024 R	2023 R
<u>(Availability Charges): Water - Ageing</u>		
Current (0 - 30 days)	8 626	8 882
31 - 60 Days	5 742	6 866
61 - 90 Days	5 668	5 593
+ 90 Days	370 127	328 510
Total	390 162	349 852

	2024 R	2023 R
<u>(Availability Charges): Waste Water - Ageing</u>		
Current (0 - 30 days)	13 569	14 089
31 - 60 Days	9 653	11 173
61 - 90 Days	9 110	8 843
+ 90 Days	626 613	570 355
Total	658 944	604 461

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2024				
Current (0 - 30 days)	1 522	35 220	26 458	4 530
31 - 60 Days	1 513	45 323	35 657	4 149
61 - 90 Days	1 502	41 681	28 303	2 870
+ 90 Days	62 832	2 214 118	2 739 093	266 890
Sub-total	67 369	2 336 342	2 829 511	278 440
Less: Provision for Debt Impairment	(65 951)	(2 268 299)	(2 743 195)	(231 886)
Total debtors by customer classification	1 418	68 043	86 317	46 553

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2023				
Current (0 - 30 days)	1 208	18 977	68 445	8 132
31 - 60 Days	1 203	31 307	45 373	16 236
61 - 90 Days	1 195	27 385	43 733	16 143
+ 90 Days	47 825	1 226 639	3 312 209	700 492
Sub-total	51 431	1 304 309	3 469 760	741 003
Less: Provision for Debt Impairment	(45 139)	(1 250 646)	(3 316 819)	(720 864)
Total debtors by customer classification	6 292	53 662	152 941	20 139

	2024 R	2023 R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	72 842 013	127 972 448
Contribution to provision	31 685 912	54 144 515
Reversal of provision	(168 160)	(109 274 949)
Balance at end of year	104 359 766	72 842 013

	2024 R	2023 R
The total amount of this provision is R104 359 766 (2022/23: R72 842 013) and consist of:		
Taxes - Rates	3 837 896	4 006 056
Availability Charges	1 471 434	1 326 481
Fines	99 050 435	67 509 476
Other		
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	104 359 766	72 842 013

	2024 R	2023 R
<u>Ageing of amounts past due but not impaired:</u>		
1 month past due	64 024	67 923
2+ months past due	3 922 112	4 089 985
	3 986 136	4 157 907

The provision for doubtful debts on debtors exists due to the possibility that not all debts will be recovered. Receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The outstanding fine receivable balance at year end is reduced to its recoverable amount by recognising a provision for impairment against the receivable raised. This is considered to be a subsequent event. The provision for impairment is based on current and past collection rates applicable to fines.

	2024 R	2023 R
12. BANK ACCOUNTS		
12.1 <u>Cash and Cash Equivalents</u>		
Current Accounts	6 198 935	2 000 006
Call Deposits and Investments	510 639	476 180
Cash On-hand	3 801	2 900
Total Cash and Cash Equivalents - Assets	6 713 375	2 479 086

	2024 R	2023 R
The municipality has the following bank accounts:		
<u>Current Accounts</u>		
Laingsburg Municipality ABSA Bank Limited - Account Number 2540140874 (Primary Bank Account):	6 010 790	2 000 006
(Secondary Account):	-	-
	6 010 790	2 000 006

	2024 R	2023 R
<u>Call Deposits and Investments</u>		
Laingsburg Municipality ABSA Bank - Account Number 5064314329 (Cash	506 320	471 861
Laingsburg Municipality Standard Bank - Account Number 288704800	4 319	4 319
	510 639	476 180

Details of current accounts are as follow:

	2024 R	2023 R
<i>Laingsburg Municipality ABSA Bank Limited - Account Number 2540140874 (Primary Bank Account):</i>		
Cash book balance at beginning of year	2 000 006	2 586 119
Cash book balance at end of year	6 010 790	2 000 006
Bank statement balance at beginning of year	1 403 464	1 842 723
Bank statement balance at end of year	3 912 275	1 403 464

	2024 R	2023 R
<i>Laingsburg Municipality Standard Bank - Account Number 203247663</i>		
Bank statement balance at beginning of year	553 785	847 244
Bank statement balance at end of year	2 188 092	553 785

Details of call investment accounts are as follow:

	2024 R	2023 R
<i>Laingsburg Municipality ABSA Bank - Account Number 5064314329</i>		
Cash book balance at beginning of year	471 861	447 664
Cash book balance at end of year	506 320	471 861
Bank statement balance at beginning of year	471 861	447 664
Bank statement balance at end of year	506 320	471 861

	2024 R	2023 R
<i>Laingsburg Municipality Standard Bank - Account Number 288704800</i>		
Cash book balance at beginning of year	4 319	4 319
Cash book balance at end of year	4 319	4 319
Bank statement balance at beginning of year	4 319	4 319
Bank statement balance at end of year	4 319	4 319

	2024 R	2023 R
13. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	31 936 127	18 626 702
Insurance Workmen's Compensation Act	1 786 915	1 548 851
Total Non-current Provisions	33 723 042	20 175 553

	2024 R	2023 R
13.1 Landfill Sites		
Balance 1 July	18 626 702	17 446 357
Increase/(Decrease) due to discounting	1 549 212	2 084 840
Increase/(Decrease) due to re-measurement	-	(904 495)
Capitalizing increase or decrease -cost	11 760 213	-
Total provision 30 June	31 936 127	18 626 702
Balance 30 June	31 936 127	18 626 702

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Laingsburg
Rehabilitation area (m ²)	35 331
Costs for rehabilitation and closure:	
Preliminary and general	3 659 878
Site clearance and preparation	51 937
Storm water control measures	2 433 564
Capping	19 836 383
Leachate management	784 605
Fencing	13 397
Other:	
Environmental authorisation (closure license)	460 688
Technical ROD	232 968
Install groundwater monitoring boreholes with lockable caps	159 323
Landscape architects	162 630
Water use license	39 000
Topographical survey	13 000
Contingencies (10% of total construction costs)	2 677 976
Engineering: Professional fees	2 844 215
Site supervision (Engineer's representative)	476 785
Site supervision (Environmental control officer & OHS agent)	126 560
Total (Excl VAT)	33 972 908
Cost per rehab (m ²)	962

in terms of the recovery of the landfill sites, the municipality has been licensing and rehabilitation costs of R31 936 127 (2023: R18 626 702) to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost, using the year-end spot rate of borrowing. (change according to rate used)

		2024
Location	Estimated decommission date	R
Laingsburg	2030	473 978
		473 978

	2024 R	2023 R
13.2 Insurance Workmen's Compensation Act		
Balance 1 July	1 548 851	1 333 809
Increase in provision (discounting)	238 064	215 042
Total provision 30 June	1 786 915	1 548 851
Balance 30 June	1 786 915	1 548 851

The provision for WCA insurance is made in terms of the Workmen's Compensation Act. The provision is calculated based on the Compensation Commissioner returns submitted and the amount is payable on assessment by the Workmen's Compensation Commissioner.

	2024 R	2023 R
14. NON-CURRENT EMPLOYEE BENEFITS		
Provision for Post Retirement Health Care Benefits	4 390 000	4 427 000
Provision for Long Service Awards	1 414 000	1 494 000
Total Non-current Employee Benefits	5 804 000	5 921 000

	2024 R	2023 R
<u>Post Retirement Health Care Benefits</u>		
Balance 1 July	4 556 000	4 760 000
Current Service Cost	169 000	198 000
Interest Cost	563 000	542 000
Expenditure for the year	(84 849)	(121 000)
Actuarial Loss/(Gain)	(642 151)	(823 000)
Total provision 30 June	4 561 000	4 556 000
Less: Transfer of Current Portion to Current Provisions - Note 16	(171 000)	(129 000)
Balance 30 June	4 390 000	4 427 000

	2024 R	2023 R
<u>Long Service Awards</u>		
Balance 1 July	1 772 000	1 496 000
Current Service Cost	127 000	125 000
Interest Cost	190 000	157 000
Expenditure for the year	(190 022)	(121 000)
Actuarial Loss/(Gain)	(219 978)	115 000
Total provision 30 June	1 679 000	1 772 000
Less: Transfer of Current Portion to Current Provisions - Note 16	(265 000)	(278 000)
Balance 30 June	1 414 000	1 494 000

14.1 **Provision for Post Retirement Health Care Benefits**

2024
R

2023
R

CHARACTERISTICS

Nature of the plan

Eligible employees will receive a post-employment subsidy of 60% of the contributions payable should they be a member of a medical scheme at retirement.

Continuation members and their eligible dependants receive a 70% subsidy. At this valuation, there were not yet any continuation members entitled to a 60% subsidy. Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas
LA Health
SAMWU Medical Aid
Sizwe Hosmed

Regulatory framework

ASB and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023.

It applies to institutions falling within the ambit of the Finance Management Act.

Risks of the plan

Inflation: The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.

Longevity: The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.

Volatility of open-ended, long-term DBO: The risk that the DBO may be volatile which is exacerbated by its long-term nature.

Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

Future changes in legislation: The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the DBO for the Municipality.

There are no curtailments or settlement to reflect.

VALUATION METHOD

The Projected Unit Credit Method has been used to value the defined benefit obligation.

	2024 R	2023 R
Post Retirement Benefits (PEMA)	4 561 000	4 556 000
Total Net defined benefit liability	4 561 000	4 556 000

	2024 R	2023 R
<u>Post Retirement Health Care Benefits</u>		
Balance 1 July	4 556 000	4 760 000
Contribution for the year	732 000	740 000
Expenditure for the year	(84 849)	(121 000)
Actuarial Loss/(Gain)	(642 151)	(823 000)
Net defined benefit liability	4 561 000	4 556 000
Less: Transfer of Current Portion to Current Provisions - Note 16	(171 000)	(129 000)
Non-current portion: Net defined benefit liability	4 390 000	4 427 000

The total Defined Benefit Obligation has increased by less than 1% (or R5 000) since the last valuation.

The main reasons for the actual movement in the DBO are listed below.

In-Service Members

The **average in-service member DBO** has increased by 11% since the last valuation due to:

an increase in the average age which means members are closer to retirement (less discounting) and less likely to leave before retirement; and

an increase in the average past service; and

an increase in the average post-employment subsidy.

These impacts were partially offset by an increase in the net discount rate.

The **total in-service member DBO** has decreased by 7% due to the above being more than offset by a decrease in the number of in-service members.

In-Service Non-Members

The **average in-service non-member DBO** has increased by 2% since the last valuation due to:

an increase in the average age

an increase in the average past service; and

an increase in the net discount rate.

These impacts were partially offset by an increases in the net discount rate

The **total in-service non-member DBO** has increased by 20% due to the above, combined with an increase in the number of in-service non-members

Continuation Members

The **average continuation member DBO** has increased by 3% since the last valuation due to an increase in the average subsidy. The impact was partially offset by increases in the net discount rates and an increase in the above, and because there was no change in the number of continuation members.

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2024	2023
In-service (employee) members	21	25
In-service (employee) non-members	47	40
Continuation members (e.g. Retirees, widows, orphans)	2	2
Total Members	70	67

	2024 R	2023 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	2 313 000	2 476 000
In-service non-members	763 000	635 000
Continuation members	1 485 000	1 445 000
Total Liability	4 561 000	4 556 000

Key actuarial assumptions used:

Financial assumptions

	2024	2023
i) Rate of interest	%	%
Discount rate	12.25%	12.54%
CPI inflation rate	6.22%	6.76%
Medical Aid Contribution Inflation Rate	7.72%	8.26%
Net discount rate	4.21%	3.95%

Demographic assumptions

ii) Mortality during employment	SA 85 - 90	
iii) Mortality post-employment	PA(90) -1 with a 1% mortality improvement p.a. from 2010	
iv) Normal retirement age	The normal retirement age is 65 for males and 60 for females	
v) Average retirement age	62	
vi) Proportion with a spouse dependant at retirement	60%	
vii) Continuation of membership at retirement	75%	
viii) Termination of service (resignation and retrenchment):		
Termination rates per annum	Age	Rate
	20 - 24	9%
	25 - 29	8%
	30 - 34	6%
	35 - 39	5%
	40 - 44	5%
	45 - 49	4%
	50 - 54	3%
	55+	0%

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

Present value of fund obligations	4 390 000	4 427 000
Net defined benefit liability	4 390 000	4 427 000

There are currently no long-term assets set aside off-balance sheet in respect of the DBO, thus plan assets is zero.

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	4 556 000	4 760 000
Service cost	169 000	198 000
Interest cost	563 000	542 000
Expenditure for the year	(84 849)	(121 000)
Actuarial (gains)/losses	(642 151)	(823 000)
Financial assumptions: increase in net discount rate	(141 000)	(542 000)
Demographic assumptions: none	-	-
Experience:		
Subsidy inflationary increases lower than assumed	33 000	35 000
Changes to membership profile different from assumed	(480 000)	(564 000)
Actual benefits vested, lower than expected	(10 000)	248 000

	2024 R	2023 R
Present value of fund obligation at the end of the year	4 561 000	4 556 000
<u>Less:</u>	(171 000)	(129 000)
Net defined benefit liability	4 390 000	4 427 000

Sensitivity Analysis

Sensitivity Analysis on the defined benefit obligation

Assumption	Change	Eligible Employees	Continuation members	Total DBO	% Change
Central Assumptions		3 076 000	1 485 000	4 561 000	
Medical aid contribution	+1%	3 402 000	1 618 000	5 020 000	10%
inflation rate	-1%	2 723 000	1 369 000	4 092 000	-10%
	+1%	2 673 000	1 375 000	4 048 000	-11%
Discount rate	-1%	3 577 000	1 614 000	5 191 000	14%
	+1 yr	3 005 000	1 438 000	4 443 000	-3%
Post-employment mortality	-1 yr	3 146 000	1 532 000	4 678 000	3%
Average retirement age	-1 yr	3 357 000	1 485 000	4 842 000	6%
Membership continuation	-10%	2 679 000	1 485 000	4 164 000	-9%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2024

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central Assumptions		169 000	563 000	732 000	
Medical aid contribution	+1%	186 000	622 000	808 000	10%
inflation rate	-1%	147 000	503 000	650 000	-11%
	+1%	144 000	536 000	680 000	-7%
Discount rate	-1%	200 000	595 000	795 000	9%
	+1 yr	165 000	549 000	714 000	-2%
Post-employment mortality	-1 yr	172 000	578 000	750 000	2%
Average retirement age	-1 yr	188 000	600 000	788 000	8%
Membership continuation	-10%	147 000	513 000	660 000	-10%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central Assumptions		158 000	549 000	707 000	
Medical aid contribution	+1%	175 000	605 000	780 000	10%
inflation rate	-1%	141 000	491 000	632 000	-11%
	+1%	136 000	525 000	661 000	-7%
Discount rate	-1%	190 000	575 000	765 000	8%
	+1 yr	155 000	534 000	689 000	-3%
Post-employment mortality	-1 yr	162 000	563 000	725 000	3%
Average retirement age	-1 yr	167 000	582 000	749 000	6%
Membership continuation	-10%	140 000	500 000	640 000	-9%

Future cashflows

The Service Cost for the ensuing year is estimated to be R158 000, whereas the Interest Cost for the next year is estimated to be R549 000.

Maturity analysis

Year	Future Year	Expected benefits vesting
2025	1	171 000
2026	2	224 000
2027	3	285 000
2028	4	307 000
2029	5	348 000
2030 - 2034	6 - 10	2 672 000
2035 - 2039	11 - 15	4 303 000
2040 - 2044	16 - 20	6 134 000
2045 - 2049	21 - 25	8 414 000
2050 - 2054	26 - 30	11 964 000
2055 - 2064	31 - 40	31 239 000
2065 - 2074	41 - 50	33 052 000
2075 - 2084	51 - 60	25 181 000
2085 - 2094	61 - 70	11 286 000
2095 - 3004	71 - 80	2 006 000

14.2 Provision for Long Service Bonuses

CHARACTERISTICS

Nature of the plan

The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service, inclusive.

In the month that each "completed service" milestone is reached, the employee is granted an LSA. Working days awarded are valued at 1/250th of annual earnings per day.

Employees' basic salaries are used to determine the Rand value of LSA.

The Municipality does not pay any pro-rata LSA.

Regulatory framework

ASB and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023.

It applies to institutions falling within the ambit of the Finance Management Act.

Risks of the plan

Inflation: The risk that future CPI inflation and earnings inflation are higher than assumed and present in an uncontrolled manner.

Termination of service: The risk that fewer eligible employees terminate their service at the Municipality i.e. more long service awards vest than expected.

Volatility of open-ended, long-term DBO: The risk that the DBO may be volatile which is exacerbated by its long-term nature.

Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

Future changes in legislation: The risk that changes to legislation with respect to long service awards may increase the DBO for the Municipality.

There are no curtailments or settlements to reflect.

VALUATION METHOD

The Projected Unit Credit Method has been used to value the defined benefit obligation.

	2024 R	2023 R
Long Service Awards (LSA)	1 679 000	1 772 000
Total Net defined benefit liability	1 679 000	1 772 000

There are currently no long-term assets set aside off-balance sheet in respect of the DBO, thus plan assets is zero.

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

Long Service Awards

Balance 1 July	1 772 000	1 496 000
Contribution for the year	317 000	282 000
Expenditure for the year	(190 022)	(121 000)
Actuarial Loss/(Gain)	(219 978)	115 000
Net defined benefit liability	1 679 000	1 772 000
Less:	(265 000)	(278 000)
Non-current portion: Net defined benefit liability	1 414 000	1 494 000

The **average** DBO has decreased by 9% since the last valuation due to:
a decrease in the average past service; and
an increase in the net discount rate.

These impacts were partially offset by an increase in the average earnings.

The **total** DBO has decreased by 5% (or R 93 000), due to the above, partially offset by the fact that there are three more eligible employees than at the last valuation.

There were 68 employees entitled to a Long service awards at this valuation.

Key actuarial assumptions used:

Financial assumptions

Rate of interest	%	%
Discount rate	11.29%	11.58%
CPI inflation rate	5.42%	5.91%
General earnings inflation rate	6.42%	6.91%
Net discount rate	4.58%	4.37%

Demographic assumptions

Average retirement age	62	
Mortality during employment	SA 85 - 90	
Withdrawal from service	Age	%
	20	9%
	30	6%
	40	5%
	50	3%
	55	0%

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1 772 000	1 496 000
Service cost	127 000	125 000
Interest cost	190 000	157 000
Expenditure for the year	(190 022)	(121 000)
Actuarial (gains)/losses	(219 978)	115 000
Financial assumptions: increase in net discount rate	(18 000)	(91 000)
Demographic assumptions: none	-	-
Experience:		
Earnings increases higher than assumed	-	(3 000)
Changes to employee profile different from assumed	(31 000)	209 000
Actual benefits vesting, greater than expected	-	-
Changes to a number of employees' dates of employment	(83 000)	-
Present value of fund obligation at the end of the year	1 679 000	1 772 000
Less:	(265 000)	(278 000)
Net defined benefit liability	1 414 000	1 494 000

Sensitivity Analysis

Sensitivity Analysis on the defined benefit obligation

Assumption	Change	DBO	% Change
Central Assumptions		1 679 000	
General earnings inflation rate	+1%	1 776 000	6%
	-1%	1 592 000	-5%
	+1%	1 588 000	-5%
Discount rate	-1%	1 781 000	6%
	+2 yrs	1 884 000	12%
Average retirement age	-2 yrs	1 245 000	-26%
Rates of termination of service	x2	1 389 000	-17%
	x0.5	1 884 000	12%

Sensitivity analysis on current service and interest costs for year ending 30/06/2024

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central assumptions		127 000	190 000	317 000	
General earnings inflation rate	+1%	137 000	202 000	339 000	7%
	-1%	119 000	179 000	298 000	-6%
Discount rate	+1%	119 000	194 000	313 000	-1%
	-1%	136 000	185 000	321 000	1%
Average retirement age	+2 yrs	138 000	210 000	348 000	10%
	-2 yrs	103 000	136 000	239 000	-25%
Rates of termination of service	x2	95 000	154 000	249 000	-21%
	x0.5	151 000	216 000	367 000	16%

Sensitivity analysis on current service and interest costs for year ending 30/06/2025

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central assumptions		122 000	175 000	297 000	
General earnings inflation rate	+1%	132 000	186 000	318 000	7%
	-1%	114 000	165 000	279 000	-6%
Discount rate	+1%	115 000	179 000	294 000	-1%
	-1%	131 000	170 000	301 000	1%
Average retirement age	+2 yrs	134 000	198 000	332 000	12%
	-2 yrs	101 000	126 000	227 000	-24%
Rates of termination of service	x2	91 000	143 000	234 000	-21%
	x0.5	146 000	198 000	344 000	16%

The method used to prepare the sensitivity analysis remained unchanged from the previous period. The assumptions used would be based on the market conditions and demographic inputs as at 30 June 2024.

Future cashflows

The Service Cost for the ensuing year is estimated to be R122 000, whereas the Interest Cost for the next year is estimated to be R175 000.

Maturity analysis

Year	Future Year	Expected benefits vesting
2025	1	265 000
2026	2	364 000
2027	3	206 000
2028	4	188 000
2029	5	389 000
2030 - 2034	6 - 10	1 233 000
2035 - 2039	11 - 15	1 648 000
2040 - 2044	16 - 20	2 025 000
2045 - 2054	21 - 30	3 001 000
2055 - 2064	31 - 40	314 000

	2024 R	2023 R
15. CONSUMER DEPOSITS		
Electricity	218 566	222 676
Rental Properties	181 677	162 540
Water	582 920	535 862
Building Plans	50 978	-
Posters	6 000	3 000
Hiring of Decorative Items	5 530	5 530
Total Consumer Deposits	1 045 670	929 608

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

	2024 R	2023 R
16. CURRENT EMPLOYEE BENEFITS		
Performance Bonuses	6 007	-
Staff Bonuses	913 032	797 956
Staff Leave	1 904 746	1 799 636
Current Portion of Non-Current Provisions	436 000	407 000
Current Portion of Post Retirement Benefits - Note 14	171 000	129 000
Current Portion of Long-Service Provisions - Note 14	265 000	278 000
Total Provisions	3 259 784	3 004 592

The movement in current provisions are reconciled as follows:

	2024 R	2023 R
16.1 <u>Performance Bonuses</u>		
Balance at beginning of year	-	-
Transfer from non-current		
Contribution to current portion	190 885	
Expenditure incurred	(184 878)	
Balance at end of year	6 007	-

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

	2024 R	2023 R
16.1 <u>Staff Bonuses</u>		
Balance at beginning of year	797 956	878 822
Contribution to current portion	1 690 148	1 264 689
Expenditure incurred	(1 575 072)	(1 345 555)
Balance at end of year	913 032	797 956

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represents the portion of the bonus that has already vested for the current salary cycle. There is no possibility of reimbursement.

	2024 R	2023 R
16.2 <u>Staff Leave</u>		
Balance at beginning of year	1 799 636	1 887 050
Contribution to current portion	144 302	95 755
Expenditure incurred	(39 192)	(183 169)
Balance at end of year	1 904 746	1 799 636

Staff leave is accrued to employees according to the collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

	2024 R	2023 R
17. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	822 118	5 527 994
Balance previously reported		5 333 102
Plus: Corrections of error prior year		94 891
Advance Payments	321 488	118 427
Balance previously reported		4 315 608
Less: Unallocated traffic fines transferred to unallocated deposits		(4 380 846)
Plus: Corrections of error prior year		183 665
Control, Clearing and Interface Accounts	(191 503)	120 425
Balance previously reported		134 189
Less: Corrections of error prior year		(13 764)
Retentions	2 119 465	1 537 850
Leave accrual		-
Balance previously reported		1 799 636
Less: Transferred to current employee benefits (Comaf 12/2023)		(1 799 636)
Bonus		-
Balance previously reported		797 956
Less: Transferred to current employee benefits (Comaf 12/2023)		(797 956)
Electricity bulk purchase	1 295 693	-
Auditor General	9 034 643	6 472 629
Unallocated Deposits	6 588 212	4 387 223
Balance previously reported		6 377
Plus: Unallocated traffic fines transferred from advance payments		4 380 846
Inventory	108 556	(0)
Total Trade Payables	20 098 672	18 164 549

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

A SCA (Service concession arrangement) Performance obligation shall be as the same value at which the receivable interest is recognised at the commencement of the service concession arrangement. Refer to note 10 for details on the receivable.

	2024 R	2023 R
18. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	1 995 140	1 161 351
National Government Grants	-	547 968
Provincial Government Grants	1 995 140	613 383
Balance previously reported		600 187
Plus: Corrections of error prior year		13 197
Total Unspent Transfers and Subsidies	1 995 140	1 161 351

See appendix "E" for reconciliation of grants from other spheres of government.

The Unspent Grants are not cash-backed by short-term deposits, but are in the primary bank account of the municipality.

The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

No grants were delayed or withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

	2024 R	2023 R
19. VAT Receivable/(Payable)		
19.1 VAT Payable	5 679 246	684 989
Balance previously reported		1 469 163
Plus: Corrections of error prior year		(784 174)
Total VAT Payable	5 679 246	684 989
	2024 R	2023 R
19.2 VAT Receivable	3 503 354	5 760 439
Total VAT Receivable	3 503 354	5 760 439
19.3 Net VAT (Payable)/Receivable	9 182 600	6 445 428

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

	2024 R	2023 R
22. PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	5 613 882	5 580 372
Business and Commercial Property	826 281	713 549
Balance transferred from Property Rates Levies		763 324
Less: Corrections of error prior year		(49 775)
Agricultural Properties	2 783 191	2 502 253
Municipal Properties	-	93 256
Public Benefit Organisations	156 655	-
Residential Properties	1 265 649	1 283 677
Balance transferred from Property Rates Levies		1 283 575
Plus: Corrections of error prior year		103
State-owned Properties	-	988 137
Public Service Purposes Properties	569 076	-
Vacant land	13 030	(500)
Balance transferred from Property Rates Levies		11 848
Less: Corrections of error prior year		(12 349)

Property Rates Levies

Balance previously reported		5 642 393
Less: Transfer to Business and Commercial Property		(763 324)
Less: Transfer to Agricultural Properties		(2 502 253)
Less: Transfer to Municipal Properties		(93 256)
Less: Transfer to Residential Properties		(1 283 575)
Less: Transfer to State-owned Properties		(988 137)
Less: Transfer to Vacant		(11 848)
Less: Revenue Forgone	(589 236)	(463 876)
Balance previously reported		(462 871)
Plus: Corrections of error prior year		(1 005)
Total Property Rates	5 024 646	5 116 496

	2024	2023
	R	R
Valuations - 1 July 2023		
Rateable Land and Buildings	1 270 044 000	1 271 344 000
Business and Commercial Property	69 372 000	72 842 000
Farm Properties	948 791 500	941 047 500
Industrial Property	271 000	1 000
Municipal Properties	31 227 000	31 226 000
Public Service Infrastructure Properties (PSI)	667 500	666 500
Residential Properties	137 682 000	137 987 000
State-owned Properties	21 423 000	22 423 000
Other Categories	59 502 000	64 043 000
Vacant land	1 108 000	1 108 000
Total Assessment Rates	1 270 044 000	1 271 344 000

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2017. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate	2024	2023
Agricultural Properties	0.2940c/R	0.2720c/R
Business and Commercial Properties	1.1760c/R	1.0890c/R
Public Benefit Organisation Properties	0.2940c/R	0.2720c/R
Residential Properties	1.1760c/R	1.0890c/R
State-owned Properties		2.1780c/R
Public Service Purposes Properties	2.3520c/R	
Vacant land	1.1760c/R	1.0890c/R

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential - The first R15 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2024 R	2023 R
23. GOVERNMENT GRANTS AND SUBSIDIES		
Government Grants and Subsidies - Operating - Monetary allocations	27 266 981	25 132 005
Equitable Share	21 520 000	20 139 000
Expanded Public Works Programme Integrated Grant (EPWP)	1 173 000	1 074 000
Local Government Financial Management Grant	2 045 514	2 010 467
Municipal Infrastructure Grant - PMU	436 303	343 500
Libraries, Archives and Museums	1 619 130	1 373 760
Balance previously reported		1 595 000
Less: VAT payable on Library allocation		(208 043)
Less: Correction of prior period error		(13 197)
Community Development Workers Grant (CDW)	76 000	95 297
Main Roads	50 000	43 478
CKDM Community Safety Grant	160 000	
Sector Education and Training Authority (SETA)	51 380	52 502
Human Settlements Acceleration Grant	135 652	-
Government Grants and Subsidies - Operating - Allocations in kind	4 957 737	4 471 440
National Treasury contribution to external audit fees	3 747 737	4 471 440
Contributed assets	1 210 000	-
Government Grants and Subsidies - Capital - Monetary allocations	41 349 624	23 886 500
Municipal Infrastructure Grant	13 781 910	6 526 500
Water Services Infrastructure Grant	25 832 000	17 360 000
WC - Water Resilience Grant (WCWRG)	1 650 000	-
CKDM War on Leaks Grant	85 714	-
Total Government Grants and Subsidies	73 574 342	53 489 945
	2024 R	2023 R
Included in above are the following grants and subsidies received:		
<u>Unconditional</u>	21 520 000	20 139 000
Equitable Share	21 520 000	20 139 000
<u>Conditional</u>	52 054 342	33 350 945
Local Government Financial Management Grant (FMG)	2 045 514	2 010 467
Expanded Public Works Programme Integrated Grant (EPWP)	1 173 000	1 074 000
Municipal Infrastructure Grant (MIG) - operational	436 303	343 500
Municipal Infrastructure Grant (MIG) - capital	13 781 910	6 526 500
Water Services Infrastructure Grant (WSIG)	25 832 000	17 360 000
Community Development Workers	76 000	95 297
Library	1 619 130	1 373 760
Human Settlement Acceleration Grant	135 652	-
Western Cape Water Resilience Grant (WCWRG)	1 650 000	
Main Roads	50 000	43 478
Sector Education and Training Authority (SETA)	51 380	52 502
CKDM War on Leaks Grant	85 714	-
CKDM Community Safety Grant	160 000	
National Treasury contribution to external audit fees - Allocation in-kind	3 747 737	4 471 440
Contributed assets - Allocation in-kind	1 210 000	
Total Government Grants and Subsidies	73 574 342	53 489 945

	2024 R	2023 R
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	21 520 000	20 139 000
Finance and Administration	49 212 211	30 859 706
Community & Social Services	1 619 130	1 373 760
Road Transport	1 223 000	1 117 478
Total Government Grants and Subsidies	73 574 342	53 489 945

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

	2024 R	2023 R
23.1 <u>Equitable Share</u>		
Opening balance	-	-
Grants received	21 520 000	20 139 000
Conditions met - Operating	(21 520 000)	(20 139 000)
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

	2024 R	2023 R
23.2 <u>Local Government Financial Management Grant (FMG)</u>		
Opening balance	287 755	598 222
Grants received	1 800 000	1 750 000
Repaid to National Revenue Fund	(174 670)	(50 000)
Conditions met - Operating	(1 913 085)	(2 010 467)
Conditions still to be met	-	287 755

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

	2024 R	2023 R
23.3 <u>Water Services Infrastructure Grant (WSIG)</u>		
Opening balance	-	-
Grants received	25 832 000	17 360 000
Conditions met - Capital	(25 832 000)	(17 360 000)
Conditions still to be met	-	-

The Water Services Infrastructure Grant is paid by National Treasury to facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities.

	2024 R	2023 R
23.4 <u>Municipal Infrastructure Grant (MIG)</u>		
Opening balance	260 213	611 213
Grants received	13 521 697	7 130 000
Repaid to National Revenue Fund	-	(611 000)
Conditions met - Capital	(13 781 910)	(6 870 000)
Conditions still to be met	-	260 213

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

	2024 R	2023 R
23.5 <u>Sector Education and Training Authority (SETA)</u>		
Opening balance	-	-
Grants received	51 380	52 502
Conditions met - Operating	(51 380)	(52 502)
Conditions still to be met	-	-

To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socioeconomic and urban upgrading programmes.

	2024 R	2023 R
23.6 <u>Community Development Workers (CDW)</u>		
Opening balance	27 972	29 268
Grants received	76 000	94 000
Repaid to National Revenue Fund	(27 971)	-
Conditions met - Operating	(76 000)	(95 297)
Conditions still to be met	-	27 972

To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socioeconomic and urban upgrading programmes.

	2024 R	2023 R
23.7 <u>Library Grant</u>		
Opening balance	-	(13 197)
Grants received	1 619 130	1 386 957
Conditions met - Operating	(1 619 130)	(1 373 760)
Conditions still to be met	-	-

To transform urban and rural public library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.

	2024 R	2023 R
23.8 <u>Municipal Infrastructure Grant (MIG) - PMU</u>		
Opening balance	-	-
Grants received	436 303	-
Conditions met - Operating	(436 303)	-
Conditions still to be met	-	-

The Municipal Infrastructure Grant aims to eradicate municipal infrastructure backlogs in poor communities to ensure the provision of basic services such as water, sanitation, roads and community lighting.

	2024 R	2023 R
23.9 <u>Expanded Public Works Programme Integrated Grant (EPWP)</u>		
Opening balance	-	-
Grants received	1 173 000	1 074 000
Conditions met - Operating	(1 173 000)	(1 074 000)
Conditions still to be met	-	-

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 sanitation reticulation (excluding bulk infrastructure); other economic and social infrastructure, tourism and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; community safety programmes.

	2024 R	2023 R
23.10 <u>Western Cape Financial Management Support Grant</u>		
Opening balance	463 197	363 197
Grants received	400 000	100 000
Conditions met - Operating	(10 214)	-
Conditions still to be met	852 982	463 197

The bursary grant is there to encourage local scholars to further their education.

	2024 R	2023 R
23.11 <u>Human Settlements Acceleration Grant</u>		
Opening balance	-	-
Grants received	277 810	-
Conditions met - Operating	(135 652)	-
Conditions still to be met	142 158	-

To accelerate transfer of houses to beneficiaries.

	2024 R	2023 R
23.12 External Bursary Programme		
Opening balance	122 215	122 215
Grants received	-	-
Conditions met - Operational	(122 215)	-
Conditions still to be met	-	122 215

To encourage local scholars to further their education.

	2024 R	2023 R
23.12 Western Cape Municipal Financial Recovery Services Grant		
Opening balance	-	-
Grants received	1 000 000	-
Conditions met - Operational	-	-
Conditions still to be met	1 000 000	-

To assist municipalities to perform their functions effectively, including the co-ordination and integrated functions and support related to improving on overall financial governance and financial sustainability within municipalities when there is a municipal intervention.

	2024 R	2023 R
23.13 Western Cape Water Resilience Grant (WCWRG)		
Opening balance	-	-
Grants received	1 650 000	-
Conditions met - Capital	(1 650 000)	-
Conditions still to be met	-	-

To provide financial assistance to municipalities to enhance water resilience through water supply augmentation, infrastructure capacity upgrades, water source management and water demand management across the Province.

	2024 R	2023 R
23.14 Main Roads		
Opening balance	-	-
Grants received	50 000	43 478
Conditions met - Operational	(50 000)	(43 478)
Conditions still to be met	-	-

Grant received to work on roads on behalf of SANRAL.

	2024 R	2023 R
23.15 Total Grants		
Opening balance	1 161 351	1 710 918
Correction of Error	-	-
Grants received	69 407 321	49 129 937
Interest received	-	-
Repaid to National Revenue Fund	(202 641)	(661 000)
Conditions met - Operating	(27 106 981)	(24 788 505)
Conditions met - Capital	(41 263 910)	(24 230 000)
Conditions met - Capital Retention	-	-
Conditions met - Own revenue	-	-
Conditions still to be met/(Grant expenditure to be recovered)	1 995 140	1 161 351
	2024 R	2023 R
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	1 995 140	1 161 351
Unpaid Conditional Government Grants and Receipts	-	-
Total	1 995 140	1 161 351
	2024 R	2023 R
24. CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT		
Provincial government	1 210 000	-
Total Contributed Property, Plant and Equipment	1 210 000	-
	2024 R	2023 R
25. AVAILABILITY CHARGES		
Electricity	102 619	94 451
Water	68 688	64 966
Waste Management	-	-
Waste Water Management	116 361	116 001
Total Availability Charges	287 668	275 418
	2024 R	2023 R
26. LICENCES AND PERMITS		
Road and Transport	256 397	194 405
Total Licences and Permits	256 397	194 405
	2024 R	2023 R
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	256 397	194 405
Total Licences and Permits	256 397	194 405

	2024 R	2023 R
27. SERVICE CHARGES		
Electricity	18 028 447	14 644 761
Service Charges	19 899 912	15 983 362
<u>Less:</u> Revenue Forgone	(1 871 465)	(1 338 601)
Water	3 867 405	2 768 706
Service Charges	5 384 024	4 108 081
<u>Less:</u> Revenue Forgone	(1 516 618)	(1 339 375)
Waste Management	2 767 072	2 504 358
Service Charges	3 853 860	3 609 290
<u>Less:</u> Revenue Forgone	(1 086 788)	(1 104 932)
Waste Water Management	2 727 208	2 100 023
Service Charges	3 945 895	3 355 552
<u>Less:</u> Revenue Forgone	(1 218 687)	(1 255 530)
Total Service Charges	27 390 132	22 017 848
Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of		

	2024 R	2023 R
28. SALES OF GOODS AND RENDERING OF SERVICES		
Building Plan Approval	86 941	12 075
Cemetery and Burial	18 123	19 570
Cleaning and Removal	10 620	1 460
Clearance Certificates	28 430	17 742
Encroachment Fees	66	68
Photocopies and Faxes	7 091	3 693
Removal of Restrictions	63 120	21 584
Sale of Goods	(755)	-
Pest Control	1 514	-
Tender Documents	41 740	19 088
Stone and Gravel	36 861	22 453
Valuation Services	1 132	1 801
Total Sales of Goods and Rendering of Services	294 883	119 534

	2024 R	2023 R
29. RENT ON LAND		
Land	102 655	24 948
Undeveloped Land	102 655	24 948
Total Rent on Land	102 655	24 948

	2024 R	2023 R
30. RENTAL FROM FIXED ASSETS		
Investment Property	(7 447)	10 527
Property, Plant and Equipment	1 651 165	1 701 318
Total Rental from Fixed Assets	1 643 719	1 711 845

	2024 R	2023 R
31. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank accounts	1 230 251	391 287
Short-term investment and call accounts	34 460	24 197
Total Interest Earned - External Investments	1 264 711	415 483
	2024 R	2023 R
32. INTEREST EARNED - RECEIVABLES		
Non-current receivables	6 467	3 711
Other Interest	184 298	96 853
Trade Receivables - exchange	587 218	576 279
Trade Receivables - non-exchange	423 163	336 710
Total Interest Earned - Outstanding Receivables	1 201 146	1 013 553
	2024 R	2023 R
33. OPERATIONAL REVENUE		
Commission	19 972	19 447
Development Charges	21 983	-
Request for Information	200	267
Total Operational Revenue	42 155	19 713
<u>Disclosed as follows:</u>		
	2024 R	2023 R
Revenue from Exchange Transactions	42 155	19 713
Total Operational Revenue	42 155	19 713
	2024 R	2023 R
M2. FINES, PENALTIES, FORFEITS		
<u>Fines</u>	33 765 412	54 128 341
<i>Law Enforcement</i>	8 300	-
<i>Overdue Books Fine</i>	1 128	336
<i>Traffic</i>	33 755 984	54 128 005
	33 765 412	54 128 341

	2024 R	2023 R
34. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	23 337 194	22 346 654
Pension and UIF Contributions	3 183 394	3 100 781
Medical Aid Contributions	909 318	652 789
Overtime	801 123	746 874
Bonuses	1 846 823	1 455 990
Motor Vehicle Allowance	1 389 267	1 043 750
Cell Phone Allowance	3 240	45 940
Housing Allowances	78 914	68 659
Other benefits and allowances	22 500	36 000
Standby allowance	518 693	400 771
Acting allowance	47 647	236 669
Bargaining council	10 711	9 893
Payments in lieu of leave	144 302	95 755
Post-retirement Benefit Obligations	1 049 000	1 333 187
Medical - Note 14.1	732 000	1 104 445
Current Service Cost	169 000	405 445
Interest Cost	563 000	699 000
Long Service Awards - Note 14.1	317 000	228 742
	33 342 125	31 573 712
Total Employee Related Costs	33 342 125	31 573 712

KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on xx-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

	2024 R	2023 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - Mr J Booysen</i>		
Basic Salary	1 369 472	1 359 553
Pension and UIF Contributions	2 125	17 782
Performance Bonus	184 878	182 188
Cell Phone Allowance	42 000	42 000
Other benefits and allowances	137	145 658
Total	1 598 612	1 747 181

	2024 R	2023 R
<i>Remuneration of the Chief Financial Officer - Ms A Groenewald</i>		
Basic Salary	1 046 844	993 216
Pension and UIF Contributions	190 558	192 870
Medical Aid Contributions	20 300	19 166
Service Bonus	87 237	82 768
Motor Vehicle Allowance	245 120	203 160
Housing Allowances	12 797	12 141
Other benefits and allowances	137	130
Total	1 602 992	1 503 451

	2024 R	2023 R
Remuneration of Manager : Corporate Services - Ms N Gouws		
Basic Salary	699 468	648 084
Pension and UIF Contributions	128 029	126 943
Medical Aid Contributions	24 761	22 406
Service Bonus	58 289	54 007
Motor Vehicle Allowance	217 536	158 747
Housing Allowances	12 797	12 141
Other benefits and allowances	137	130
Long service awards	53 806	-
Total	1 194 823	1 022 458

	2024 R	2023 R
Remuneration of Manager : Community Services - Mr N Hendriks		
Basic Salary	716 256	663 636
Pension and UIF Contributions	131 051	129 956
Medical Aid Contributions	56 735	40 126
Service Bonus	59 688	55 303
Motor Vehicle Allowance	245 120	158 747
Other benefits and allowances	137	130
Total	1 208 987	1 047 897

	2024 R	2023 R
Remuneration of Manager : Infrastructure - Mr J Komanisi		
Basic Salary	865 908	802 284
Pension and UIF Contributions	157 988	156 633
Medical Aid Contributions	57 031	51 588
Service Bonus	72 159	66 857
Motor Vehicle Allowance	245 120	196 725
Other benefits and allowances	137	130
Total	1 398 343	1 274 217

	2024 R	2023 R
Remuneration of Director : Community Services - Mr C Moses (Acting)		
Basic Salary - Acting Allowance	25 255	10 244
Total	25 255	10 244

	2024 R	2023 R
Remuneration of Director : Community Services - Mr G Bothma		
Basic Salary	751 056	712 584
Pension and UIF Contributions	137 315	139 480
Medical Aid Contributions	-	-
Service Bonus	62 588	59 382
Motor Vehicle Allowance	245 120	202 073
Other benefits and allowances	137	130
Long service awards	-	27 408
Total	1 196 216	1 141 057

	2024 R	2023 R
Remuneration of Director : Community Services - Mr K Gertse		
Basic Salary - Acting Allowance	377 556	349 836
Pension and UIF Contributions	70 085	69 108
Medical Aid Contributions	61 166	47 740
Service Bonus	31 463	29 153
Housing Allowances	1 066	-
Other benefits and allowances	137	130
	541 473	495 966
	2024 R	2023 R

Total Key Management Remuneration

Basic Salary	5 851 815	5 539 437
Pension and UIF Contributions	817 151	832 772
Medical Aid Contributions	219 993	181 026
Performance Bonus	184 878	182 188
Service Bonus	371 424	347 470
Motor Vehicle Allowance	1 198 016	919 452
Cell Phone Allowance	42 000	42 000
Housing Allowances	26 660	24 282
Other benefits and allowances	956	146 436
Long service awards	53 806	27 408
	8 766 699	8 242 471
	2024 R	2023 R

35. REMUNERATION OF COUNCILLORS

A Kleinbooi (Executive Mayor)	913 286	111 252
S Laban (Deputy Executive Mayor)	448 412	422 174
M Gouws (Speaker)	764 465	725 736
J Botha	351 634	819 194
A Theron (MPAC Chair)	410 171	331 009
J Pieterse	332 401	312 398
L Potgieter	332 640	317 564
G McKenzie	11 571	270 800
M Smith	-	7 899
Total Councillors' Remuneration	3 564 578	3 318 026

Remuneration paid to Councillors can be summarised as follow:

	Salary	Allowances/ Contributions	Total
Executive Mayor / Mayor	896 601	49 925	946 526
Executive Deputy-Mayor / Deputy-Mayor	404 659	49 625	454 284
Speaker	671 154	49 625	720 779
Councillors	1 233 120	251 824	1 484 944
Total Councillors' Remuneration	3 205 535	400 998	3 606 532

In-kind Benefits

The Executive Mayor and Speaker are full-time Councillors. Each is provided with an office and secretarial support at the cost of the Municipality.

	2024 R	2023 R
36. CONTRACTED SERVICES		
Outsourced Services	1 080 166	1 677 908
Burial Services	2 250	-
Business and Advisory	599 805	393 191
Catering Services	39 076	63 228
Internal Auditors	84 620	50 155
Security Services	-	521 829
Electrical	354 414	649 505
Consultants and Professional Services	3 169 192	2 470 588
Business and Advisory	2 484 990	1 944 614
Accounting and Auditing	2 366 810	1 943 310
Medical Examinations	-	1 304
Research and Advisory	118 179	-
Legal Cost	684 202	525 974
Legal Advice and Litigation	451 202	270 774
Issue of Summons	233 000	255 200
Contractors	955 910	919 698
Building	65 587	171 692
Electrical	4 871	122 202
Maintenance of Buildings and Facilities	91 698	14 504
Maintenance of Equipment	22 873	39 458
Maintenance of Unspecified Assets	750 993	571 842
Pest Control and Fumigation	667	-
Plants, Flowers and Other Decorations	1 221	-
Transportation	18 000	-
Total Contracted Services	5 205 268	5 068 194
	2024 R	2023 R
37. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	13 197 818	12 108 538
Balance previously reported		12 171 386
Less: Correction of error		(62 848)
Intangible Assets	108 123	86 213
Investment Property	65 880	66 248
Balance previously reported		-
Less: Correction of error		66 248
Total Depreciation and Amortisation	13 371 821	12 260 999
	2024 R	2023 R
38. FINANCE COSTS		
Non-current Provisions	1 549 212	2 084 840
Payables	968 667	682 133
Total Finance Costs	2 517 880	2 766 972

	2024 R	2023 R
39. BULK PURCHASES		
Electricity	11 873 369	10 737 433
Total Bulk Purchases	11 873 369	10 737 433
	2024 R	2023 R
40. TRANSFERS AND SUBSIDIES		
Capital	-	-
Operational	-	12 473
Monetary Allocations	-	12 473
Households	-	12 473
Total Transfers and Subsidies	-	12 473
	2024 R	2023 R
41. OPERATIONAL COSTS		
Achievements and Awards	-	-
Advertising, Publicity and Marketing	142 622	95 653
Assets less than the Capitalisation Threshold	16 115	6 483
External Audit Fees	7 253 169	6 609 906
Bank Charges, Facility and Card Fees	404 036	382 471
Commission	145 534	244 825
Communication	258 606	252 265
Deeds	14 870	11 602
Drivers Licences and Permits	60 040	52 590
Entrance Fees	4 000	-
External Computer Service	2 399 346	2 007 590
Insurance Underwriting	336 510	279 651
Learnerships and Internships	5 175	-
Levies Paid - Water Resource Management Charges	111 626	110 905
Licences	101 088	132 868
Municipal Services	1 355 880	1 214 816
Printing, Publications and Books	267 547	246 214
Professional Bodies, Membership and Subscription	3 933	500 000
Registration Fees	12 496	14 608
Remuneration to Ward Committees	233 396	262 182
Skills Development Fund Levy	257 076	244 034
Toll Gate Fees	1 050	-
Travel and Subsistence	811 508	737 617
Uniform and Protective Clothing	62 997	231 210
Wet Fuel	12 335	23 810
Workmen's compensation	238 064	215 042
Total Operational Costs	14 509 018	13 876 341

	2024 R	2023 R
48. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 12	(1 552 119)	(927 273)
Balance previously reported		-
Plus: Correction of error		(927 273)
Receivables from Non-exchange Receivables - Note 13	(31 517 753)	(47 695 345)
Balance previously reported		-
Plus: Correction of error		(47 695 345)
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	(33 069 872)	(48 622 618)
	2024 R	2023 R
49. GAINS/ (LOSS) ON SALE OF FIXED ASSETS		
Investment Property	(248 845)	(4 830 853)
Total Gains/ (Loss) on Sale of Fixed Assets	(248 845)	(4 830 853)
	2024 R	2023 R
50. WATER LOSSES		
Apparent Losses	2 200 009	1 283 368
Total Water Losses	2 200 009	1 283 368

	2024 R	2023 R
53. CORRECTION OF ERROR IN TERMS OF GRAP 3		
annual financial statements of the Municipality arising from the implementation of GRAP:		
		2023 R
53.1 Property, Plant and Equipment		
Balance previously reported		265 748 621
Cost		65 134
Property, Plant and Equipment recognised for the first time - Note 2		48 732
Reversal of impairment losses - Note 2		16 403
Accumulated Depreciation		(9 108)
Accumulated depreciation on Property, Plant and Equipment recognised for the first time - Note 2		(9 108)
Restated Balance		265 804 648
		2023 R
53.2 Non-Current Receivables from Exchange Transactions		
Balance previously reported		525 438
Non-current property rates transferred to non-current receivables from non-exchange transactions		(23 331)
Restated Balance		502 107
		2023 R
53.3 Non-Current Receivables from Non-Exchange Transactions		
Balance previously reported		-
Non-current property rates transferred from non-current receivables from exchange transactions		23 331
Restated Balance		23 331
		2023 R
53.4 Inventory		
Balance previously reported		270 700
Correction of water stock. Expenditure captured incorrectly - refer Comaf 99 of 2022/23		(11 025)
Restated Balance		259 675

	2023 R
53.5 Receivables from Exchange Transactions	
Balance previously reported	5 017 566
building transferred to receivables from non-exchange transactions	(2 252 538)
Uncleared balanced iro control, clearing and interface accounts transferred to receivables from non-exchange transactions	(39 889)
Reversal of adjustment made in prior year impairment calculations duplicated	(685 741)
Adjustments iro incorrect levies during 2022/23	(1 124 185)
Transfer of availability charges incorrectly calculated	(435)
Adjustments iro incorrect levies during 2022/23	929 579
Non-current receivables iro property rates transferred to receivables from non-exchange transactions	23 331
Reversal of accrued revenue for 2021/22 duplicated during 2022/23	830 105
Amount payable iro SALGA membership transferred to payables from exchange transactions	100 000
Transferred from receivables from non-exchange transactions	3 774
Restated Balance	2 801 567

	2023 R
53.6 Receivables from Non-exchange Transactions	
Balance previously reported	4 283 469
Reversal of adjustment made in prior year impairment calculations duplicated	(13 926)
Adjustments iro incorrect levies during 2022/23	(97 075)
building transferred from receivables from exchange transactions	2 252 538
Uncleared balanced iro control, clearing and interface accounts transferred from receivables from exchange transactions	39 889
Transfer of availability charges incorrectly calculated	435
Transferred to receivables from exchange transactions	(3 774)
Restated Balance	6 461 557

	2023 R
53.7 Operating Lease Asset	
Balance previously reported	40 308
Smoothing of operating leases not included in prior year calculations	38 108
Movement in smoothing of operating leases incorrectly calculated	(440)
Restated Balance	77 976

	2023 R
53.8 VAT receivable	
Balance previously reported	7 229 602
VAT payable iro incorrect treatment of VAT on library allocations	(784 174)
Restated Balance	6 445 428

	2023 R
53.9 Current Employee Benefits	
Balance previously reported	407 000
Leave provision transferred from trade and other payables	1 799 636
Bonus provision transferred from trade and other payables	797 956
Restated Balance	3 004 592

	2023 R
53.10 Trade and Other Payables from Exchange Transactions	
Balance previously reported	20 397 348
Leave provision transferred to current employee benefits	(1 799 636)
Bonus provision transferred to current employee benefits	(797 956)
Prior period corrections	264 793
Amount payable iro SALGA membership transferred from receivables from exchange transactions	100 000
Restated Balance	18 164 549

	2023 R
53.11 Unspent Transfers and Subsidies	
Balance previously reported	1 148 155
Expenditure on library allocation recognised	13 197
Restated Balance	1 161 351

2023
R

53.12 Accumulated Surplus/(Deficit) - 1 July 2022

Balance previously reported	259 073 502
Plus: Smoothing of operating leases incorrectly calculated prior years	38 108
Plus: Assets recognised for the first time	48 732
Plus: Legal costs recovered	19 225
Plus: Creditors overpaid	404
Plus: Reversal of impairment losses on fixed assets	16 403
Less: Depreciation on assets recognised for the first time	(9 108)
Less: Retention not captured in prior years	(217 626)
Less: Repayment of grant	(42 239)
Less: Reduce debtors due to incorrect levies charged	(10 580)
Less: Creditors underpaid	(4)
Less: VAT on library allocations not recognised	(576 130)
Re-stated balance on 30 June 2022	258 340 687
Plus: Salaries and wages overpaid	8 890
Plus: Medical aid contributions overpaid	4 874
Plus: Contracted services overpaid	9 921
Plus: Inventory consumed overstated	1 326
Plus: Operational costs overpaid	10 455
Plus: Oproperty rates undercharged	138
Plus: Rent on land undercharged	22 111
Plus: Service charges undercharged	172 562
Plus: traffic fines not recognised	36 250
Plus: Reversal of accrued revenue for 2022/23 duplicated	830 105
Plus: Reversal of accrued revenue for 2021/22 duplicated	741 487
Less: Contracted services accrued during prior period	(1 158)
Less: Operating leases accrued during prior period	(3 520)
Less: Operational costs accrued during prior period	(91 371)
Less: Interest on property rentals overcharged	(800)
Less: Interest on rent on land overcharged	(1 748)
Less: Rental from fixed assets overcharged	(19 230)
Less: Service charges overcharged	(1 109 345)
Less: Property rates overcharged	(63 164)
Less: Expenditure on grant not recognised	(13 197)
Less: Reversal of impairment on receivables duplicated	(699 667)
Less: Inventory adjustment iro Comaf 99 of 2022/23	(11 025)
Less: VAT on library allocations not recognised	(208 043)
Less: Smoothing of operating leases incorrectly calculated	(440)
Total	257 956 097

53.22 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Balance previously reported	Adjustments	Restated Balance
Revenue			
Property Rates	5 179 522	(63 026)	5 116 496
Government Grants and Subsidies	53 711 185	(221 240)	53 489 945
Availability Charges	275 418	-	275 418
Fines, Penalties and Forfeits	54 092 091	36 250	54 128 341
Interest Earned - Non-exchange Transactions	336 710	-	336 710
Licences and Permits from Non-Exchange Transactions	-	-	-
Service Charges	22 124 527	(106 678)	22 017 848
Sales of Goods and Rendering of Services	119 534	-	119 534
Rent on Land	4 584	20 364	24 948
Rental from Fixed Assets	1 731 515	(19 670)	1 711 845
Interest Earned - External Investments	415 483	-	415 483
Interest Earned - Exchange Transactions	677 643	(800)	676 843
Licences and Permits from Exchange Transactions	194 405	-	194 405
Agency Services	184 917	-	184 917
Operational Revenue	19 713	-	19 713
Total	139 067 247	(354 801)	138 712 446
Expenditure			
Employee related costs	31 587 476	(13 764)	31 573 712
Remuneration of Councillors	3 318 112	-	3 318 112
Bad Debts Written Off	49 244 969	(48 622 618)	622 351
Contracted Services	5 076 957	(8 762)	5 068 194
Depreciation and Amortisation	12 257 598	-	12 257 598
Finance Costs	2 766 972	-	2 766 972
Bulk Purchases	10 737 433	-	10 737 433
Inventory Consumed	2 542 020	(1 326)	2 540 695
Operating Leases	619 190	3 520	622 710
Transfers and Subsidies	12 473	-	12 473
Operational Costs	13 795 425	80 916	13 876 341
Total	131 958 625	(48 562 033)	83 396 592
Gains and Losses			
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	708 000	(49 330 618)	(48 622 618)
Gains/(Loss) on Sale of Fixed Assets	(4 830 853)	-	(4 830 853)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	(1 770 960)	-	(1 770 960)
Profit/(Loss) on Fair Value Adjustments	-	-	-
Actuarial gain/(loss)	-	708 000	708 000
Profit/(Loss) from Discontinued Operations	-	-	-
Water Losses	-	-	-
Total	(5 893 812)	(48 622 618)	(54 516 430)
Net Surplus/(Deficit) for the year	1 214 810	(415 385)	799 424

	2024 R	2023 R
54. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	25 523 478	799 424
Adjustments for:		
Depreciation and Amortisation	13 371 821	12 257 598
Loss/(Gain) on Sale of Fixed Assets	248 845	4 830 853
Impairment Loss/(Reversal of Impairment Loss)	33 058 938	50 393 578
Contributed Property, Plant and Equipment	(1 210 000)	-
Government Grants and Subsidies received	74 610 772	53 601 377
Government Grants and Subsidies recognised as revenue	(72 364 342)	(53 489 945)
Repayment of unspent grants	(202 641)	(661 000)
Contribution from/to provisions - Non-Current Employee Benefits	774 129	780 000
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gain	(862 129)	(708 000)
Contribution from/to - Current Employee Benefits	226 192	(168 280)
Bad Debts written off	-	622 351
Operating lease income accrued	7 447	10 527
Operating lease expenses accrued	(2 302)	(696)
Operating Surplus/(Deficit) before changes in working capital	73 180 207	68 267 789
Changes in working capital	(32 384 080)	(47 513 483)
Increase/(Decrease) in Provisions	-	-
Increase/(Decrease) in Trade and Other Payables	2 515 738	5 944 706
Increase/(Decrease) in Employee Benefits	-	-
Increase/(Decrease) in Taxes	(2 737 172)	169 858
(Increase)/Decrease in Inventory	116 243	46 690
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(1 915 977)	1 846 566
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(30 478 974)	(55 601 138)
(Increase)/Decrease in Repay Arrangements	-	-
(Increase)/Decrease in Consumer Deposits	116 063	79 835
Cash generated/(absorbed) by operations	40 796 127	20 754 306

	2024 R	2023 R
55. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the		
Current Accounts - Note 12	6 198 935	2 000 006
Call Deposits and Investments - Note 12	510 639	476 180
Cash on hand - Note 12	3 801	2 900
Total cash and cash equivalents	6 713 375	2 479 086

	2024 R	2023 R
56. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 56	6 713 375	2 479 086
Less:	(7 674 386)	(1 846 340)
Unspent Transfers and Subsidies - Note 18	(1 995 140)	(1 161 351)
VAT - Note 19	(5 679 246)	(684 989)
Net cash resources available for internal distribution	(961 011)	632 746
Resources available for working capital requirements	(961 011)	632 746

	2024 R	2023 R
58. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
58.1 <u>Unauthorised expenditure</u>		
Reconciliation of unauthorised expenditure:		
Opening balance	68 634 986	30 535 254
Correction of prior period error		
Restated opening balance	68 634 986	30 535 254
Unauthorised expenditure current year - operational	24 943 825	38 099 732
Unauthorised expenditure current year - capital	91 529	
Approved by Council	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	93 670 339	68 634 986

			2024 Variance R	2024 Unauthorised R
<u>Unauthorised expenditure current year - operating</u>				
	Actual R	Final Budget R	Variance R	Unauthorised R
Vote 1 - Mayor and Council	5 147 240	5 238 588	91 348	-
Vote 2 - Municipal Manager	3 851 774	3 347 496	(504 278)	504 278
Vote 3 - Corporate Services	6 187 130	6 265 776	78 646	-
Vote 4 - Budget and Treasury	21 528 959	22 410 708	881 749	-
Vote 5 - Planning and Development	860 029	827 136	(32 893)	32 893
Vote 6 - Community and Social Services	1 902 700	1 821 600	(81 100)	81 100
Vote 7 - Sports and Recreation	910 565	347 016	(563 549)	563 549
Vote 8 - Housing	6 490	7 428	938	-
Vote 9 - Public Safety	35 621 428	18 288 912	(17 332 516)	17 332 516
Vote 10 - Road Transport	14 725 270	13 074 456	(1 650 814)	1 650 814
Vote 11 - Waste Management	6 212 258	2 719 932	(3 492 326)	3 492 326
Vote 12 - Waste Water Management	4 021 631	3 153 792	(867 839)	867 839
Vote 13 - Water	6 063 479	5 644 968	(418 511)	418 511
Vote 14 - Electricity	13 559 083	15 931 776	2 372 693	-
	120 598 035	99 079 584	(21 518 451)	24 943 825
			2024 Variance R	2024 Unauthorised R

<u>Unauthorised expenditure current year - capital</u>				
	Actual	Final Budget	Variance	Unauthorised
Vote 17 -Budget and Treasury	-	399 996	399 996	-
Vote 18 - Community and Social Services	117 042	230 004	112 962	-
Vote 19 - Sports and Recreation	6 906 172	7 680 048	773 876	-
Vote 10 - Road Transport	5 589 367	5 580 060	(9 307)	9 307
Vote 23 - Waste Water Management	18 971 217	18 888 996	(82 221)	82 221
Vote 24 - Water	4 753 716	15 057 012	10 303 296	-
Vote 25 - Electricity	-	596 004	596 004	-
		48 432 120	12 094 605	91 529

58.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

	2024 R	2023 R
Opening balance	2 240 411	1 558 278
Correction of prior period error	-	-
Restated opening balance	2 240 411	1 558 278
Fruitless and wasteful expenditure current year	968 667	682 133
Fruitless and wasteful expenditure awaiting further action	3 209 078	2 240 411

Fruitless and wasteful expenditure can be summarised as follow:

Incident		Disciplin	2024 R	2023 R
Interest on overdue accounts		None	3 209 078	2 240 411
			3 209 078	2 240 411

58.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	64 964 565	101 846 995
Correction of prior period error:	41 391 434	-
Restated opening balance	106 355 999	101 846 995
Irregular expenditure current year	3 733 229	3 721 284
Written off as supported by council		(40 603 714)
Current	-	-
Prior Period	-	(40 603 714)
Irregular expenditure awaiting further action	110 089 228	64 964 565

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2024 R	2023 R
Non-compliance with Municipal SCM Regulations:	None		
- Regulation 16 - Request for Quotations processes not followed	None	3 445	218 686
- Regulation 17(2) - Formal Written Price Quotations processes not followed	None	61 496	-
- Regulation 19 - Continuation of historical irregular contracts not procured through competitive bidding process	None	3 668 288	3 229 531
Non-compliance with Preferential Procurement Regulations 2022	None	-	28 000
Non-compliance with MFMA in contract variation not approved	None	-	469 938
		3 733 229	3 946 155

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

	2024 R	2023 R
59. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
59.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)		
Opening balance	-	(100 000)
Council subscriptions	500 000	500 000
Amount paid - current year	(500 000)	(400 000)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

	2024 R	2023 R
59.2 Audit fees - [MFMA 125 (1)(c)]		
Opening balance	6 472 630	6 445 940
Correction of prior period error	-	-
Restated opening balance	6 472 630	6 445 940
Current year audit fee	7 253 169	8 283 374
External Audit - Auditor-General	7 253 169	8 283 374
Internal Audit	-	-
Audit Committee	-	-
Amount paid - current year	(1 450 000)	(3 198 391)
Amount paid - previous year	(1 550 000)	(5 058 293)
Balance unpaid (included in creditors)	10 725 799	6 472 630

	2024 R	2023 R
59.3 VAT - [MFMA 125 (1)(c)]		
Opening balance	468 957	
Correction of prior period error		
Restated opening balance	468 957	-
VAT Input	2 983 828	890 182
VAT Output	(432 524)	(421 225)
Amount paid		-
Amount received		
Closing balance	3 020 261	468 957

debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.

	2024 R	2023 R
59.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]		
Opening balance	-	-
Restated opening balance	-	-
Current year payroll deductions	5 370 685	5 062 998
Amount paid - current year	(5 370 685)	(5 062 998)
Balance unpaid (included in creditors)	-	-

	2024 R	2023 R
59.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	-	-
Restated opening balance	-	-
Current year payroll deductions and Council Contributions	1 800 463	6 180 614
Amount paid - current year	(1 800 463)	(6 180 614)
Balance unpaid (included in creditors)	-	-

59.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

Non of the councillors had arrear accounts for more than 90 days as at 30 June 2024.

59.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May

59.7.1 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):

30 June 2024

	Amount	Sole supplier	Type of Deviation	
			Impractical/ Impossible	Emergency
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
October	-	-	-	-
November	-	-	-	-
December	159 685	11 507	148 177	-
January	-	-	-	-
February	3 000	-	3 000	-
March	47 438	-	47 438	-
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
	210 122	11 507	198 615	-

30 June 2023

	Amount	Sole supplier	Type of Deviation	
			Impractical/ Impossible	Emergency
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
October	10 755	-	10 755	-
November	147 942	-	147 942	-
December	-	-	-	-
January	-	-	-	-
February	-	-	-	-
March	-	-	-	-
April	-	-	-	-
May	-	-	-	-
June	5 500	-	-	5 500
	164 196	-	158 696	5 500

59.7.2 Regulation 45 - Details of Awards to close family members of persons in the service of the state:

No awards were made to close family members of persons in the service of the state during the financial year.

59.8	Material losses [MFMA 125 (2)(d)]	2024 R	2023 R
	Electricity distribution losses		
	Units purchased (Kwh)	6 514 826	6 115 875
	Units lost during distribution (Kwh)	650 558	621 463
	Percentage lost during distribution	9.99%	10.16%
	Distribution loss (Rand Value)	1 261 182	1 283 368
	Balance previously reported		1 298 617
	Less: Corrections of error prior year (COMAF 99 of 2023)		(15 249)

paid meters. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

Water distribution losses

	Units purchased (kl)	442 590	384 160
	Units lost during distribution (kl)	169 651	38 152
	Units previously reported		94 243
	Less: Corrections of error prior year (COMAF 99 of 2023)		(56 091)
	Percentage lost during distribution	38.33%	9.93%
	Distribution loss (Rand Value)	2 200 009	569 993
	Balance previously reported		1 603 339
	Less: Corrections of error prior year (COMAF 99 of 2023)		(1 033 346)

Normal pipe bursts and field leaks are responsible for water losses.

59.9	Non-compliance with the Municipal Finance Management Act and other Legislation [MFMA 125 (2)(e)]	2024 R	2023 R
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Non-compliance with MFMA Section 126 (1) (a)

The municipality did not comply with MFMA section 126 (1) (a) as they did not submit their financial statements by the legislated due date.

Non-compliance with MFMA Section 65 (2) (e)

Many times, the municipality has not paid its suppliers and has not received the relevant invoice or statement from the supplier, due to cashflow challenges caused by low revenue collection rates.

Non-compliance with MFMA Section 9 (b)

Section 9(b) of the MFMA requires that annually before the start of a financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account should be submitted to the relevant provincial treasury and the Auditor-General in writing. The municipality did not adhere to this section in the current year.

Non-compliance with MFMA Section 71

The monthly report for July 2019 was not timeously submitted to provincial treasury.

Non-compliance with MFMA Section 75 (2)

The municipality did not update their website with all relevant documentation as required by Section 75(2) of the MFMA.

Non-compliance with MFMA Section 165(2)(b)

The municipality did not adhere to the provisions of section 165(2)(b) of the MFMA that requires an adequately resourced internal audit unit that executes its plan in an effective and timely manner.

Non-compliance with Municipal Supply Chain Management Regulations

The municipality entered into transactions with suppliers that were not listed on the municipality's list of prospective suppliers as required by regulation 17 of the Municipal Supply Chain Management Regulations, 2005.

Non-compliance with the Municipal systems Act, Section 96 (b)

A credit control and debt collection policy was not fully implemented, as required by section 96(b) of the MSA.

60. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

The municipality's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These

The municipality did not hedge against any interest rate risks

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

0.25% (2023: 0.25%) Increase in interest rates
1% (2023: 0.25%) Decrease in interest rates

2024
R

2023
R

2024
R

2023
R

16 774
(67 096)

6 190
(6 190)

(d) **Credit Risk**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on

All services are payable within 30 days from invoice date. Refer to **note 10 and 11** for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to **note 8** for balances included in receivables that were re-negotiated for the period under review.

	2024 %	2023 R
<u>Non-Current Receivables</u>		
Repay Arrangements	100.00%	654 380
<u>Non-exchange receivables</u>		
Other Receivables	9.93%	164 418
Availability fees	90.07%	1 491 587
	100.00%	1 656 005
<u>Exchange Receivables</u>		
Electricity	30.04%	2 080 369
Water	22.56%	1 562 309
Property Rentals	12.27%	849 796
Waste Management	16.50%	1 142 778
Waste Water Management	15.97%	1 106 177
Housing Selling Scheme	0.77%	53 038
Other	1.89%	130 560
	100.00%	6 925 026

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 10 and 11 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2024 %	2024 R
<u>Non-Current Receivables</u>		
Repay Arrangements	0.00%	-
<u>Non-exchange receivables</u>		
Availability fees	20.30%	1 471 434
<u>Exchange Receivables</u>		
Services	79.70%	5 775 578
	100.00%	7 247 013

The provision for bad debts could be allocated between the different categories of receivables as follow:

	2024 %	2024 R
Government	4.03%	493 353
Industrial	27.00%	3 302 416
Residential	68.39%	8 365 223
Other	0.58%	70 697
	100.00%	12 231 690

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

	Exchange Receivables	Non-exchange Receivables
2024		
1 month past due	505 701	64 024
2+ months past due	5 613 854	3 922 112
	6 119 555	3 986 136
2023		
1 month past due	391 122	67 923
2+ months past due	4 743 259	4 089 985
	5 134 381	4 157 907

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure investments are all listed on the JSE (First National Bank, Standard Bank, ABSA). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation

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

	2024 R	2023 R
Financial assets exposed to credit risk at year end are as follows:		
Non-Current Receivables from Exchange Transactions	666 643	654 380
Non-Current Receivables from Non-Exchange Transactions	28 117	76 605
Receivables from exchange transactions	8 941 003	7 025 026
Receivables from non-exchange transactions	109 785 884	79 306 910
Cash and Cash Equivalents	6 709 574	2 476 186
	<u>126 131 221</u>	<u>89 539 107</u>

(e) **Liquidity Risk**

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

61. FINANCIAL INSTRUMENTS		2024 R	2023 R
In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:			
61.1 <u>Financial Assets</u>	<u>Classification</u>		
		2024 R	2023 R
Non-Current Receivables			
Receivables with repay arrangements: exchange	Financial Instruments at amortised cost	666 643	654 380
Receivables with repay arrangements: non-exchange	Financial Instruments at amortised cost	3 968	23 331

		2024 R	2023 R
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	2 591 982	2 080 369
Water	Financial Instruments at amortised cost	2 156 559	1 562 309
Property Rentals	Financial Instruments at amortised cost	925 874	849 796
Waste Management	Financial Instruments at amortised cost	1 509 496	1 142 778
Waste Water Management	Financial Instruments at amortised cost	1 391 553	1 106 177
Housing Selling Scheme	Financial Instruments at amortised cost	83 072	53 038
Other Arrears	Financial Instruments at amortised cost	179 334	130 560
		2024 R	2023 R
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	6 198 935	2 000 006
Call Deposits	Financial Instruments at amortised cost	510 639	476 180
Cash-on-hand	Financial Instruments at fair value	3 801	2 900
Total Financial Assets		16 221 856	10 081 823
		2024 R	2023 R
Financial Instruments at amortised cost:			
	repay arrangements:		
Non-Current Receivables from Exchange Transactions	exchange	666 643	654 380
	Receivables with repay arrangements: non-		
Non-Current Receivables from Non-Exchange Transactions	exchange	3 968	23 331
Receivables from Exchange Transactions	Electricity	2 591 982	2 080 369
Receivables from Exchange Transactions	Water	2 156 559	1 562 309
Receivables from Exchange Transactions	Property Rentals	925 874	849 796
	Waste Management	1 509 496	1 142 778
Receivables from Exchange Transactions	Waste Water Management	1 391 553	1 106 177
	Housing Selling Scheme	83 072	53 038
Receivables from Exchange Transactions	Other Arrears	179 334	130 560
Cash and Cash Equivalents	Bank Balances	6 198 935	2 000 006
Cash and Cash Equivalents	Call Deposits	510 639	476 180
Cash and Cash Equivalents	Cash-on-hand	3 801	2 900
Total Financial Assets		16 221 856	10 081 823

61.2	Financial Liabilities	Classification	2024 R	2023 R
	Long-term Liabilities			
	The municipality has no long-term liabilities			
			2024 R	2023 R
	Trade and Other Payables from Exchange Transactions			
	Trade Payables	Financial Instruments at amortised cost	822 118	5 527 994
	Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	(191 503)	120 425
	Retentions	Financial Instruments at amortised cost	2 119 465	1 537 850
	Electricity bulk purchases	Financial Instruments at amortised cost	1 295 693	-
	Auditor General	Financial Instruments at amortised cost	9 034 643	6 472 629
	Other liabilities			
	Consumer deposits	Financial instruments at amortised cost	1 045 670	929 608
	Unspent Transfers and Subsidies	Financial instruments at amortised cost	1 995 140	1 161 351
			16 121 227	15 749 857
			2024 R	2023 R

SUMMARY OF FINANCIAL LIABILITIES

Financial instruments at amortised cost:

Trade and Other Payables	Trade Payables	822 118	5 527 994
Trade and Other Payables	Control, Clearing and Interface Accounts	(191 503)	120 425
Trade and Other Payables	Retentions	2 119 465	1 537 850
Trade and Other Payables	Electricity bulk purchases	1 295 693	-
Trade and Other Payables	Auditor General	9 034 643	6 472 629
Other liabilities	Consumer deposits	1 045 670	929 608
Other liabilities	Unspent Transfers and Subsidies	1 995 140	1 161 351
		16 121 227	15 749 857
		2024 R	2023 R

62. STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

Taxes

VAT Receivable	3 503 354	5 760 439
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Receivables from Non-Exchange Transactions

Rates	4 016 106	4 156 900
Fines	101 676 938	71 545 489
Availability Charges	1 471 434	1 326 481

Total Statutory Receivables (before provision)

109 196 398 **81 462 828**

Less: Provision for Debt Impairment

(104 359 766) (72 842 013)

Total Statutory Receivables (after provision)

4 836 632 **8 620 815**

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)
Fines	- Criminal Procedures Act
Availability charges	- insert Municipal by-law reference

Statutory receivables are initially measured at transaction value, and

	2024 R	2023 R
<u>(Rates): Ageing</u>		
Current (0 - 30 days)	33 938	62 156
31 - 60 Days	64 024	67 923
61 - 90 Days	52 515	67 334
+ 90 Days	3 869 597	4 022 651
Total	4 020 074	4 220 063

	2024 R	2023 R
<u>(Fines): Ageing</u>		
Current (0 - 30 days)	7 224	8 157
31 - 60 Days	7 063	6 686
61 - 90 Days	416 596	365 214
+ 90 Days	-	-
Total	430 883	380 056

	2024 R	2023 R
<u>(Availability fees): Ageing</u>		
Current (0 - 30 days)	35 657	4 149
31 - 60 Days	28 303	2 870
61 - 90 Days	2 739 093	266 890
+ 90 Days	-	-
Total	2 803 053	273 910

	2024 R	2023 R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	72 842 013	127 972 448
Contribution to provision	31 685 912	54 144 515
Reversal of provision	(168 160)	(109 274 949)
Balance at end of year	104 359 766	72 842 013

	2024 R	2023 R
<u>Ageing of amounts past due and impaired:</u>		
1 month past due	104 359 766	72 842 013
2+ months past due	104 359 766	72 842 013

The municipality has an arrangement with the Provincial Department of Transport and Public Works who acts as an agent for the municipality with regards to the issuing of fines for various traffic violations within the Laingsburg Municipality area. There is no charge for the services and all fines issued to third parties are on behalf of the municipality.

Principal arrangement: Traffic services

Issuing of traffic fines

The municipality has a service provider Central Karoo Traffic Systems (Pty) Ltd who acts as an agent for the municipality with the issuing and recovery of camera fines within the Laingsburg Municipality area

All payments are received directly by the municipality and the service provider issue invoices to the municipality for commission payable

The municipality determines the significant terms and conditions and receives the benefit from traffic fines issues.

There are no resources under the custodianship of the agent, nor have they been recognised as such.

As no resources of the municipality is held by the service provider, no significant risks has been transferred.

	-	-
	2024	2023
	R	R
Compensation paid for agency activities		
Commission	153 008	97 679
Total Compensation paid	153 008	97 679

Laingsburg Municipality was paid 12% commission by the Provincial Department of Transport for acting as an agent on its behalf during the financial year.

	2024	2023
	R	R

64.2 **Agent in arrangement**

Laingsburg Municipality is the Agent in the Principle/Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The municipality does not incur any expenses on behalf of the Provincial Department. No significant risks are noted to arise from the arrangement as the municipality merely collects monies on behalf of the department as part of its existing service offering at the traffic department and the municipal cashier collection points. No resources are held on behalf of the Provincial Department, other than the receipts.

	2024	2023
	R	R
Compensation received for agency activities		
Commission	196 641	184 917
Total Compensation received	196 641	184 917

	2024 R	2023 R
<u>Reconciliation of payable</u>		
Opening balance	(39 889)	(48 302)
Amount of expenses incurred behalf of principle	1 373 272	1 441 192
Amount of cash paid on behalf of principle	(1 385 115)	(1 432 779)
Closing balance	(51 731)	(39 889)

2024 R	2023 R
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65. CONTINGENT LIABILITY AND CONTINGENT ASSET

CONTINGENT LIABILITIES

Claims against Council

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

Laingsburg Municipality / Active Phambile Civils

The Applicant brought a High Court application for Condonation in terms of Uniform Rule 27. In this application, the applicant seeks an order in the following terms:

- Condoning its failure to serve and file its third party notice and annexure thereto with the dies induciae prescribed by uniform rule 13
- In the event of any respondent opposing this condonation application, such respondent is to pay the costs of this condonation application

That the only matter in dispute is the amount of R298 240.84 is payable by the defendant by virtue of what is either a payment of Certificate 13 or credit note 13 issued by the Third party

The above amount was paid over to the Respondent to the Applicant's attorney to be kept in their trust account in terms of S86 until the matter is resolved

Pleading still need to be filed by the parties in this matter and it is not yet trial-ready. Parties attempted numerous settlement negotiations, but to no avail

80 000	585 671
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Laingsburg Municipality / PJ & QD Lukas

During 2019 the Municipality and the Respondent entered into a written sale agreement for the Respondent to purchase Erf2041 Laingsburg. The written sale agreement did not correctly include all the terms of the sale agreement, in that it fails to include the Suspensive Condition that the Purchasers as the registered owners in all material aspects must cause and effectively transfer their immovable property described as Erf1291 Laingsburg, most commonly known as 47 10Th Avenue Goldnerville Laingsburg.

The Plaintiff has demanded the rectification of the written sale agreement to confirm the common intention of the plaintiff and the purchasers

Parties are in the midst of settlement negotiations and we foresee that this matter will be amicably settled between the parties

100 000	-
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Cancom Camfleet (Pty) Ltd

The Municipality (4th respondent) is cited together with various other local municipalities within the Western Cape Province by the applicants.

The local municipalities are joined in this applicant, because they are the responsible entities tasked to enforce the national legislation, ie The National Road Traffic Act 93 of 199, of which the Applicants seek to challenge in this applicant.

The applicants selectively only joined some of the municipalities in the Western Cape excluding 14 others.

Hearing took place August 2023 in Cape Town High Court and the municipality still await judgment

80 000

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Laingsburg Ratepayer's Association

The Ratepayer's Association submitted a High Court application for the relief of the following:

(i)

- A Declaration order for property rates levied by the Municipality for the financial year 2009/2010 to 2022/23 that were unlawfully levied due to non-compliance with the provisions of the Local Government: Municipal Property Rates Act (Act 6 of 2024) in that for the year 2009/2010 to 2014/2015 the Municipality failed to promulgate resolutions levying rates in terms of S14(2).

- From 2015/2026 to 2022/2023 the Municipality failed to adopt a rates policy in compliance with S3 and S4 of the act

(ii) The costs of the application for leave to appeal will be costs in the appeal

The Municipality filed an application for leave to appeal which was granted against the whole of the judgment that was handed down on 08/08/2024

250 000

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Laingsburg Landfill site

The landfill site license expired due to the maximum height exceeding the permit conditions. Thus, the site is currently operated illegally. A new application is yet to be submitted to the Department of Environmental Affairs.

The municipality is exposed to a possible fine, imprisonment or both. This will only be determined once a communication is issued by the Department.

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Laingsburg Municipality / SARS

The separation of funding and implementation responsibilities often results in unfunded mandates being imposed on municipalities. Laingsburg Municipality is not assigned a library function and is also not acting formally in terms of an SLA as agent of the Western Cape Provincial Government (WCPG), but it is also expected to contribute financially to the provision of library services.

The municipality became aware during the 2022/23 financial year that it may have a VAT liability due to a technical interpretation of the treatment of VAT on library funding.

SARS issued a binding general ruling that determine, in terms of the agreement between WCPG and the municipality, that output VAT is payable on the full amount of the allocation made to the municipality.

The VAT on the allocations for the past 5 years was captured as a liability. It is unclear if penalties and interest will be payable on the outstanding amounts.

The possible levying of interest is disclosed as a contingent liability. The calculation is based on interest on all receipts for the past 5 years as per the latest rates of SARS.

224 545	292 803
734 545	878 474

66. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

Related party relationship

Councillors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality. Related parties include:

- Accounting officer
- Other spheres of government
- Members of key management
- Councillors

66.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date.

66.2 Compensation of related parties

The compensation of key management personnel and councillors is set out in note 34 & 35 to the Annual Financial Statements.

67. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the high cost of fuel and other essentials coupled with the social-economic profile (high unemployment rate) of Laingsburg communities resulted in a serious risk for Laingsburg Municipality's going concern.

Furthermore the municipality's revenue base is limited and the current situation in the municipal area is not favourable to increase the revenue.

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

68. EVENTS AFTER REPORTING PERIOD

Since the end of the 2023/24 financial year the CFO has indicated that she will retire at the end of November 2024,

The deputy financial manager, which is regarded as part of key management personnel will be retiring at the end of January 2025.

Both these positions will leave a huge vacuum and Laingsburg Municipality must ensure that suitable candidates are appointed.

ANNEXURE B:

AG REPORT

Report of the auditor-general to Western Cape Provincial Parliament and the council on the Laingsburg Municipality

Report on the audit of the financial statements

Adverse opinion

1. I have audited the financial statements of Laingsburg Municipality set out on pages 4 to 107, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, because of the significance of the matters described in the basis for adverse opinion section of this auditor's report, the financial statements do not present fairly, in all material respects, the financial position of Laingsburg Municipality as at 30 June 2024, 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 5 of 2023 (Dora).

Basis for adverse opinion

Property, plant and equipment

3. I was unable to obtain sufficient appropriate audit evidence for property, plant, and equipment, due to inadequate information presented in the fixed assets register. I was unable to confirm the physical assets by alternative means. Consequently, I was unable to determine whether any adjustments relating to Property, plant, and equipment of R302 810 358 (2023: R265 804 648) as disclosed in note 2 to the financial statements, were necessary.
4. The municipality did not recognise expenditure incurred on infrastructure assets, in accordance with GRAP 17, *Property, plant and equipment*. This is due to there being no project plans in place which supported the capitalisation determinations. Consequently, property, plant and equipment is overstated by R1 503 552, and contracted services are understated by R1 503 552.
5. Contrary to the requirements of GRAP 17, *Property, plant and equipment*, the municipality's assets were not disclosed appropriately in note 2 of the financial statements, due to multiple errors made therein. I have not included the omitted information in this auditor's report as it was impracticable to do so.
6. The municipality did not disclose all projects under construction, in accordance with GRAP 17, *Property, plant and equipment*. This was due to the municipality including project that were under construction as part of completed assets. Consequently, property plant and equipment which is in the process of being constructed or developed is understated by R7 757 885 (2023:

R7 757 885) as disclosed in note 2.3 to the financial statements. In addition, the municipality did not disclose construction projects taking significantly longer period to complete.

Consequently, property, plant and equipment that is taking a significantly longer period of time to complete than expected is understated by R7 757 885 (2023: R7 757 885) as disclosed in note 2.4 to the financial statements.

7. The municipality did not recognise land in accordance with iGRAP 18, *Recognition and derecognition of land*. This was due to the land being under the control of other governmental entities. Consequently, property, plant and equipment as disclosed in note 2 to the financial statements was overstated by R2 214 406 (2023: R2 214 406) and accumulated surplus understated by R2 214 406 (2023: R2 214 406) in the financial statements.
8. The municipality did not account for properties in accordance with the requirements of GRAP 17, *Property, plant and equipment*. This was due to the properties being held for capital appreciation and/or to earn rental income, and not for held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. Consequently, property, plant and equipment as disclosed in note 2 to the financial statements was overstated by R1 681 847 (2023: R1 681 847) and investment property as disclosed in note 3 to the financial statements was understated by R1 681 847 (2023: R1 681 847).
9. The municipality did not recognise all additions made to infrastructure assets in accordance with GRAP 17, *Property, plant and equipment*. This was due to management not maintaining adequate record-keeping per the capital project to ensure the all the additions to work-in-progress were included. Consequently, property, plant and equipment as disclosed in note 2 to the financial statements was understated by R1 709 567 and accumulated surplus was understated by R1 709 567.

Investment property

10. Properties for which there was a change in use were not transferred to inventory, as required by GRAP 16, *Investment property*. This was due to council resolutions to sell these properties and for which purchase agreements had been concluded. Consequently, investment property was overstated by R2 959 370 and inventory was understated by R2 959 370, respectively.
11. The municipality did not appropriately disclose rentals earned from investment property, and from property, plant and equipment, as misstatements were made in attributing the amounts earned from both the underlying categories of assets in notes 3.2 and 30 of the financial statements. Consequently, revenue from rental of investment property (note 3.2) is understated by R1 558 993 (2023: R11 190), rentals from investment property (note 30) were understated by R1 566 440 (2023: R1 649 204), and rentals from property, plant and equipment (note 30) were overstated by R1 566 440 (2023: R1 649 204), respectively.

Inventory

12. I was unable to obtain sufficient and appropriate audit evidence for water inventory as the municipality did not have an adequate system of records management to account for inventory consumed due to bulk water meters not working effectively during the financial year. I was unable to confirm the inventory by alternative means. Consequently, I was unable to determine whether adjustments relating to inventory of R61 151 (2023: R73 274) and inventory consumed

disclosed in note 9, and the material water losses of R2 200 009 (2023: R569 993) disclosed in note 59.8 of the financial statements, were necessary.

Receivables from exchange transactions

13. Receivables were not classified as exchange receivables where the municipality will receive services of approximate equal value for those given up in exchange, in accordance with GRAP 9, *Revenue from exchange transactions*. The municipality was party to a number of agreements that arose from exchange transactions, which were accounted for as arising from non-exchange transactions. Consequently, receivables from exchange transactions were understated by R2 436 835 (2023: R2 252 540), and receivables from non-exchange transactions were overstated by R2 436 835 (2023: R2 252 540), respectively.
14. Receivables (prepayments) for the acquisition of site materials were inappropriately capitalised as additions of property, plant and equipment, which is not in accordance with GRAP 1, *Presentation of financial statements*. Consequently, receivables from exchange transactions were understated by, and property, plant and equipment was overstated by R9 342 103, respectively.
15. The municipality did not disclose receivables from exchange transactions appropriately in note 10 of the financial statements, as misstatements were made in attributing the amounts between Residential, Industrial/Commercial, National and Provincial Government, and Other for the both the current and comparative periods impacting the overall disclosure note. Furthermore, misstatements were made in the disclosure of the ageing of the amounts due but not impaired, which was not in accordance with GRAP 104, *Financial instruments*. I have not included the omitted information in this auditor's report as it was impracticable to do so.

Receivables from non-exchange transactions

16. I was unable to obtain sufficient and appropriate audit evidence for fines receivables as the municipality did not have an adequate system of records management. I was unable to confirm these receivables by alternative means. Consequently, I was unable to determine whether adjustments relating to fines receivables disclosed in note 11 of R2 626 503 (2023: R4 036 013) were necessary.
17. The municipality did not disclose all receivables from non-exchange transactions appropriately, as required by GRAP 108, *Statutory receivables*. This was due to fines and other receivables being excluded from the ageing of these receivables in note 11. Furthermore, misstatements were made in the disclosure of the ageing of the amounts due but not impaired. This also resulted in a number of misstatements in the disclosure of these receivables in note 62 of the financial statements, as a result of multiple errors.

VAT receivable

18. I was unable to obtain sufficient and appropriate audit evidence that value-added tax (VAT) receivable had been properly accounted-for, due to the status of the accounting records. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine if any adjustment was necessary to the VAT receivable stated at R9 182 600 (2023: R6 445 428) in the financial statements.

Non-current provisions – landfill sites

19. The municipality did not value the rehabilitation of landfill sites provision as required by GRAP 19, *Provisions, contingent liabilities and contingent assets* as the municipality did not adhere to the operating licence of the landfill site to rehabilitate once the site is fully utilised. Consequently, provisions as disclosed in note 13 were understated by R2 088 761 (2023: R2 823 428), property, plant and equipment as disclosed in note 2 is understated by R539 549 (2023: -R904 495), and finance costs as disclosed in note 34 is understated by R1 549 212 (2023: R2 084 840). Additionally, there was an impact on the estimated licensing and rehabilitation costs disclosed in note 13.1, which I was unable to determine the full extent thereof as it was impracticable to do so.

Trade and other payables from exchange transactions

20. The municipality did not derecognise fines receivables for rights to cash flows which had been settled, as required by GRAP 108, *Statutory receivables*. This is due to the municipality not having allocated settlement receipts against the associated receivables. Consequently, trade and other payables from exchange transactions are overstated by R6 588 212 (2023: R4 380 645), and receivables from non-exchange transactions are overstated by R6 588 212 (2023: R4 380 645).

Unspent transfers and subsidies

21. The municipality did not record transfer revenue for grant funding received in accordance with GRAP 23, *Revenue from non-exchange transactions*. This was due to the municipality not having satisfied the conditions of the obligations from these monies. Consequently, government grants and subsidies were overstated by R5 237 912, and unspent transfers and subsidies were understated by R5 237 912, respectively.
22. The municipality received grant funding from various government entities. Contrary to the requirements of GRAP 23, *Revenue from non-exchange transactions*, these grant funding arrangements were not disclosed appropriately in note 23 of the financial statements due to multiple errors therein including omitted information. I have not included the omitted information in this auditor's report as it was impracticable to do so.

Revenue from non- exchange transactions

Fines, penalties and forfeits

23. The municipality did not record revenue from traffic offences in accordance with GRAP 23, *Revenue from non-exchange transactions*, as these fines were not recorded at the full amount as per the supporting documentation and/or were not recorded at all. I was unable to determine the full extent of such fines as disclosed in note M2 that were earned during the financial year as it was impracticable to do so.

Revenue from exchange transactions

Service charges

24. Service charges revenue was not recognised as required by GRAP 9, *Revenue from exchange transactions*. Properties were identified for which service charges were not billed and recorded. I was unable to determine the full extent of the understatement of service charges, stated at R27 390 132 (2023: R22 017 848) as disclosed in note 27 to the financial statements, and related receivables from exchange transactions, stated at R3 165 425 (2023: R2 801 567) in note 10 to the financial statements, as it was impracticable to do so.

Aggregated revenue misstatements

25. Total revenue was materially misstated by R1 613 406 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Interest Earned - Non-exchange transactions for which reliable balances could not be obtained as stated at R423 163;
- Rental from Fixed assets for which contracts could not be obtained of R87 213 as stated at R1 643 719;
- Interest Earned - Exchange transactions for which reliable balances could not be obtained as stated at R777 982; and
- Licences and Permits (Exchange transactions) for which application forms could not be obtained as stated at R256 397.

Consequently, I was unable to determine whether any further adjustment was necessary to total revenue.

Employee related costs

26. The amounts stated for employee related costs in the financial statements could not be reconciled to the underlying accounting records as required by GRAP 1, *Presentation of financial statements*. Consequently, employee related costs as stated in note 34 were overstated by R3 573 963 and accumulated surplus understated by the same amount.

Statement of comparison of budget and actual amounts

27. The municipality did not appropriately present the statement of comparison of budget and actual amounts as required by GRAP 24, *Presentation of budget information in financial statements*. This was due to multiple presentation errors which resulted in the actual amounts not being presented on a comparable basis as the approved budget. I was unable to determine the full extent of the omitted presentation as it was impracticable to do so.

Cash flow statement

28. The municipality did not prepare the cash flow statement, and the associated disclosure notes 54 and 56 in accordance with GRAP 2, *Cash flow statements*. This was due to multiple errors made in determining the cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities. I was not able to determine the full extent of the errors in the cash flow statement as it was impracticable to do so.

Segment reporting

29. The municipality did not appropriately present the segment information as required by GRAP 18, *Segment reporting*. This was due to multiple presentation errors made in presenting the performance of the municipality's various segments. I have not included the omitted information in this auditor's report as it was impracticable to do so.

Contractual commitments acquisition of property, plant and equipment

30. Amounts of contractual commitments for the acquisition of property, plant and equipment were not appropriately disclosed in note 2.9 in accordance with GRAP 17, *Property, plant and equipment*. This is due to management not having determined these amounts by taking into account the accrual invoices, retentions and reduced final contract amounts. Consequently, the note disclosure is overstated by R10 309 189 (2023: R4 209 819).

Key management personnel

31. Contrary to the requirements of GRAP 20, *Related party disclosures*, transactions and balances with key management personnel were not disclosed appropriately in note 34 of the financial statements, due to multiple errors made therein. I have not included the omitted information in this auditor's report as it was impracticable to do so.

Reversal of impairment loss/(Impairment loss) on receivables

32. The 2022-23 corresponding figures amounts disclosed in note 48 for impairment losses on receivables did not correspond with the underlying amounts disclosed in notes 10 and 11, as required by GRAP 1, *Presentation of financial statements*. Consequently, the reversal of impairment loss/impairment loss on receivables is understated by R6 009 495 and the accumulated surplus overstated by the same amount.

Correction of error

33. I was unable to obtain sufficient appropriate audit evidence that retrospective restatements had been properly accounted for, due to the status of the accounting records. I was unable to confirm whether all retrospective restatements were recorded by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to disclosure note 53 of the financial statements.

Unauthorised expenditure

34. The municipality did not include all unauthorised expenditure in note 58.1 to the financial statements, as required by section 125(2)(d) of the MFMA, as the municipality made material omissions in the information disclosed, including making no disclosures for the 2022-23 year. Consequently, disclosure note 58.1 is understated by R36 337 515 (2023: R38 099 732).

Irregular expenditure

35. The irregular expenditure incurred during the current financial year under audit and related information on irregular expenditure was not included in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. Expenditure was incurred in contravention of the supply chain management requirements, resulting in irregular expenditure. I was unable to determine the full extent of the irregular expenditure that occurred during the financial year as it was impracticable to do so.

Other compulsory disclosures – audit fees

36. Contrary to the requirements of section 125(2)(d) of the MFMA, total amounts paid in audit fees and the associated outstanding balances at reporting date were not disclosed appropriately in note 59.2 of the financial statements, due to multiple errors made therein. Consequently, the information disclosed is understated by R1 691 156.

Other compulsory disclosures – pension and medical aid contributions

37. Contrary to the requirements of section 125(2)(d) of the MFMA, total amounts paid in pension and medical aid contributions and the associated outstanding balances at reporting date were not disclosed appropriately in note 59.5 of the financial statements, due to omission of current year pension amounts. Consequently, the information disclosed is understated by R4 546 545.

Other compulsory disclosures – material losses

38. I was unable to obtain sufficient and appropriate audit evidence for electricity losses disclosed in note 59.8 of the financial statements as the municipality did not have an adequate system of records management for the electricity units consumed and/or sold. I was unable to confirm the consumption of these electricity units by alternative means. Consequently, I was unable to determine whether any adjustments were required to the financial statements arising from distribution losses not brought to account or inappropriately disclosed.

Financial instruments

39. The municipality did not make all the qualitative and quantitative disclosures required by GRAP 104, *Financial instruments* as disclosed in note 61. Some financial instruments were incorrectly recorded, including the capital risk management, the credit risk management disclosure and liquidity risk management disclosure. The disclosure was not in accordance with the reporting requirements. I was unable to determine the full extent of the omitted disclosure as it was impractical to do so.

Context for opinion

40. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
41. 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.

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

Other matter

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

Unaudited disclosure notes

44. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting office for the financial statements

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

Responsibilities of the auditor-general for the audit of the financial statements

47. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
48. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 18 of the annexure to the auditor's report, forms part of our auditor's report.

49. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

50. I selected the following material performance indicators related to **Strategic Objective 3: Improve the living environment of all people in Laingsburg** and **Strategic Objective 4: Provision of infrastructure to deliver improved services to all residents and business** presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- TL4: Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (Excluding Eskom areas) and billed for the service as at 30 June 2024
- TL5: Number of formal residential properties that receive piped water (credit and prepaid water metering) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2024.
- TL6: Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2024
- TL7: Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2024
- TL8: Provide free 50kWh electricity to indigent households as at 30 June 2024
- TL9: Provide free 6kl water to indigent households as at 30 June 2024
- TL10: Provide free basic sanitation to indigent households as at 30 June 2024
- TL11: Provide free basic refuse removal to indigent households as at 30 June 2024
- TL25: 95% of the approved project budget spent on the refurbishment of pump stations in Soutkloof and Bergsig by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]
- TL26: 95% of the approved project budget spent on the rising water main from the south in Laingsburg (Phase 2) by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]
- TL27: 95% of the approved project budget spent on the new main pump station in Laingsburg by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]
- TL28: 95% of the approved project budget spent on the replacement of the elevated water tower in Matjiesfontein by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]
- TL29: 95% of the approved project budget spent on new sanitation infrastructure in Matjiesfontein by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100].

51. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared

using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

52. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for measures taken to improve performance.

53. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

54. The material findings on the reported performance information for the selected material indicators are as follows:

Various indicators

55. Based on the audit evidence, the actual achievement for two (2) indicators did not agree to the achievements reported. Consequently, the targets were not achieved, the under/ achievements on the targets were more than reported and the achievements against the target were lower than reported.

Indicator description	Target	Reported Achievement	Actual achievement
TL25: 95% of the approved project budget spent on the refurbishment of pump stations in Southkloof and Bergsig by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]	95%	100%	86%

TL27: 95% of the approved project budget spent on the new main pump station in Laingsburg by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]	95%	100%	82%
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Various Indicators

56. Measures taken to improve performance against under/achieved targets were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and for assessing the effectiveness of strategies to improve future performance against targets.

Indicator	Target
TL8: Provide free 50kWh electricity to indigent households as at 30 June 2024	456
TL10: Provide free basic sanitation to indigent households as at 30 June 2024	580
TL11: Provide free basic refuse removal to indigent households as at 30 June 2024	580

TL4: Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2024

57. An achievement of 866 was reported against a target of 896. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the underachievement on the target was more than reported.

58. Connections needs to be assessed and revised was reported as a measure aimed at improving performance against the target of 896. However, I could not determine if the measure was actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

TL9: Provide free 6kl water to indigent households as at 30 June 2024

59. An achievement of 407 was reported against a target of 580. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the underachievement on the target was more than reported.

60. Measures taken to improve performance against the underachieved target of 580 were not reported in the annual performance report. Information was thus not provided to help with

understanding the actions taken by the accounting officer to address performance gaps and with assessing the effectiveness of strategies to improve future performance against the target.

TL26: 95% of the approved project budget spent on the rising water main from the south in Laingsburg (Phase 2) by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]

61. An achievement of 20% was reported against a target of 95%. However, the audit evidence showed the actual achievement to be only 1%. Consequently, the underachievement on the target was more than reported.
62. Measures taken to improve performance against the underachieved target of 95% were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and with assessing the effectiveness of strategies to improve future performance against the target.

TL28: 95% of the approved project budget spent on the replacement of the elevated water tower in Matjiesfontein by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]

63. An achievement of 72% was reported against a target of 95% but the audit evidence showed the actual achievement to be 87%. The achievement against the target was better than reported.
64. Measures taken to improve performance against the underachieved target of 95% were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and with assessing the effectiveness of strategies to improve future performance against the target.

Other matter

65. I draw attention to the matter below.

Achievement of planned targets

66. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.
67. The tables that follow provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 9 to 12.

Strategic Objective 3: Improve the living environment of all people in Laingsburg

<i>Targets achieved: 0% (0 out of 4)</i> <i>Budget spent: [Could not determine]</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
TL8: Provide free 50kWh electricity to indigent households as at 30 June 2024	456	334
TL9: Provide free 6kl water to indigent households as at 30 June 2024	580	407
TL10: Provide free basic sanitation to indigent households as at 30 June 2024	580	405
TL11: Provide free basic refuse removal to indigent households as at 30 June 2024	580	415

Strategic Objective 4: Provision of infrastructure to deliver improved services to all residents and business

<i>Targets achieved: 69% (9 out of 13)</i> <i>Budget spent: [Could not determine]</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
TL4: Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2024	896	866
TL26: 95% of the approved project budget spent on the rising water main from the south in Laingsburg (Phase 2) by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]	95%	20%
TL28: 95% of the approved project budget spent on the replacement of the elevated water tower in Matjiesfontein by 30 June 2024 [(Actual expenditure divided by the total approved project budget) x 100]	95%	72%

Material misstatements

68. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for to Strategic Objective 3: Improve the living environment of all people in Laingsburg and Strategic Objective 4: Provision of infrastructure to deliver improved services to all residents and business. Management did not correct the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

69. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
70. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
71. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
72. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance and annual reports

73. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and/or the supporting records could not be provided subsequently, which resulted in the financial statements receiving an adverse audit opinion.
74. The annual financial statements were not submitted to the Auditor-General for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

Expenditure management

75. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
76. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph.
77. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R968 667, as disclosed in note 58.2 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on overdue accounts.
78. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed unauthorised expenditure was caused by overspending on the budget.

Revenue management

79. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

Asset management

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

Consequence management

81. Unauthorised, irregular, 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)(a) of the MFMA.

Strategic planning and performance management

82. Amendments to the IDP were made without making the proposed amendments available for public comment, as required by section 34(b) of the MSA and municipal planning and performance management regulation 3(4)(b) and 15(1)(a)(ii).

Other information in the annual report

83. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

84. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

85. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

87. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
88. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the adverse opinion, the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.
- The municipal council did not implement effective human resource management practises to promptly appoint a competent and experienced chief financial officer resulting in significant shortcomings in control environment on financial, performance reporting and compliance with key requirements of the legislation.
 - The municipal council did not exercise oversight responsibility regarding the establishment of a functioning Municipal Public Accounts Committee (MPAC) to ensure compliance with applicable legislation and related internal controls relating to oversight processes on investigation of unauthorised and irregular expenditure incurred.
 - Leadership did not put measures in place to reduce continuous reliance on consultants, by implementing processes to ensure that staff were sufficiently and adequately upskilled and that the performance of staff was monitored. Additionally, there was no transfer of skills and knowledge from consultants to staff to reduce reliance on consultants in future. Consequently, any improvements made in addressing audit findings of prior periods by the reliance placed on consultants, may not be sustainable.
 - Management did not implement the required financial disciplines such as proper record keeping, monthly reconciliations and the review of accounting records as well as ensuring financial statements adhere to the accounting framework. The material misstatements were exacerbated by the fact that management did not ensure that information was timeously gathered and filed appropriately to support information reported on. There was no regular preparation of financial statements to enable an adequate and regular review thereof throughout the year to identify areas of issues relating to the reporting framework.
 - Leadership did not establish, implement and monitor a credible action plan. The capacity constraints and expiry of predecessor financial statements consultant's contract resulted in limited to no progress made in the development of a credible action plan, monitoring the implementation of action plans to address internal control deficiencies raised in the prior year. There was also no proper handover from the predecessor consultant.
 - Deficiencies in effective implementation of compliance monitoring controls and accountability to ensure compliance with key applicable legislation as this resulted in the non-compliance with key requirements of the MFMA, supply chain management regulations and irregular expenditure being incurred.
 - Leadership did not establish an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively. Consequently, the audit committee was also not effective in evaluating and monitoring

responses to risks and providing oversight over the effectiveness of the internal control environment, including financial, performance reporting and compliance with legislation.

Auditor – General

Cape Town

31 January 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

2. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality's compliance with selected requirements in key legislation.

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

4. 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.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

1. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a) Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a) Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b) Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c) Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43 Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b) Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a) Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2) Regulations 11(1), 11(2)

Legislation	Sections or regulations
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

