

2018/19

John Taolo
Gaetsewe
District
Municipality

FINAL
ANNUAL
REPORT
Volume I



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REVISED ANNUAL REPORT TEMPLATE

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

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

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

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

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

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

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

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

MFMA Implementation Unit, National Treasury July 2012

Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

A responsive, accountable, effective and efficient local government reaffirms our commitment to fight poverty and inequality in our communities. As we present this annual report during the year under review, we are reminded of our task as local government, which is to render basic and quality services.

First of all, the prior Auditor General’s report paints a good picture that we are indeed on the right path of correcting matters raised on the audit report. This was done with the support and guidance of the Audit Committee. It is also important to note that section 79 committees of our municipalities are fully functional and they continue to keep the municipality on track with all compliance related matters. As Council we are pleased that our budget was submitted on time and that all finance reports were also submitted timeously as per the legislated schedules. The Service Delivery Budget & Implementation Plan is fully implemented and thus performance reports to Council are satisfactory.

Our Integrated Development Plan (IDP) should strive to represent the will of the people of our district, and that can only be achieved when we work together by utilising our resources efficiently and effectively. This is done through the national outcomes, Outcome 9 (a responsive, accountable, effective and efficient local government). We are hopeful that by the end of the financial year, all section 56 posts would have been filled so as to speed up service delivery.

The IDP Lekgotla continues to be an important strategic engagement with our stakeholders and has proved that when we work together we will achieve our desired goals. Important decisions were taken at the Lekgotla and one crucial recommendation was to work towards a district approach when it comes to the development of our District. This simply implies that we need to speak with one voice when deliberating issues of development; this will ensure that we take the district forward and attract investors into the district. We envisage to hold the next IDP Lekgotla in the 3rd Quarter of the 2019/20 financial year.

The District Municipality will continue to give support to the local municipalities and ensure that all the external forums are fully functional.

As we head towards the 2021 local government elections, the focus will be on performance of local government.

I would like to extend my gratitude to all our councilors, stakeholders, partners as well as Management and personnel, who made it possible that we acquired the Clean Audit for the set of financial statements 2018/19. We rely on them to provide Council with quality work and make sure that we account to our communities on the mandate they have given us as political office bearers.

I also want to emphasize the attainment of Clean Audit on the performance aspects of the Municipality. We want to commend the Management Team to keep the standards and sustain the Clean Audit going into the financial year 2019/20.

MRS. S. MOSIKATSI
EXECUTIVE MAYOR

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

The JTGDMD embarked on process and elements of the Annual Report in a prescribed format. Part of the consideration is the overall functioning of the Municipal Departments, the Executive function and the Oversight role of Committees of Council.

The Annual Report Composition: reflects the Annual Financial Statements (18/19) Annual Performance Reports (MPAC reflection and Audit Committee). The exercise strengthens the pillars of democracy of reporting, accountability and holding Public Managers and Public Office bears responsible.

It also enhances the Protocol Structure of Council to remain intact, such as Council reporting to Stakeholders, Administration accounting to Council, Officials reporting to Management. The Municipality utilized the Acting options on position to ensure that work gets done and that measures are in place to report. The prepared Annual Report for Submission at this stage is audited, we will promote reflections, openness and corrective actions on issues requiring attention.

The role of the Accounting Officer is to manage the overall Municipality, seek advice from Section 57 Managers, hold them accountable and equally hold them to perform. The Annual Financial Statements will go a long way in reflecting the cash flow situation, income options and the balance sheet status for the financial year 2018/19.

In this Management, we are pleased to announce that audit action plans were drafted for the previous years, and we will continue to do same for the year under review. The work on audit action plans have been placed for audit reviews every quarter of the subsequent year in a quest to do justice to the action plans.

As the Accounting Officer of John Taolo Gaetsewe District Municipality, I would like to express my sincere appreciation to the support from Council, to the hard work of the Management Team and staff, which eventually made a Clean Audit possible for the 2018/19 Annual Financial Statements and Annual Performance Report.

We commit that the Annual Report will be made a public document and the processes after its submission will be followed in the form of review by the Municipal Public Accounts Committee and the final submission, including deliberations by Council of the John Taolo Gaetsewe District. The authorities like SALGA, Provincial Treasury and Provincial COGHSTA will receive a set, which will also reach the Provincial Legislature (NC).

MR. D. MOLAOLE
MUNICIPAL MANAGER

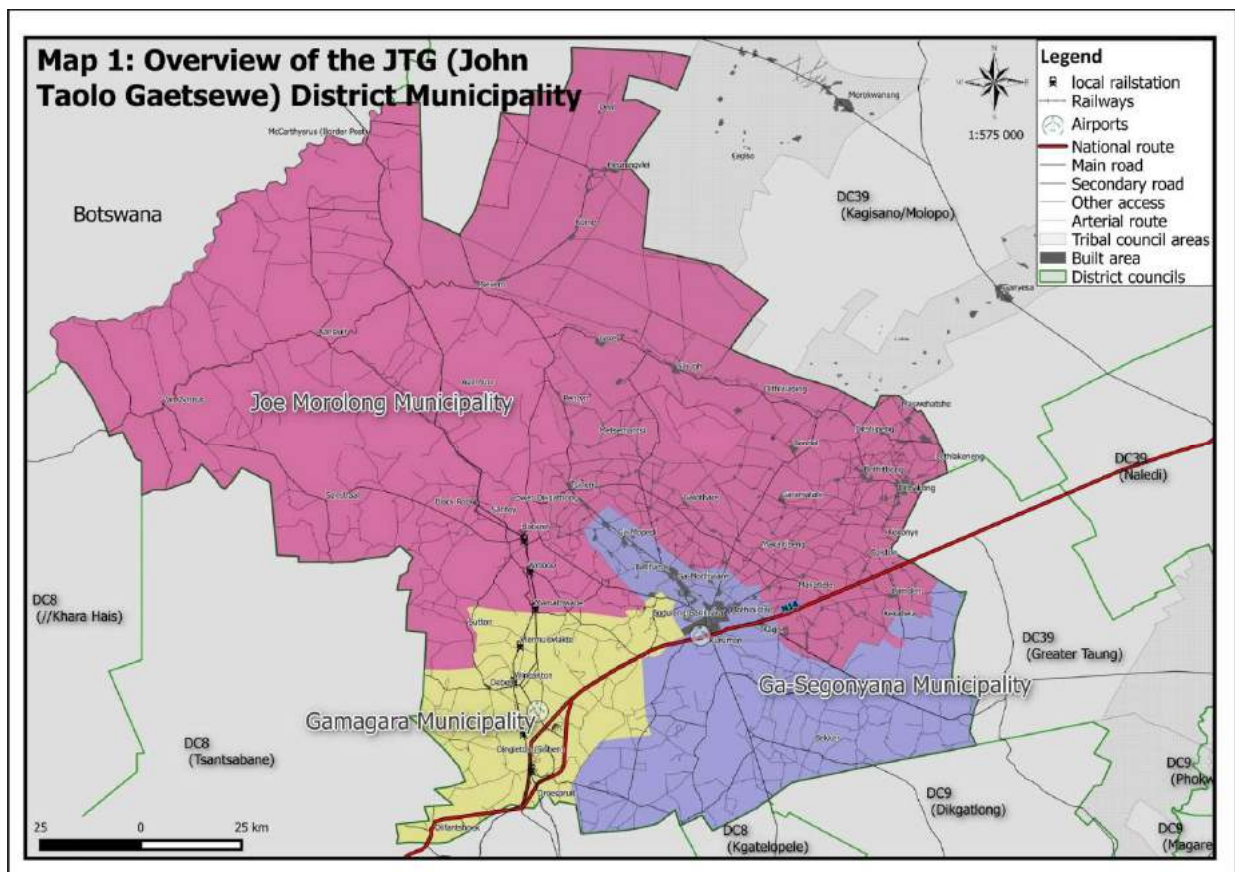
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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The John Taolo Gaetsewe District Municipality (JTGDM) is situated in the Northern Cape Province and is bordered by (1) The ZF Mgcawu (previously Siyanda) and Francis Baard District Municipalities to the south and west; (2) The North West Province (Dr. Ruth Segomotsi Mompati District Municipality) to the east and northeast; and (3) Botswana to the northwest. Administratively, the JTGDM comprises three Local Municipalities: (1) The Gamagara Local Municipality; (2) The Ga-Segonyana Local Municipality; and (3) The Joe Morolong Local Municipality, which encapsulates the geographical area covered by the former District Management Area and the former Moshaweng Local Municipality. (Source: JT Gaetsewe 16-17 SDF Review)

JT Gaetsewe is the second smallest district in the Northern Cape, occupying only 6% of the Province (27 293 km²). The largest area within JT Gaetsewe is the former District Management Area (DMA) with over 10 000 km². Joe Morolong covers the next largest area of 9 477 km² (JTGDM, IDP 2018-19). The JT Gaetsewe District comprises of 186 towns and settlements of which the majority (80%) are villages in the Joe Morolong Municipality.

The JT Gaetsewe Municipal Area



(Source: JT Gaetsewe DM 2017 SDF)

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Population Demographics

In terms of **local population dynamics**, the population of John Taolo Gaetsewe District Municipality has increased from 224 799 in 2011 to 242 264 in 2016 i.e. an increase of 17 465. The increase in population is experienced in Ga-Segonyana Local Municipality and Gamagara Local Municipality, with a decrease in population experienced in Joe Morolong Local Municipality. The table below illustrates the John Taolo Gaetsewe District Municipality population as captured in the Census 2011 and 2016 figures from Statistics South Africa.

Population Dynamics

Population/ Areas	2011		2016	
	Population	Contribution to JTG in %	Population	Contribution to JTG in %
Gamagara	41 617	19	53 656	22
Ga-Segonyana	93 651	42	104 408	43
Joe Morolong	89 530	40	84 201	35
John Taolo Gaetsewe	224 799	100	242 264	100
Northern Cape	1 145 861		1 193 780	

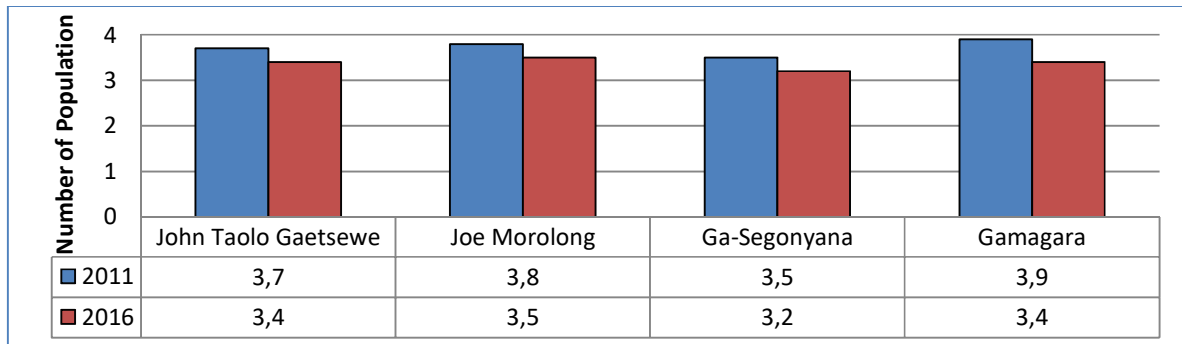
It is evident from the table above that the population of Ga-Segonyana LM has increased from 93 651 in 2011 to 104 408 in 2016 with the increase from 42% in 2011 to 43% in 2016 within the District context. Another increase within the John Taolo Gaetsewe District Municipality is experienced in Gamagara LM where population has increased from 41 617 in 2011 to 53 656 in 2016 from 19% to 22%. A decrease in population is experienced in Joe Morolong LM with the population of 89 530 in 2011 to 84 201 in 2016 with a decrease from 40% in 2011 to 35% in 2016 within the District context. There is a movement of people predominantly from the municipal jurisdiction area of the Joe Morolong Local Municipality to Ga-Segonyana LM and Gamagara LM.

The population growth rate in John Taolo Gaetsewe District Municipality between 2011 and 2016 is 0.017 as compared to the 0.009 for the Northern Cape Province (StatsSA, 2016). The increase in population growth is attributed to in-migration and high fertility rate. It is clear that the trend in the district municipal area is towards a growing population. This is largely attributable to the mining activities around the District

Population Distribution

The household size within John Taolo Gaetsewe District Municipality was calculated at both urban and rural settlements through Stats SA data 2011. Household as defined by StatsSA refers to "a group of people, who live together at least 4 nights per week, eat together and share resources or a single person who lives alone". The figure below illustrates the household size within John Taolo Gaetsewe District Municipality per each local municipality.

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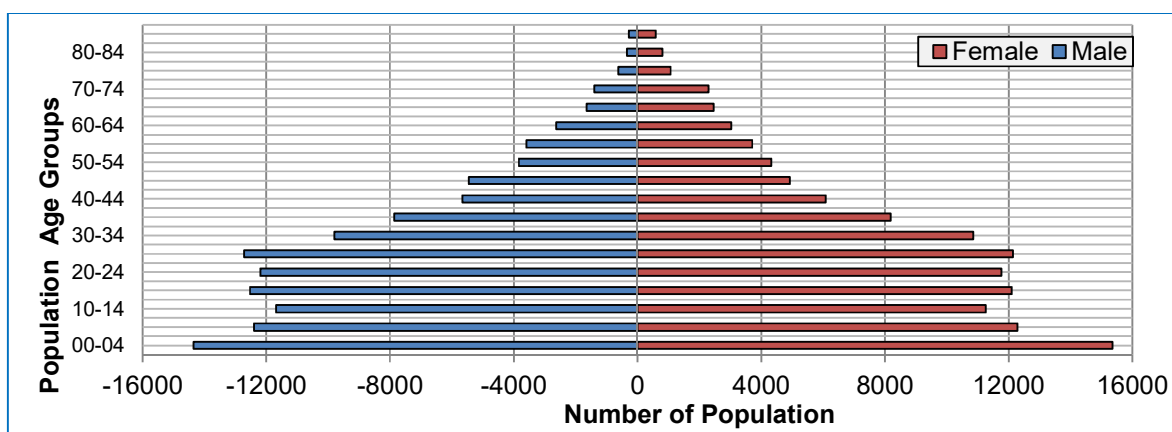
Source: StatsSA 2016

It is clear from figure above that the household size decreased from 2011 to 2016 in all local municipalities within the district. A huge decrease is experienced in Gamagara LM from 3.9 in 2011 to 3.4 in 2016, this may be due to the high number of rental accommodation status which includes the in-migration (within the district) and out-migration (from outside the district) arising from work opportunities in Gamagara Local Municipality. The low decrease in Joe Morolong LM and Ga-Segonyana LM is as a result of increase in number of households and high dependency due to level of poverty within the areas, especially in Joe Morolong LM where high number of outmigration is experienced.

Age profile

The age composition is often demonstrated using population pyramid which graphically illustrates the distribution of various age groups in a population. Population pyramids are often viewed as the most effective way to graphically depict the age and sex distribution of a population including age dependency ratio, partly because of the very clear image these pyramids present. Age dependency ratio is the ratio of persons aged under 15 years and older than 64 years to those aged between 15 and 64 years in a population. This ratio has importance because it shows the ratio of economically inactive compared to economically active. Economically active people are expected to earn money, pay tax and contribute to the overall economy whereas economically inactive people are considered as the bigger recipients of government spending e.g. education, social welfare grants and health care. Therefore, the lower the ratio the better is the situation. The figure below illustrates the population pyramid for John Taolo Gaetsewe District Municipality as captured in the Census 2011.

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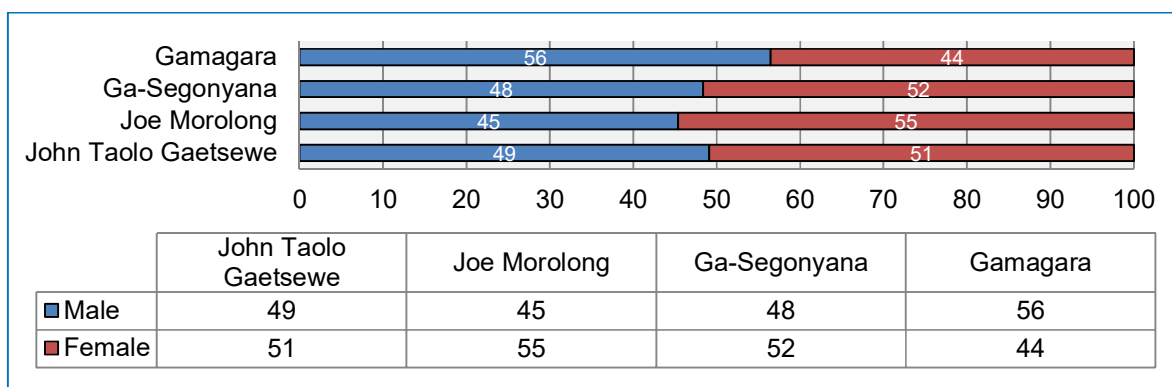


Source: StatsSA 2016

The age profile of the JTGDLM is based on Community Survey 2016 as follows: 0 - 14 years: 31.92%; 15 - 64 years: 63.32%; and older than 65: 4.76%. It is not that different from the national profile on Census 2011 (i.e. 0 - 14 years: 31.03%; 15 - 64 years: 63.59%; and older than 65: 5.39%). The figure above shows a generally youthful population between the age segment 15 – 36 of 100 973 people i.e. 41.68%. The implication of this is that there should be equitable distribution of social facilities and development opportunities in line with gender proportions as per figure above.

Gender profile

The migration statistics shows that Gamagara LM has a large number of migrants. Generally male working population migrates to earn for the family. Probably due to the presence of large number of migrant workers in the Gamagara LM, the gender composition is slightly skewed towards the male. A similar conclusion can be drawn for Joe Morolong LM where both shares of migrated population and male population are lowest in the district. The figure below illustrates the information as captured above.



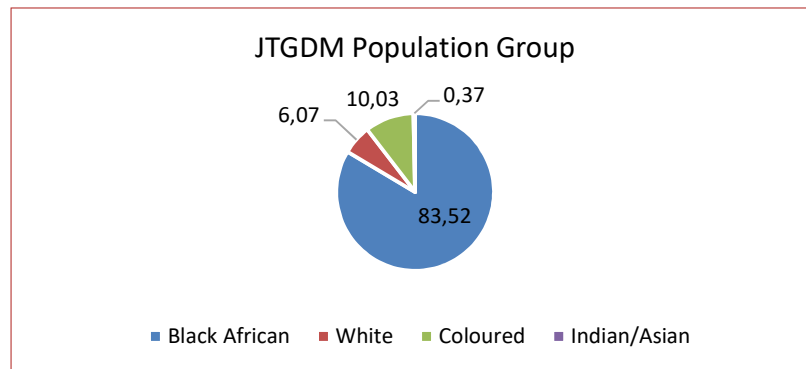
Source: StatsSA 2016

Female population contributes 51% of the total District population prevalent in Joe Morolong LM and Ga-Segonyana LM. This figure is slightly similar to the StatsSA 2011 national (51.35%) and provincial (50.69%) figures. The share of the female population is highest in Joe Morolong LM whereas it is lowest in Gamagara LM.

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Racial distribution

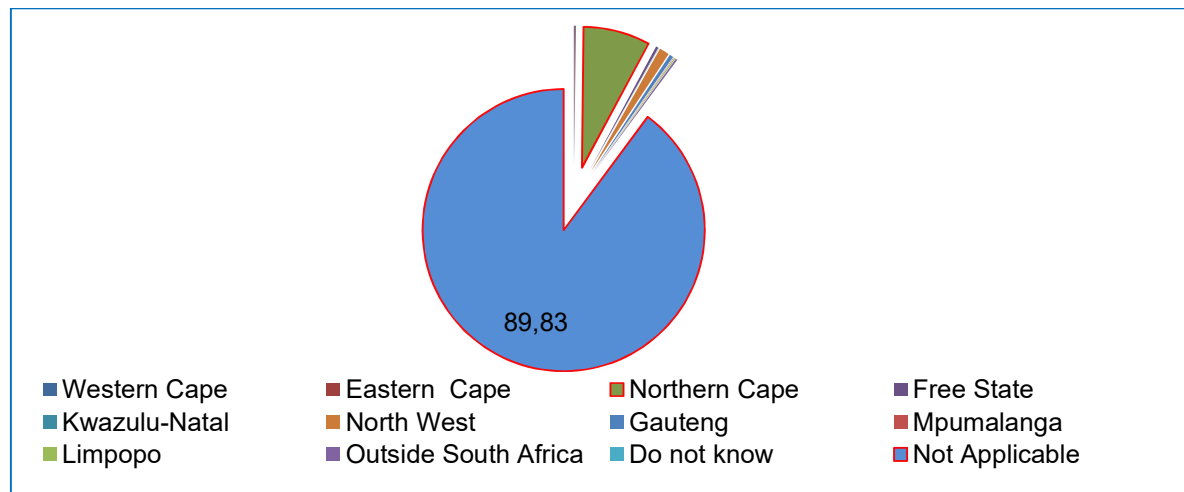
The **racial profile** of the JTGDM is as follows: Black/African: 83.52%; Coloured: 10.03%; Asian and Indian: 0.37%; White: 6.07%.



Source: StatsSA 2016

Population Migration

We live in a rapidly changing world in which forced migration have a significant impact on the economic, political and social agendas. The figure below illustrates the level of migration regarding the province of previous residence.



Source: StatsSA 2016

It is clear from the figure above that 89.83% of the population originates and still stay in JTGDM. The figure above shows that 89.8% of the population in JTGDM were considered “not applicable”, due to the fact that they do not influence the migration patterns. Within the local municipalities, Gamagara LM

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(13.7%) experiences a high in-migration within district, with Ga-Segonyana LM (12.4%) and Joe Morolong LM (5%).

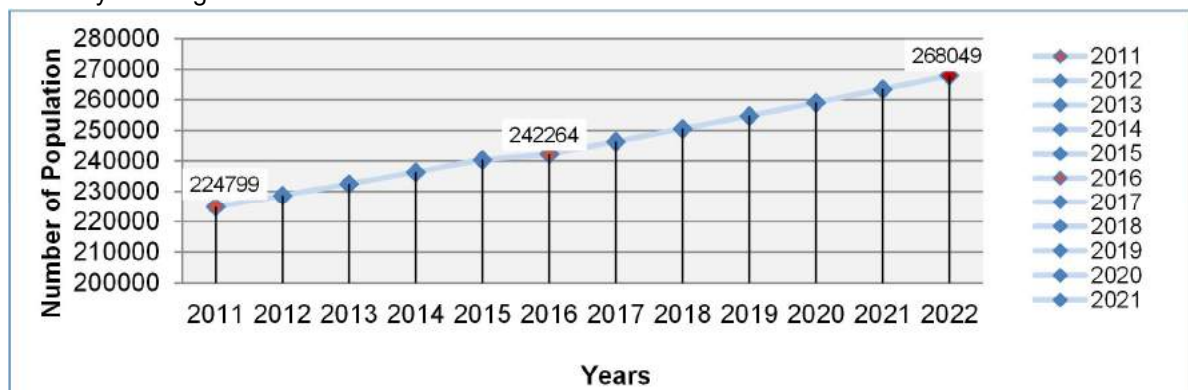
Migrated population within the JTGDMD contribute approximately 10.17% to the total population, where most of this population originates from Northern Cape Province (7.65). The migration statistics roughly indicates that most of the economic activities are concentrated in the first two local municipalities and people have migrated there in search of jobs and better livelihood. However, JTGDMD is experiencing mining closure which is one of the mining industry's toughest sustainable development challenges.

Population in most South African predominantly rural municipalities is not influenced by foreigners residing within their areas as in the case of Joe Morolong LM. Foreigners are more likely to be located at urban areas where development is at a high level. This movement of people is predominantly from the municipal jurisdiction area of the Joe Morolong Local Municipality to Ga-Segonyana LM and Gamagara LM. According to Census 2011 there are more males than females that have moved to John Taolo Gaetsewe District Municipality and this is attributed to job opportunities in the mining sector within the district.

Within the District, people migrate mostly to Ga-Segonyana LM and Gamagara LM. This is consistent with a recent CSIR research project, *Spatial and Temporal Evidence for Planning in South Africa* (StepSA), explored the use of voter registration information as an alternative source of migration data. Anonymised voter registration data were provided by the Independent Electoral Commission of South Africa for several consecutive elections covering a 12-year period. The data, once spatialised (and related to a single set of voting districts), could then be processed to extract movement trends between different election periods (Maritz and Kok, 2013).

Population Projections

A population projection refers to an extrapolation of historical data into the future, i.e. an attempt to describe what is likely to happen under certain explicit assumptions about the future as related to the immediate past. The District population growth as per Census 2011 and Community Survey 2016 shows a positive growth rate of 1.6 and 0.017 respectively. The figure below is an illustration of population projections of the JTGDMD using the intercensal growth rate of 0.017 which shows an increasing population 268049 by 2022. This projection does not take into consideration other factors such as fertility, mortality and migration.



Source: StatsSA (2011 & 2016)

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1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Service Delivery infrastructure planning in the district is mainly driven by grants relating to skills development in the built industry and roads asset management. There are risks related to this grants and more particularly of non-compliance.

Though the grants were effectively used and spent within the financial year, lapses earlier in the financial year relating to a change in service providers and thus a slow down on expenditure influenced the reduction of allocation as gazette in the 2019 Division of Revenue Act for the next financial . This impacts adversely on the commitments of the next financial year, the municipal budget and restrain on the related programme developments.

The Municipality maintains the Roads Asset Management Plan (RAMP) developed through the Roads Asset Management System (RRAMS) and continues to improve data on all municipal roads to guide infrastructure investment. The RAMP will assist in reducing vehicle operating costs and in extending the lifespan of municipal roads.

The plan is also critical in the allocation of road infrastructure related grants. The Division of Revenue Act emphasises that any planned road project should relate to the RAMP.

The information from RRAMS had been critical in the development of the Roads and Storm Water master plans for the Joe Morolong, Ga-Segonyana and Gamagara Municipalities

A Road Asset Register in alignment with GRAP 17 is being developed to clearly identify ownership and accountability on municipal roads.

Four Civil Engineering technicians were appointed under the RRAMS programme. The graduates are trained in the road management system and they are crucial in roads data gathering and arrangement. They assisted local municipalities on planning information required for roads.

Professional capacitation of graduates in the built industry under the Infrastructure Skills Development Grant (ISDG) programme is ongoing. Two graduates appointed through the ISDG programme are absorbed in the municipality. One was registered as a Professional Planner and the other had obtained candidacy eligibility status by completing B-tech degree, from having been recruited at an entry level of below National Diploma in Town and Regional Planning. She is now a Technical Planner.

Within the first graduate intake in the ISDG, the most recruits did not have any tertiary qualifications. They have now obtained National Diploma's in Civil Engineering, a B-Btech Degree in Civil Engineering and a Btech Degree in Quantity Surveying.

The Civil Engineering graduates are exposed to projects entailing design principles for roads, storm-water, water and sewer, various road maintenance activities and a capital project – The Construction and rehabilitation 42km R380 road project between Deben and Hotazel.

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The Town Planning Graduates have exposure on the review of the Spatial Development Framework (SDF), aspects regarding town and regional planning, internal and external stakeholder's engagements, planning regulatory environment and planning support to local municipalities.

The Quantity Survey graduate is working on projects relating to estimates of construction costs, project initiation meetings and project briefs and comprehensively uses construction projects management tools

The submission of business plans for the upgrading of municipal roads, manufacturing of interlocking paving blocks, capacity development in the municipality to efficiently implement Human Settlement Accreditation related functions are not funded or are inadequately funded. The submissions will be followed up in the coming year.

The Integrated Transport Plan is reviewed and the Integrated Public Transport Network Plan (IPTNP) is being completed as implemented by the Municipality, the Department of Transport and the Department of Liaison, Safety and Transport.

Integrated Human Settlement Sector Plan of the District have been reviewed and there has been continuous construction of Individual Housing Projects. A total of 14 716 Households have been registered over the last years in the national housing needs register.

Challenges are still being experienced in respect of:

- Availability of adequate financial, time and human resources to ensure effective implementation of the approved strategic planning documents.
- There is inadequate operation and maintenance of services infrastructure in the Local Municipalities.
- The absorption of graduates on attaining their professional status with the built industry's statutory bodies.
- Increased freight and passenger transport through the District highly exceeding the capacity of roads infrastructure.
- Inability of current roads and streets to handle traffic through towns.
- Freight traffic in residential areas.
- Deteriorating roads infrastructure hampering development and triggering community unrests.
- Outdated as-built plans and ageing infrastructure.
- Water borne sanitation in addressing the basic housing needs will remain a long-term challenge.
- Slow progress in eradicating housing backlogs - all this remain challenges.

Intra-migration from especially the Joe Morolong area to the Ga-Segonyana and Gamagara areas continued to have a noticeable impact on the demand for services and infrastructure, caused by densification and increased urbanization. This is compounded by migration from other parts of the Country by people seeking employment and economic opportunities.

T 1.3.1

Water

The John Taolo Gaetsewe District Municipality is not a Water Service Authority and does thus not have the executive authority to provide water services within its area of jurisdiction in terms of the Municipal Structures Act (Act No. 117 of 1998) or the ministerial authorisations made in terms of this Act.

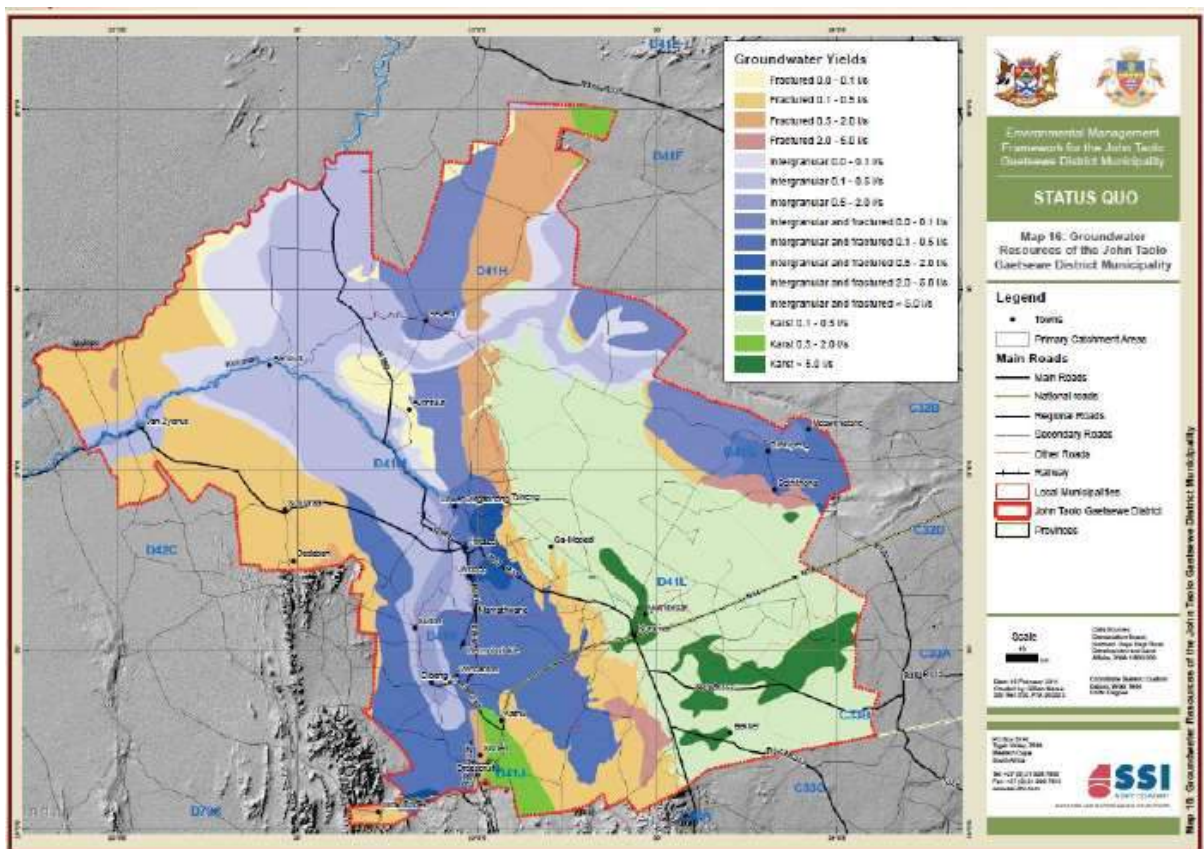
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The district is, however, being plagued by several challenges on the delivery of water services – both water supply and sanitation services. A comprehensive water supply function from a coordinated perspective will assist in dealing with some of the challenges to a great extent. The district considers to embark on a Municipal System's Act Section 78 to help determine how best the service can be rendered in the district.

The Department of Water Affairs is a critical stakeholder in assisting with the regulation of the service and thus assisting the district to fulfil its role of coordination and support.

The JTGDMD has a “flat” geomorphic profile, with the Kuruman hill's ridge system bisecting the district along a north-south axis. The drainage pattern in the district is determined by this ridge system, channeling all streams northwards and then sharply westwards. Falling in the Lower Vaal Water Management Area, the most important catchment area in the JTGDMD is the Korannaberg Mountains, from which the majority of the streams in the district spring and from where they drain into the Kuruman River system. (Source: JT Gaetsewe 2017 SDF Review)

Groundwater yields



(Source: JT Gaetsewe 2011-12 SDF Review)

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Access to piped water

The water provision situation differs significantly between the three local municipalities in the district, with 60.38% of the population in Gamagara LM having access to water inside their dwellings. In the case of the Ga-Segonyana LM and Joe Morolong LM, the percentages are far lower at 11.86% and 3.65% respectively. Almost half of the population in Joe Morolong LM (44.45%) rely on a piped water source outside their yards. The dismal water provision situation in the Joe Morolong LM is borne out by the fact that (1) 88.4% of the RDP water backlog in the JTGDM recorded in 2009, and (2) 20.4% in the NC Province, was located in this municipality. While 90.84% of the population in JTGDM have access to potable water, only 39.01% have access to water inside their yards. This is less than half the percentage in the Northern Cape Province (79.61%).

In comparison to the situation in the four other districts in the province, the level of provision of water in the JTGDM is far below as compared to them, which all have figures above 50%. If access to piped water inside dwellings is used as an indicator, Census findings seem to suggest that the situation improved slightly from 2011 to 2016 in Ga-Segonyana and Joe Morolong however from a very low base. According to the Ga-Segonyana IDP, about 61% of households have access to “a basic level of water” within a 200 m radius of the household. In Gamagara the reduced access to piped water inside dwellings is attributable to the growth in population and informal settlements.

New housing development projects, e.g. the 5700 housing mixed development project in Kathu places an estimated plus 137 000kl water supply demand per month, which can be estimated to a cost of R1, 370,000 to the municipality. Proper planning, monitoring and evaluation for the sustainability of the service will be critical.

All the local municipalities should have a water services development plan. The District will play a supporting role to ensure that said plans are developed and/or reviewed.

Sanitation

The backlogs with regards to provision of water are also evident in the access to sanitation services in the district. Less than one in three of the population in the JTGDM (28.29%) has access to a flush toilet connected to a sewerage system. Once again this is nearly half the national figure of 54.99% and less than half the figure for the Northern Cape Province (65.74%). This is also far below the figure for the other four District Municipalities in the province, with these municipalities all having figures of more than 60%. Nearly half of the population in the JTGDM are reliant on a pit-latrine (57.94%) with or without ventilation. This is more than 20% higher than the provincial figure of 18.89% and far higher than the figures for the four other districts in the province, which are all below 12%. In addition to this, 6.98 % of the population within the district have no toilet facilities, which is sizeably higher than the provincial figure of 4.02%.

Household access to sanitation (toilet facilities)

	Joe Morolong	Ga-Segonyana	Gamagara	John Taolo Gaetsewe
Flush toilet connected to a public sewerage system	3 345	18 682	46 505	68 533
Flush toilet connected to a septic tank or conservancy tank	623	4 903	1 766	7 292

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Chemical toilet	632	66	27	724
Pit latrine/toilet with ventilation pipe	46 958	22 976	452	70 387
Pit latrine/toilet without ventilation pipe	21 202	48 645	147	69 994
Ecological toilet (e.g. Urine diversion; enviroloo; etc.)	1 880	69	-	1 949
Bucket toilet (collected by municipality)	-	89	-	89
Bucket toilet (emptied by household)	3 311	543	2	3 856
Other	552	1 330	645	2 528
None	5 697	7 104	4 112	16 912

Source: StatsSA 2016

From the figure above, it is clear that just over 22.59% of the population in Ga-Segonyana have access to sanitation via a flush toilet either connected to a public sewerage system or connected to a septic tank or conservancy tank, while the IDP of Ga-Segonyana Local Municipality states that just over 70% of its households have access to sanitation of an acceptable RDP level. As in the case of the provision of water services, the situation is worst in Joe Morolong LM, with 80.95% of the population being dependent on a pit latrine with or without ventilation vis-à-vis 1.11% in the Gamagara LM, 68.6% in the Ga-Segonyana LM and 18.89% in the province. It is of a high concern that JTGDGM has percentage of population with not access to any form of sanitation and large numbers of population still using pit latrines and compared to the provincial figures.

Management of raw sewer from new housing projects, as in other basic services, requires to be planned for in a coordinated and effective way – adequate waste water treatment plants and other related bulk services infrastructure, effective and sustainable operations and maintenance systems to be in place.

Refuse Removal

In the case of refuse removal, 24.63% of the population within the JTGDGM have their refuse removed by the local authority or a private company at least once a week or less often. This is far below less than half the provincial figure of 64.89%. In relation to the other four other districts in the province, it is far below the figure in this regard in these municipalities which all have percentages above 75%.

In the absence of a refuse removal service, population is dependent on their own endeavour, with 63.65% of the population within the JTGDGM having their own refuse dump. This is more than three times the provincial figure 21.45% respectively, and far higher than the figure in the four other districts in the province, which all have figures of less than 20%. With regards to the situation in the three local municipalities in the district, while 84.92% of the population in Gamagara LM and 67.87 % in the province have their refuse removed by the local authority or a private, only 12.33% in the Ga-Segonyana LM and 3.09% in the Joe Morolong have access to such a service. According to SEAT (2014), refuse removal in the JTG district area has not shown any real improvement in the past three years, nor in the 10 years between 2001 and 2011 Census.

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Household level of refuse removal

	Joe Morolong	Ga-Segonyana	Gamagara	John Taolo Gaetsewe
Removed by local authority/private company/community members at least once a week	2 539	12 630	44 489	59 658
Removed by local authority/private company/community members less often than once a week	58	242	1 071	1 372
Communal refuse dump	4 902	4 737	1 125	10 764
Communal container/central collection point	1 320	2 168	409	3 896
Own refuse dump	71 031	77 757	5 402	154 190
Dump or leave rubbish anywhere (no rubbish disposal)	3 002	4 084	567	7 653
Other	1 349	2 790	592	4 731

Source: StatsSA 2016

Electricity

According to Census 2011, there has been remarkable growth in access to electricity as a primary source of energy in the JTG District Municipality. One of the expected consequences of the development boom in the Gamagara Corridor is the tremendous pressure on the existing electricity transmission infrastructure in the area. To put this new demand into perspective, it has been stated that the equivalent of a new city of Bloemfontein in electricity demand has been created in the Gamagara Corridor by all the new mines and other related developments.

There is, however, lack of co-ordination between stakeholders – local municipalities in the District and Eskom. Lack of support on electricity supply strategy from ESKOM is a concern. This being reflected and raised in the district planning platforms.

Access to electricity

	Joe Morolong	Ga-Segonyana	Gamagara	John Taolo Gaetsewe
Yes	72 255	92 776	47 304	212 335
No	9 250	9 366	4 041	22 656
Unspecified	2 696	2 267	2 311	7 273

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From 88% in 2011, access to electricity has increased to 90% of the local population having access to electricity in 2016, which is a relatively high and currently acceptable access rate. With regards to the energy/fuel source for cooking, heating and lighting, (1) 76% of the population in the JTGDM use electricity for cooking; (2) 74% use electricity for heating; and (3) 90% use electricity for lighting.

Energy used for cooking

	Joe Morolong	Ga-Segonyana	Gamagara	John Taolo Gaetsewe
Electricity from mains	49 867	88 951	45 876	184 693
Other source of electricity (e.g. generator; etc.)	54	32	112	197
Gas	2 190	9 310	4 088	15 587
Paraffin	1 038	1 267	1 064	3 370
Wood	30 679	4 594	2 084	37 358
Coal	41	-	-	41
Animal dung	117	4	-	121
Solar	-	-	147	147
Other	61	-	24	84
None	145	114	261	519
Unspecified	9	136	-	145

Access to energy for lighting purposes

	Joe Morolong	Ga-Segonyana	Gamagara	John Taolo Gaetsewe
Electricity from mains	74 203	94 596	48 794	217 593
Other source of electricity (e.g. generator; etc.)	80	418	62	560
Gas	29	84	47	160
Paraffin	270	2 303	334	2 907
Candles	8 984	6 182	3 752	18 918
Solar	129	477	465	1 071
Other	136	108	-	243
None	141	12	180	333
Unspecified	228	228	23	479

Housing

The district Municipality had been accredited a level 1 status in 2011. Applications to the next level had been done. The National Department of Housing and the Department of Cooperate Governance, Human Settlement and Traditional Affairs have been extensively engaged on the level 2 accreditation assessment for the District Municipality. A pre-assessment meeting was held, a follow up working session, and a meeting with management concluded the submission of the required information. The efforts will be continued in the next financial year.

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Council re-affirmed its commitment to attain a level 2 accreditation status through a resolution. This will strengthen its co-ordination and support role in the planning and implementation of Human settlement Programmes

A Human Settlement Unit is established and six positions were filled – a Housing Administration Officer, a Project Coordinator, two Housing Clerks and two of Housing Subsidy System clerks – to strengthen the Unit .

The District Municipality completed an Integrated Human Settlements Sector Plan during the 2016/17 Financial Year, providing for the period 2014-19 which aims to provide the strategic direction for transforming human settlements in the John Taolo Gaetsewe District aligned to the Provincial Department. This transformation relates to accelerating human settlement delivery on well-located land, that provide opportunities to beneficiaries to access the property market and have sufficient access to social amenities and economic opportunities and also will further support the integration of communities and the spatial restructuring of the towns and villages in the Municipal area.

Sections 24 and 26 (1) of the Constitution (Act 108 of 1996), advocates the right to an environment which is not harmful to people's health or their well-being and access to adequate housing. The different dwelling types for households within the district are shown in the table below. To identify patterns and draw conclusions with regards to how the district is fairing in this regard, the provincial figures are also provided.

Access to housing (dwelling type)

Type of main dwelling	Northern Cape	John Taolo Gaetsewe	Joe Morolong	Ga-Segonyana	Gamagara
Formal dwelling/house or brick/concrete block structure on a	920,702	184,071	60940.00	80,831	42,301
Traditional dwelling/hut/structure made of traditional mater	25,457	14,406	10083.00	4,322	-
Flat or apartment in a block of flats	7,754	743	45.00	337	361
Cluster house in complex	1,241	345	0	23	322
Townhouse (semi-detached house in a complex)	3,648	683	27.00	336	320
Semi-detached house	21,423	1,546	129.00	509	908
Formal dwelling/house/flat/room in backyard	58,229	15,567	7608.00	7,069	890
Informal dwelling/shack in backyard	45,013	7,177	2092.00	3,548	1,536
Informal dwelling/shack not in backyard (e.g. in an informal	92,146	11,870	2853.00	3,594	5,423
Room/flatlet on a property or larger dwelling/servants quart	2,875	700	-	655	45
Caravan/tent	862	238	39.00	17	183
Other	14,293	4,917	385.00	3,166	1,366

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Unspecified	137	-	-	-	-
Total	1,193,780	242,264	84,201	104,408	53,656

Source: Census 2016

It is evident from the table above that at district level, a proportion of 76% of the population live in a brick structure as a main type of dwelling. This figure is slightly below than that of the provincial average of 77%. Of the three local municipalities within the district, Gamagara LM has the highest number of population living in a house or brick structure, accounting for 79%. This is attributed to the development status within the municipal area which is influenced by mining developments and nodal significance of the Kathu area within both the municipal and district context. The municipality also has a relatively high percentage of population residing in an informal dwelling/shack in backyard and informal dwelling/shack not in backyard, slightly above the provincial and district average of 12% and 9%, respectively.

Joe Morolong LM exhibits the lowest percentage of population that live in a house or brick structure at 72% in 2016. The local municipality of Joe Morolong accounts for a high percentage of 12% of the population living in traditional dwellings while the district's average in this regard is 6%. This could be indicative of the rural character of the municipality as well as limitations for development interventions within the municipality. Dwellings of a high density nature are seemingly not that popular within the Province as a whole. The statistics under this category (Room/flat let on a property or larger dwelling) are 0.24% for the Northern Cape and 0.29% for the District, with Ga-Segonyana LM having a somewhat high proportion (0.63%) relative to other two local municipalities within the District. Similarly, Gamagara indicates a high percentage of population living in townhouses (semi-detached in a complex) at 0.6% which is significantly higher than both the provincial and district averages of 0.31% and 0.28%, respectively.

Informal dwellings are also a common feature of the District. 9.1% of the District's households live in an informal structure. This percentage aggregates the proportion of informal dwellings in a backyard and those in an informal settlement or farm. With regards to population living in informal dwellings (shacks) in a backyard, the District figure is 9%, which is slightly lower than the provincial figure of 12%. The spatial location of these informal settlements is prevalent in the local municipalities of Ga-Segonyana and Gamagara, respectively. This is attributed to the influx of migrants into these municipalities given their economic significance.

Housing needs per Local Municipality

The housing need in urbanised areas remains high. The effects of the "resource curse thesis" are certainly evident in Kathu, where the mining boom is creating a rapid demand for labour and skills (thus driving up wages), leading to distortions in the property market. According to SEAT (2014), the reported increase in the percentage of informal settlements in the JTG district from 5.1 to 7.6% of the population is concerning, but the situation in Kathu has definitely worsened since Census 2011 data was collected.

The housing backlog (inadequate) in Ga-Segonyana LM increased since 2001 with 122 units and was 4,838 in 2011. This represents an eradication of the backlog from 27.5% to 18.2% of the households.

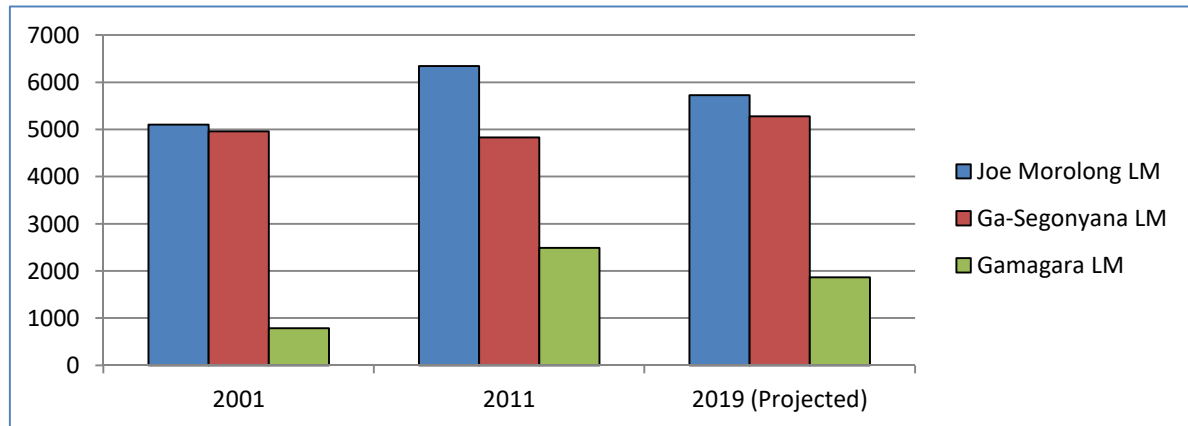
In Gamagara LM the municipal housing backlog increases between 1996 and 2001 with 8.79% and with 21.84% between 2001 and 2011. In 1996 the backlog was 543, 781 in 2001 and 2488 in 2011.

6,352 households in the Joe Morolong LM were resident in inadequate dwellings in 2011, which translate to approximately 27% of the Municipality's total households in need of housing. The housing backlog

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decreased since 2001 with 1,245 units, which represent a decrease of 16% from 2001 to 2011, of inadequate dwellings.

Housing needs within the JTGDM



Source: Census 2001 & 2011, Integrated Human Sector Plans (GSLM & JMLM) and Gamagara Municipal Profile (2014)

The estimated housing backlog in the District for 2014-2019 is as illustrated below:-

	Housing Backlog 2011 (Census 2011)	Units Completed (COGH STA)	Housing Backlog 2011 (less units completed & 10% filter)	Housing Backlog						Total Increase 2014 - 2019
				2014	2015	2016	2017	2018	2019	
Gamagara	2,590	854	1,562	1,830	1,929	2,034	2,144	2,260	2,382	552
Ga-Segonyana	4,838	913	3,533	4,106	4,317	4,539	4,772	5,017	5,275	1,169
Joe Morolong	6,352	672	5,112	5,335	5,411	5,488	5,567	5,647	5,727	393
John Taolo Gaetsewe	13,780	2,439	10,207	11,270	11,657	12,060	12,482	12,923	13,384	2,114

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The estimated future housing demand based on household growth in the District for 2014-2019 is as illustrated below:-

	Total Household Growth in Numbers 2014 - 2019	Low Income: R0 - R3,200		Gap Market: R3,201 – R12,800	
		Low Income: Percentage of Total Household Growth	Low Income: Incremental Housing Demand 2014 - 2019	Gap Market: Percentage of Total Household Growth	Gap Market: Incremental Housing Demand 2014 – 2019
Gamagara	28,073	43%	12,180	32%	9,035
Ga-Segonyana	10,713	64%	6,867	25%	2,657
Joe Morolong	6,112	83%	5,046	13%	765
John Taolo Gaetsewe	44,897		24,094		12,457

(Source: Integrated Human Settlement Sector Plan, JTG)

Roads, Storm water and Transport

Transport within JT Gaetsewe District is characterized by a limited availability of number of transport modes, storage facilities and huge backlogs in communication. This is the reality despite the fact that Kuruman is an important distribution depot for the surrounding rural areas.

The Transport Forum which is critical as an institutional issue was established in the year under review. It will address communication between stakeholders and assist in addressing transport issues in the district. The law and safety regulatory environment needs to be improved in the form of bylaws formulation and enforcement thereof. The concern facing the district is mainly financial matters ranging from ununiformed fare structures in public transportation, taxi and bus industries seeming to be self-regulatory to financial support to municipalities where the national road is passing through the towns in municipalities and allocations to funding transport projects and personnel allocated to transport planning tasks.

Challenges, further relate to management issues on scholar transportation where routes are not encouraging business developments – acceptance of very low bids & late payments by the provincial department – low rates often encourages un-roadworthy transports, difficulties in the taxi industry on obtaining operating licenses, weigh bridges introductions are a need for freight transport.

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Operational issues which ranges from not having amenities nearby taxi ranks, illegal taxi operations to traffic congestions, illegible signage insufficient public transport serving rural communities.

There are infrastructure needs identified though, like taxi ranks, weigh bridges, truck stops and upgrading of roads. Projects are to be further assessed. (Integrated Transport Plan, 2015).

(Source: SDF, JT Gaetsewe DM)

Infrastructure (Road network):

Total Road Network in the JT Gaetsewe DM (km)¹

Road type	Surfaced roads (km)	% of total	Un-surfaced (km)	% of total	Total length (km)	Percentage
National Roads	125.0	1.9	0	0	125.0	1.9
Main Roads	29.6	0.5	237.3	3.7	266.9	4.2
Secondary Roads	60.6	0.9	974.2	15.3	1034.8	16.3
Arterial	104.4	1.6	117.0	1.8	221.4	3.5
Minor roads (access and streets)	20.6	0.3	3500.7 + 1161.5 ¹	73.6	4682.8	74.0
Total	340.2	5.4	5990.7	94.6	6330.9	100

(Source: Integrated Transport Plan, JT Gaetsewe DM)

Municipal Road Network in the JT Gaetsewe DM (km)

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John Taolo Gaetsewe DM Total Network Lengths (km)						
Pavement Type	Network (km)	Additional Network	GPS Assessed Network (km)	GPS Assessed Network (km)	GPS Assessed Network (km)	GPS Assessed Network (km)
			JTGDM	Gamagara	Ga-Segonyana	Joe Morolong
Flexible	367.138	0	123,029	0	119,03	3,999
Unpaved	2344,94	313	765,538	0	364,672	400,866
Block	15,131	0	3,819	0	3,819	0
Total (km)	2727,189	313		0	487,521	404,865
	3040,2		892,985		892,385	

Source: RRAMS, JT Gaetsewe DM)

The conditions of the municipal roads in km's (Paved, gravel and block) are as below:-

Joe Morolong LM				
VCI Condition %	Flexible (km)	Block(km)	Unpaved(km)	Total (km)
Very Good (85-100)		0.00		0.00
Good (70-85)	1.67	0.00		1.67
Moderate (50-69)	1.68	0.00	0.97	2.65
Poor (30-49)	0.64		205.76	206.40
Very Poor (0-29)	0.00	0.00	194.14	194.14
Total (km)	3.99	0.00	400.87	404.86

Ga-Segonyana LM				
VCI Condition %	Flexible (km)	Block(km)	Unpaved(km)	Total (km)
Very Good (85-100)	12,125	0,748		12,873
Good (71-85)	31,05	2,301		33,351
Moderate (61-70)	26,73	0,77	251,78	279,28
Poor (31-60)	48,325	0	112,038	160,363
Very Poor (0-30)	0,8	0	0,854	1,654
Total (km)	119,03	3,819	364,672	487,521

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All of the municipalities within the area of jurisdiction of the JT Gaetsewe District Municipality (DC45) reported that they performed the municipal roads function in each of the assessment periods under review. The function is performed within the Technical Services (Basic Services and Infrastructure) Department within each of the municipalities within the service area of the JT Gaetsewe District Municipality (DC45); It is noteworthy that the roads agency function was moved away from the District Municipality and is now the sole responsibility of the Provincial Roads Department.

COMMENT ON ACCESS TO BASIC SERVICES:

Water, sanitation, roads, housing and refuse removal are still the biggest needs. The increase in mining related activities in the District puts severe strain on the roads infrastructure, with no short term alternative to roads. Mass transport and alternative modes of transport must be introduced in the District in conjunction with mixed land uses, proper land

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1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

This overview sets out highlights of the municipality's financial performance in the 2018/19 financial year. Full details appear in the Audited Annual Financial Statements for the year ended 30 June 2019.

The municipality faced serious financial setbacks as compared to previous financial years mainly due to the prevailing market and economic conditions. However, such were closely monitored to ensure that the municipality continues to operate as a going concern. The effectiveness of the strategies and improvements deployed, is evidenced by the fact that, during the period under review i.e. 2018/19 financial year, the municipality made two critical changes to its financial management systems and processes. These are:

1. Changing of its core financial management system i.e. from Sebata FMS to SAGE Evolution System
2. Fully transacting on the Municipal Standard Chart of Account (mSCOA) as required.

The impact of these changes resulted in the Annual Financial Statements of the municipality being considered fairly presented without material misstatements. In other words, the municipality obtained an unqualified without findings audit opinion from the Office of the Auditor General i.e. clean audit for the 2018/19 financial year audit.

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JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 July 2017	55 386 620	35 083 752	90 470 372
Changes in net assets			
Deficit for the year	-	(5 718 157)	(5 718 157)
Total changes	-	(5 718 157)	(5 718 157)
Restated* Balance at 01 July 2018	55 386 620	29 365 593	84 752 213
Changes in net assets			
Surplus for the year	-	6 740 330	6 740 330
Total changes	-	6 740 330	6 740 330
Balance at 30 June 2019	55 386 620	36 105 923	91 492 543
Note(s)	18		

The municipality continued to maintain a Net Asset position for the year under review. This subsequent to the 6% decrease in the 2017/18 financial year.

An 8% increase is recorded for the 2018/19 financial year.

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JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY (DEMARCATIION CODE:DC45) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Financial Position as at 30 June 2019

Figures in Rand	Note(s)	2019	2018 Restated*
ASSETS			
Current Assets			
Cash and cash equivalents	3	2 367 091	97 393
Receivables from exchange transactions	4	11 204 787	11 424 206
Receivables from non-exchange transactions	5	94 055	1 041 000
Inventories	6	8 539 763	8 491 346
VAT receivable	46	493 505	36 064
		22 699 201	21 090 009
Non-Current Assets			
Biological assets	7	4 292 620	6 842 282
Investment property	8	6 020 000	6 664 000
Property, plant and equipment	9	72 354 792	74 774 322
Intangible assets	10	2 576 112	301 498
Heritage assets	11	19 750	19 750
		85 263 274	88 691 852
Total Assets		107 962 475	109 781 861
LIABILITIES			
Current Liabilities			
Other financial liabilities	12	395 123	475 216
Finance lease obligation	13	228 729	161 846
Payables from exchange transactions	14	8 997 749	14 992 521
Employee benefit obligation	15	656 987	741 875
Unspent conditional grants and receipts	16	410 685	616 643
Provisions	17	-	2 409 759
		10 689 273	19 397 860
Non-Current Liabilities			
Other financial liabilities	12	810 545	1 007 987
Finance lease obligation	13	268 013	496 742
Employee benefit obligation	15	4 702 101	4 127 057
		5 780 659	5 631 786
Total Liabilities		16 469 932	25 029 646
NET ASSETS		91 492 543	84 752 215
Revaluation reserve	18	55 386 620	55 386 620
Accumulated surplus		36 105 923	29 365 595
TOTAL NET ASSETS		91 492 543	84 752 215

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Below is an extract of the Statement of financial Performance as audited:

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY (DEMARICATION CODE:DC45) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019			
Statement of Financial Performance			
Figures in Rand	Note(s)	2019	2018 Restated*
REVENUE			
Revenue from exchange transactions			
Sale of goods		7 800	75 000
Rental of facilities	19	118 862	105 916
Administration and management fees received	20	2 640 723	2 548 363
Interest received	21	1 881 256	1 354 111
Total revenue from exchange transactions		4 648 641	4 083 390
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	22	97 865 731	80 534 670
Donations received	23	345 974	60 296
Other income		142 154	-
Total revenue from non-exchange transactions		98 353 859	80 594 966
Total revenue		103 002 500	84 678 356
EXPENDITURE			
Employee related costs	24	(56 654 287)	(55 502 254)
Remuneration of councillors	25	(4 944 453)	(4 837 257)
Depreciation and amortisation	26	(3 343 378)	(3 139 487)
Impairment loss		-	(282 097)
Finance costs	27	(743 970)	(896 069)
Debt impairment	28	(948 994)	(142 040)
Transfers and subsidies	29	(198 948)	(1 849 450)
Operational costs	30	(29 082 538)	(25 304 766)
Total expenditure		(95 916 568)	(91 953 420)
Operating Surplus/(Deficit)		7 085 932	(7 275 064)
Loss on disposal of assets and liabilities		-	(261 412)
Fair value adjustments	31	(3 193 662)	1 380 455
Actuarial gains	15	422 461	-
Gain on assets previously not on asset register		15 840	437 864
Derecognition of prior year provision		2 409 759	-
		(345 602)	1 556 907
Surplus/ (Deficit) for the year		6 740 330	(5 718 157)

Over the past year, total revenue increased to R 103 million (2018: R84.6 million) with the total expenditure increasing by R 95.9 million (2018: R 91.9 million)

The municipality will continue to prioritise the repairs and maintenance because preservation of assets is important for continued service delivery.

A net operating surplus of R 6 740 330 has been recorded during the year under review. This from a net deficit position amounting to R 5 718 157 (restated) recorded in the 2017/18 financial year. In essence the municipality has recorded a surplus of R 12.5 million surplus. This improvement is mainly attributed to the implementation of the plan which sought to address the going concern issues raised by the Auditor General during the 2017/18 audit.

Furthermore, the recorded surplus was able to absorb the R 3.1 million reduction in fair values of municipal properties and biological assets.

T 1.4.1

Chapter 1

Financial Overview: Year 2018/19			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	94 024	95 527	98 354
Taxes, Levies and tariffs			
Other	6 385	8 101	4 649
Sub Total	100409.044	103 628	103 003
Less: Expenditure	99 639	100 764	95 917
Net Total*	770	2 864	7 086
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	64%
Repairs & Maintenance	8%
Finance Charges & Impairment	1%
	T 1.4.3

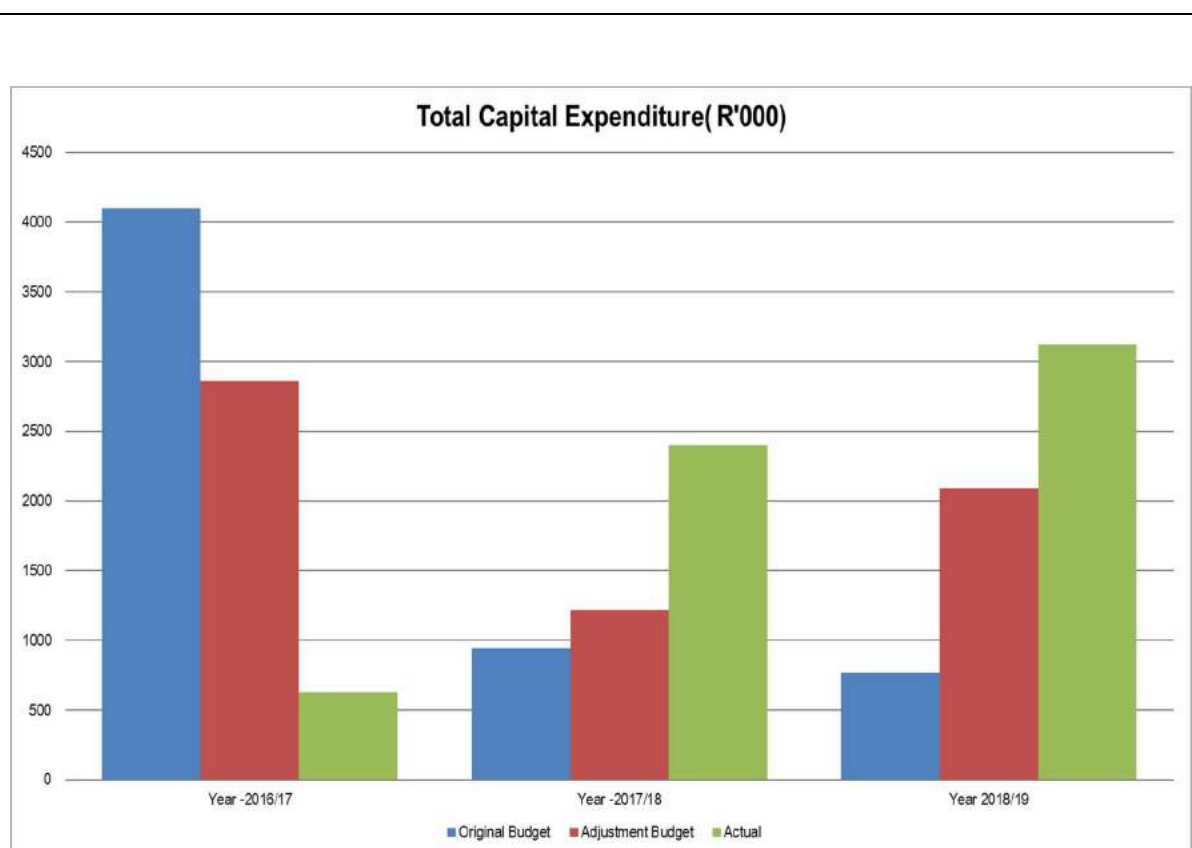
COMMENT ON OPERATING RATIOS:

Employee costs remain high at 64%. It must be noted however that there is a 4% decrease from 70% of year prior. The high % is directly as a result of grant dependency and the inability to generate any additional revenue.

Repairs & Maintenance relates more to items of property plant and equipment

Chapter 1

Total Capital Expenditure: Year -2016/17to Year 2018/19			
	R'000		
Detail	Year -2016/17	Year -2017/18	Year 2018/19
Original Budget	4100	946	770
Adjustment Budget	2863	1216	2094
Actual	630	2399	3123
			T 1.4.4



T 1.4.5

The spending on the capital expenditure relates to the intangible assets procured during the year, mainly in the form of new core financial management system.

Chapter 1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organisational development was done in line with the approved Work Place Skills Plan for 2018/19. Additional training as identified during the performance assessments and requests from the Training and Development Committee were also accommodated.

The Municipality focused on the prescribed minimum competency training of all qualifying staff members.

T 1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 2018/19 (CURRENT YEAR)

The Municipality received an unqualified without findings opinion for the 2018/19 Financial Year. An audit action plan has been developed with the objective to sustain this audit outcome.

T 1.6.1

1.7. STATUTORY ANNUAL REPORT PROCESS

Chapter 1

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

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS:

It is important that the above timetable is followed as closely as possible. Completion of the Annual Report and especially the Annual Performance Report is of critical importance. It informs both the planning process for the IDP and also provides a tool to both Council and our community to measure our performance and progress in addressing services.

T 1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The Executive Mayor, as the Political Head, is supported by the following Mayoral Committee Members that headed the respective portfolio committees:

- Councillor N Bloem – Finance and Corporate Committee
- Councillor G Assegai – Planning and Development Committee
- Councillor KF Masilabele – Community Development Services Committee
- Councillor OG Monaki – Infrastructure and Basic Services Committee

Furthermore the Executive Mayor is also supported by the Budget Steering Committee.

T 2.0.1

Chapter 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

EXECUTIVE MAYOR



Cllr. S. Mosikatsi

SPEAKER



Cllr. PQ. Mogatle

T 2.1.1

Chapter 2

COUNCILLORS

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE						
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Written and signed Apologies for non-attendance	Percentage Apologies not written for non-attendance
	FT/PT			%	%	%
Councillor T Anthony	PT	Planning and Development Committee	ANC	70	20	10
Councillor G Assegaai	FT	Chairperson: Planning and Development Committee	ANC	90	10	
Councillor N Bloem	PT	Chairperson: Finance and Corporate Committee	ANC	80	20	
Councillor H du Plessis	PT	Infrastructure & Basic Services Committee	DA	80	20	
Councillor L Gwai	PT	Planning and Development Committee	EFF	80	20	
Councillor V Jordan	PT	Finance and Corporate Committee	ANC	70		30
Councillor L Kaebis	PT	Infrastructure & Basic Services Committee	ANC	80	10	10
Councillor G Kaotsane	PT	Infrastructure & Basic Services Committee	EFF	90		10
Councillor O Kgopodithata	PT	Planning and Development Committee	ANC	100		
Councillor O Leserwane	PT	Community Development Services Committee	EFF	100		
Councillor K Makwati	PT	Infrastructure & Basic Services Committee	ANC	90	10	
Councillor K Masilabele	FT	Chairperson: Community Development Services Committee	ANC	100		
Councillor O Mathibe	PT	Planning and Development Committee	DA	90	10	
Councillor P Mogatle	PT	N/A	ANC	100		
Councillor O Mokweni	PT	Community Development Services Committee	ANC	80		20
Councillor T Molwagae	PT	Community Development Services Committee	EFF	90		10
Councillor S Mosikatsi	FT	Executive Mayor	ANC	90	10	

Chapter 2

Councillor O Monaki	FT	Chairperson: Infrastructure & Basic Services	ANC	100		
Councillor P Ohentswe	PT	Finance and Corporate Committee	EFF	90		10
Kgosi BD Phetlhu	PT	N/A	N/A	60		40
Councillor N Thuapaemang	PT	N/A		100		
Councillor AWP vd Westhuizen	PT	Finance and Corporate Committee	DA	80	10	10

T 2.1.2

POLITICAL DECISION-TAKING

The Council of John Taolo Gaetsewe District Municipality is made up of four Portfolio Committees which report to Mayoral Committee and the Mayoral Committee reports to Council, eventually Council takes the final decision. The decision that Council takes its either approve the reports or reject them after altering where it deems necessary to do so.

Upon decision by Council, the administration wing has to implement that decision and report back to Council inform of Council Resolution Register. The register will indicate as to how the administration has implemented the Council decision and progress thereof.

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager	Mr. DH Molaole
Corporate Services Department	Mrs. EM Tshabaemang (Director: Corporate Services)
BTO Department	Mrs. GP Moroane (CFO)
Community Development Services Department	Mr. TH Matlhare (Director: Community Development Services)
Economic Development Department	Mr. KK Teise (Acting Director: Local Economic Development w.e.f. January 2018)
Basic Services & Infrastructure	Mr. MW Molusi (Acting Director: Basic Services & Infrastructure w.e.f. January 2018)

2.2.1

Chapter 2



TOP ADMINISTRATIVE STRUCTURE TIER 1

MUNICIPAL MANAGER

Mr D. Molaole



DIRECTOR: BASIC SERVICES AND INFRASTRUCTURE

Mr M. Molusi

DIRECTOR: CORPORATE SERVICES

Mrs. E. Tshabaemang



DIRECTOR: ECONOMIC DEVELOPMENT

Mr K. Teise

Chapter 2



DIRECTOR: COMMUNITY DEVELOPMENT SERVICES

Mr T. Matlhare



CHIEF FINANCIAL OFFICER: BUDGET AND TREASURY OFFICE

Mrs. G. Moroane

T 2.2.2

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Municipality is part of and contribute to various cooperative governance and inter-governmental initiatives by the different spheres of Government and coordinate the inter-governmental relations forums in the District.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality participates in various forums at national level. These forums include MINMEC and MINTECH meetings that are attended by the Executive Mayor and Municipal Manager or their delegates respectively. Other forums include the Municipal Managers Forum.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Municipality participates in the Premier's IGR where the Executive Mayor reports on the progress made in the District at large and presents a report on behalf of all the Municipalities in the District. The Municipal Manager also attends this with the Executive Mayor and also attends the HOD Forum. Various other provincial forums are participated in by the Municipality and ranges from health and safety to water and sanitation, to social MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars, set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Municipality's Supply Chain Management Unit is a support function for all business units within the municipality, assisting them to implement their service delivery priorities. One of the main objectives of the unit is to ensure provision of efficient, transparent, fair, equitable and cost effective procurement services.

The Unit operates under the direct supervision of the Chief Financial Officer and the Head: Supply Chain Management Unit, to whom this duty has been delegated to in terms of section 82 of the Act and its core functions are:

1. Demand Management;
2. Acquisition Management;
3. Logistics Management;
4. Disposal Management;
5. Risk management; and
6. Performance Management.

Chapter 2

The supply chain management policy for the year 2018/19 was adopted by Council during May 2018 in term of SCM Regulation 3 (1) (a).

The main change made to the policy was to bring it in line with the structure of the SCM regulations. The aim was to establish a credible base from which the business processes can be developed.

Further review of the current SCM policy was done in order to align the policy to the revised Preferential Procurement Regulations 2017, issued in terms of the section 5 of the preferential Procurement Policy Framework Act, Number 5 of 2000 (PPPFA). The regulations were published in the Government Gazette No 40553 on 20 January 2017 these regulations aim to align the Preferential Procurement Policy Framework Act, 2017, Central Supplier Database, E-Tender portal and the Broad – Based Black Economic Empowerment Act, 2003 effective from 7 December 2011, issued by National treasury

OVERVIEW SUPPLY CHAIN MANAGEMENT

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

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Chapter 2

PERFORMANCE OF SUPPLY CHAIN MANAGEMENT

In terms of the MFMA SCM regulations, the SCM policy of the municipality must provide for a system of demand, acquisition, logistics, disposal, risk and performance management, and the current policy has been aligned to provide for that.

1. DEMAND MANAGEMENT

The preferential policy objectives were identified at national level hence during the 2018/19 financial year a procurement plan was developed and the procurement preferential preference points were set on how these objectives will be met for each contract for the 2018/19 financial year.

The table below depicts progress on the implementation of the 2018/19 procurement plan:

Bid Number	Bid Description	Date advertised	Closing Date	Date awarded	Awarded to	Bid Price Awarded (R)
BID NO:01/2018/19	Provision of security services for a period of 36 months	10-Jun-18	08-Aug-18	N/A	N/A	It was recommended for Re-advertisement
BID NO:02/2018/19	Proposal for provision of professional services for RRAMS & ISDG	03-Aug-18	24-Aug-18	09-Oct-19	Reneilwe Consulting and Planner	R 5 330 580.00
BID NO:03/2018/19	Supply & Delivery of fencing material	20-Aug-18	31-Aug-18	09-Oct-19	Around the Moon logistics	R 359 530.00
BID NO:07/2018/19	The appointment of consultants for assistance with the preparation of the AFS and provision of assistance with the clearing of findings raised by the internal and external auditors for a period of 36 months on as and when	23-May-19	13-Jun-19	21-Jun-19	CCG Systems	Rate based Contract

Chapter 2

	required rate basis.					
BID NO:08/2018/19	Provision of security services for a period of 36 months	23-May-19	13-Jun-19	To be finalised in the new financial year	N/A	N/A
BID NO:09/2018/19	Verification and valuation of Municipal owned biological assets (GAME SPECIES) at Thwane game farm, Van zylsrus for a period of 36 months.	04-Jun-19	21-Jun-19	To be finalised in the new financial year	N/A	N/A

From the table above, it is evident that 50% of planned procurement items were acquired during the financial year.

The remaining 50% was mainly because the non-submission and non- responsiveness of the bidders. Those services were re-advertised and will be finalized in the coming financial year i.e. 2019/20.

2. ACQUISITION MANAGEMENT

Thresholds as per section 12 of the SCM regulations has been set and complied with throughout the year. A thorough review of the bid documentation was done to ensure full compliance with all circulars and the latest SCM regulations to ensure full compliance in the 2018/19 financial year. A procurement plan was developed to guide all the procurement processes during the year and implemented accordingly.

Salient Details of Supply Chain Management Activities

The municipality remains on course with the implementation of its SCM Policy, and has steadily improved overall service delivery.

Chapter 2

A summary of SCM Activities is given below:

a) Supply Management Reforms

Management continue to ensure that all the all the procurement of goods and services comply to the revised Regulations, PPPFA, MFMA Circulars (CSD and E-Tender portal) and Practice notes.

The following policies have been updated and adopted by the Council as required by the legislation:

- Standard for Infrastructure Procurement and Delivery Management (SIPDM) Policy Framework for 2018/19 FY
- Supply Chain Management Policy for 2018/19 FY

b) Internal Auditor's Findings on the implementation of the SCM policy

Management has implemented the audit action in ensuring that for each service provider appointed on the quotations below R30 000 comply fully with the following:

- Complete the MBD forms
- CSD Registered
- Quotations vs pro forma invoice on accommodations *

c) Implementation of mSCOA SCM module

The municipality has changed its core financial management system during the year under review. This has led to improved efficiency in relation to processing of procurement transactions on the system and related reporting. Training on same is prioritized for the 2019/20 financial year.

d) SCM Unit Functionality

The municipality continued to have and manage a fully functional SCM Unit e.g. through providing administrative and committee secretariat to the Bid Committees. This function ensures compliance in respect of formal committee practice and record.

e) Contract Management

The Contract management function continued to be assigned to Supply Chain Management Unit in collaboration with various Project managers in the municipality.

The performance of contractors is evaluated on monthly basis as required by section 116 of the MFMA. Generally, the performance of contractors for various services is satisfactory. The contract register has been developed and it is updated continuously.

Amendment of Contracts - Section 116(3):

i. EMS Contract

Sebata Municipal Solutions was appointed in 2016 for the supply of an integrated financial management and internal control system for mSCOA implementation for a period of three years;

- The above-mentioned contract has expired in September. However, the Integrated Financial Management System is needed for the daily financial transactions of the municipality;
- The approval was granted by the Council to amend Sebata's Contract, to run on a month to month basis until the new Core financial management system is procured.

- ii. **Bid No: 16/2015/16** was awarded to **Credit Intelligence** for the Collections of outstanding debts for a period of 24 months, and the contract has expired on the 30th October 2018. The municipal manager deemed it necessary to extend the contract on a month to month basis,

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in order to allow the Consultants to finalise the process of debt collections that is currently underway.

Legal Implications

- Section 1116(3) of the MFMA prescribes that the contract procured through the supply chain management policy may be amended only after the reasons for the proposed amendment have been tabled in the Council of the municipality

f) LOGISTICS MANAGEMENT

An effective system of logistics management has been established. The municipality however does not necessarily have stores items such as small tools and equipment, but have consumable items such as stationery, refreshments etc. The continuous interrogation of inventories and improvements on systems and processes has yielded positive results in that there is a progressive reduction of stock holdings.

g) DISPOSAL MANAGEMENT

An effective system of disposal management has been established and detailed processes developed to ensure compliance with section 40 of the SCM regulations. Asset and Disposal Steering Committee was also established during the 2016/17 financial year.

h) RISK MANAGEMENT

The contracts are being monitored on monthly basis, though there is a human capital challenge as there is only one monitoring officer. Also, measures are now being put in place to ensure identification, consideration and avoidance of potential risks in the supply chain management system in accordance with section 41 of the SCM regulations. The supply chain management operational risk register was maintained during the year under review.

Supply Chain Management is a specific focus area in the Auditor General's Report. Issues raised during the prior period audit are addressed in the Audit Action Plan.

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Supply Chain Management is a specific focus area in the Auditor General's Report. Issues raised during the prior period audit are addressed in the Audit Action Plan.

T 2.8.1

2.9 BY-LAWS

COMMENT ON BY-LAWS:

The Municipality did not gazette any new by-laws since the gazetting of the Commonage Management By-Law in 2017. The public participation processes in respect of the Draft Air Quality Management and Municipal Health Services By-Laws were concluded. Gazetting is planned for 2019/20.

T 2.9.1.1

2.10 WEBSITES

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's / Entity's Website	Yes / No

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

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

The Municipality commissioned a customer satisfaction survey on behalf of all the municipalities in the District. It was concluded during the 2015/16. Next survey will be conducted within the next 5 year cycle due to costs of survey. The findings are summarized below.

T 2.11.1

Although service protests were experienced in the District these protest were related to services provided by sector departments such as roads. Communities disrupted educational services in some areas of especially Joe Morolong Municipality because of the demand for roads. The Municipality facilitated at a political level to resolve the roads issue.

T 2.11.2.1

COMMENT ON SATISFACTION LEVELS:

John Taolo Gaetsewe District Municipality commissioned a Customer Satisfaction Survey for the entire District. The Survey was also conducted in support of the Gamagara, Ga-Segonyana and Joe Morolong Local Municipalities. It was undertaken to gather information on customer requirements, their expectations on performance and measure the community satisfaction index (CSI). The survey served as a mechanism to identify and prioritize service improvement areas from a customer's perspective and

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provide a benchmark upon which future improvements in service delivery and customer satisfaction could be measured.

The study focused on generating information sourced from external customers (Individual & corporate, as well as NGOs, CBOs and SMMEs). This covered both the domestic, regional and international community. The study focused on a sample of John Taolo Gaetsewe District Area, Local Municipalities and other stakeholder service outlets e.g. tribal offices. This covered the communities that are resident within the John Taolo Gaetsewe District Area. The survey had a sample size of 500.

Local residents were appointed to distribute questionnaires with a target of at least 10 to achieve the overall target of 500 questionnaires. A random sample selection procedure was followed. Forms were completed using face to face contact. No telephone interviews were conducted.

The following findings have been summarised for easy referencing for Council and comprehensive reports are available at the Strategic Planning and Organizational Performance Management Unit:

Joe Morolong Local Municipality (Bothitong, Dikhing, Dithakong, Tsaelengwe, Pietersan and Washington):

Rating	Poor 1	Satisfactory 2	Good 3
Service Experience	599	117	428
Service Delivery	5115	534	924

Ga-Segonyana Local Municipality (Mothibistad, Kuruman, Bankhara Bodulung, Seven Miles, Gantatelang, Ditshoswaneng, Thamoyanche and Mapoteng):

Rating	Poor 1	Satisfactory 2	Good 3
Service Experience	790	419	959
Service Delivery	8080	1845	2578

Gamagara Local Municipality (Gamagara, Kathu and Dibeng):

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Rating	Poor 1	Satisfactory 2	Good 3
Service Experience	181	160	347
Service Delivery	1372	1028	1604

The research results may be summarized as follows and is clearly addressing almost exclusively issues related to local municipalities:

A. Service Experience

- Service points are not easily accessible
- There are insufficient staff to provide effective service
- Staff are impatient and not helpful and unfriendly
- Staff are competent and knowledgeable
- Office hours of service points are unsuitable and inconvenient
- The municipal offices close early and this affects people who work
- Areas in and around the offices are clean and neat
- Residents doesn't find it easy to reach the municipality telephonically
- Switchboard staff are not friendly and courteous
- People at the helping desk are sometimes impatient in dealing with clients

B. Service Delivery

- The water is not of good quality and clean water is not provided to households.
- Water supply is very limited in rural areas, many households do not have taps in their homes.
- Sanitation services are generally poor. The communities are not satisfied with the sewer bucket removals which they felt are ineffective, sewerage suction tanker services are not effective and the absence of waterborne sewerage systems which in some areas is very ineffectively.
- Lack of sanitation and sewerage services is severe in rural areas where some households do not have these services.
- People need to be notified when the water supply will not be available.
- Electricity bill is expensive and some areas do not access to electricity.
- People need to be notified when electricity supply will not be available.

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- Roads and Storm Water need maintenance.
- Potholes are repaired within reasonable time.
- Speed humps are needed in busy areas and close to schools.
- Refuse removal in the most areas is very poor and attention needs to be paid to at least removal once a week and minimization of waste and refuse dumps that are unclean should be closed completely.
- Most areas where refuse has been removed not clean and are unhygienic.
- The refuse removal services need to be improved as some of the refuse bins are damaged by waste collectors.
- The communication between the municipality and the rest of the community needs more improvement.
- Municipal Health Services such as clinics close early while most of them have limited staff members; the service is reported as in general not satisfactory. In some rural wards there is a need for mobile clinics.
- There is a need for a hall, a park, sports facilities and a library in many areas/wards.
- Fire and rescue services are provided poorly in rural areas and there is need to expand the service to these areas.
- After hour municipal emergency services delay to respond or simply do not respond.
- The municipality's law enforcement and traffic services are mostly working in urban areas, are not visible in the rural areas.
- The rates and accounts service is generally poor.
- The accounts are often inaccurate. Billing is thumb sucked and residents don't have easy channels to complain about accounts.
- Residents in urban areas complain that they don't see the meter readers but do get accounts.
- The ward committees are functional, but regular report backs are not forthcoming.
- The municipality is not accessible to many and information published needs to be improved to be more relevant for local citizens.
- Council meetings are not always accessible.
- The residents would want to be involved in IDP/budget meetings but need to be well informed in advance.

T 2.11.2.2

Chapter 3

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

INTRODUCTION

The Municipality continues to support the locals with roads, human settlement and water quality monitoring services whereby planning documents are developed, related information and advices are given to the municipalities. An Integrated Transport Plan is developed and being reviewed, a comprehensive identification of the roads network through the Rural Roads Assets Management System (RRAMS) is made. Replacement of mud houses is continued and is depended on funding resources allocated. The intent is to implement housing projects as guided by the Integrated Human Settlement Plan over the years. This will, however be impeded by inadequate funding resources.

There are anticipated needs for increase on human resources. This is already visible by the contract appointment of interns on certain sectors - RRAMS programme. The outcome of Assessment of Bulk Water Services will surely also shed light on areas which need to be beefed up with human resources. The Municipality on economic development had commenced in ensuring that the District Growth Development Strategy, the Local Economic Development Strategy and the Small Medium and Macro Enterprises becomes in place. The procurement processes had commenced in the financial year under review.

T 3.0.1

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

The pressing needs on services are a coordinated supply of bulk water services so as to optimize efficiency on the supply of the service. On housing needs there is huge backlog of housing as indicated in the Council adopted Integrated Human Settlement Plan which needs to be addressed. The needed services for the new townships are equally an area to be addressed. The Norms and Standards of National Home Builders Registration Council (NHBRC) that houses be built only in areas where the Geotech and Dolomitic investigation are completed has been covered in many areas within the District.

Basic Services backlogs eradication is being hampered by poor roads conditions and this continue to have an effect on transportation services which in turn places duress on the better roads. The municipality had shed light on the magnitude of roads in the municipal space and their overall conditions. This information is being used as a planning tool, to quantify the resources required in addressing these challenges in an informed manner.

T 3.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Local Municipalities are Water Service Authorities and in some instances Water Services Providers. The District Municipality does however; support the local municipalities where feasible within the available resources.

T 3.1.1

COMMENT ON WATER USE BY SECTOR:

Though noted that there are the mining, agriculture and other water user sectors in the district, it cannot be ascertained yet what the actual volume of extraction, use and losses are. The Local Municipalities which are water services authorities cannot not avail this information as there are challenges relating to water metering still.

T 3.1.2.2

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The Municipality targets to provide Bulk Water Services in a coordinated way and optimizing the district wide resources. The assessment can be attained within the approved budget. This outcome will assist in shedding light on how best the services can be performed in the district and this is being done in consultation with the local municipalities.

T 3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

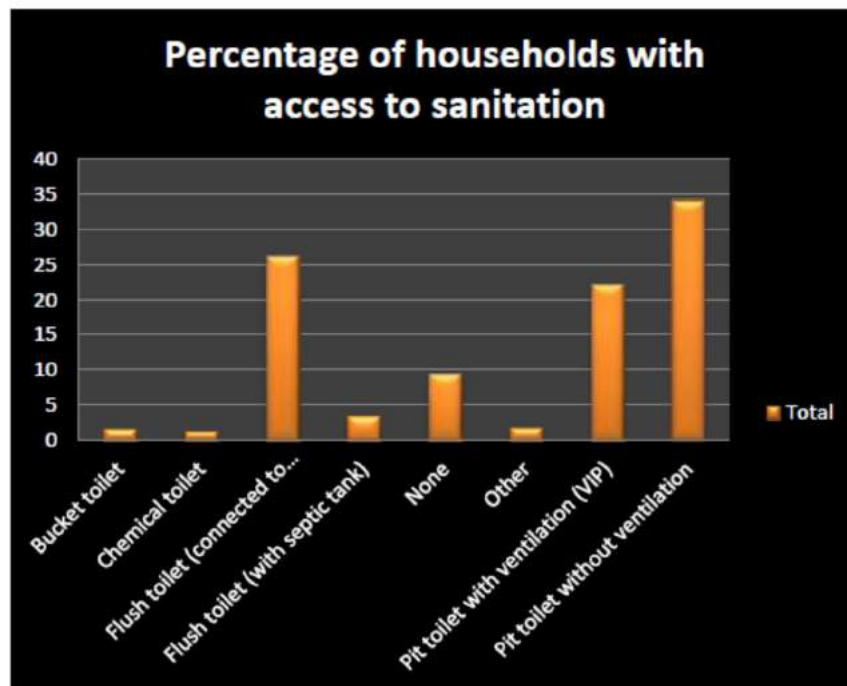
All of the municipalities within the area of jurisdiction of the JT Gaetsewe District Municipality (DC45) reported that they performed a sanitation function during the August 2008 capacity assessment review; in each case the function is rendered by the Technical Services (Basic Services and Infrastructure) Department, together with the Community Services Department in the case of the Ga-Segonyana Local Municipality (NC452), and consists in the main of the provision of waterborne and dry sanitation facilities.

In this regard it is noted that two of the municipalities within the area of jurisdiction of the JT Gaetsewe District Municipality (DC45) have officials managing the sanitation function who each hold a national diploma in civil engineering qualification. (*Source: 2008 Municipal Demarcation Board Municipal Capacity Assessment Report*)

JT Gaetsewe District Municipality monitors waste and sanitation on a monthly basis from an Environmental Health perspective.

T 3.2.1

Chapter 3



T 3.2.2

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

The MHS function of JTGDM monitor sanitation from an Environmental Health Perspective.

T 3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The Services is being implemented by the local municipalities and in some areas by Eskom. There had however been a big coverage of household electricity – grid supply throughout the district. The areas still mainly not covered are new establishments – particularly informal settlements and in fills. There is however plans in place to augment such shortcomings, particularly in the Ga-Segonyana Local Municipal area. There are developments on alternate energy in the district with a solar park in Kathu being established. Few villages and many cattle posts are being serviced by limited supply of alternate energy and the sustainability thereof in such instances is not well. There supply challenges in some towns, Kuruman and Kathu, where there is a need to augment the supply and in some instances the grant resources not adequate in the local municipalities.

T 3.3.1

Chapter 3

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The District municipality is currently not implementing the function and does engage with the locals where support is being requested.

T 3.3.9

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

INTRODUCTION TO WASTE MANAGEMENT

JT Gaetsewe District Municipality does not provide this service.

T 3.4.1

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

JTGDM completed the IWMP for the whole district. The project was funded by DEA. A waste management forum was established at district level for support to local municipalities in implementing their IWMP.

T 3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

The Integrated Human Settlement Plan (IHSP) is in place is reviewed annually. Council had approved a SDBIP which seeks that a Human Settlement Forum sits quarterly to ensure that the recommendations in the strategic plan are followed and the information is updated on an annual basis. There are projects reflected in the Human Settlement Plan and preparations of business cases are being in line with the Integrated Human Settlement Plan. The Municipality reports on matters relating to housing distress as from risks related to improper housing structures, disaster incidents and progress on projects implemented by the Local Municipalities.

Challenges are that the eradication of the housing backlogs are very slow in local municipalities, contract management challenges. The Local Municipalities had however, where there had been unsatisfactory progress terminated contracts where necessary.

T 3.5.1

Chapter 3

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The performance of housing in overall is not very satisfactory due to insufficient funding, contract management challenges and aligning projects to the new Norms and Standards of NHBRC on Geotech and Dolomitic investigations.

There are planning projects completed and ongoing, particularly on Geotech and Dolomitic investigations in all municipalities in the District.

There are four main construction sites in the district on civil engineering services for 240 low cost houses in Wrenchville which has been completed and the construction of top structures thereof had commenced. The construction of 163 of the 177 houses in Bankhara/Bodulong has been completed. Both projects in the Ga-Segonyana Local Municipal area. A project of 5700 houses mixed development project at Kathu is at an advanced planning stage and Engineering Services for 1265 housing sites at Sesheng is at construction stage, both the projects are implemented at Gamagara Local Municipality.

T 3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Provision of free basic services is with the local municipalities – this includes identification of indigents and policies addressing the methods of how such services are being provided.

T 3.6.1

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Indigent support and free basic services is not provided by the District, but by the local municipalities.

T 3.6.6

COMPONENT B: ROAD TRANSPORT

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

INTRODUCTION TO ROAD TRANSPORT

Transport within JT Gaetsewe District is characterized by a limited availability of number of transport modes, storage facilities and huge backlogs in communication. This is the reality despite the fact that Kuruman is an important distribution depot for the surrounding rural areas. The Municipality had through the development of the Rural Roads Asset Management identified the extent of the roads network and completed the review of the Integrated Transport Plan. The roads asset system and the transport plan will guide on transport infrastructure and the all pressing transport services needing attention.

Chapter 3

Road transportation remains a challenge on certain focal areas: existence of by-laws, law enforcement, safety on roads, limitations of resources on planning tasks, fare structures for different modes of public transportation, of taxi licensing, inadequacies of bus and taxi ranks, weigh bridges to regulate freight – where in place, being too small for the holding capacities.

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

All of the municipalities within the area of jurisdiction of the JT Gaetsewe District Municipality (DC45) reported that they performed the municipal roads function in each of the assessment periods under review. The function is performed within the Technical Services (Basic Services and Infrastructure) Department within each of the municipalities within the service area of the JT Gaetsewe District Municipality (DC45); only two of the officials managing the municipal roads function at the respective municipalities within the District Municipality are in possession of a national diploma in civil engineering qualification. It is noteworthy that the roads agency function was moved away from the District Municipality and is now the sole responsibility of the Provincial Roads Department.

The Integrated Transport Plan identified key transport infrastructure projects, including roads. The output on the Rural Roads Asset Management System (RRAMS) assists in guiding on prioritising roads needing attention. There is progress on district roads as being implemented by the Department of Roads and Public Works and local municipalities had also constructed some roads. The steps following the identification of roads needing attention will be followed by sourcing funding as to the projects implemented.

Of the 1 434,6 km's of municipal unpaved roads are assessed in the district, 15 % are very poor, 52.2% poor and 32 % are ranging from fair to good.

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The projects embarked on are strategic projects and no capital projects were embarked upon. Operation related function of roads is with the local municipalities, the Department of Roads And Public Works and SANRAL on the national road. 2947 km of the 3040.2 km of municipal roads network is classified in line with RISFSA standards. A Roads Management Plan (RAMP) and municipal roads will be developed in the new financial year to ensure legal ownership of the proclaimed roads.

T 3.7.10

Chapter 3

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

The Reviewed Integrated Transport Plan seeks to address the population and socio economic transportation challenges by ensuring the existence of structures which initiate plans to ensure the existence of improved and maintained infrastructure and services . The mayor success this far is the review of the Integrated Transport Plan and established Transport Forum by Council. There is cooperation of public transport industries and all other relevant stakeholders on the establishment of the transport forum.

T 3.8.1

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

The transport services are not properly regulated hence the establishment of the Transport forum to ensure the implantation of the District Integrated Transport Plan. The municipalities and the Department of Roads and Public Works are embarking on capital and operational projects, particularly roads as transport infrastructure projects.

Generally the level of service on public transport is not satisfactory due to long waiting times for public transport. The condition increases hitchhiking and this in turn make taxi operators to erect informal taxi ranks on N14 and R31. The highest volumes of public transport (taxis and busses) of areas with 15 km's of the Kuruman town and the route linking Hotazel and Kuruman ranging between 651-1300 per day.

Road freight and parking in towns are areas and concern and there is a necessity for roads infrastructure plans in the municipalities to take care of.

T 3.8.7

3.9 WASTE WATER (STORM WATER DRAINAGE)

INTRODUCTION TO STORM WATER DRAINAGE

The storm water function in towns is being executed by the local municipalities; there are no adequate plans though to provide the service in villages. There is however limited, roads associated, developments during construction of new roads but this relates to the protection of roads infrastructure. Many existing rural settlements including informal settlements close to towns are in the risk of being below the flood lines.

T 3.9.1

Chapter 3

COMMENT ON THE PERFORMANCE OF STORM WATER DRAINAGE OVERALL:

There are no specific storm water capital projects in the district currently. The operations functions in the towns by the local municipalities are ongoing, particularly on maintenance related incidents causing flooding on roads.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

3.10 PLANNING

The District compiles a package of plans. These plans include the Integrated Development Plan (IDP), Spatial Development Framework (SDF), Housing Sector Plans, Local Economic Development Strategy, Integrated Transport Strategy and District Growth and Development Strategy. The IDP is the master plan and covers a period of five years and must be reviewed annually. The development priorities contained in the IDP is based on the spatial priorities and objectives identified in the SDF. The IDP must be aligned with all sector plans internally and externally. The District Municipal Planning Tribunal (DMPT) was established in 2016; in terms of the Spatial Planning and Land Use Management Act (SPLUMA), Act 16 of 2013. The DMPT is fully functional and deals with development applications from all 3 local municipalities.

T 3.10.1

The values, vision and mission of the municipality that is also guiding planning and development in the District and indicated in the IDP are as follows:

“The Vision statement of the JT Gaetsewe District Municipality reflects its commitment to the ideal of an integrated, development-focused district, and is built on the following municipal core values:

- 🏡 **Development** – strive for the development of the district and its people, while also striving for own personal development;
- 🏡 **Commitment** – stay committed to the vision of the John Taolo Gaetsewe DM and to serving the people of the district in whatever you do;
- 🏡 **Care** – to show empathy and care towards others, while striving to promote a positive working atmosphere; and
- 🏡 **Integrity** – stay true to whatever you commit to, performing your duties to the best of your ability, while conducting yourself professionally at all times.

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Vision

Working together for a better life for all in the district

The vision statement of the JT Gaetsewe DM represents an ideal of what it wishes to achieve. It represents the main and ultimate *deliverable* of the municipality. The focus is on the value that the municipality aims to create and add for the communities of the district.

Mission

Accelerating the implementation of integrated development initiatives and providing support to local municipalities

The above-mentioned mission statement reflects what the municipality will do in an ongoing manner to constantly striving towards achieving its vision.

The District Development priorities indicated in the IDP are as follows:

Water & Sanitation

Roads & Transport

Local economic development (LED)

Land development and reform

Integrated human settlements

Sustainable Development Orientated Municipality

Environmental management and conservation and climate change management

Promotion of health in the District

Disaster management

The District Reviewed Spatial Development Framework (SDF) was concluded in 2017. The reviewed SDF is compliant with Chapter 4(21) of the SPLUMA (Act 16 of 2013). Spatial Development Frameworks are long terms plans that are reviewed every 5 years and can only be amended through a legislatively prescribed process.

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The reviewed SDF retains the previous spatial development vision of the District as follows:

“The John Taolo Gaetsewe District Municipality will become a district in which all its residents...

- **... engage in viable and sustainable wealth-generating economic activities.**

This will result in the eradication of poverty, and will ensure a dramatic reversal in the unequal distribution of wealth and income and the skewed access to opportunities in the district. Viable, well-planned rural development initiatives will bring an end to the deep poverty and the destitution of the district. Due to well researched and tested desert-resistant agricultural practices, high-value rural products will be produced and over-grazing and soil erosion won't be a problem any longer. Serious investment in and exploitation of renewable sources of energy will result in the district becoming self-reliant in the generation of electricity which will provide a sizeable injection into the national electricity grid.

- **... live in sustainable human settlements that are safe, vibrant and in balance with the environment.** *Young people will grow up with the prospect of a bright future, either in the district, or anywhere else in the world as the quality education they will have received, will prepared them for. Walking and cycling will be the two most common modes of movement within towns and villages, while a safe and reliable minibus system will provide public transport between settlements. Traffic management and road maintenance will mean that mining trucks no longer pass through settlements and potholes will be a thing of the past. Water and energy-use, energy generation and the construction of housing, will be examples of “best practice in green design, building and living”. Due to proper, respected and wise land-use management, including the regulation of mining activities, uncontrolled settlement expansion will not take place and environmental damage will be minimised.*

- **... participate in the governance of the district, including settlement formation and expansion, economic development, education, and the provision of basic services.** *Plans will be prepared with full participation of all interested and affected parties, which will be based on accurate information and will be implemented.*

Elected politicians and officials will serve the people and corruption and misappropriation of funds will be rare occurrences. Traditional leaders will serve on a civil society advisory body that is consulted on all strategic decisions by the elected politicians. Decisions that affect the public will be based on evidence, and only taken after careful consideration of all the viable options and deliberation on all the

Chapter 3

positions and perspectives in the district. Due to payment for services by all, and smart systems and practices, the municipalities in the district will be financially viable and desirable places to work in.

In support of the vision, the SDF provides a spatial structure that would promote the following **development objectives**:

- Attract new business (especially manufacturing linked to other sectors e.g. mining, agriculture) to the district in a focused/core area.
- Create a spatial structure that would maximise accessibility of the dispersed population to a range of services and facilities.
- Support the diversification of the economy, whilst strengthening existing area-specific economic activities relating to specific regions.
- Promote expansion of the mining industry in such a way that its negative impacts are minimised and distressed mining communities are supported.
- Stimulate the agricultural sector through the strengthening of commercial farming and the creation of a new intensive agriculture and agro-processing SMME economy in densely populated rural areas with predominantly subsistence farming.
- Enhance tourism as a more important component integrated in the economy of the district.

The reviewed SDF supports the SPLUMA principles and the incorporation thereof is indicated as follows:

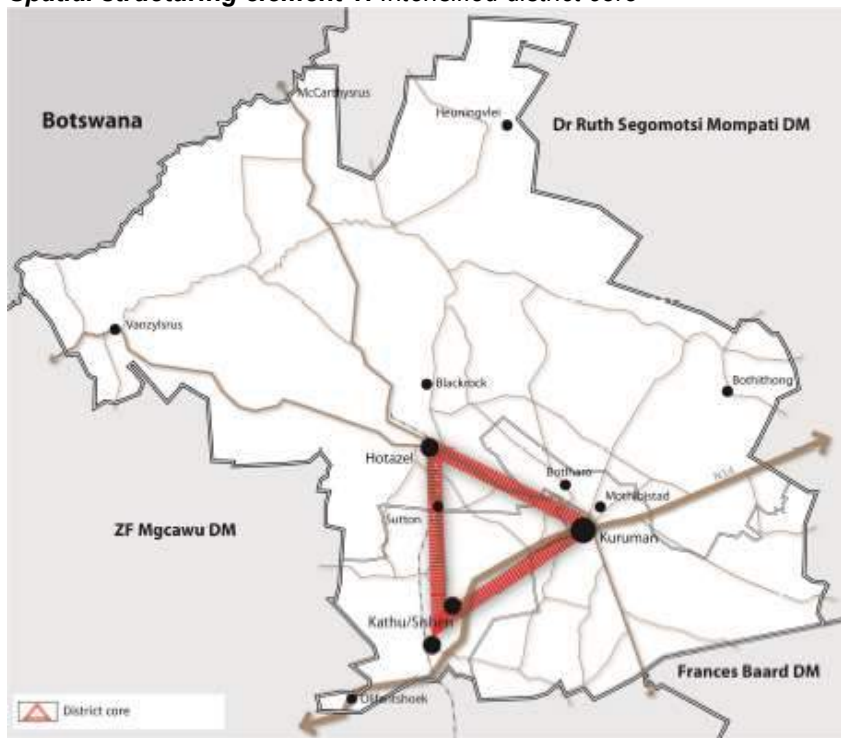
SPLUMA Principles	Spatial Application in JTGD SDF
Spatial Justice	Connectors between regional nodes, local nodes and human development hubs serve impoverished villages.
Spatial Sustainability	Strategies in functional economic regions address mining, agricultural and tourism activities as major economic activities in the area. The locality of the region on the N14 highway is proposed to accommodate a light industrial strip between Kuruman and Sishen/Kathu, which will assist in a diversifying the economy and creating job opportunities. The clustering of social facilities in nodes should further combat sprawl and assist with the creation of viable communities and sustainable settlements.
Spatial Efficiency	Through the integration of mining, agricultural (both commercial and subsistence) and tourism activities in spatial planning, area-based strategies could be applied more efficiently.
Spatial Resilience	The spatial framework provides a conceptual spatial idea, which gives guidance to context-specific implementation relating to the characteristics of a specific place and in relation to a specific community.
Good Administration	The spatial framework builds on the spatial framework of the Northern Cape, whilst taking cognisance of planning in the

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three local municipalities, thus supporting the principle of intergovernmental coordination.

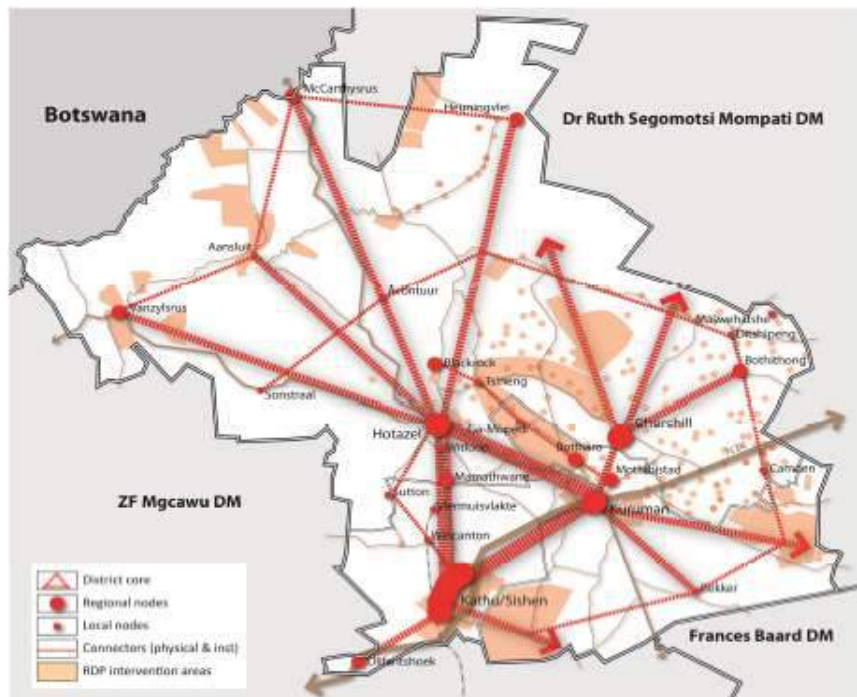
The following elements guide the spatial structure of the district and form the basis of the SDF:

Spatial structuring element 1: Intensified district core

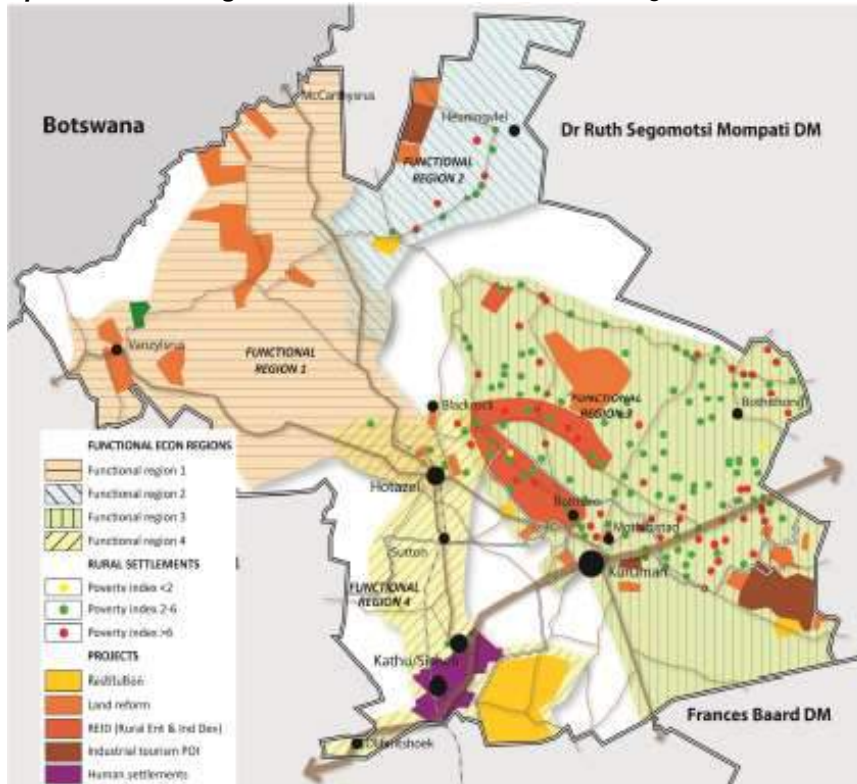


Spatial structuring element 2: Polycentric network of nodes and (physical and institutional) connecting routes – Regional nodes, Local nodes and Human Development Hubs

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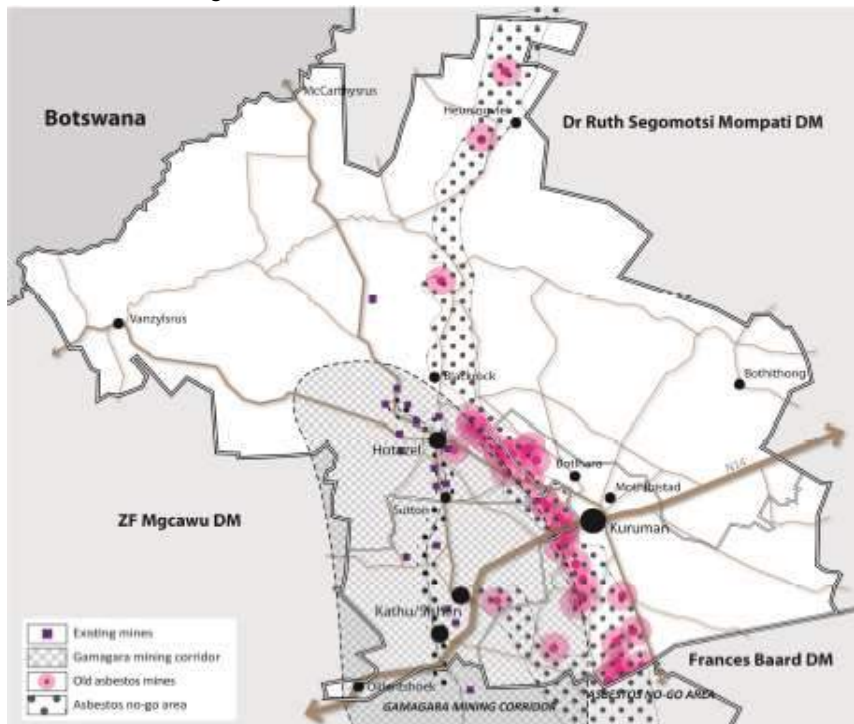


Spatial structuring element 3: Functional economic regions – Functional Regions 1 – 4



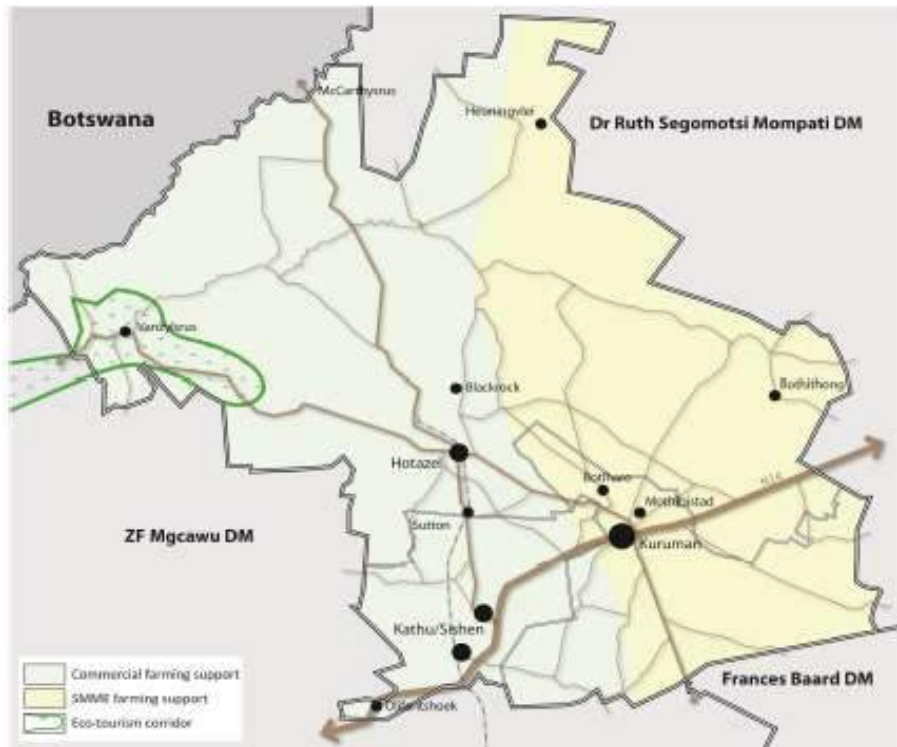
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Spatial structuring element 4: Mines and mining activities - Gamagara Mining Corridor, Active mines and Asbestos no-go area

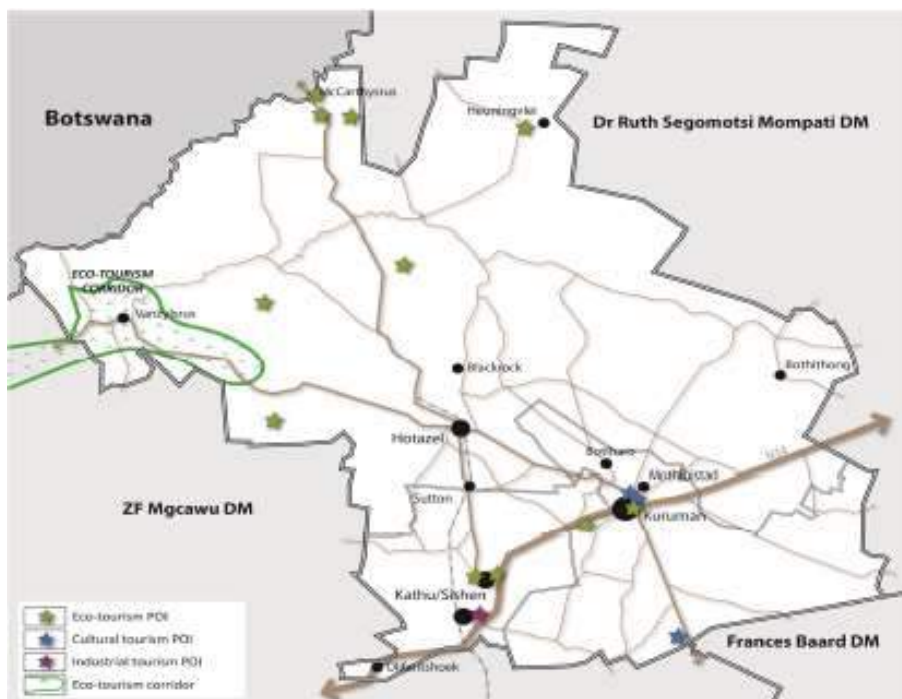


Spatial structuring element 5: Agricultural activities – Commercial farming and rural extensive farming

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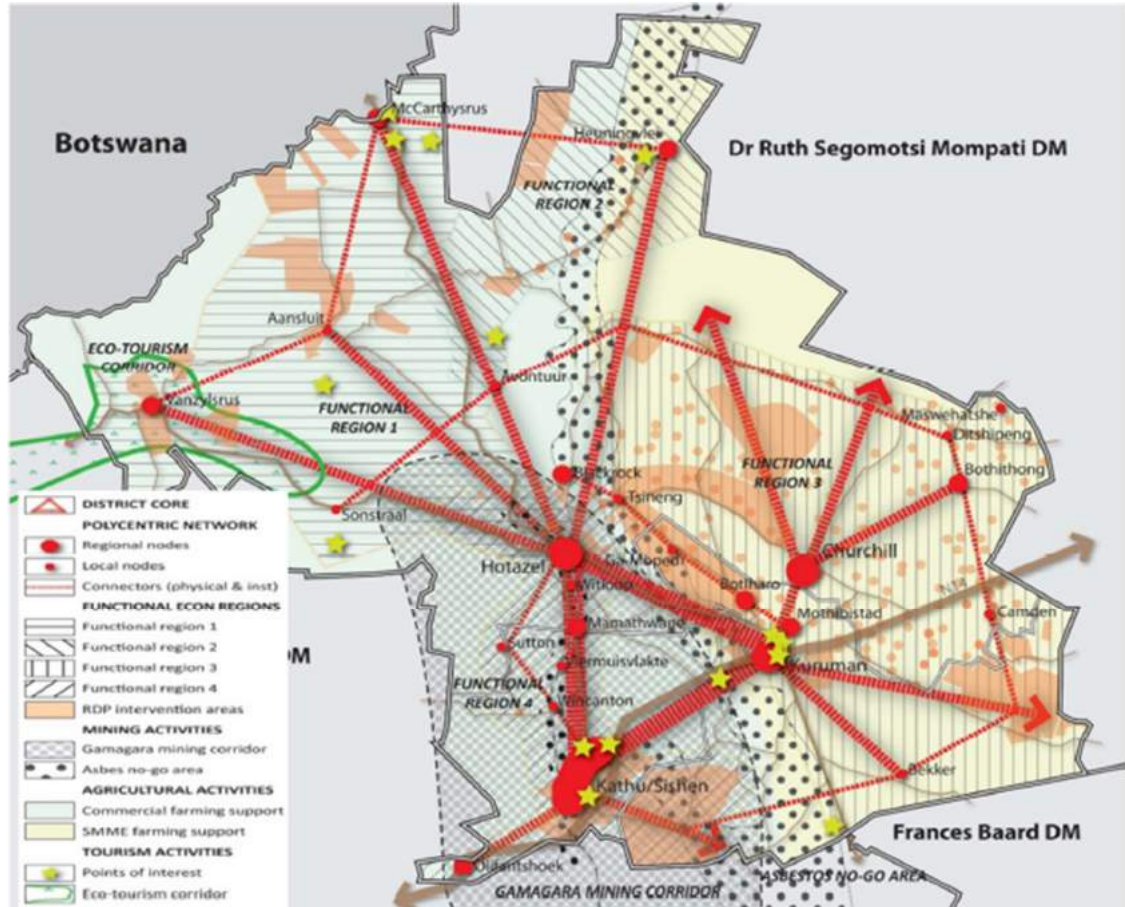


Spatial structuring element 6: Tourism activities– Points of interest and Eco-tourism Corridor



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The above structuring elements give rise to the **Composite Spatial Development Framework** as follows:



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Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	1	1	1	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	4	4	4	0	0%
T 3.10.4					

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The Municipality commenced with the following physical planning projects:

- Human Settlement Plans – completed. Funding is dependent on grants and unfortunately limits the roll out of projects. Reviews are now taking place annually.
- Integrated Transport Plan – Consultation of the final draft was concluded in the 2017/18 Financial Year. Reviews are taking place on an annual basis.
- The Rural Roads Asset Management Strategy project is a multi-year project is progressing well and is still unfolding.
- Integrated infrastructure plan – development of the plan commenced and will be concluded in phases due to lack of information and funding
- Air Quality Section 78 Assessment could not commence in 2017/18 and will be concluded in 2018/19 instead.

T 3.10.7

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

LED is the function under which the following programmes are implemented as priorities:

- Tourism
 - Tourism Awareness Campaigns
 - Entrepreneurial support
 - Cleaning Campaign
 - Skills Development
 - Schools Tourism
 - Women in tourism
- Comprehensive Rural Development Programme(CRDP)
 - AFGRI- Park project
 - Support Agriculture Cooperatives(Youth and Women)
 - Enterprise development
 - Support to local emerging farmers
 - Management of commonage farms
- SMME
 - Enterprise development
 - Supplier development
 - Database development
 - Help develop Business plan
 - Lobby for funds for Enterprises

Each local area has a unique set of opportunities, problems, and has developed an LED strategy that is specific to its local context. The local municipalities agreed in line with the legislation that the JTG District municipality can run/drive the following projects/programme:

Eight priorities:

- Tourism development and running of office
- Support SMME's and Cooperatives
- Coordination of Social and Labour Plan
- Support to Local Emerging Farmers
- Infrastructure : Roads and bulk water
- Agri-Park Mega Project
- DPMT coordination
- Regional Development agency

T 3.11.1

Chapter 3

COMMENT ON LOCAL JOB OPPORTUNITIES:

The mining sector created more jobs, followed by Sectoral Departments and Tourism in the District. Provincially unemployment stand at 26% and John Taolo Gaetsewe District at 28,5%. Municipalities plan to have a mining Supplier Day/awareness for communities and business people.

T 3.11.4

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The Local Economic Development (LED) and Tourism Unit got involved in number of initiatives and activities that steered economic development in the District for the period under review. These events have big economic benefits to the business and community at large as they create temporary job opportunities to the residents of the District and they are not limited to the following.

1. Desperados Bikers Rally

Bikers from all over SADC region converged in the region during the first weekend of March this year. This magnificent rally's main aim is to give hope to the hopeless and to lift the spirits of the less privileged in societies in the John Taolo Gaetsewe Region. Speaking on the side-lines of the official handover of food hampers to the elderly, 300 school uniforms and sanitary pads to learners within the region, the new president of the bikers' association, Mr Thato Makgari who is the chairperson of the DESPERADOS, said that "the spirit of giving was demonstrated by Christ as an epitome of a good example of tolerance to humankind and needs to be expanded in that character."

2. ANNUAL DURBAN TOURISM INDABA

The Municipality has been exhibiting on its own since 2014 when they acquired the services of OG Media to design a stall with corporate branding. They normally book exhibition space and assemble the stall during shows.

The District successfully participated in the Annual Tourism Indaba, which is held at the Nkosi Albert Luthuli international Convention Centre in May each year. The Africa Tourism Indaba is one of the largest tourism marketing events on the African calendar and one of the top three events of its kind on the global calendar. The Indaba showcases the widest variety of Southern Africa's best tourism products and it also attracts international buyers and media from across the world.

Eight (8) of our Small Medium and Micro Enterprises (SMME's) attended the Tourism Indaba. They are from the tourism and crafters sector of the economy. Most of the visitors showed interest in their products and offerings and also showed interest to attend the next event. The Department of Tourism has indicated that they will take one of our exhibitors to the international trade fair out the Country.

This also provided an opportunity to our product owners (SMME's) to market themselves and to network with different stakeholders. The Municipality intends to increase the number of SMME participants at the next Tourism Indaba.

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3. KGALAGADI JAZZ FESTIVAL

The John Taolo Gaetsewe District municipalities has a partnership with event owners for a training programme of crafters as build up programme. The Municipalities of the District also intend to celebrate heritage and support horse racing month in September annually. The Department recommend that the District has its own huge tourism (over two days) event.

4. COMPREHENSIVE RURAL DEVELOPMENT PROGRAMME

The Unit envisaged to work together with relevant sectoral Department in all spheres to harness resources and avoid unnecessary duplication of projects for community development. Twelve agricultural cooperatives are assisted by the Cooperative Grant. John Taolo District facilitated the process and it will be an ongoing effort. Implementation of the Agri-park is of great help to local farmers.

SMME's Support and Development

More than five business companies participates in the contractor development programme arranged by District in partnership with Khumani mine and the enterprise programme that assisted more than ten companies with funding. Assmang Black Rock, through the District facilitation, is providing interest free loans to upcoming businesses. The District plan to continue with the partnership with local mines for Enterprise and Supplier development programmes

The Department needs resources and capital to improve its planning, research capacity, implementation of projects and monitoring thereof.

T 3.11.11

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The District Municipality only perform municipal health services. Other services are provided by the local municipalities where those functions are assigned to them and where they have the resources to do so.

3.13 CEMETERIES AND CREMATORIALS

INTRODUCTION TO CEMETERIES & CREMATORIALS

The MHS section of JTGDGM monitors funeral parlours and mortuaries in terms of the National Health Act and regulations.

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES & CREMATORIALS

9 Funeral Parlours are regularly monitored in a monthly basis and currently there are 2 Mortuaries operating in our District.

COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIALS OVERALL:

JTGDGM monitor Cemeteries and funeral parlours as part of the municipal health function – disposal of the dead. Fencing of cemeteries is on an annual basis implemented. Eleven cemetery sites were fenced in both Joe Morolong and Ga-Segonyana Local Municipalities

T 3.13.7

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The MHS Section of JTGDGM monitors Environmental Health risk factors at crèches as part of the MHS function.

T 3.14.1

Chapter 3

COMPONENT E: ENVIRONMENTAL PROTECTION

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

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The Department of Environmental Affairs (National) has approved funding for Environmental Protection and Infrastructure Programme (EPIP). The Department remains committed in supporting municipalities through funding initiatives that enhance the protection of environment and responsible use of natural resources. A number of projects has been approved and are implemented from 2014/15-2018/19 MTEF Cycle in the local municipalities.

The projects are as follows. Waste Management and Greening; Greening and Open Space Management; and Establishment of a Game Farm.

T 3.14

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Environmental Pollution Control is done in terms of the MHS function within the scope of the National Health Act.

T 3.15.1

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL

Monitoring of Environmental Pollution is done in terms of the MHS function within the scope of the National Health Act.

T3.15.7

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (E.G. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

This service is not provided by the District Municipality

T 3.16.1

Chapter 3

COMPONENT F: HEALTH

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

INTRODUCTION TO HEALTH

The 9 municipal health functions defined a environmental health was deligated to district and metro municipalities in south africa. Environmental Health is the only preventative health service designed to identify and contain environmental risk factors that have a detrimental effect in the lives of communities.

T 3.17

3.17 CLINICS

INTRODUCTION TO CLINICS

The MHS function at JTGDM monitor clinics from an Environmental Health perspective. Government premises inspections is a competency of the MHS function situated at DM's in South Africa

T 3.17.1

COMMENT ON THE PERFORMANCE OF CLINICS OVERALL

As indicated clinics and medical waste is monitored from JTGDM from an environmental health perspective

T 3.17.7

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

This service is not provided by the District Municipality, but by the Provincial Department of Health.

T 3.18.1

Chapter 3

3.19 HEALTH INSPECTION; FOOD AND ABATTOIR LICENSING AND INSPECTION; ETC.

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENSING AND INSPECTIONS, ETC.

MHS is a District and Metro Municipal function and consist of the following:

DEPARTMENT OF HEALTH

No. R. 698 26 June 2009

HEALTH PROFESSIONS ACT, 1974 (ACT NO. 56 OF 1974)

REGULATIONS DEFINING THE SCOPE OF THE PROFESSION OF ENVIRONMENTAL HEALTH: AMENDMENT

The Minister of Health has, under section 33(1), read with section 61(2) of the Health Professions Act, 1974 (Act No. 56 of 1974), and on the recommendation of the Health Professions Council of South Africa, amended the regulations promulgated by Government Notice No. R. 888 of 26 April 1991, as reflected in the Schedule.

SCHEDULE

Definitions

1.
In this Schedule, "**the regulations**" means the regulations relating to the scope of the profession of environmental health published under Government Notice No. R. 888 of 25 April 1991, and any word or expression to which a meaning has been assigned in the regulations shall bear such meaning, unless the context otherwise indicates.

Amendment of the regulations

2.
The regulations are hereby amended by the addition at the end of the regulations as an annexure, of the following Scope of Practice of Environmental Health Practitioners:-

ANNEXURE

SCOPE OF PRACTICE OF ENVIRONMENTAL HEALTH PRACTITIONERS

In addition to the scope of the profession as prescribed in the regulations, the following acts fall within the scope of practice of environmental health practitioners.

Environmental health services include performance of the following acts:

(1) WATER MONITORING

- (a) Monitoring water quality and availability, including mapping water sources and enforcing laws and regulations related to water quality management;

Chapter 3

- (b) ensuring water safety and accessibility in respect of a safe quality (microbiological, physical and chemical) and an adequate quantity for domestic use as well as in respect of the quality for recreational, industrial, food production and any other human or animal use;
- (c) promoting access to water for all communities by providing inputs toward the planning, design and management of the water supply system and ensuring healthy community water supplies through surveillance;
- (d) ensuring monitoring of effective waste water treatment and water pollution control, including the collection, treatment and safe disposal of sewage and other water-borne waste, and surveillance of the quality of surface water (including sea water) and ground water;
- (e) advocating proper and safe water usage and waste water disposal;
- (f) sampling and testing water in the field and examining and analysing it in a laboratory.

(2) FOOD CONTROL

- (a) Ensuring food safety in respect of acceptable microbiological and chemical standards, quality of all food for human consumption and optimal hygiene control throughout the food supply chain from the point of origin, all primary raw material or raw products production, up to the point of consumption;
- (b) inspecting food production, distribution and consumption areas;
- (c) monitoring informal food trading;
- (d) inspecting food premises and any nuisances emanating therefrom;
- (e) enforcing food legislation and the Codex Alimentarius;
- (f) applying food quality monitoring programmes and principles through various techniques, e.g. Hazard Analysis and Critical Control Points System (HACCP System) audits;
- (g) promoting the safe transportation, handling, storage and preparation of foodstuffs used in the Primary School Nutrition Programme (PSNP), prisons, health establishments, at airports, etc.;
- (h) promoting the safe handling of meat and meat products through, amongst others, meat inspections and examination of abattoirs;
- (i) promoting the safe handling of milk and milk products.

(3) WASTE MANAGEMENT AND GENERAL HYGIENE MONITORING

- (a) Ensuring proper refuse storage, collection, transportation, transfer and processing, materials recovery, and final disposal;
- (b) ensuring proper management of liquid waste including sewage and industrial effluents;

Chapter 3

- (c) ensuring the proper storage, treatment, collection, transportation, handling and disposal of medical waste and hazardous waste;
- (d) sampling and analysing any waste or waste product such as sewage or refuse;
- (e) investigating and inspecting any activity relating to the waste stream or any product resulting therefrom;
- (f) advocating proper sanitation;
- (g) controlling the handling and disposal of diseased animal tissue;
- (h) ensuring safe usage of treated sewage sludge and ensuring that reclaimed waste is safe for health;
- (i) ensuring waste management including auditing of waste management systems and adherence to the 'cradle-to-grave' approach.

(4) HEALTH SURVEILLANCE OF PREMISES

- (a) Conducting environmental health impact assessments of, amongst others, housing projects;
- (b) assessing aspects such as ventilation and indoor air quality, lighting, moisture-proofing, thermal quality, structural safety and floor space;
- (c) assessing overcrowded, dirty or other unsatisfactory health conditions on any residential, commercial, industrial or other occupied premises;
- (d) monitoring all buildings and all other permanent or temporary physical structures used for residential, public or institutional purposes (including health care and other care, detainment, work and recreation, travel, tourism, holidaying and camping) and the facilities in connection therewith and the immediate precincts;
- (e) ensuring urban and rural land-use planning and practices that are conducive to sustainable development by conducting sound environmental health impact and other assessments;
- (f) ensuring the prevention and abatement of any condition on any premises, which is likely to constitute a health hazard;
- (g) ensuring the health safety of public transport facilities such as buses, trains, taxis, boats and aeroplanes as well as all other facilities in connection therewith;
- (h) ensuring compliance with the principles of Local Agenda 21 and the Healthy Cities approach to integrated service rendering and the practical minimising of any environmental health risk.

(5) SURVEILLANCE AND PREVENTION OF COMMUNICABLE DISEASES, EXCLUDING IMMUNIZATIONS

Chapter 3

- (a) Promoting health and hygiene, aiming at preventing environmentally induced diseases and related communicable diseases;
- (b) Collecting, analysing and disseminating epidemiological data and information;
- (c) Using the Participatory Hygiene and Sanitation Transformation (PHAST) training approaches and any other educational training programmes or approaches for effectual control measures at community level;
- (d) Conducting epidemiological surveillance of diseases;
- (e) Establishing an effective environmental health surveillance and information system within the different spheres of governance;
- (f) Developing environmental health measures, including protocols, with reference to epidemics, emergencies, diseases and migrations of populations.

(6) VECTOR CONTROL MONITORING

- (a) Identifying vectors, their habitats and breeding places;
- (b) conducting vector control in the interest of public health, including control of arthropods, molluscs, rodents and other alternative hosts of diseases;
- (c) removing or remedying conditions resulting in or favouring the prevalence of or increase in rodents, insects, disease carriers or pests;
- (d) ensuring the residual spraying of premises and precincts;
- (e) investigating zoonotic diseases and vector-borne diseases in the working and living environment;
- (f) surveying imported cargo and livestock for the prevalence of disease vectors;
- (g) undertaking serological testing of rodents, dogs and other pets or animals.

(7) ENVIRONMENTAL POLLUTION CONTROL

- (a) Ensuring hygienic working, living and recreational environments;
- (b) identifying the polluting agents and sources of water, air and soil pollution;
- (c) conducting environmental health impact assessments of development projects and policies, including assessments of major hazard installations;
- (d) Identifying environmental health hazards and conducting risk assessment and mapping thereof;
- (e) Preventing accidents, e.g. owing to paraffin usage;
- (f) Approving environmental health impact assessment reports and commenting on environmental impact assessment applications;
- (g) Ensuring clean and safe air externally (ambient and point sources) through emission inventory monitoring, modelling and toxicological reports, reviews and complaint investigations;

Chapter 3

- (h) Controlling and preventing vibration and noise pollution;
- (i) Preventing and controlling soil pollution that is detrimental to human, animal or plant life;
- (j) Ensuring compliance with the provisions of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), and its regulations, including anticipating, identifying, evaluating and controlling occupational hazards;
- (k) Taking the required preventative measures to ensure that the general environment is free from health risks;
- (l) Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade, etc., which involves controlling the internal effects of pollution on the worker and the external effects of pollution on the community and the environment;
- (m) Monitoring management of infrastructure integrity, including management of the infrastructure integrity of pipelines and tanks;
- (n) Ensuring, jointly with other role players, a readiness for abnormal operating conditions and disasters;
- (o) Developing sustainable indicators appropriate for monitoring the effectiveness of environmental management systems of industries.

(8) DISPOSAL OF THE DEAD

- (a) Controlling, restricting or prohibiting the business of an undertaker or embalmer, mortuaries and other places or facilities for the storage of dead bodies;
- (b) monitoring practices at cemeteries, crematoria and other facilities used for the disposal of dead bodies;
- (c) managing, controlling and monitoring exhumations and reburials or the disposal of human remains.

(9) CHEMICAL SAFETY

- (a) Monitoring and regulating all operators, fumigation firms and formal and informal retailers that deal with the manufacture, application, transport and storage of chemicals;
- (b) Permitting, licensing and auditing the premises of the above, e.g. by issuing Scheduled Trade Permits;
- (c) Facilitating advice, education and training on pesticides and/or chemical safety.

(10) NOISE CONTROL

Chapter 3

- (a) Assessing the extent of noise pollution and its effects on human health;
- (b) facilitating noise control measures;
- (c) measuring ambient sound levels and noise levels.

(11) RADIATION (IONISING AND NON-IONISING) MONITORING AND CONTROL

- (a) Ensuring ionising and non-ionising radiation sources are registered with the Department of Health;
- (b) ensuring registered ionising and non-ionising sources meet licence conditions;
- (c) monitoring the safe transportation of radioactive material to ensure compliance;
- (d) ensuring radioactive sources are licensed at the South African Nuclear Energy Corporation (NECSA);
- (e) ensuring the proper disposal of all radiation waste materials from hospitals and other licensed establishments;
- (f) ensuring protection against any form or sources of electromagnetic radiation.

(12) PORT HEALTH

- (a) Monitoring, inspecting, sampling and labelling all imported foodstuffs, cosmetics and disinfectants at all ports of entry (harbours and border posts);
- (b) monitoring all imported foodstuffs, cosmetics and disinfectants for which a certificate of approval is required;
- (c) sampling foodstuffs consumed on board all aeroplanes and ships;
- (d) monitoring, inspecting and sampling (for chemical and bacteria testing purposes) all maize and wheat imports;
- (e) monitoring continuous rodent and vector control at airports and harbours;
- (f) monitoring imports of used pneumatic tyres for the prevalence of mosquitoes such as the Aedes species (vectors for yellow fever, dengue fever and encephalitis);
- (g) Providing a continuous vaccination programme for seafarers at all ports;
- (h) Monitoring and inspecting all hazardous cargo entering the country;
- (i) Monitoring and preventing communicable diseases on a 24 hour-basis;
- (j) Monitoring water on board ships to ensure that it is safe for human consumption;
- (k) Monitoring food wastes and medical waste for disposal.

Chapter 3

(13) MALARIA CONTROL

- (a) Ensuring, developing and implementing a malaria control programme for the country, thus lowering parasite levels in the population and preventing deaths through rapid diagnosis and prompt treatment;
- (b) Ensuring a continued active and feasible malaria surveillance programme;
- (c) Carrying out house-to-house surveys to actively detect malaria cases;
- (d) Ensuring blood smears are taken from foreigners and people who have visited malaria-endemic countries for malaria parasitaemia screening;
- (e) ensuring randomised screening of the population by blood sampling for testing during seasonal changes in high-risk malaria areas;
- (f) carrying out epidemiological surveys to research the extent of transmission and gather data on the infected population;
- (g) undertaking vector control on an annual basis by application of residual insecticides on inner wall surfaces, roofs and eaves of dwellings in malaria areas;
- (h) conducting continued health education and awareness programmes on malaria, for example by distributing pamphlets and launching campaigns.

(14) CONTROL AND MONITORING OF HAZARDOUS SUBSTANCES

- (a) Ensuring the correct labelling of hazardous substances;
- (b) Ensuring all active ingredients are indicated;
- (c) Ensuring warning signs are indicated;
- (d) Ensuring precautions are taken during storage and transportation, and the appropriate protective gear is used during handling;
- (e) Ensuring all hazardous substances are registered with the Departments of Agriculture and Environmental Affairs and Tourism;
- (f) Ensuring hazardous substances control to prevent injury, ill-health or death by reason of the toxic, corrosive, irritant or flammable nature of substances;
- (g) Ensuring control over the importation, manufacture, sale, operation, application, modification or dumping of such substances;
- (h) Ensuring premises are licensed and registered with the appropriate authorities;
- (i) Inspecting premises to ensure compliance with safety, storage and other precaution measures;
- (j) Ensuring sampling is done according to approved procedures;
- (k) Ensuring all labelling regulations are complied with;

Chapter 3

- (l) Checking all stock records and ensuring the hazardous substance register is up to date;
- (m) Ensuring that empty containers are disposed of according to statutory requirements.

(Signed)
DR A MOTSOLEDI, MP
MINISTER OF HEALTH

T 3.19.1

SERVICE STATISTICS FOR HEALTH INSPECTION, Etc.

Actions Annual Target	528
Actions Quarterly Target	132
Actions Actual Performance	768
Break Down	
Water	104
Health Surveillance of Premises	200
Food Premises	408
Awareness Campaigns	24
Food Samples	16
Funeral Undertakers	16

T 3.19.2

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, ETC. OVERALL:

As indicated, the District Municipality is responsible for monitoring of environmental health risk factors that is detrimental to the lives of communities.

There is a healthy relationship between the National Department of Health and the District Municipality. The National Department of Health recently deployed one Environmental Health Practitioner (Community Service) for one year to do community services in the District. The Community Development Services Department appreciates efforts by the National Department and therefore would like to lobby for another Environmental Health Practitioner (Community services) to assist in the District. The Department needs internships for both Disaster Management and Municipal Health Services. Therefore the Community Development Services Department would further like to engage organizations like NARYSEC to see how we can forge good relations so that we can be able to work together in future, especially on issues related to environment.

Chapter 3

The Department (Community Development Services) has also prepared business plans that have been sent to different stakeholders to assist with funding of environmental projects in order to further enhance service delivery.

There are also challenges facing this profession in our district, for example geographically the District is huge and the resources and the manpower are few, therefore the Environmental Health Practitioners have to travel long distances to execute their duties. Compliance remains a challenge in most businesses and government institutions, but the EHP's try everything in their power to do their job, by advising and taking the necessary punitive measures where possible. In some instances they must be able to identify themselves fully because some new business owners will not trust them thinking that they are not the right personnel.

T 3.19.7

COMPONENT G: SECURITY AND SAFETY

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

INTRODUCTION TO SECURITY & SAFETY

Security and Safety is not a District Municipality function.

T 3.20

3.20 POLICE

INTRODUCTION TO POLICE

Security and Safety is not a District Municipality function.

T 3.20.1

3.22 OTHER (DISASTER MANAGEMENT)

INTRODUCTION TO DISASTER MANAGEMENT

1) ACTIVITIES DURING THE YEAR

1.1) Attendance of meetings

- Four District Disaster Management Advisory Forum Meetings were attended in the Province.
- Four Provincial Disaster Management Advisory Forum Meeting was attended in the Province.

Chapter 3

1.2) Contingency Planning

The following Contingency Plans were compiled and submitted to the PDMC

- Winter Season Contingency Plan
- Heavy Rain Contingency Plan
- Veldt fire Contingency Plan
- Contingency Plan for the Festive Season of 2017
- Contingency Plans for the Easter weekend of 2018

1.3) Compilation of reports

- Compilation of 4 Quarterly reports for the JTGDM Council.
- Compilation of 4 Quarterly Reports for the Provincial Disaster Management Centre
- Compilation of Annual JTGDM Report
- Compilation of Annual Provincial Disaster Management Report

2) RESULTS OF PREVENTION AND MITIGATION INITIATIVES

2.1) Road Incident Management System Workshop

Road incident management is the process whereby a set of coordinated activities is initiated when an incident occurs on a road in order to minimize the direct and secondary effects of the incident, as well as to restore normal capacity and safety levels to all affected road facilities as quickly as possible. Road Incident Management System (RIMS) is the coordinated and pre-planned use of human, mechanical and electronic resources to manage incidents and to restore traffic to normal operating conditions as soon as possible.

The South African National Roads Agency Ltd (SANRAL) SOC is mandated by Department of Transport to ensure that road incident management is implemented on all national roads across the country. The N14 section 1 to 8 (Springbok to NC/NW border) is a national road in the Northern Cape and therefore, the road incident management system needs to be implemented on this road.

According to the RIMS Operational Policy, a prerequisite for the establishment of a road incident management system is to allocate the function of a Central Communication Centre (CCC) to the District Disaster Management Centre appropriately. When centralised communication is taking place, all information is channeled through one Communication Centre which helps to avoid duplication; it sends out one message and it co-ordinate all communication between parties.

A local Steering Committee, comprising of nominated representatives of affected and interested parties has been established for the N14 in the JTG District.

The JTG District Steering Committee meets on a quarterly basis, to accommodate road incident management stakeholders from the Olifantshoek, Kathu, Kuruman and Mothibistad areas. At these local

Chapter 3

steering committee meetings, as well as the Provincial Coordinating and Advisory Committee meetings, challenges with regards to incident detection, notification and resource deployment have been discussed.

2.2) Disaster Risk Reduction

7 Disaster Management Volunteers received training in First Aid Level 1.
13 DM Volunteers were trained in Basic Fire Fighting.

3) CLASSIFICATION, MAGNITUDE AND SEVERITY OF DISASTERS/ INCIDENTS

3.1) Emergencies Coordinated

2776 Emergencies were co – ordinated and monitored by the DMC.
Standing Operating Procedures were activated for all emergencies handled.

3.2) Wind and rain storm

From 22 - 27 January 2018 two severe rain and wind storms struck villages in Joe Morolong Municipality.
An assessment was conducted by the Local Municipality

87 Households were affected which include the following villages:

Ward 1	
Shalaneng	35 Houses
Heuningvlei	7 Houses

Ward 3

Penryn	40 Houses
March	5 Houses

According to the report from Joe Morolong, 14 injuries were reported after the incident in Ward 3.
The wind and rain caused the following damage:

- Informal houses to collapse and roofs were ripped off.
- Eskom network were damaged.
- Water tanks were destroyed.

ASSISTANCE PROVIDED

- EMS transported injured community members to Batlharos Hospital for medical attention.
- The Municipality availed a community hall for temporary storage of belongings.

Chapter 3

- Joe Morolong Local Municipality made an assessment of the incidents and submitted a report to JTGDM. (Joe Morolong Report on incidents in Ward 3 – See Annexure A) (Report for incidents in Ward 1 were still outstanding from Joe Morolong when Agenda items closed on 01 February 2018)
- Joe Morolong Municipality arranged a role player steering committee meetings on 23 January 2018, between role players to discuss response and recovery measures.
- JTG Disaster Management Centre assisted Joe Morolong Municipality with 30 blankets
- JTG Disaster Management Centre reported the incidents to the Provincial Disaster Management Center to ensure that affected households are assisted through the Emergency Assistance Housing Programme through the Human Settlement division of COHSTA.
- Eskom repaired damaged transformer and wires.
- Joe Morolong assisted the affected communities with water tanks.

On 20th and 26 March 2018 two severe rain and wind storms struck villages in Joe Morolong Municipality. An assessment was conducted by the Local Municipality

38 Households were affected which include the following villages:

Maula Ranch	1 House
Gatshekedi	2 Houses
Gasese	34 Houses
Maipeing	1 Houses

According the report from Joe Morolong, no injuries were reported after the incidents. The wind and rain caused the following damage:

- Informal houses to collapse and roofs were ripped off.

ASSISTANCE PROVIDED

- Joe Morolong Local Municipality assessed the incidents and submitted a report to JTGDM. (Joe Morolong Report on incidents – See Annexure A)
- JTG Disaster Management Centre requested Joe Morolong Municipality to arranged a role player steering committee meetings to discuss response and recovery measures.
- JTG Disaster Management Centre reported the incidents to the JTG Housing Unit and Provincial Disaster Management Center to ensure that affected households are assisted through the Emergency Assistance Housing Programme through the Human Settlement division of COHSTA.

4) PROBLEMS EXPERIENCED IN DEALING WITH INCIDENTS

- Local Municipalities do not budget for Disaster Assistance in their Operational Budget
- Slow response from Sector Departments

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5) WAY IN WHICH PROBLEMS WERE ADDRESSED

The Council of JTG resolved the following procedures in Council Resolution:

5.1) That Local Municipalities should make provision in their Operational Budgets for Emergency Disaster Assistance funds.

5.2) That Sector Departments should assist affected households timeously.

5.3) That Supply Chain Management should ensure that extraordinary emergency procurement procedures are in place to ensure rapid response to affected communities.

That the Housing Unit within the Local Municipality submit a business plan to Human Settlement unit in COGHSTA to ensure that the affected households are assisted through the Emergency Assistance Housing Programme, within Human Settlement.

6) DISASTER MANAGEMENT PLAN

DMP and DMF were compiled and reviewed for each Local Municipality and the District Municipality.

T 3.22.7

COMPONENT H: SPORT AND RECREATION

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

INTRODUCTION TO SPORT AND RECREATION

As part of employee wellness a service provider was appointed to develop an Integrated Employee Wellness policy and strategy. Sports and recreation is covered in the employee wellness activity program. This service is however not provided to communities.

T 3.23

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

INTRODUCTION TO CORPORATE POLICY OFFICES, ETC.

All policies have been consulted with all stakeholders, thereafter the policies were submitted to Council for approval and implemented as required.

T 3.24

Chapter 3

3.24 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Municipal priorities for 2018/19 as indicated below. The priorities are numbered for convenience only. Priorities are regarded as equally important:

1. Water & Sanitation
2. Roads & Transport
3. Local economic development (LED)
4. Land development and reform
5. Integrated human settlements
6. Sustainable Development Orientated Municipality
7. Environmental management and conservation and climate change management
8. Promotion of health in the District
9. Disaster management

T 3.24.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

The Municipality does not provide services directly to communities. The annual performance of the Municipality is indicated in the Annual Performance Report in Volume 3.

T 3.24.2

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

Council managed to meet successfully during the year and a number of ordinary and special meetings were held. Council fulfilled its oversight obligations with the assistance of the Municipal Public Accounts Committee, as well as the Audit and Performance Committee. Management to the most extent were also effective and is continuing with its change management process. Problems were however experienced in the Budget and Treasury Office, where interventions had to be made during the year. Certain processes in this regard is still unfolding. The Municipality also progressed to an unqualified without findings audit opinion 2018/19 Financial Year.

T 3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

Chapter 3

Please refer to the **Audited Annual Financial Statements 2016-2017** in the Annual Report Volume II.

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The HR unit is responsible for individual performance management, skills development, bursaries (18.1 & 18.2) recruitment & selection, HR administration and leave management.

T 3.26.1

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

Bio-metric and CCTV systems were introduced as a control to adhere to attendance and punctuality policies of Council. The mentioned capital projects will serve the purpose to safeguard Council property as well as to address the safety of Councilors and Officials.

Budgeted vacant positions were advertised and filled as per approved organogram. Performance assessments were coordinated and reported to council on quarterly basis. Leave has been administered and re consolidated on monthly basis. Training programs (including on-job training) have been implemented for all officials and councilors.

T 4.0.1

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

During the year under review, network problems were experienced especially at Technical Services, Management did address the issues as the needs arised. Council envisaged to address these IT challenges during the next financial year by allocating sufficient budget for improvement of IT infrastructure.

IT audit findings were fully addressed. The accounting system and HR system was changed from Sebata EMS to Sage Evolution and Sage 300 People systems.

T 3.27.1

Chapter 3

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

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

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The year 2018/19 was a relatively fair year in that there were few new matters relating to the legal unit.

In this Unit we deal with Legal, Compliance and MPAC matters. Tremendous improvement has been recorded around seating of MPAC and MPAC resolutions, where even the prior year UIF register has been worked on and minuted for council resolutions.

The members of the MPAC have received numerous and rigorous training throughout the year in order to ensure that we build capacity around them in relation to the required investigations of MPAC. There has also been interaction between MPAC and the Provincial Legislature in terms of workshops facilitated by COGHSTA and the Provincial Legislature.

Issues of compliance have been tackled in line with departmental and functional adherence to policy and legislation. Management has put systems in place to ensure that all units, departments and the Office of the Municipal Manager take charge and responsibility in responding to possible breaches. We expect, going forward to enforce the improvement in the upcoming years by making compliance a performance target for Directors.

T3.28.1

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

The legal cases has reduced in number due to the careful and considerate way of dealing with such cases, consulting the aggrieved and promoting discussions in a quest of arriving at amicable solutions on pending cases, which recognises that even compromises becomes a requirement after all options are tested. We commit to deal with all remaining cases in the spirit of the public interest, prudence regarding funds, avoidance of policy abuse and adhering to legislation, in the process following good corporate practices.

The procurement of municipal services are expected to adhere to the principles of completion, accountability, transparency, equity and fairness.

The above principles becomes the terrain for contestation from time to time due to either the public or administrative considerations. It must be emphasised that the guidance by the Constitution of South Africa, the Supply Chain Policy and Regulations must at all times be adhered to.

We also need at our municipal level to win the public and private sector confidence regarding the processes and procedures we undertake to arrive at procurement outcomes. That will go a long way in

Chapter 3

attracting funding for municipal functions, especially when government as a whole and members of society place their trust in municipal systems, municipal officials and executives.

T 3.28.2

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL

Property services is limited to the maintenance and/or refurbishment of municipal properties.

T 3.28.7

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

The Municipality provides none of the above services. The Community Services Department perform inspections at abattoirs, but the Municipality do not have any abattoirs.

T 3.29.0

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

The Organisational Performance is reported on in Volume 3 of the Annual Report, in the annual performance report.

Chapter 4

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

INTRODUCTION

As per amended Systems Act, the organigram is annually reviewed and approved by Council. The 2018-19 was approved by Council in May 2018 for implementation from 1st July 2018.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	4	2	50.00
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00
Fire fighters	0	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	4	1	25.00
Senior management: Levels 13-15 (Finance posts)	3	0	0.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	16	9	56.25
Highly skilled supervision: levels 9-12 (Finance posts)	4	0	0.00
Total	32	12	37.50
<i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>			T 4.1.2

Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	-	-	-
Year -1	4	5	5 %
Year 0	-	-	-
* Divide the number of employees who have left the organization within a year, by total number of employees who occupied posts at the beginning of the year			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

Budgeted vacant posts were filled as per Council's recruitment and selection policy. Other vacant posts are still vacant due to job evaluation.

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The old Human Resource Strategy has been reviewed and is used as a moving target quarter to quarter. The Employment Equity plan is also being reviewed and is used as a moving target quarter to quarter, reflecting on the new and existing employees, to ensure that the EE component is healthy at about 50+1 % of woman. At senior management level there is an improvement from 16% to 32% of woman representation.

The EXCO component of EE is 100% and is doing well in terms of governance.

T 4.2.0

Chapter 4

4.2 POLICIES

HR Policies and Plans				
No.	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1.	Cash & Investment Policy	100	100	6.4.29/05/2018
2.	Expenditure Management Policy	100	100	6.4.29/05/2018
3.	Funding & Reserve Policy	100	100	6.4.29/05/2018
4.	Accounting Policy	100	100	6.4.29/05/2018
5.	Telephone Policy	100	100	6.4.29/05/2018
6.	Remuneration Policy	100	100	6.4.29/05/2018
7.	Housing Allowance Policy	100	100	6.4.29/05/2018
8.	Policy on Renting of Council Facilities	100	100	6.4.29/05/2018
9.	Catering Policy	100	100	6.4.29/05/2018
10.	Attendance & Punctuality Policy	100	100	6.4.29/05/2018
11.	Telephone Policy	100	100	6.4.29/05/2018
12.	Credit Control and Debt Collection Policy	100	100	6.4.29/05/2018
13.	Ethics Policy	100	100	6.4.29/05/2018
14.	Emergency Policy	100	100	6.4.29/05/2018
15.	Expanded Public Works Policy	100	100	6.4.29/05/2018
16.	Information Technology Policy	100	100	6.4.29/05/2018
17.	Compassion & Bereavement Policy	100	100	6.4.29/05/2018
18.	Internship & Experiential Learning Policy	100	100	6.4.29/05/2018
19.	Fleet Management Policy	100	100	6.4.29/05/2018
20.	Job Evaluation Policy	100	100	6.4.29/05/2018
21.	Municipal Corporate Governance of Information & Communication Technology Policy	100	100	6.4.29/05/2018
22.	Policy Development Framework	100	100	6.4.29/05/2018
23.	Records Management Policy	100	100	6.4.29/05/2018
24.	Registry Manual Policy	100	100	6.4.29/05/2018
25.	Recruitment & Selection Policy	100	100	6.4.29/05/2018
26.	Sexual Harassment Policy	100	100	6.4.29/05/2018
27.	Staff Retention Policy	100	100	6.4.29/05/2018
28.	Risk Management Policy	100	100	6.4.29/05/2018
29.	Transfer Policy	100	100	6.4.29/05/2018
30.	Training & Development Policy	100	100	6.4.29/05/2018
31.	Vehicle Allowance Policy	100	100	6.4.29/05/2018
32.	Performance Management Policy	100	100	6.4.29/05/2018
33.	Code of Conduct for Employees	100	100	6.4.29/05/2018
34.	Delegations, Authorisation & Responsibility	100	100	6.4.29/05/2018

Chapter 4

35.	Leave Policy	100	100	6.4.29/05/2018
36.	Acting & Secondment Policy	100	100	6.4.29/05/2018
37.	Performance Management Policy	100	100	6.4.29/05/2018
38.	Study Assistance Policy	100	100	6.4.29/05/2018
39.	Assets Management Policy	100	100	6.4.29/05/2018
40.	Budget Policy	100	100	6.4.29/05/2018
41.	Travel & Subsistence Policy	100	100	6.4.29/05/2018
42.	Tariff Policy	100	100	6.4.29/05/2018
43.	Credit Control & Debt Collection Policy	100	100	6.4.29/05/2018
44.	Impairment Policy	100	100	6.4.29/05/2018
45.	Supply Chain Management Policy	100	100	6.4.29/05/2018
46.	Petty Cash Policy	100	100	6.4.29/05/2018
47.	HR Strategy (2018-2023)	100	100	6.4.29/05/2018
48.	IT Governance Framework	100	100	6.4.29/05/2018

T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Notch increase Policy will be drafted for Council in the next financial year.

T 4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Quarter 1 Report:

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	205	n/a
Sick leave		
With sick note	124	n/a
Without sick note	3	n/a
Additional paid sick leave	Nil	n/a
Special leave		
<i>Study</i>	11	n/a
<i>Family responsibility</i>	12	n/a
<i>Court appearance</i>	Nil	n/a
<i>Maternity leave</i>	65	n/a
<i>Sports / cultural activities</i>	Nil	n/a
<i>Performance</i>		n/a
<i>Special</i>	Nil	n/a
Council resolutions/ Overtime	9	n/a
Unpaid	Nil	
Long Service	10	n/a

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Quarter 2 Report:

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	239	n/a
Sick leave		
With sick note	134	n/a
Without sick note	5	n/a
Additional paid sick leave	Nil	n/a
Special leave		
<i>Study</i>	22	n/a
<i>Family responsibility</i>	18	n/a
<i>Court appearance</i>	Nil	n/a
<i>Maternity leave</i>	3	n/a
<i>Sports / cultural activities</i>	Nil	n/a
<i>Performance</i>	Nil	n/a
<i>Special</i>	33	n/a
Council resolutions	35	n/a
Long Service	Nil	n/a
Union	0	n/a

Quarter 3 Report:

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	486	n/a
Sick leave		
With sick note	163	n/a
Without sick note	12	n/a
Additional paid sick leave	Nil	n/a
Special leave		
<i>Study</i>	28	n/a
<i>Family responsibility</i>	7	n/a
<i>Court appearance</i>	Nil	n/a
<i>Maternity leave</i>	Nil	n/a
<i>Sports / cultural activities</i>	Nil	n/a
<i>Performance</i>	Nil	n/a
<i>Special</i>	Nil	n/a
Council resolutions/ Overtime	34	n/a
Unpaid	Nil	n/a
Long Service	3	n/a
Union	1	n/a

Quarter 4 Report:

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	196	n/a
Sick leave		

Chapter 4

With sick note	65	n/a
Without sick note	12	n/a
Additional paid sick leave	Nil	n/a
Special leave		
<i>Study</i>	18	n/a
<i>Family responsibility</i>	2	n/a
<i>Court appearance</i>	Nil	n/a
<i>Maternity leave</i>	Nil	n/a
<i>Sports / cultural activities</i>	Nil	n/a
<i>Performance</i>	Nil	n/a
<i>Special</i>	9	n/a
Council resolutions/ Overtime	14	n/a
Unpaid	Nil	
Long Service	7	n/a

COMMENT ON INJURY AND SICK LEAVE

Throughout the year the municipality has experienced minor incidents where sick leave of some staff members is of high rate. There is a need to introduce a Wellness Programme in the workplace.

In addition to the Wellness Programme, an Occupational Health and Safety (OHS) Committee was elected for JTGDM in ensuring a safe workplace.

T 4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
None	-	-	-	-

4.4 PERFORMANCE REWARDS

No performance rewards issued during the year.

COMMENT ON PERFORMANCE REWARDS:

No performance rewards issued during the year.

T 4.4.1.1

Chapter 4

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Skills development of staff and councillors was done in line with the Work Skills Plan. There is progressive capacity building for the organisation in general, with a view to correct the present organogram.

Recording of expenditure on minimum competency for senior management and required officials is noted. Recording of expenditure in respect of councillors for degree qualifications is also noted.

Improvement is needed for record keeping in house.

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Management level	Gender	Employees in post as at 30 June Year 1	Learnerships		Skills programmes & other short courses			Other forms of training			Total		Target
		No.	Actual: End of Year 0	Actual: End of Year 1	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	
MM and s57	Female	2	0	0	0	1	1	1	2	2	1	1	3
	Male	4	0	0	0	1	1	0	0	1	0	1	2
Councillors, senior officials and managers	Female	8+2	0	0	4	4	4	2	2	2	6	6	6
	Male	3+3	0	0	1	1	1	1	0	0	2	1	1
Technicians and associate professionals*	Female	1	0	0	0	1	1	0	0	0	0	1	1
	Male	1	0	0	1	1	1	0	0	0	1	1	1
Professionals	Female	19	0	0	0	2	2	2	2	2	2	4	4
	Male	10	0	0	0	1	4	1	1	1	1	2	3
Sub total	Female	32	0	0	4	8	8	5	6	6	9	12	14
	Male	21	0	0	2	4	7	2	1	2	4	58	7
Total		53	0	0	6	11	15	7	7	8	13	16	21

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Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2	0	0	1	1	2	2	3	3
	Male	4	0	0	1	1	1	0	2	1
Legislators, senior officials and managers	Female	10	0	0	4	4	2	2	6	6
	Male	6	0	0	1	1	0	0	1	1
Professionals	Female	19	0	0	2	2	3	3	5	5
	Male	10	0	0	4	2	1	1	5	3
Technicians and associate professionals	Female	1	0	0	1	1	1	0	1	1
	Male	1	0	0	1	1	1	0	1	1
Clerks	Female	28	0	0	1	1	3	3	4	4
	Male	5	0	0	0	0	0	0	0	0
Service and sales workers	Female	1	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	2	0	0	0	0	0	0	0	0
	Male	4	0	0	0	0	0	0	0	0
Elementary occupations	Female	9	0	0	10	10	0	0	10	10
	Male	19	0	0	5	5	0	0	5	5
Sub total	Female	62	0	0	19	29	11	10	29	29
	Male	49	0	0	12	10	3	1	14	11
Total		125	0	0	50	9	31	26	186	35
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									1%*	*R200 000
T4.5.3										

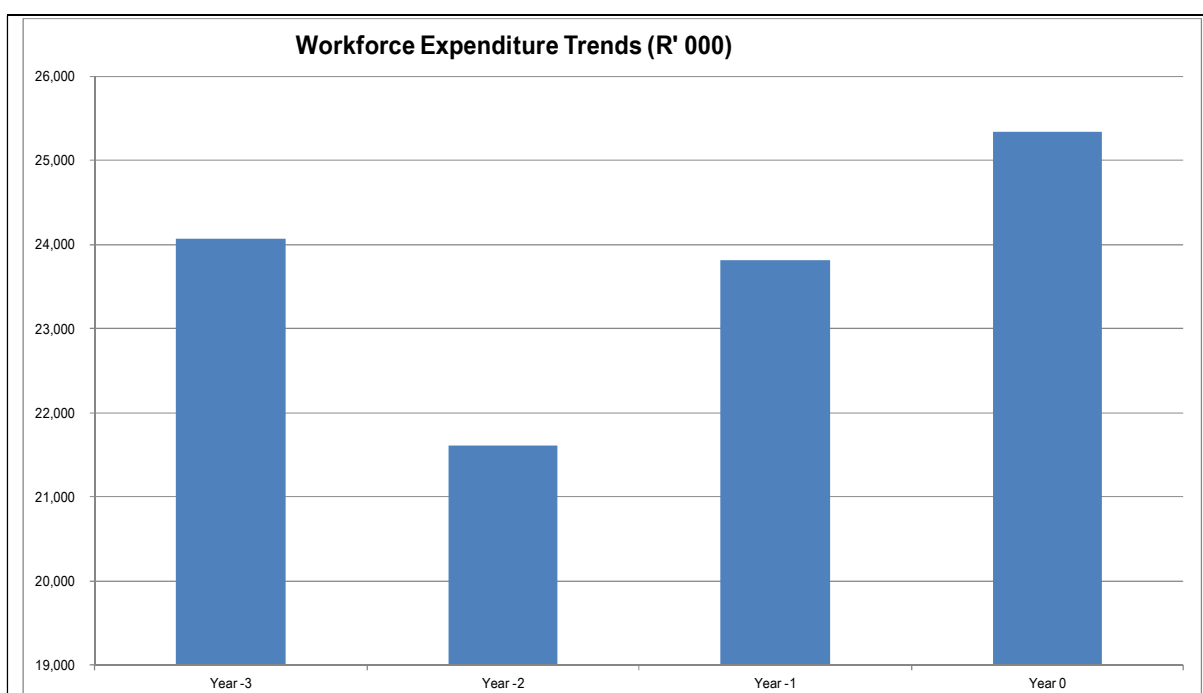
Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

T 4.6.0

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

T 4.6.1

T 4.6.1.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	3
	Male	5
Skilled (Levels 3-5)	Female	0
	Male	1
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0

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	Male	0
MM and S 57	Female	0
	Male	0
Total		0
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i>		
		<i>T 4.6.2</i>

DISCLOSURES OF FINANCIAL INTERESTS

All Senior Managers and Councillors have completed the Interests Disclosure Register in the year under review.

T 4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

The Office of the Auditor General conducted an audit on the municipality's 2018/19 Annual Financial Statements and issued an ***unqualified without findings audit opinion***. This opinion came subsequent to the municipality receiving an unqualified with findings audit opinion for five consecutive years.

The improvement in the outcome is attributable to a number of factors which includes, but is not limited to:

1. Responsiveness of the Council, Council Committees, Management team and municipal staff on issues pertaining to improved systems.
2. Effectiveness of the Risk and Internal Audit functionaries within the municipality as well as the Advisory of the Audit, Risk and Performance Management Committee
3. Changing of the core financial management system.
4. Success in data migration processes conducted
5. Development of and monitoring implementation of the Audit Action Plan, aimed at addressing other matters that the Office of the Auditor General emphasized on during the previous audits.

Furthermore, the plan that was developed to address the going – concern issues of prior period, was fully implemented and monitored on an ongoing basis. Management did however, still conduct the going concern assessment for the year under review i.e. 2018/19 financial year, with the findings outlined as per the narratives on the table below:

Chapter 5

Period:	30 June 2019		
Schedule:	Going Concern assessment		
Key financial ratios	2018/2019	2019/2020	Commentary
Current Ratio	2.21	1.25	The current assets exceed current liabilities, this confirms that the municipality is liquid.
Total Current assets	23 572 417.00	7 461 000.00	
Total Current liabilities	10 689 273.00	5 982 000.00	
Acid test ratio	1.41	1.25	The ratio is above 1 which is an indication that the municipality will be able to pay its current liabilities as they come due.
Current assets	23 572 417.00	7 461 000.00	
Less Inventory	- 8 539 763.00	-	
/ Current liabilities	10 689 273.00	5 982 000.00	For the year under review as well as the budgeted 2019/2020 financial years the total assets are above the municipal's debt. This is an indication of a solvent municipality.
Debt ratio	6.608144527	3.109327984	
Total Assets	108 835 691.00	18 600 000.00	
Total Current Assets	23 572 417.00	7 461 000.00	Municipality is generating more revenue than it spends even though the difference is narrow. This is an indication of tough economic environment.
Total Non Current Assets	85 263 274.00	11 139 000.00	
Total Liabilities	16 469 932.00	5 982 000.00	
Total Current liabilities	10 689 273.00	5 982 000.00	
Total Non Current Assets	5 780 659.00	-	
Net revenue to net expenditure	1.086973168	1.019122257	
Revenue	102 994 086.00	104 032 000.00	
Total revenue from exchange transactions	4 648 641.00	5 375 000.00	
Total revenue from non-exchange transactions	98 345 445.00	98 657 000.00	
Expenditure	94 753 108.00	102 080 000.00	
Employee benefits	56 219 755.00	64 184 000.00	
Remuneration of councilors	4 944 453.00	4 388 000.00	
Depreciation and Asset Impairment	3 343 378.00	3 575 000.00	
Finance Charges	743 970.00	-	
Material and bulk purchases		1 606 000.00	
Other Expenditure	29 501 552.00	28 327 000.00	
Other Financial Liabilities	1 205 668.00		Financial liabilities relate to a DBSA loan with instalments that are payable twice in June and December. Considering the date at which the grant payments to the municipality are scheduled the municipality will be able to pay these instalments as they become due.
Indications of financial support			The municipality is expecting grants amounting to R98 657 000.00 for the year 2019/2020 financial year from various departments including National Treasury. There is no indication of withdrawal of these grants in the near future.
Budgeted operating cash flows			Based on the budgets expenditure incurred by JTGDM is expected to be less than the total revenue received. Further, budgeted net revenue against net expenditure is 1.019, confirming that the municipality has projected to generate and receives revenue that is more than projected expenditure.
Council or management intention to liquidate the municipality or cease operations			There has been no resolution taken by the council to liquidate or to cease operations of the municipality.
Key Management positions			There has been no resignation of key management personnel due to a pending liquidation or ceasing of operations by the municipality. Further, key positions are filled.
Other issues			
Pending legal or regulatory proceedings against the municipality			Estimated costs of pending legal or regulatory proceedings against the municipality amount to R520668.00. This does not create a threat to the going concern of the municipality.
Changes in law that is likely to affect the municipality adversely			There are no expected changes in law that are likely to adversely impact the municipality
Conclusion			
Based on the above analysis the municipality is liquid and solvent, even though expenditure is almost equal to revenue. The most significant indicator of going concern issues for the a municipality is an intention by government to merge a municipality. Of which there are no indications that JTG will be merged. Further, there is no indication that government intends to close the municipality.			
In cases where the municipality experiences financial difficulties provincial government usually intervenes by placing the municipality under administration, therefore the municipality does not cease to exist due to financial problems.			

T 5.0.1

Chapter 5

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The financial performance of the Municipality as at 30 June 2019 is reported in the Audited Annual Financial Statements in Vol II.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description		2018/19										2017/18				
		Original Budget	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance																
Property rates				–			–			–	0	–				–
Service charges				–			–			–	0	–				–
Investment revenue	252	841	1 093			1 093	1 881			789	172%	747%				1 354
Transfers recognised - operational	94 024	1 503	95 527			95 527	97 866			2 339	102%	104%				80 535
Other own revenue	6 133	875	7 008			7 008	3 256			(3 753)	46%	53%				2 790
Total Revenue (excluding capital transfers and contributions)	100 409	3 219	103 628	–	–	103 628	103 003	–	–	(625)	99%	103%	–	–	–	84 678
Employee costs	61 935	(3 415)	58 521			58 521	56 654			(1 866)	97%	91%	4 580			55 502
Remuneration of councillors	4 145	32	4 177			4 177	4 944			767	118%	119%				4 837
Debt impairment		918	918			918	949			31	0%	0%	31			142
Depreciation & asset impairment	2 954	2 112	5 066			5 066	3 343			(1 722)	66%	113%	3 015			3 422
Finance charges							744			744	0%	0%				896
Materials and bulk purchases	2 376	1 114	3 490			3 490	–			(3 490)	0%	0%				1 849
Transfers and grants	200	99	299			299	199			(100)	67%	99%				25 305
Other expenditure	28 029	265	28 294			28 294	29 083			789	103%	104%				25 305
Total Expenditure	99 639	1 125	100 764	–	–	100 764	95 917	–	(4 848)	96%	96%	7 626	–	–	–	91 953
Surplus/(Deficit)	770	2 094	2 864	–	–	2 864	7 086	–	4 222	247%	920%	(7 626)	–	–	–	(7 275)
Transfers recognised - capital											0%	0%				1 557
Contributions recognised - capital & contributed assets											0%	0%				–
Surplus/(Deficit) after capital transfers & contributions	–	–	–	–	–	–	–	–	–	–	0%	0%	–	–	–	–
Share of surplus/ (deficit) of associate							(346)			(346)	0%	0%				–
Surplus/(Deficit) for the year	770	2 094	2 864	–	–	2 864	6 740	–	3 877	235%	875%	(7 626)	–	–	–	(5 718)
Capital expenditure & funds sources																
Capital expenditure	770	2 094	2 864							–	0%	0%				
Transfers recognised - capital	92	–	92			92	–			(92)	0%	0%				
Public contributions & donations										–	0%	0%				
Borrowing										–	0%	0%				
Internally generated funds	263	78 752	79 015			79 015	–			(79 015)	0%	0%				
Total sources of capital funds	355	78 752	79 107	–	–	79 107	–	–	–	(79 107)	0%	0%	–	–	–	–
Cash flows																
Net cash from (used) operating	5 486	15 034	20 521			20 521	5 486			(15 034)	27%	100%				2 618
Net cash from (used) investing	(2 777)	(2 884)	(5 661)			(5 661)	(2 777)			2 884	49%	100%				(1 475)
Net cash from (used) financing	(342)	1 286	944			944	(439)			(1 383)	-47%	0%				(1 045)
Cash/cash equivalents at the year end	2 367	13 437	15 804	–	–	15 804	2 270	–	(13 534)	14%	96%	–	–	–	–	97

Chapter 5

SYNOPSIS FINANCIAL PERFORMANCE	FINANCIAL YEAR		% - (increase)/decrease
	2 019	2 018	
Total Revenue	103 002 500.00	84 678 356.00	-17.8%
Grants	97 865 731.00	80 534 670.00	-17.7%
Grants as a % of revenue	95%	95%	
Total Expenditure	95 516 568.00	91 953 420.00	-3.7%
Employee Related Costs	56 654 287.00	55 502 254.00	-2.0%
Councillors Remuneration	4 944 453.00	4 837 257.00	-2.2%
General Expenses	29 082 538.00	25 304 768.00	-13.0%
% Employee Costs	64%	66%	
% Expenses	30%	28%	
Surplus Deficit	6 740 330.00	- 5 718 157.00	-184.8%

Revenue Management

As per the analysis above, the municipal revenue increased by 17.8% as compared to the prior year. It is evident that for the period under review, 95% of the total municipal revenue is from grants and subsidies. This mainly due to the fact that John Taolo Gaetsewe District is a district municipality with limited revenue streams.

Expenditure Management

Though the employee related costs continued to be one of the two key cost drivers at 64% (2018: 66%) during the financial year 2018/19, there is an overall 2% reduction in comparison. This is mainly attributable to the measures that management put in place to restructure and reposition the organogram.

The second highest cost driver is the operational costs/general expenses at 30% (2018: 28%). Cost containment measures continued to be implemented during the year under review.

Surplus/Deficit

The success of the plan to address the going concern issues raised in prior year, as indicated above, is evidenced by the 184.8% increase as indicated i.e. movement from the R5.7m deficit in 2018 to the surplus of R6.7m in 2019.

5.2 GRANTS

Chapter 5

Grant Performance						
R' 000						
Description	2017/18	2018/19			2018/19	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustment s Budget (%)
Operating Transfers and Grants						
National Government:	79 134	92 436	92 436	92 436	100.0%	100.0%
Equitable share	71 799	85 253	85 253	85 253	100.0%	100.0%
Finance Management Grant	1 250	1 000	1 000	1 000	100.0%	100.0%
Infrastructure Skills Development Grant	3 200	3 200	3 200	3 200	100.0%	100.0%
Rural Road Asset Management Grant	1 885	1 983	1 983	1 983	100.0%	100.0%
Extended Public Works Programme Grant	1 000	1 000	1 000	1 000	100.0%	100.0%
Provincial Government:	1 401	1 588	5 588	5 430	341.9%	97.2%
HIV and AIDS Council	166	500	500	248	49.7%	49.7%
Housing	950	700	700	700	100.0%	100.0%
NEAR Grant	275	388	388	431	111.0%	111.0%
Khotso Pula Nala Grant		–	4 000	3 970	0.0%	99.2%
FIRE Grant	9	–	–	81	0.0%	0.0%
District Municipality:	–	–	–	–		
None						
Other grant providers:	–	–	–	–		
None	–	–	–	–		
Total Operating Transfers and Grants	80 535	94 024	98 024	97 866	104.1%	99.8%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.						T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Based on Table 5.2.1 above, the municipality recognized 99.8% of its budgeted grants revenue for the 2018/19 financial year.

This constitutes 95% (2018: restated 95%) of the total municipal revenue, which is a clear indication that the municipality continued to be fully grant dependent.

Only Division of Revenue Act Grants were received and Table 5.2.3 is therefore not completed.

Chapter 5

5.3 ASSET MANAGEMENT

During the year the municipality acquired the office equipment aimed at enabling and improving efficiency of operations. Management also continued to manage and safeguard the municipal assets in line with the approved Municipal Assets Management Policy and report on a quarterly basis.

The largest asset procured during the year under review, was an intangible asset in the form of the new core financial management system for the municipality.

This was necessitated by the struggle and challenges the municipality faced in prior periods, as it relates to implementation of one of the reforms in local government i.e. compliance with the mSCOA requirements.

The table below highlight the three largest assets procured by the municipality during the year under review.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2018/19				
Asset 1				
Name	CCG Systems			
Description	Sage Evolution Software Licence			
Asset Type	Intangible Assets			
Key Staff Involved	Budget & Treasury Office			
Staff Responsibilities	Financial Management Functions			
Asset Value	2 001 250.88			
Capital Implications				
Future Purpose of Asset	Financial System			
Describe Key Issues				
Policies in Place to Manage Asset	IT and Asset Management Policies			
Asset 2				
Name	Donated Assets			
Description	Laptops and Desktops			
Asset Type	Computer Equipment			
Key Staff Involved	Municipal Employees			
Staff Responsibilities	Key Performance Area			
Asset Value	345 974.00			
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	IT and Asset Management Policies			
Asset 3				
Name	Reneilwe			
Description	RRAMS Project Management Software			
Asset Type	Intangible Assets			
Key Staff Involved	Basic Services and Infrastructure Staff			
Staff Responsibilities	Key Performance Area Project Management			
Asset Value	180 000.00			
Capital Implications				
Future Purpose of Asset	ICT functional needs			
Describe Key Issues				
Policies in Place to Manage Asset	IT and Asset Management Policies			
				T 5.3.2

Chapter 5

The municipality also has an Asset Management Steering Committee, being the structure tasked with, amongst others, ensuring the safeguards of the municipal assets. Functionality however of this structure is to be ensured fully in the 2019/20 financial year.

No additions and refurbishments were made to existing office buildings that increased the asset value of said buildings, and no property was purchased during the year under review.

The municipality recorded a 10.7% decrease in the values of the municipal investment properties, as per the valuation done by an Independent Valuer.

A decrease of 37.3% is recorded also for the fair values of the biological assets. This is mainly due to the decrease in numbers of the animals, due to high mortality rate, as a result of drought experienced during the year.

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

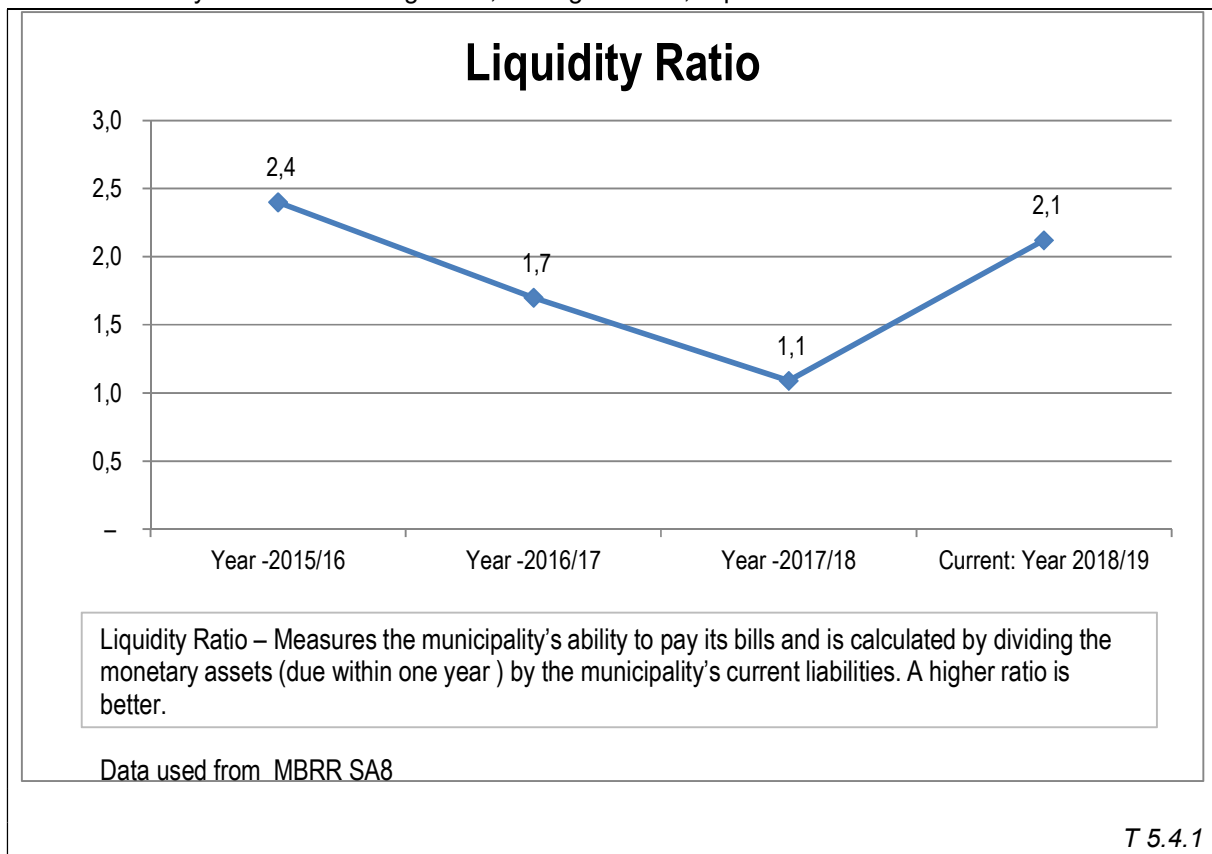
Repairs and maintenance were mostly related to the maintenance of buildings, vehicles and equipment. High % rate is an indication that municipal assets are aged and may soon require renewal/replenishment / replacement.

Repair and Maintenance Expenditure: Year 2018/19				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	2376	1690	7974	-236%
				T 5.3.4

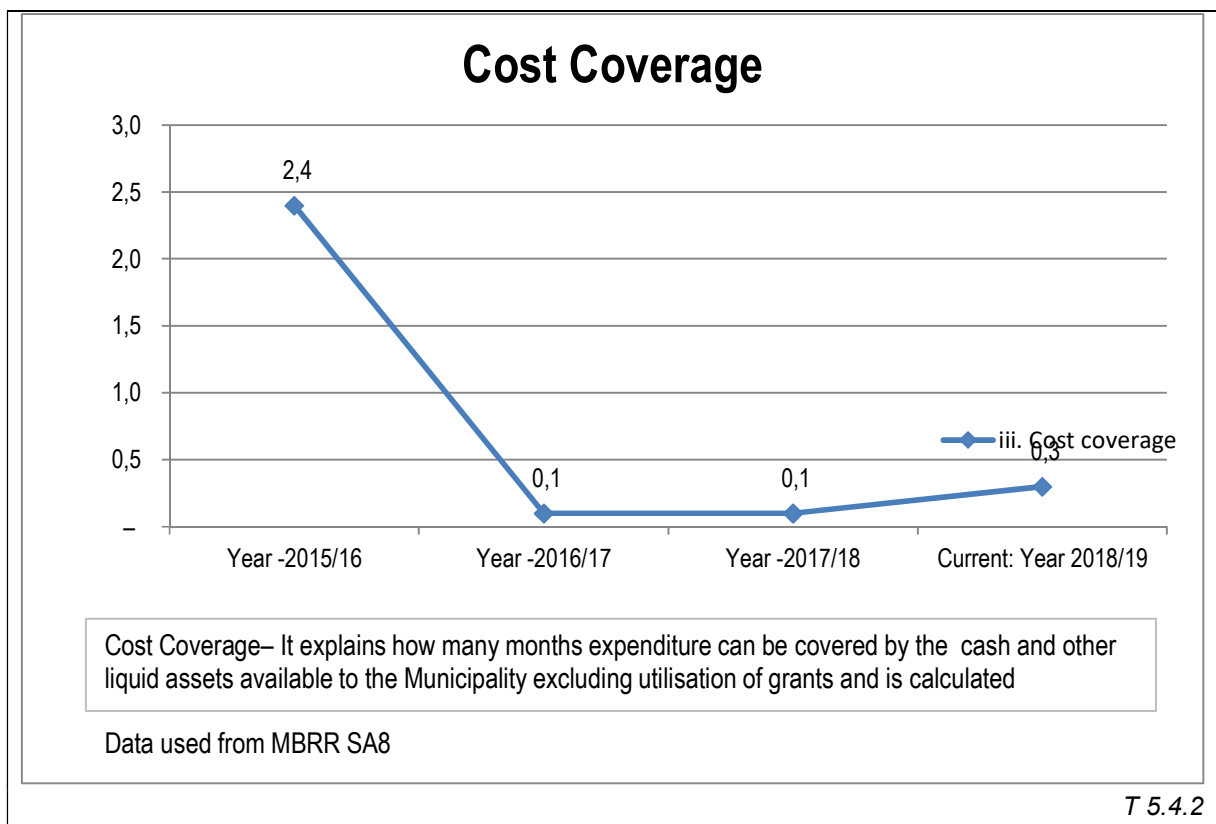
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5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

A detailed analysis of the following ratios, amongst others, is provided under 5.0.1 above.



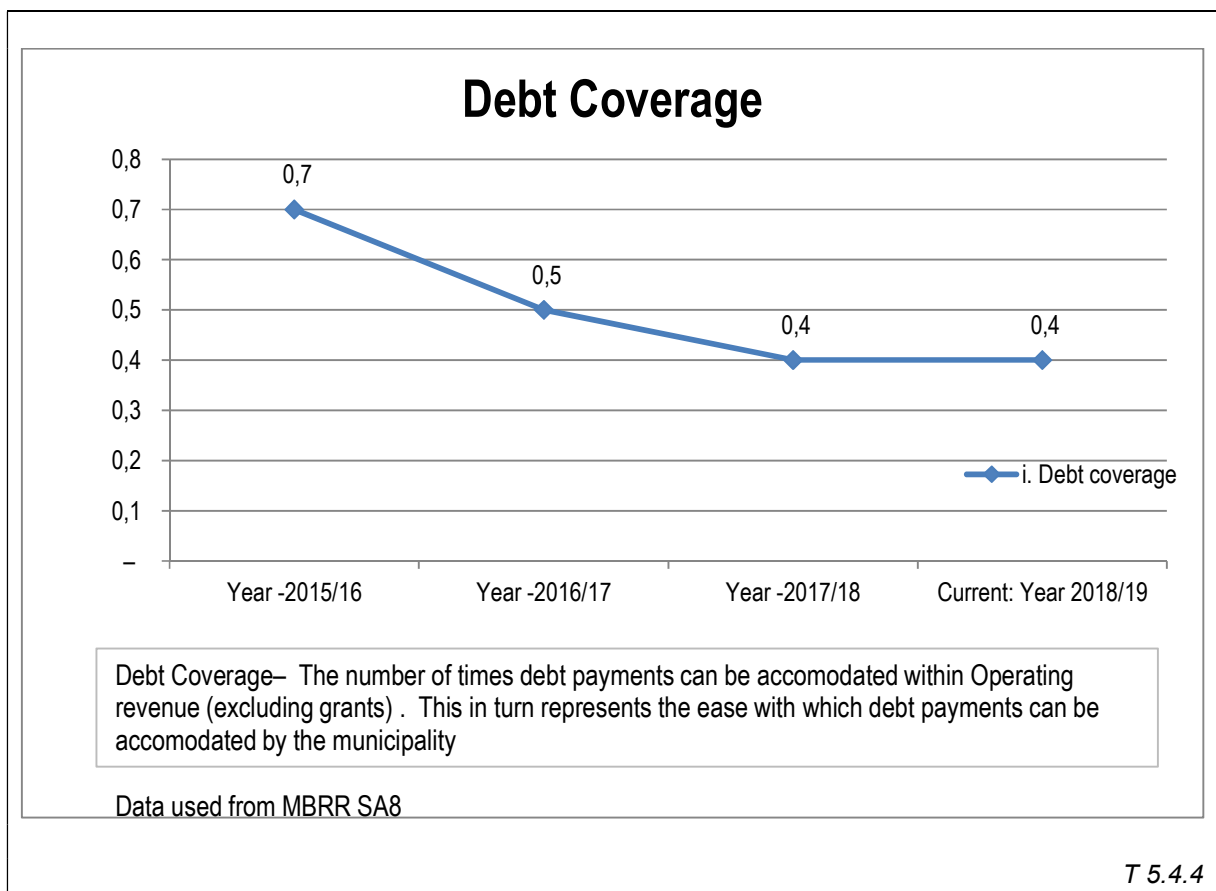
Chapter 5



The Municipality did not have any service debtors in 2018/19 or the prior years.

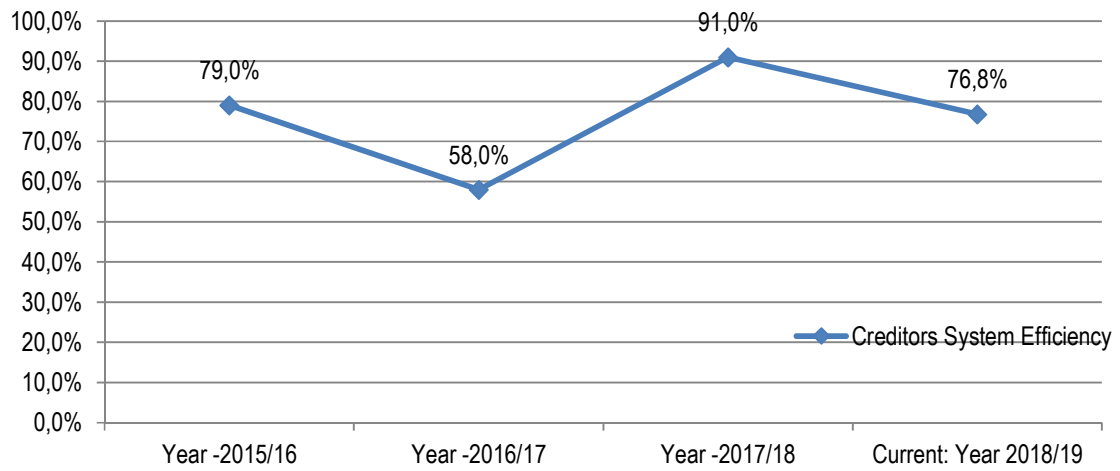
T 5.4.3

Chapter 5



Chapter 5

Creditors System Efficiency

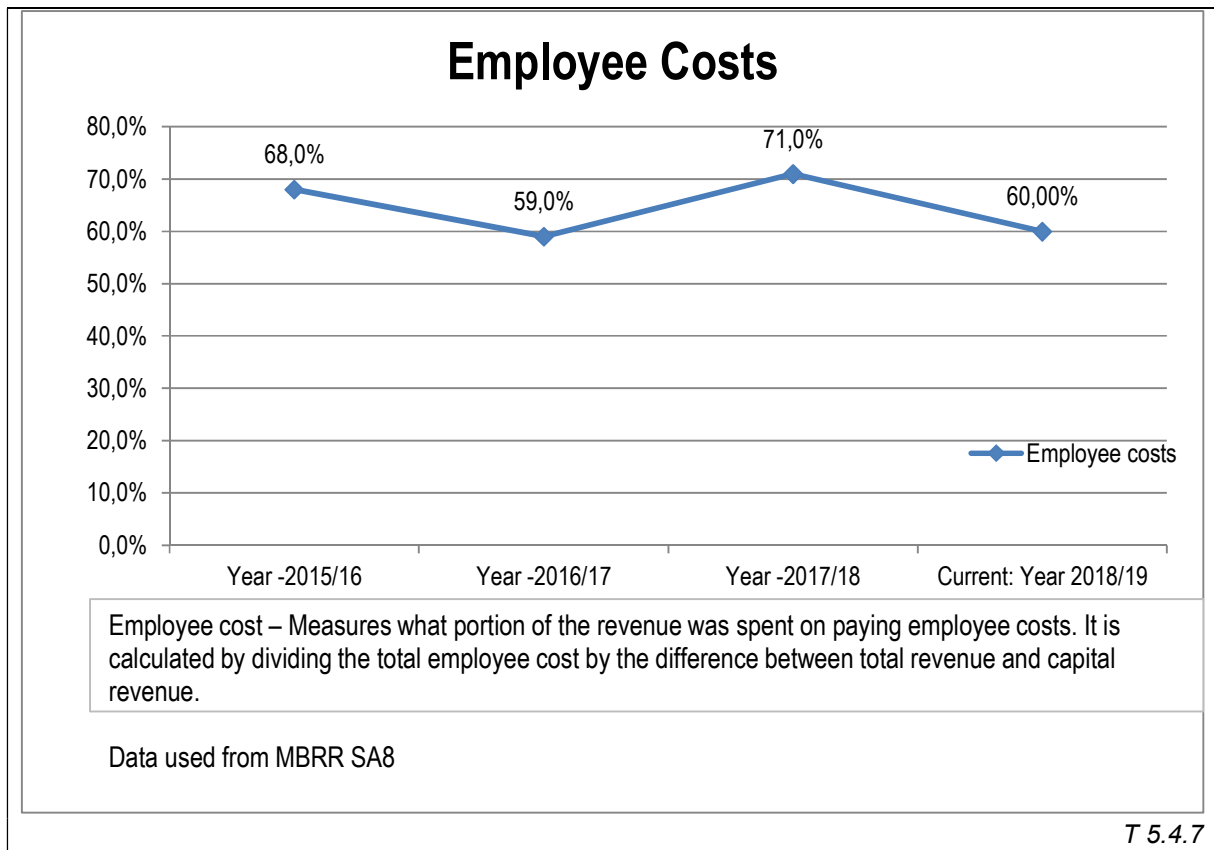


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

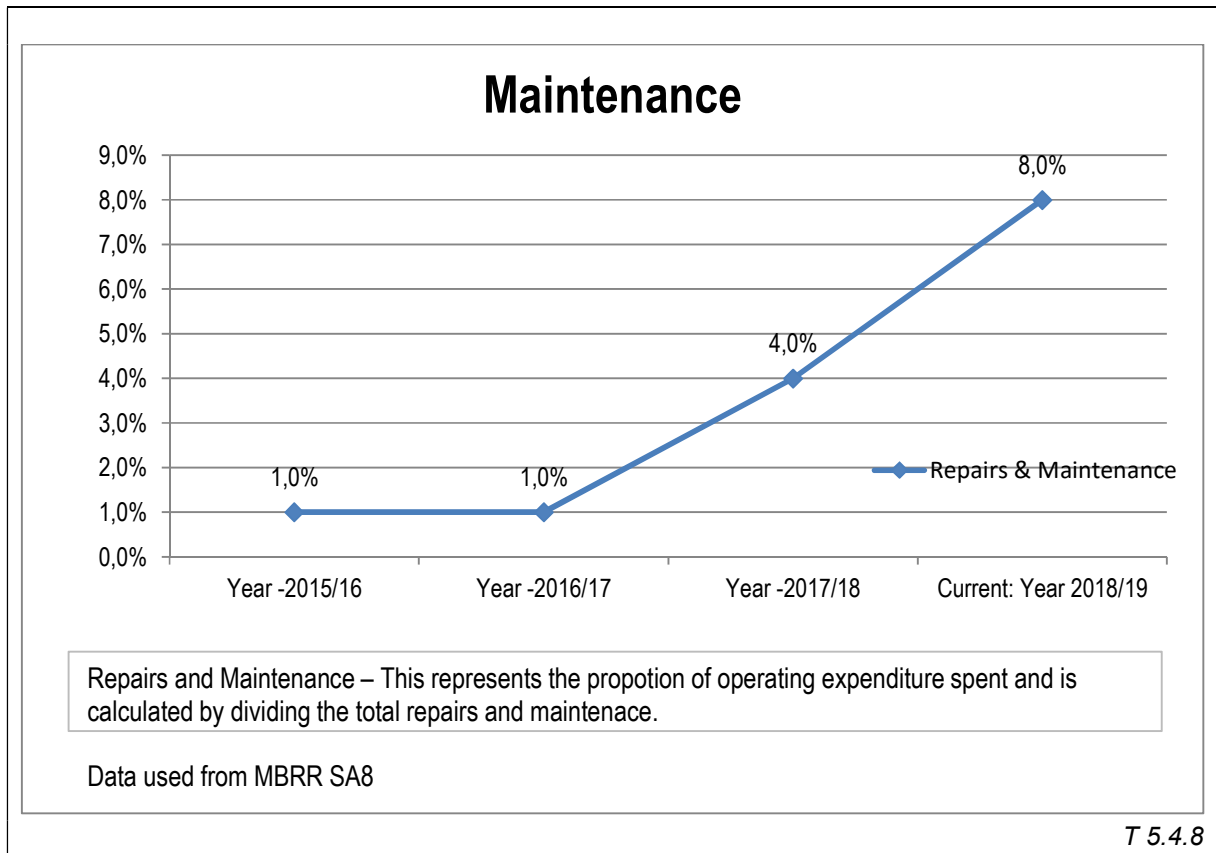
Data used from MBRR SA8

T 5.4.5

Chapter 5



Chapter 5



COMMENTS ON FINANCIAL RATIOS

The cash reserves were increased significantly as compared to prior periods mainly due to the improved cash flow management processes implemented during the year.

The municipality continued to maintain a positive liquidity ratio. Improved measures to collect debt were explored during the 2018/19 financial year.

- 1. The liquidity ratio** is slightly higher than the norm of 2, and indicates that the municipality has sufficient current assets to cover its current liabilities, i.e. that it is factually solvent. It is noted that a significant value of current assets relates to receivables from exchange and inventory (being properties held for disposal with no proceeds).
- 2. Cost Coverage ratio** – It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants
- 3. Creditor System Efficiency ratio** - Creditor payments were monitored during the year so as to minimize instances of non-compliance. The municipality has improved in this area. The ratio is

Chapter 5

has improved in comparison to the preceding three years. This is an area in which the municipality still aims to improve its efficiency, and the handling of supplier documentation.

4. Capital Charges to Operations ratio - The municipality currently has two sources of debt which are serviced bi-annually and monthly respectively

- a. An amount borrowed from the DBSA at a fixed interest rate, for alterations to the municipal buildings in prior years
- b. Finance leases for office equipment.

These debts are relatively small based on the scale of the municipalities' operations and, therefore, this ratio indicates that the municipality is able to service these debts comfortably.

5. Debt Coverage ratio - The debt of the municipality is relatively low in relation to the scale of its operations. The debt relates to alterations to the building in prior years (DBSA Loan), as well as finance leases on office equipment.

6. Employee Costs ratio - The employee costs relative to operating revenue has decreased as compared to the prior years. The decrease is largely attributable to

- a. the review and change in approach on management of the organizational structure.
- b. the economic changes and decrease in the post-retirement medical aid benefit obligation (based on the valuation by an independent actuary).

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

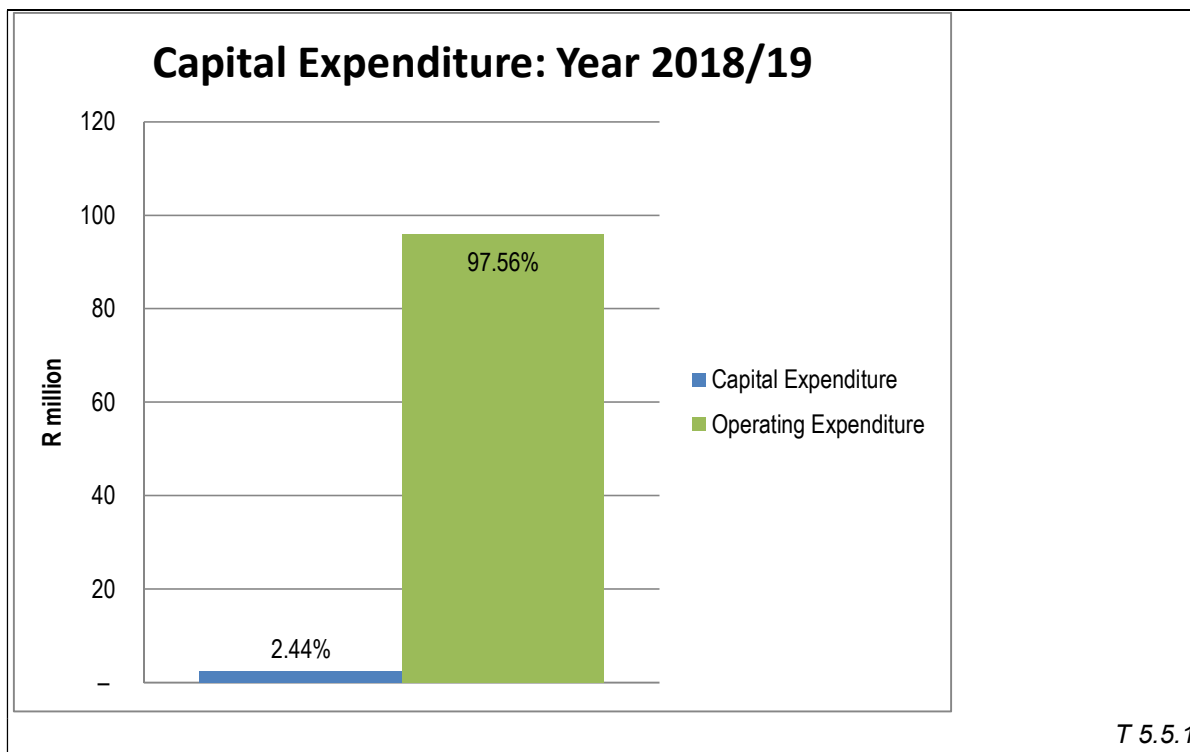
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure was not related to major infrastructure projects, as very limited allocation was made for capital projects on the budget. Capital expenditure was mostly related to the acquisition of new core financial management system, office equipment, computer hard- and software.

T 5.5.0

Chapter 5

5.5 CAPITAL EXPENDITURE



From the table above it is evident the 97.56% of the total budgeted expenditure is on operations. This mainly due to the fact that John Taolo Gaetsewe District Municipality's assigned functions are mainly service-oriented e.g. Disaster Management, Environmental Health, Planning etc.

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5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year - 2016/17 to Year 2018/19						
R' 000						
Details	Year -2017/18	Year 2018/19				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans						
Public contributions and donations						
Grants and subsidies				0		
Other	946	678	2094	2399	208.85%	253.83%
Total	946	678	2094	2399	208.85%	253.83%
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Capital expenditure						
Water and sanitation						
Electricity						
Housing						
Roads and storm water						
Other	946	678	2094	2399	208.85%	253.83%
Total	946	678	2094	2399	208.85%	253.83%
Percentage of expenditure						
Water and sanitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Electricity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
T 5.6.1						

COMMENT ON SOURCES OF FUNDING

The Municipality is essentially dependent on grants and is not able to generate revenue as a District Municipality. Funds utilized for capital expenditure were sourced from internal revenue.

T 5.6.1.1

Chapter 5

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

COMMENT ON CAPITAL PROJECTS

The Municipality did not have any large capital infrastructure projects. Only ICT Infrastructure Projects were implemented during the year, as indicated under 5.3 Assets Management.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

This function is provided by the Local Municipalities and is not reported on.

T 5.8.1

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow and investments is regarded as extremely important, because it affects the operations and service delivery of the Municipality. This is managed in terms of the policies of Council in this regard, as well as the Cash and Investment Regulations of the MFMA.

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5.9 CASH FLOW

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY (DEMARCATIION CODE:DC45) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019			
Statement of Cash Flow			
Figures in Rand	Note(s)	2019	2018 Restated*
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		3 142 749	4 901 590
Grants		97 542 000	79 487 000
Interest income		1 881 256	1 354 111
		<u>102 566 005</u>	<u>85 742 701</u>
Payments			
Employee costs		(61 598 740)	(59 734 237)
Suppliers		(35 133 602)	(23 390 365)
Finance costs		(347 281)	-
		<u>(97 079 623)</u>	<u>(83 124 602)</u>
Net cash flows from operating activities	32	<u>5 486 382</u>	<u>2 618 099</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(268 724)	(1 465 518)
Purchase of other intangible assets	10	(2 508 579)	(9 898)
Net cash flows from investing activities		<u>(2 777 303)</u>	<u>(1 475 416)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of other financial liabilities		(277 535)	(252 604)
Finance lease payments		(161 846)	(44 412)
Finance lease costs		-	(806 089)
Net cash flows from financing activities		<u>(439 381)</u>	<u>(1 193 085)</u>
Net increase/(decrease) in cash and cash equivalents		<u>2 269 698</u>	<u>(50 402)</u>
Cash and cash equivalents at the beginning of the year		97 393	147 795
Cash and cash equivalents at the end of the year	3	<u>2 367 091</u>	<u>97 393</u>

As indicated above, on an extract of the audited 2018/19 audited Annual Financial Statements i.e. the Cash Flow Statement, the municipality recorded an **102.2% increase** in terms of the **cash and cash equivalents** for the 2018/19 financial year.

Further to note are the following:

- a. there is an overall **16.4% increase** recorded for the **cash receipted** during the year under review
- b. of the receipted cash:
 - i. cash outflows from operating activities constituted 94.65% (2018: 96.95%)
 - ii. net cash flows from Investing activities constituted 2.71% (2018: 1.72%)
 - iii. net cash flows from financing activities constituted 0.43% (2018: 1.39%)

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Cash Flow Outcomes				
R'000				
Description	Year - 2017/18	Current: Year 2018/19		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	4 902	6 133	7 008	3 143
Government - operating	79 487	94 024	95 527	97 542
Government - capital		–	–	
Interest	1 354	252	1 093	1 881
Dividends				
Payments				
Suppliers and employees	(83 125)	(97 631)	(100 465)	(96 732)
Finance charges		–	–	(347)
Transfers and Grants		(200)	(299)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	2 618	2 578	2 864	5 486
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE		–	–	–
Purchase of property, plant and equipment	(1 466)	–	–	(269)
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivable	–	–		–
Decrease (increase) in non-current investments		–	–	
purchase of other intangible assets	(10)	–	–	(2 509)
Payments				
Capital assets	–	(770)		
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1 475)	(770)	–	(2 777)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–			–
Borrowing long term/refinancing	–	–		–
Increase (decrease) in consumer deposits	–			–
Payments				
Repayment of borrowing	(253)	–	–	(278)
Finance lease payments	(940)	–	–	(162)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 193)	–	–	(439)
NET INCREASE/ (DECREASE) IN CASH HELD	(50)	1 808	2 864	2 270
Cash/cash equivalents at the year begin:	148	219		97
Cash/cash equivalents at the year end:	97	2 027	2 864	2 367
Source: MBRR A7				15.9.1

Chapter 5

COMMENT ON CASH FLOW OUTCOMES:

There is a significant improvement on cash and cash equivalents balance at year end. The municipality's cash is tied up in the receivables by organs of state, namely local municipalities within the District. Improved cash flow management principles and practices were employed during the year under review, which led to the municipality recording an improved cash flow position.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

No new loans were made and reserves were invested in terms of the appropriate policy of Council and the MFMA Regulations in this regard. The bi-annual instalments on the existing DBSA loan were paid. The current DBSA loan was maintained and the balance is as indicated on the table below:

Actual Borrowings: Year -2016/17 to Year 2018/19			
R' 000			
Instrument	Year - 2016/17	Year - 2017/18	Year 2018/19
Municipality			
Long-Term Loans (annuity/reducing balance)	1736	1483	1206
Long-Term Loans (non-annuity)			
Financial Leases	22	659	497
Municipality Total	1 758	2 142	1 703
<i>T 5.10.2</i>			

T 5.10.1

Chapter 5

Investments were only made in line with the Municipal Cash and Investment Management Policy i.e. at registered banks in terms of the Banks Act, with balances on the accounts as indicated on the table below:

Investment		Investment Institution	Type of	Timing of	Interest Rate	Interest Accrued	Balance at Begin	Partial/Premature		Investment Top Up	Balance at End
Investment Type	Group							Withdrawal	Investment		
Deposits - Bank	Banks	FNB	Fixed	Annually	5.50	189.00	340.00	-	6 878.00	6 349.00	
Deposits - Bank	Banks	STANDARD BANK(ISDG)	Variable	Monthly	6.65	12 462.00	739 363.00	-	213 018.00		538 807.00
Deposits - Bank	Banks	STANDARD BANK(RRAMS)	Variable	Monthly	6.65	2 945.00	598 621.00	-	601 566.00		
Deposits - Bank	Banks	STANDARD BANK(FMG)	Variable	Monthly	6.65	285.00	57 942.00	-	58 227.00		
Deposits - Bank	Banks	STANDARD BANK(HOUSING ACCREDITATION)	Variable	Monthly	6.65		496 434.00				496 434.00
Deposits - Bank	Banks	STANDARD BANK(HIV/AIDS)	Variable	Monthly	6.65		600 316.00				600 316.00
Deposits - Bank	Banks	STANDARD BANK(FIRE GRANT)	Variable	Monthly	6.65	192.00	39 029.00	-	39 221.00		
Deposits - Bank	Banks	STANDARD BANK(EQS)	Variable	Monthly	6.65	3 739.00	759 997.00	-	763 736.00		
Deposits - Bank	Banks	NEDBANK (EQS)	Variable	Monthly	7.50	23 356.00	5 039 281.00	-	5 062 637.00		
Deposits - Bank	Banks	NEDBANK (EQS)	Variable	Monthly	7.75	21 370.00	5 072 658.00	-	5 094 027.00		1.00
Deposits - Bank	Banks	NEDBANK (EQS)	Variable	Monthly	7.80	26 155.00	6 560 569.00	-	6 586 724.00		
Deposits - Bank	Banks	NEDBANK (ISDG)	Variable	Monthly	6.35		1 175.00	-	1 175.00		
						90 693.00	19 965 725.00	-	18 427 209.00	6 349.00	1 635 558.00

COMMENT ON INVESTMENTS:

From the table above it is evident that the municipality ensured that it maintains a separate investment account for each grant received. This was to ensure that any unspent portion of grants will be fully cash backed.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The Municipality does not have any public private partnerships.

T 5.11.1

Chapter 5

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Officials in the Supply Chain Unit comply with the minimum competency requirements. For the 2018/19 financial year, the Auditor General's report indicated supply chain management as one of the improved sections.

All issues of non-compliance of policies and regulations raised in prior periods were addressed in the audit action plan in response to the Auditor General's Report. Further details are provided as per section 2.8 of this report.

Chapter 5

5.13 GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The Municipality is GRAP compliant. As part of addressing capacity challenges experienced in Budget and Treasury Office, for the year under review, officials in the Budget and Treasury Office were assigned to work with the team appointed to assist in compiling the Annual Financial Statements. This was done as part of the Consultants Reduction Plan and is to continue in the foreseeable future.

T 5.13.1

GLOSSARY

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Auditor General audited the financial and performance information for the 2018/19 Financial Year. The Auditor General's opinion is expressed in his report enclosed in Volume IV.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2018/19

6.1 AUDITOR GENERAL REPORTS YEAR – 2017/18 (PREVIOUS YEAR)

The Municipality received an unqualified audit opinion with emphasis of matters for the 2018/19 Financial Year. Management compiled an Audit Action Plan to implement remedial actions, which was adopted by Council. The Plan was implemented during the year with confirmed success.

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2018/19 CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 2018/19

The municipality has received an unqualified without findings audit opinion.

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development

GLOSSARY

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

GLOSSARY

	<p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>
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APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

This is discussed in Chapter 2 under Governance and no additional information is provided here.

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

This is discussed in Chapter 2 under Governance and no additional information is provided here.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

This is discussed in Chapter 2 under Governance and no additional information is provided here.

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Positioning of the functions and responsibilities of district municipalities in relation to the integrated municipal governance framework

Function in schedules 4 and 5 of the Constitution	Integrated Planning and Development Facilitation	Promoting bulk infrastructural development and services for the district as a whole	Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking	Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area
Air pollution			✓	
Building regulations			✓	
Electricity and gas reticulation		✓		
Firefighting services		✓		
Local tourism	✓			✓
Municipal airports		✓		
Municipal health services		✓		✓
Municipal public transport		✓		✓
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law		✓		✓
Storm water management systems in built-up areas		✓		✓
Trading regulations			✓	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems		✓		✓
Billboards and the display of advertisements in public places				
Municipal planning	✓			

APPENDICES

Function in schedules 4 and 5 of the Constitution	Integrated Planning and Development Facilitation	Promoting bulk infrastructural development and services for the district as a whole	Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking	Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area
Cemeteries, funeral parlours and crematoria		✓		
Cleansing				
Control of public nuisances				
Control of undertakings that sell liquor to the public				
Facilities for the accommodation, care and burial of animals				
Fencing and fences				
Licensing of dogs				
Licensing and control of undertakings that sell food to the public				
Local amenities		✓		✓
Local sport facilities		✓		✓
Markets	✓		✓	✓
Municipal abattoirs		✓		✓
Municipal parks and recreation		✓		✓
Municipal roads		✓		✓
Noise pollution				
Pounds				
Public places				
Refuse removal, refuse dumps and solid waste disposal		✓		✓
Street trading			✓	
Street lighting		✓		✓
Traffic and parking		✓		✓

APPENDICES

APPENDIX E – WARD REPORTING

The District Municipality does have ward committees, as this is a function performed by the local municipalities.

APPENDIX F – WARD INFORMATION

The District Municipality does have ward committees, as this is a function performed by the local municipalities. Capital projects is discussed in Chapter 5 of the report.

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendation during the Year 0	Recommendation adopted (enter Yes) If not adopted (provide explanation)
Quarter 2, 3 and 4.	Matter to be referred to the Mayoral Committee for review of:	Yes
	Creditors and debtors analysis.	Yes
	Payments made after 30 June (testing cut off).	Yes
	Review aged items for creditors and debtors and recommend an implementation plan.	Yes
	Internal audit to perform a follow up audit by the 15 th of August and report to the next Audit Committee meeting.	Yes
	Report referred to MM to follow up with Corporate Services Manager for his urgent attention (DD 7 August 2015 for input, implementation and action).	Yes
	The report should be presented to the NEXT Audit and Performance Committee together with the Accounting Officer's action plan to turn around the plight of Corporate Services.	Yes
	Report referred to Accounting Officer to ensure it's finalised.	Yes
	All internal audit findings per quarter should be summarised in one document and be monitored for implementation by the Chief Risk Officer for implementation through the office of the MM every fourth night.	Yes
	The Compliance Officer needs to monitor all compliance issues and update the Municipal Manager who will in turn advice the office of the Mayor on all compliance issues.	Yes

APPENDICES

The Compliance Officer and the Accounting Officer must review all the Audit Reports Q1,2,3 and 4 Issued by Internal Audit, and come up with a way forward to manage compliance (Director Internal Audit to facilitate this process).	Yes
Communications portfolio to be part of this meeting.	Yes
Management must ensure that Financials are reviewed and presented to Council by the Audit and Performance Committee prior to them being submitted to Auditor General.	Yes
Performance information is also part of the AFS, so the above is also applicable.	Yes
T G	

Refer to Volume IV for the Audit and Performance Committee for the year ended 30 June 2019.

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

No long term contracts were entered into during 2018/19.

There are no public private partnerships.

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The Municipality has no municipal entities.

NO	SERVICE PROVIDER	TYPE OF SERVICE	EFFECTIVE DATE	COMPLETION DATE	PERFORMANCE RATING (Better, Acceptable, Marginal, or	TIME MANAGEMENT (Satisfactory, Average, Poor)	CUSTOMER RELATIONS (Satisfactory, Average, Poor)	COMMENTS

APPENDICES

					Unsatisfactor y)			
BASIC SERVICES DEPARTMENT								
1	Reneilwe Consulting & Projects	Professional Services for RRAMS & ISDG	2018/10/15	2020/06/14	Acceptable	Satisfactory	Satisfactory	
2	Royal Haskoning	Professional Services for RRAMS & ISDG	2016/12/18	2018/08/30	Acceptable	Satisfactory	Satisfactory	
COMMUNITY DEVELOPMENT SERVICES: CONTRACTS								
3	Multichoice	DSTV	2014/03/14	Can be terminated any time if not needed	Acceptable	Satisfactory	Satisfactory	
BUDGET & TREASURY: CONTRACTS								
4	DDP (Pty) Ltd	Valuation of municipal properties for the period of 24 months – DDP Ltd	2017/08/08	2019/08/07	Acceptable	Satisfactory	Satisfactory	
5	Arch Actuaries Consulting	Actuaries for a period of 24 months	2017/08/08	2019/08/07	Acceptable	Satisfactory	Satisfactory	
6	Altimax (Pty) Ltd	Fixed assets register, financial statements, budgets and in year reporting, audit readiness	2017/06/19	2019/01/30	Marginal	Average	Average	Rating on performance is informed by the following: 1. The Annual Financial Statements prepared were subjected to numerous adjustments and were not

APPENDICES

								<p>free from material misstatements</p> <p>Rating on Time Management is informed by the following:</p> <ol style="list-style-type: none"> 1. The Municipality almost missed the submission deadline of 31st August 2019 <p>Rating on Customer Relations informed by the following:</p> <ol style="list-style-type: none"> 1. Assurance not provided that the submitted AFS had undergone internal QA processes (by the Altimax) prior submission to AG
7	Sebata Municipal Solutions	Supply installation, implementation, support and maintenance of Sebata Products and Services	2015/10/01	2018/09/30	Unsatisfactory	Poor	Poor	<p>Rating on performance is informed by amongst others, the following:</p> <ol style="list-style-type: none"> 1. The system continued to be not functional and the municipality could not transact on the system as required. <p>Rating on Time Management is informed by, amongst others, the following:</p> <ol style="list-style-type: none"> 2. 1st July 2017 compliance deadline missed. 3. Non submission of required data strings to NT 4. Backlog of transactions created 5. The SP took too long to resolve on issued logged with their helpdesk 6. The SP took too long to resolve on issued logged with their helpdesk

APPENDICES

								Rating on Customer Relations informed by amongst others, the following: 7. Disputes raised on invoices versus actual performance 8. Access to the system blocked/denied by the service provider
8	Standard Bank	Banking	2012/08/01	2017/07/31	Acceptable	Satisfactory	Satisfactory	
9	DBSA	Loan for office Building	2007/05/01	2022/04/30	Acceptable	Satisfactory	Satisfactory	
10	Credit Intelligence	Collection of outstanding debt	2016/10/31	2018/10/30	Acceptable	Satisfactory	Satisfactory	
11	Lateral Unison Insurance Brokers Ltd	Provision of Insurance Services of Properties and Liabilities	2016/10/19	2019/10/19	Acceptable	Satisfactory	Satisfactory	
12	CCG Systems	Provision of ERP Financial Systems that is mSCOA Compliant	01/02/2019	31/01/2022	Acceptable	Satisfactory	Satisfactory	
13	MaxProf	Professional Services for Vat recovery	04/05/2018	03/04/2021	Acceptable	Satisfactory	Satisfactory	
LED & BTO : CONTRACTS								
14	Zitshunele trading and contracting cc	Maintain and manage the infrastructure of the farm Thwane	2016/07/01	2019/06/30	Acceptable	Acceptable	Satisfactory	

APPENDICES

OFFICE OF THE MM & CORPORATR SERVICES: CONTRACTS								
15	Koikanyang Incorporated	Attorneys	2017/11/01	30-Oct-19	Acceptable	Satisfactory	Satisfactory	
16	Sifumba Attorneys	Attorneys	2017/11/01	30-Oct-19	Acceptable	Satisfactory	Satisfactory	
17	Moloadi Security services and protection	Security Services	2016/06/07	2018/06/30	Acceptable	Satisfactory	Satisfactory	
18	Telkom	PBX Rental Term Service Agreement	2015/05/05	2018/05/04	Acceptable	Satisfactory	Satisfactory	
19	Telkom	ISDN PRA Service agreement	2015/05/05	2018/05/04	Acceptable	Satisfactory	Satisfactory	
20	JTG Development Trust	Lease of a building	2011/10/01	2021/09/01	Marginal	Satisfactory	Satisfactory	
21	Namekhotha Trading Cc	Provision of Cleaning materials	2017/01/03	2020/02/04	Acceptable	Satisfactory	Satisfactory	
22	Aried Trading Cc	Supply & Delivery of Stationery	2018/03/14	2021/03/13	Acceptable	Satisfactory	Satisfactory	
23	Valtrone Trading 46	Supply & Delivery of Groceries and cleaning materials	2018/03/14	2021/03/13	Acceptable	Satisfactory	Satisfactory	
24	Vysyem Traders C.C	Provision of photocopying machines	2018/03/14	2021/03/13	Acceptable	Satisfactory	Satisfactory	
25	Kathu Technical College	Lease of a building	2010/06/10	2013/05/31	Acceptable	Satisfactory	Satisfactory	

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

All councillors and senior managers are required to declare their business interests annually. Such business interests are:

DISCLOSURE OF FINANCIAL INTERESTS FOR COUNCILLORS & SNR OFFICIALS			
Period 1 July 2017 to 30 June 2018			
Position	Name	Description of Financial Interests (Nil / Or Details)	Page
Executive Mayor	Sophia Mosikatsi	Gamagara Close Corporation (member) John Taolo Gaetsewe Developmental Trust (Trustee)	025
Member of MayCo	PQ Mogatle	Pulane Mogatle Trading Enterprise Ubuntu Botho Shareholder	014 022
	G Assegai	Aleta Melokoe Trading, Gakgadi Self propelled Trading & Projects	041
	K Masilabele	Nil	030
	OE Hantise	Gamagara Close Corporation (Shares) Olifantshoel Corporative	063 019
	SN Bloem	Bomme Fefo	024
Councillor	TG Anthony	Nil	026
	OH Kgopodithata	Dipudi Faraway Project	009
	ON Mokweni	Batlharoi Agricultural Corporation	027
	V Jordan	Moshaweng Integrated Energy	010
	OG Monaki	Nil	032
	LL Kaebis	Sepoane Trading Enterprise	031
	K Makwati	Kgalagadi Brick C	011 & 034
	A van der Westhuizen	ACSB Reaction and PI Services (Director) Kuruman Foto Lab (Owner) Taylor & Nagel Attorneys (Commission)	007
	T Molwagae	Nil	
	H du Plessis	Nil	
	L Gwai	Nil	

APPENDICES

	P Ohentswe	PJO Contractor, Letso Investment, Perth 1 Shop Station and Shop, Ohentswe Construction, Supply & Training Construction	Completed Form
	O Mathibe	Nil	
	G Kaotsane	Nil	
Municipal Manager	D Molaole	Maverick Trading 1640 Cc	042
Chief Financial Officer	GP Moroane	Nil	057
Director Corporate Services	G van Der Westhuisen	Nil	043
Director: Community Development Services	TH Matlhare	Just Released Trading 505	060
Director: Local Economic Development	K Teise	Strong Team Construction and Project 8 Kuruman Development Corporation United Power Construction (Director)	065
Director: Basic Services & Infrastructure	M Molusi	BOM Transportation Services	064 & 078

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Revenue collection details are disclosed in the Annual Financial Statements and no further information is provided.

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Grant information details are disclosed in the Annual Financial Statements and no further information is provided.

APPENDICES

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

Capital expenditure details are disclosed in the Annual Financial Statements and no further information is provided.

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital expenditure details are disclosed in the Annual Financial Statements and no further information is provided.

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Capital expenditure details are disclosed in the Annual Financial Statements and no further information is provided. It is however important to note that the District Municipality does not have wards.

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

This function is performed by the local municipalities.

APPENDICES

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

Service backlogs are indicated in the tables below and is based on information from StatsSA Community Survey 2016.

Dwelling type

Housing Types					
Type of main dwelling	Northern Cape	John Taolo Gaetsewe	Joe Morolong	Ga-Segonyana	Gamagara
Formal dwelling/house or brick/concrete block structure on a	920,702	184,071	60940.00	80,831	42,301
Traditional dwelling/hut/structure made of traditional mater	25,457	14,406	10083.00	4,322	-
Flat or apartment in a block of flats	7,754	743	45.00	337	361
Cluster house in complex	1,241	345	0	23	322
Townhouse (semi-detached house in a complex)	3,648	683	27.00	336	320

APPENDICES

Semi-detached house	21,423	1,546	129.00	509	908
Formal dwelling/house/flat/room in backyard	58,229	15,567	7608.00	7,069	890
Informal dwelling/shack in backyard	45,013	7,177	2092.00	3,548	1,536
Informal dwelling/shack not in backyard (e.g. in an informal	92,146	11,870	2853.00	3,594	5,423
Room/flatlet on a property or larger dwelling/servants quart	2,875	700	-	655	45
Caravan/tent	862	238	39.00	17	183
Other	14,293	4,917	385.00	3,166	1,366
Unspecified	137	-	-	-	-
Total	1,193,780	242,264	84,201	104,408	53,656

Source: StatsSA 2016

APPENDICES

Energy source for cooking

Main Source of Energy for Cooking				
	NC451: Joe Morolong	NC452: Ga-Segonyana	NC453: Gamagara	DC45: John Taolo Gaetsewe
Electricity from mains	49 867	88 951	45 876	184 693
Other source of electricity (e.g. generator; etc.)	54	32	112	197
Gas	2 190	9 310	4 088	15 587
Paraffin	1 038	1 267	1 064	3 370
Wood	30 679	4 594	2 084	37 358
Coal	41	-	-	41
Animal dung	117	4	-	121
Solar	-	-	147	147
Other	61	-	24	84

APPENDICES

None	145	114	261	519
Unspecified	9	136	-	145

Access to water sources

Water Sources within JTGDM				
	Joe Morolong	Ga-Segonyana	Gamagara	John Taolo Gaetsewe
Public/communal tap	27 815	28 283	3 006	59 104
Water-carrier/tanker	315	2 364	278	2 956
Borehole outside the yard	1 238	456	185	1 879
Flowing water/stream/river	2 259	-	-	2 259
Well	406	41	-	444
Spring	-	47	-	47

APPENDICES

Other	305	937	361	1 602
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Source: StatsSA 2016

Household access to sanitation (toilet facilities)

Access to sanitation within JTGDM				
	NC451: Joe Morolong	NC452: Ga-Segonyana	NC453: Gamagara	DC45: John Taolo Gaetsewe
Flush toilet connected to a public sewerage system	3 345	18 682	46 505	68 533
Flush toilet connected to a septic tank or conservancy tank	623	4 903	1 766	7 292
Chemical toilet	632	66	27	724
Pit latrine/toilet with ventilation pipe	46 958	22 976	452	70 387
Pit latrine/toilet without ventilation pipe	21 202	48 645	147	69 994

APPENDICES

Ecological toilet (e.g. Urine diversion; enviroloo; etc.)	1 880	69	-	1 949
Bucket toilet (collected by municipality)	-	89	-	89
Bucket toilet (emptied by household)	3 311	543	2	3 856
Other	552	1 330	645	2 528
None	5 697	7 104	4 112	16 912

Source: StatsSA 2016

Household level of refuse removal

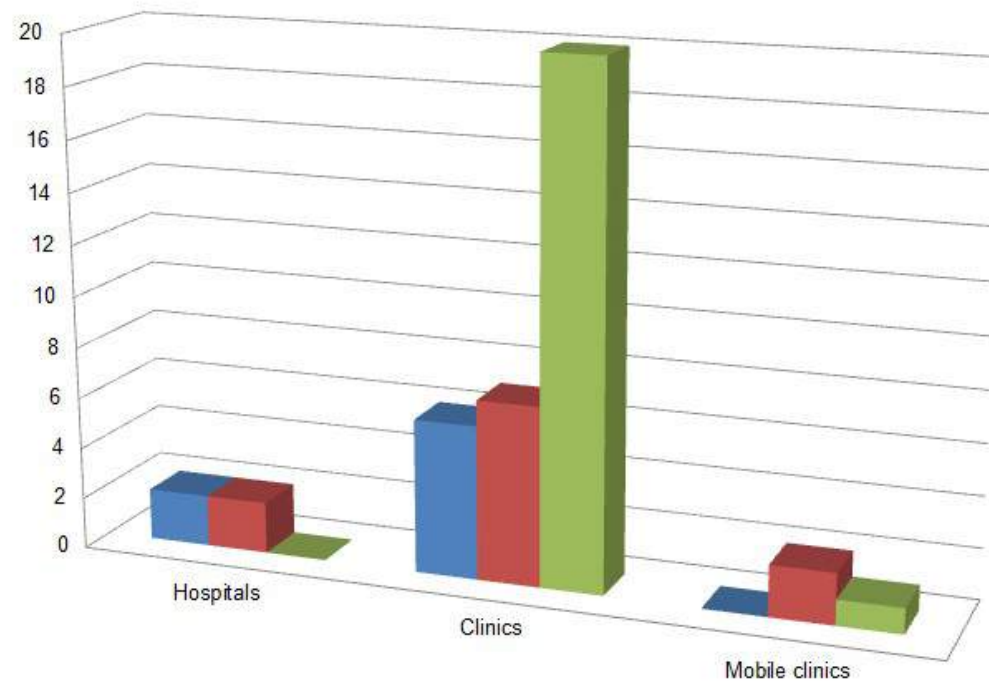
Refuse removal within JTGDM				
	NC451: Joe Morolong	NC452: Ga-Segonyana	NC453: Gamagara	DC45: John Taolo Gaetsewe
Removed by local authority/private company/community members at least once a week	2 539	12 630	44 489	59 658
Removed by local authority/private company/community members less often than once a week	58	242	1 071	1 372

APPENDICES

Communal refuse dump	4 902	4 737	1 125	10 764
Communal container/central collection point	1 320	2 168	409	3 896
Own refuse dump	71 031	77 757	5 402	154 190
Dump or leave rubbish anywhere (no rubbish disposal)	3 002	4 084	567	7 653
Other	1 349	2 790	592	4 731

Source: StatsSA 2016

APPENDICES



	Hospitals	Clinics	Mobile clinics
■ Gamagara LM	2	6	0
■ Ga-Segonyana LM	2	7	2
■ Joe Morolong LM	0	20	1

APPENDICES

Detail breakdown of educational levels in the District

Figure 20: Highest Level of Education					
	Northern Cape	DC45: John Taolo Gaetsewe	NC451: Joe Morolong	NC452: Ga- Segonyana	NC453: Gamagara
No schooling	175 584	42 628	18 569	16 320	7 739
Grade 0	43 087	10 508	4 455	4 758	1 296
Grade 1/Sub A/Class 1	30 584	7 323	3 880	2 576	867
Grade 2/Sub B/Class 2	25 270	6 046	2 769	2 537	740
Grade 3/Standard 1/ABET 1	44 975	11 165	5 057	4 468	1 640
Grade 4/Standard 2	46 382	10 886	4 988	4 214	1 685
Grade 5/Standard 3/ABET 2	47 613	9 996	4 546	3 533	1 917
Grade 6/Standard 4	59 918	11 604	4 571	4 580	2 453
Grade 7/Standard 5/ABET 3	66 386	11 966	4 542	4 917	2 507

APPENDICES

Grade 8/Standard 6/Form 1	84 813	13 606	5 055	5 927	2 624
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	84 188	15 446	5 067	6 817	3 562
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	109 531	19 191	5 501	8 575	5 115
Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3	83 298	18 533	4 909	9 661	3 964
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	212 153	36 578	6 802	18 144	11 631
NTC I/N1	663	279	12	88	179
NTCII/N2	1 569	576	98	153	325
NTCIII/N3	2 098	695	124	210	360
N4/NTC 4/Occupational certificate NQF Level 5	3 173	1 112	130	444	538
N5/NTC 5/Occupational certificate NQF Level 5	2 244	851	82	285	484

APPENDICES

N6/NTC 6/Occupational certificate NQF Level 5	3 707	1 283	263	418	602
Certificate with less than Grade 12/Std 10	499	79	-	36	43
Diploma with less than Grade 12/Std 10	1 301	310	20	132	157
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	5 007	727	207	199	322
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	13 728	1 899	262	1 046	590
Higher Diploma/Occupational certificate NQF Level 7	5 120	979	272	234	474
Post-Higher Diploma (Master's	2 578	439	129	201	109
Bachelor's degree/Occupational certificate NQF Level 7	10 910	1 297	215	789	293
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	5 091	795	96	459	240

APPENDICES

Master's/Professional Master's at NQF Level 9 degree	1 318	210	80	63	66
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	505	113	10	29	74
Other	3 988	1 127	147	618	363
Do not know	14 582	3 722	1 149	1 878	696
Unspecified	1 917	296	193	103	-

Source: StatsSA 2016

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

No additional information is disclosed other than what is contained in the Annual Financial Statements.

APPENDICES

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

The Integrated Development Plan of the Municipality is structured to include the National Outcomes and Key Performance Areas for Local Government. The Annual Performance Report of the Municipality contains information in this regard. No additional information is disclosed.

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

The Audited Annual Financial Statements for the 2018/19 Financial Year is enclosed hereto.

2018/19

John Taolo
Gaetsewe
District
Municipality

FINAL
ANNUAL
REPORT
Volume II



JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
(DEMARCATON CODE: DC48)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019
AUDITOR-GENERAL OF SOUTH AFRICA

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

General Information

Legal form of entity	South African Category C Municipality (District Municipality) as defined by the Municipal Structures Act (Act No. 117 of 1998).
Nature of business and principal activities	John Taolo Gaetsewe Municipality is a district municipality performing the functions as set out in the Constitution (Act no 105 of 1996).
Jurisdiction	The John Taolo Gaetsewe Municipality includes the municipal areas of Gamagara Municipality, Ga-Segonyana Municipality and Joe Morolong Municipality. Demarcation code - DC45 John Gaetsewe
Mayoral committee	
Executive Mayor	S. Moeikatel
Executive Councillors	Bloem S.N. (Resigned 23 May 2019) Hantise O.E. Masilabele K.F. Hantise O.E. Mogatle P.Q Monaki O.G. Anthony T.G Booyesen A. Du Pleasis H. Gomolemo N. Gwai L.B Keeble L. Kaotsane G.G Kgopodithata O.H Leserwane O.A Makwani K.R Matebese I. Mathibe O.D Molwagae T.F Ohentsewe P.J Van Der Westhuizen A.W.P
Councillors	
Grading of local authority	3
Speaker	P.Q. Mogatle
Chief Finance Officer	G.P. Morcane
Accounting Officer	D.H. Molaole P.O. Box 1480
Registered office	Kuruman 8450
Business address	4 Federale Mynbou Street Kuruman 8450

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC48)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

General Information

Primary bankers

The Standard Bank of South Africa Limited

Auditors

Auditor-General of South Africa

Attorneys

Neville Cloete Attorneys Incorporated

Kolkanyang Incorporated

Sefumba Attorneys Incorporated

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
(DEMARCATION CODE:DC45)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Index

The reports and statements set out below comprise the Annual Financial Statements presented to the Provincial Legislature:

	Page
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Audit Committee Report	5
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Statement of Cash Flow	10
Statement of Comparison of Budget and Actual Amounts	11 - 13
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COGHSTA	Northern Cape Department: Co-operative Governance, Human Settlements and Traditional Affairs
COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
MSIA	Municipal Structures Act
RDP	Reconstruction and development programme

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
(DEMARCATION CODE:DC45)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Accounting Officer's Responsibilities and Approval

The Municipal Manager is required by the Municipal Finance Management Act (Act 55 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the responsibility of the Municipal Manager to ensure that the Annual Financial Statements fairly present the state of affairs of the Municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the Annual Financial Statements and was given unrestricted access to all financial records and related data.

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

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

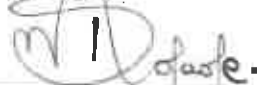
The Municipal Manager has reviewed the Municipality's cash flow forecast for the year to 30 June 2020 and, in the light of this review and the current financial position, he is satisfied that the Municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Municipality is wholly dependant on the Government for continued funding of operations. The Annual Financial Statements are prepared on the basis that the Municipality is a going concern and that the Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the Municipality.

Although the Municipal Manager are primarily responsible for the financial affairs of the Municipality, they are supported by the Municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the Municipality's Annual Financial Statements.

The Annual Financial Statements have been prepared on the going concern basis, were approved by the Municipal Manager on 30 AUGUST 2019 and were signed on its behalf by:



D.H. Molale
Municipal Manager

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATON CODE:DC48)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2019.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year, 5 meetings were held.

Name of member	Number of meetings attended
Mr R. Tshimomola (Acting Chairperson)	5
Ma L. Dhlamini (Chairperson)- until 31 July 2018	3
Mrs S. Ngobeni- until 31 October 2018	0
Mr S. Simelane	2
Mr F. Buys	3

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 186(2)(a) of the MFMA.

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

The effectiveness of internal control

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Municipal Manager of the Municipality during the year under review.

Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the unaudited Annual Financial Statements to be included in the annual report, with the Auditor-General and the Municipal Manager;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the Auditor-General of South Africa's report the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Municipality and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Chairperson of the Audit Committee

Date: _____

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATION CODE:DC46)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Report

The Municipal Manager submits his report for the year ended 30 June 2019.

1. Review of activities

Main business and operations

John Talo Gaetsewe District Municipality is a district municipality performing the functions as set out in the constitution (act no 105 of 1998) and operates principally in South Africa.

The operating results and state of affairs of the Municipality are fully set out in the attached Annual Financial Statements and do not in our opinion require any further comment.

2. Going concern

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Municipality to continue as a going concern is dependent on a number of factors. The most significant of these is the ability of the Municipality Manager to continue procuring funding for the ongoing operations of the Municipality.

3. Subsequent events

The Municipality Manager is not aware of any matter or circumstance arising since the end of the financial year.

4. Municipal Manager's interest in contracts

The Municipal Manager did not have an interest in any of the contracts entered into during the current financial year.

5. Accounting policies

The Annual Financial Statements are prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board and as per the prescribed framework by National Treasury.

6. Non-current assets

No major changes in the nature or the policy relating to the use of the non-current assets of the Municipality occurred during the year.

7. Municipal Manager

The Municipal Manager of the Municipality during the year and to the date of this report is as follows:

Name	Nationality
D.H. Molale	South Africa

8. Bankers

Accounts were held with The Standard Bank of South Africa Limited (being the primary bankers), as well as investment accounts with First National Bank (a division of First Rand Bank Limited), and Nedbank during the year.

9. Auditors

Auditor-General of South Africa will continue in office for the next financial period.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Financial Position as at 30 June 2019

Figures in Rand	Note(s)	2019	2018 Restated*
ASSETS			
Current Assets			
Cash and cash equivalents	3	2 367 091	97 383
Receivables from exchange transactions	4	11 204 787	11 424 206
Receivables from non-exchange transactions	5	94 055	1 041 000
Inventories	6	8 539 763	8 491 346
VAT receivable	48	493 505	36 064
		22 699 201	21 090 009
Non-Current Assets			
Biological assets	7	4 292 620	6 842 282
Investment property	8	6 020 000	6 664 000
Property, plant and equipment	9	72 354 792	74 774 322
Intangible assets	10	2 576 112	391 498
Heritage assets	11	19 750	19 750
		85 263 274	88 691 852
Total Assets		107 962 475	109 781 861
LIABILITIES			
Current Liabilities			
Other financial liabilities	12	395 123	475 216
Finance lease obligation	13	226 729	161 846
Payables from exchange transactions	14	8 997 749	14 992 521
Employee benefit obligation	15	656 967	741 875
Unspent conditional grants and receipts	16	410 686	616 643
Provisions	17	-	2 409 769
		10 686 253	19 397 869
Non-Current Liabilities			
Other financial liabilities	12	810 545	1 007 987
Finance lease obligation	13	288 013	496 742
Employee benefit obligation	15	4 702 101	4 127 057
		5 799 659	5 631 786
Total Liabilities		16 485 912	25 029 655
NET ASSETS		91 476 563	84 752 206
Revaluation reserve	18	55 385 620	55 385 620
Accumulated surplus		36 105 923	29 366 586
TOTAL NET ASSETS		91 492 543	84 752 215

* See Note 47

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
(DEMARCATIION CODE:DC45)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Financial Performance

Figures in Rand

	Note(s)	2019	2018 Restated*
REVENUE			
Revenue from exchange transactions			
Sale of goods		7 800	75 000
Rental of facilities	19	118 862	105 916
Administration and management fees received	20	2 640 723	2 548 363
Interest received	21	1 881 256	1 354 111
Total revenue from exchange transactions		4 648 641	4 083 390
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	22	97 865 731	80 534 670
Donations received	23	345 874	60 298
Other income		142 154	-
Total revenue from non-exchange transactions		98 353 859	80 594 968
Total revenue		103 002 500	84 678 358
EXPENDITURE			
Employee related costs	24	(56 854 287)	(55 502 254)
Remuneration of councillors	25	(4 944 453)	(4 837 257)
Depreciation and amortisation	26	(3 343 378)	(3 139 487)
Impairment loss		-	(282 097)
Finance costs	27	(743 970)	(896 069)
Debt Impairment	28	(948 994)	(142 040)
Transfers and subsidies	29	(198 948)	(1 849 450)
Operational costs	30	(29 082 538)	(25 304 788)
Total expenditure		(95 915 568)	(91 953 420)
Operating Surplus/(Deficit)		7 086 932	(7 275 064)
Loss on disposal of assets and liabilities		-	(281 412)
Fair value adjustments	31	(3 193 662)	1 380 455
Actuarial gains	15	422 481	-
Gain on assets previously not on asset register		15 840	437 864
Recognition of prior year provision		2 409 759	-
		(345 602)	1 556 907
Surplus/ (Deficit) for the year		6 740 330	(5 718 157)

* See Note 47

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
(DEMARCATIION CODE:DC46)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 July 2017	55 386 620	35 083 752	90 470 372
Changes in net assets			
Deficit for the year	-	(5 718 157)	(5 718 157)
Total changes	-	(5 718 157)	(5 718 157)
Restated* Balance at 01 July 2018	55 386 620	29 365 593	84 752 213
Changes in net assets			
Surplus for the year	-	6 740 330	6 740 330
Total changes	-	6 740 330	6 740 330
Balance at 30 June 2019	55 386 620	36 105 923	91 492 543
Note(s)	18		

* See Note 47

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Cash Flow

Figures in Rand

Note(s)

2019

2018
Restated*

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

Sale of goods and services

3 142 749

4 901 590

Grants

97 542 000

79 487 000

Interest income

1 881 258

1 354 111

102 566 005

85 742 701

Payments

Employee costs

(81 598 740)

(59 734 237)

Suppliers

(35 133 602)

(23 390 365)

Finance costs

(347 281)

-

(97 079 623)

(83 124 602)

Net cash flows from operating activities

32

5 486 382

2 618 099

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment

9

(268 724)

(1 465 518)

Purchase of other intangible assets

10

(2 508 579)

(9 898)

Net cash flows from investing activities

(2 777 303)

(1 475 418)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of other financial liabilities

(277 535)

(252 804)

Finance lease payments

(181 845)

(44 412)

Finance lease costs

-

(898 068)

Net cash flows from financing activities

(439 381)

(1 193 088)

Net increase/(decrease) in cash and cash equivalents

2 269 698

(50 402)

Cash and cash equivalents at the beginning of the year

97 363

147 795

Cash and cash equivalents at the end of the year

3

2 367 091

97 393

* See Note 47

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
Revenue from exchange transactions						
Sale of goods	-	-	-	7 800	7 800	
Rental of facilities	216 000	(91 872)	124 128	118 882	(5 286)	1
Administration and management fees received	5 917 148	967 045	6 884 191	2 640 723	(4 243 468)	2
Interest received	251 898	840 688	1 092 587	1 881 256	788 669	3
Total revenue from exchange transactions	6 385 044	1 715 862	8 100 906	4 648 641	(3 452 265)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	94 024 000	1 502 978	95 526 978	97 865 731	2 338 753	4
Public contributions and donations	-	-	-	345 974	345 974	
Other transfer revenue 1	-	-	-	142 154	142 154	
Total revenue from non-exchange transactions	94 024 000	1 502 978	95 526 978	98 353 859	2 826 881	
Total revenue	100 409 044	3 218 840	103 627 884	103 002 500	(625 384)	
EXPENDITURE						
Employee related costs	(61 935 453)	3 414 692	(58 520 761)	(56 654 287)	1 866 474	5
Remuneration of councillors	(4 144 541)	(32 415)	(4 176 956)	(4 944 453)	(767 497)	6
Depreciation and amortisation	(2 954 128)	(2 111 510)	(5 065 638)	(3 343 376)	1 722 260	7
Finance costs	-	-	-	(743 970)	(743 970)	9
Debt Impairment	-	(917 984)	(917 984)	(948 984)	(31 010)	10
Transfers and Subsidies	(200 000)	(98 948)	(298 948)	(198 948)	100 000	12
Operational costs	(28 029 322)	(264 815)	(28 293 937)	(18 053 819)	10 240 118	13
Other material	(2 375 600)	(1 114 431)	(3 490 031)	-	3 490 031	
Total expenditure	(89 639 044)	(1 125 211)	(100 764 255)	(84 887 849)	15 876 406	
Operating surplus	770 000	2 093 629	2 863 629	18 114 651	15 251 022	
Fair value adjustment	-	-	-	(3 193 662)	(3 193 662)	15
Actuarial gain	-	-	-	422 461	422 461	16
Derecognition of prior year provision	-	-	-	2 409 759	2 409 759	
Inventories losses/write-downs	-	-	-	15 840	15 840	
	-	-	-	(345 602)	(345 602)	
Surplus for the year	770 000	2 093 629	2 863 629	17 769 049	14 905 420	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	770 000	2 093 629	2 863 629	17 769 049	14 905 420	

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC48)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
STATEMENT OF FINANCIAL POSITION						
Assets						
Current Assets						
Inventories	-	11 552 959	11 552 959	8 539 763	(3 013 196)	1
Receivables from exchange transactions	18 145 678	14 015 000	32 160 678	11 204 787	(20 955 891)	2
Receivables from non-exchange transactions	-	-	-	94 055	94 055	3
VAT receivable	-	-	-	493 505	493 505	
Cash and cash equivalents	7 396 000	2 428 000	9 824 000	2 367 091	(7 456 909)	4
	25 541 678	27 995 959	53 537 637	22 699 201	(30 838 436)	
Non-Current Assets						
Biological assets	-	5 462 000	5 462 000	4 292 620	(1 169 380)	5
Investment property	-	6 664 000	6 664 000	6 020 000	(644 000)	6
Property, plant and equipment	69 204 281	76 403 304	145 607 585	72 354 792	(73 252 793)	7
Intangible assets	-	2 531 325	2 531 325	2 576 112	44 787	8
Heritage assets	-	-	-	19 750	19 750	9
Other asset	-	20 000	20 000	-	(20 000)	
	69 204 281	81 080 629	160 284 910	85 283 274	(75 021 636)	
Total Assets	94 745 959	119 076 588	213 822 547	107 982 475	(105 860 072)	
Liabilities						
Current Liabilities						
Other financial liabilities	515 823	-	515 823	395 123	(120 700)	10
Finance lease obligation	-	-	-	228 729	228 729	11
Payables from exchange transactions	16 774 497	7 116 798	23 891 295	8 997 747	(14 893 548)	12
Employee benefit obligation	-	-	-	656 987	656 987	14
Unspent conditional grants and receipts	-	-	-	410 685	410 685	15
Provisions	-	7 496 845	7 496 845	-	(7 496 845)	16
	17 290 320	14 613 643	31 903 953	10 688 271	(21 214 682)	
Non-Current Liabilities						
Other financial liabilities	1 373 610	1 286 000	2 659 610	810 545	(1 849 065)	10
Finance lease obligation	-	-	-	288 013	288 013	11
Employee benefit obligation	-	-	-	4 702 101	4 702 101	14
Provisions	8 362 865	-	8 362 865	-	(8 362 865)	
	9 736 275	1 286 000	11 022 275	5 780 659	(5 241 616)	
Total Liabilities	27 026 595	15 899 643	42 926 228	16 468 930	(26 456 308)	
NET ASSETS	67 719 364	103 176 945	170 896 309	91 492 545	(79 403 764)	

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**Statement of Comparison of Budget and Actual Amounts****Budget on Cash Basis**

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
NET ASSETS						
Reserves						
Revaluation reserve	37 824 288	35 416 650	73 240 938	55 388 620	(17 854 318)	
Accumulated surplus	33 939 283	63 716 068	97 655 371	36 105 923	(61 549 448)	
Total Net Assets	71 763 571	99 132 738	170 896 309	91 492 543	(79 403 766)	

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
(DEMARCATIION CODE:DC45)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

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

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

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

These Annual Financial Statements have been prepared based on the expectation that the Municipality will continue to operate as a going concern for at least the next 12 months.

1.2 Significant judgements and sources of estimation uncertainty

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

Receivables

The Municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

An independent, qualified valuer will be appointed where necessary, for example in estimating the fair value of investment property or biological assets.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
(DEMARCATION CODE:DC45)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

Value in use of cash generating assets

The Municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as exchange rates, inflation and interest rates.

Value in use of non-cash generating assets

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 17 - Provisions.

Useful lives of property, plant and equipment and other assets

The Municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and other assets. This estimate is based on industry norms and on the pattern in which an asset's future economic benefit or service potential is expected to be consumed by the municipality. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease depreciation charge where useful lives are more than previously estimated useful lives..

Post retirement benefits and other long-term benefits

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

The Municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post retirement and long-term benefit obligations. In determining the appropriate discount rate, the municipality considers the market yields at the reporting date on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension or other long-term liability. Where there is no market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve..

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 15.

Effective interest rate

The Municipality used the prime interest rate to discount future cash flows except for long term borrowings or finance leases, where the contractually agreed or implied interest rate is used.

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
(DEMARCATON CODE:DC45)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Allowance for impairment of financial assets

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.3 Biological assets

The Municipality recognises biological assets or agricultural produce when, and only when:

- the Municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of biological assets or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of biological assets is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

1.4 Investment property

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

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

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

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

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

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

Fair value

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

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

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

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

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

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies

1.4 Investment property (continued)

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

- managements' intended usage of the property; and
- the extent to which it is owner occupied.

1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for buildings, community assets - buildings, community assets - land, which are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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1.5 Property, plant and equipment (continued)

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

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

The depreciation charge for each period is recognised in surplus or deficit.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	20 - 30 years
Community assets - buildings	Straight line	20 - 30 years
Community assets - land	Straight line	Indefinite
Disaster unit - buildings	Straight line	5 - 30 years
Furniture and fittings	Straight line	5 - 30 years
IT equipment	Straight line	5 - 30 years
Land	Straight line	Indefinite
Leased assets	Straight line	3 - 8 years
Motor vehicles	Straight line	5 - 15 years
Office equipment	Straight line	5 - 30 years
Other property, plant and equipment	Straight line	2 - 25 years

The Municipality assesses at each reporting date whether there is any indication that the municipality's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors.

Assets of the municipality are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The Municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note).

The Municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

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1.6 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

Intangible assets are initially measured at cost

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

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

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets to their residual values. The amortisation charge for each period is recognised in surplus or deficit.

The useful lives of items of intangible assets have been assessed as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	5 - 10 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

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1.7 Heritage assets (continued)

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

When the Municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information of such heritage asset is disclosed in note 12 - Heritage assets.

Heritage assets are initially measured at cost.

When a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

The Municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

The Municipality derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the item is derecognised.

1.8 Impairment of cash-generating assets

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

Criteria developed by the Municipality to distinguish cash-generating assets from non-cash-generating assets are as follows: as the Municipality is a district Municipality, it does not hold assets which are specifically used to generate revenue (e.g. infrastructure relating to utilities), other than the farm used to hold biological assets. Other revenue generated by the Municipality is in exchange for services provided, for which the related assets (furniture, office equipment, etc.) are interchangeable with the assets used for non-cash generating activities.

Identification

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

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

Irrespective of whether there is any indication of impairment, the Municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

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

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1.8 Impairment of cash-generating assets (continued)

Discount rate

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

Recognition and measurement (Individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

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

Cash-generating units

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

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

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

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

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

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

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

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

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

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

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1.8 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

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

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

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

Redesignation

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

1.9 Impairment of non-cash-generating assets

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

Criteria developed by the Municipality to distinguish non-cash-generating assets from cash-generating assets are as follow: as the municipality is a district Municipality, it does not hold assets which are specifically used to generate revenue (e.g. infrastructure relating to utilities), other than the farm used to hold biological assets. Revenue generated by the Municipality is in exchange for services provided, for which the related assets (furniture, office equipment, etc.) are interchangeable with the assets used for non-cash generating activities; all such interchangeable assets are deemed to be non-cash generating assets.

Identification

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

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

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1.9 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

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

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the Municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

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

Reversal of an impairment loss

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

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

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

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

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

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1.9 Impairment of non-cash-generating assets (continued)

Redesignation

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

1.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one Municipality and a financial liability or a residual interest of another Municipality.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost
Unspent conditional grants and receipts and grants receivable	Financial liability measured at fair value

Initial recognition

The Municipality recognises a financial asset or a financial liability in its statement of financial position when the Municipality becomes a party to the contractual provisions of the instrument.

The Municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The Municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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1.10 Financial Instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The Municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an Municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted when the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The Municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

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1.10 Financial Instruments (continued)

Derecognition

Financial assets

The Municipality derecognises financial assets using trade date accounting.

The Municipality derecognises a financial asset only when:

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

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

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

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

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

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

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

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Current replacement cost is the cost the Municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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1.11 Inventories (continued)

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the Municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Value-added Tax (VAT)

The Municipality is registered with the South African Revenue Services (SARS) for VAT on the invoice basis, in accordance with Section 15(1) of the VAT Act No.89 of 1991.

1.13 Employee benefits

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

When an employee has rendered service to the municipality during a reporting period, the municipality 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 Municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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

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

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1.13 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

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

When an employee has rendered service to the Municipality during a reporting period, the Municipality recognise the contribution payable to a defined contribution plan in exchange for that service:

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

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

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

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

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

Other long-term employee benefits

The Municipality has an obligation to provide other long-term service allowance benefits to the majority of its employees.

The Municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method to determine the present value of the obligations.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The Municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- actuarial gains and losses, which shall all be recognised immediately;

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1.14 Provisions and contingencies

Provisions are recognised when:

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

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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

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

Provisions are not recognised for future operating surplus.

If an Municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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

A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The amounts disclosed as contingent liabilities or assets shall be the best estimate of the expenditure required to settle the obligation, or benefits to be obtained at the reporting date. The estimate may be based on guidance from experts, such as attorneys. Where it is not practicable to engage an expert, and it is not practicable to determine expected values with any certainty, the gross amount of a claim or dispute will be disclosed.

1.15 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited / debited against accumulated surplus / deficit. Prior year adjustments, relating to income and expenditure, are credited / debited against accumulated surplus when retrospective adjustments are made. Additional text

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1.16 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve.

On disposal, the net revaluation surplus is transferred to the accumulated surplus / deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.17 Accounting by principals and agents

Identification

A principal-agent arrangement results from a binding arrangement in which one municipality (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another municipality (the principal).

Identifying whether an entity is a principal or an agent

The assessment of whether a Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another municipality or for its own benefit.

Binding arrangement

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.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

The Municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The Municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the Municipality is an agent.

Recognition

The Municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The Municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.18 Revenue from exchange transactions

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

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1.18 Revenue from exchange transactions (continued)

Measurement

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

Sale of goods

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

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

Rendering of services

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

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

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Interest

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

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

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.19 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a Municipality either receives value from another Municipality without directly giving approximately equal value in exchange, or gives value to another Municipality without directly receiving approximately equal value in exchange.

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1.19 Revenue from non-exchange transactions (continued)

Recognition

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

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

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Measurement

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

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

Transfers

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

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

Debt forgiveness and assumption of liabilities

The Municipality recognises revenue in respect of debt forgiveness 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 debt forgiven.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the Municipality recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise 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.

Where services in-kind are not significant to the Municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the Municipality discloses the nature and type of services in-kind received during the reporting period.

1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by an Municipality in connection with the borrowing of funds.

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1.20 Borrowing costs (continued)

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Leases

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

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Finance leases - lessor

The Municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the Municipality's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the Municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

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

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rents are expensed in the period in which they are incurred.

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1.22 Grant 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 of 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 the statement of financial performance as expenses in the period that the events given rise to the transfer occurred.

1.23 Comparative figures

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

1.24 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.25 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 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), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic municipality's supply chain management policy.

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

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1.28 Budget information

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

The approved budget covers the fiscal period from 2018/07/01 to 2019/06/30.

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

1.29 Related parties

A related party is a person or an municipality with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an Municipality that is subject to common control, or joint control.

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

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

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

1.30 Events after reporting date

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

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

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

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

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2. New standards and interpretations

2.1 Standards and Interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected Impact:
• IGRAP 19: Liabilities to Pay Levies	01 April 2019	Unlikely there will be a material impact
• GRAP 12 (as amended 2016): Inventories	01 April 2018	Unlikely there will be a material impact
• GRAP 16 (as amended 2016): Investment Property	01 April 2018	Unlikely there will be a material impact
• GRAP 17 (as amended 2016): Property, Plant and Equipment	01 April 2018	Unlikely there will be a material impact
• GRAP 21 (as amended 2016): Impairment of non-cash-generating assets	01 April 2018	Unlikely there will be a material impact
• GRAP 26 (as amended 2016): Impairment of cash-generating assets	01 April 2018	Unlikely there will be a material impact
• GRAP 27 (as amended 2016): Agriculture	01 April 2018	Unlikely there will be a material impact
• GRAP 31 (as amended 2016): Intangible Assets	01 April 2018	Unlikely there will be a material impact
• GRAP 103 (as amended 2016): Heritage Assets	01 April 2018	Unlikely there will be a material impact
• Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities	01 April 2018	Unlikely there will be a material impact

2.2 Standards and Interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2019 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected Impact:
• GRAP 34: Separate Financial Statements	01 April 2020	Unlikely there will be a material impact
• GRAP 35: Consolidated Financial Statements	01 April 2020	Unlikely there will be a material impact
• GRAP 36: Investments in Associates and Joint Ventures	01 April 2020	Unlikely there will be a material impact
• GRAP 37: Joint Arrangements	01 April 2020	Unlikely there will be a material impact
• GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	Unlikely there will be a material impact
• Guideline: Accounting for Arrangements Undertaken i.t.o the National Housing Programme	01 April 2019	Unlikely there will be a material impact
• GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	Unlikely there will be a material impact
• GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2019	Unlikely there will be a material impact
• GRAP 7 (as revised 2010): Investments in Associates	01 April 2019	Unlikely there will be a material impact
• GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2019	Unlikely there will be a material impact

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2. New standards and Interpretations (continued)			
• GRAP 18 (as amended 2016): Segment Reporting	01 April 2019		Unlikely there will be a material impact
• GRAP 20: Related parties	01 April 2019		Unlikely there will be a material impact
• GRAP 32: Service Concession Arrangements: Grantor	01 April 2019		Unlikely there will be a material impact
• GRAP 105: Transfers of functions between entities under common control	01 April 2019		Unlikely there will be a material impact
• GRAP 106 (as amended 2016): Transfers of functions between entities not under common control	01 April 2019		Unlikely there will be a material impact
• GRAP 107: Mergers	01 April 2019		Unlikely there will be a material impact
• GRAP 108: Statutory Receivables	01 April 2019		Unlikely there will be a material impact
• GRAP 109: Accounting by Principals and Agents	01 April 2019		Unlikely there will be a material impact
• IGRAP 11: Consolidation – Special purpose entities	01 April 2019		Unlikely there will be a material impact
• IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures	01 April 2019		Unlikely there will be a material impact
• IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2019		Unlikely there will be a material impact
• IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land	01 April 2019		Unlikely there will be a material impact

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3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1 949	1 968
Bank balance	729 585	89 076
Short-term deposits	1 635 557	6 349
	2 367 091	97 393

The municipality had the following bank accounts and cash on hand:

Account number / description	Bank statement balances			Cash book balances		
	30 June 2019	30 June 2018	30 June 2017	30 June 2019	30 June 2018	30 June 2017
Standard Bank Limited - current account - 024- 0923-804	729 585	89 076	136 971	729 585	89 076	136 971
First National Bank - call account - 62016341208	-	-	1 294	-	-	1 294
First National Bank - call account - 62047254272	-	-	2 261	-	-	2 261
Standard Bank Limited - call account - 508871603- 011	-	-	787	-	-	787
First National Bank - medium term deposit - 7100-2746-116	-	6 349	6 018	-	6 349	6 018
Standard Bank- Call Account- 508871603-016	538 806	-	-	538 806	-	-
Standard Bank- Call Account- 508871603-019	496 434	-	-	496 434	-	-
Standard Bank- Call Account- 508871603-020	600 317	-	-	600 317	-	-
Cash on hand	1 949	1 968	1 000	1 949	1 968	1 000
Total	2 367 091	97 393	148 331	2 367 091	97 393	148 331

4. Receivables from exchange transactions

Trade debtors	11 204 787	11 063 083
Irregular expenditure	-	361 123
	11 204 787	11 424 206

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4. Receivables from exchange transactions (continued)

Trade and other receivables pledged as security

Trade and other receivables were not pledged as security.

Current (0 - 30 days)	932 178	889 577
31 - 60 Days	82 749	102 208
61 - 90 Days	81 121	410 918
+ 90 Days	11 550 781	10 353 408
Allowance for impairment	(1 442 020)	(493 028)
	11 204 787	11 063 083

Summary of receivables by customer classification

	Other	Organs of state	Total
30 June 2019			
Current (0 - 30 days)	18 883	915 514	932 177
31 - 60 Days	14 249	68 500	82 749
61 - 90 Days	12 621	68 500	81 121
+ 90 Days	1 439 373	10 111 387	11 550 780
Allowance for impairment	(1 442 020)	-	(1 442 020)
	40 886	11 183 901	11 204 787

Summary of receivables by customer classification

	Other	Organs of state	Total
30 June 2018			
Current (0 - 30 days)	20 893	868 884	889 577
31 - 60 Days	16 190	86 018	102 208
61 - 90 Days	12 623	398 395	410 918
+ 90 Days	486 437	9 866 971	10 353 408
Allowance for impairment	(493 028)	-	(493 028)
	42 817	11 020 266	11 063 083

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.

Trade and other receivables past due but not impaired

Impairment is provided for all individual accounts which are more than one month past due. The full amount is not impaired and variable rates are used on each individual account depending on the risk profile of the account. National and Provincial Government accounts are not impaired. At 30 June 2019, R 10 373 830 (2018: R10,351,382) were past due but not impaired.

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

1 month past due	174 272	86 018
2 months past due	78 836	398 395
3 months or more past due	10 120 722	9 866 971

5. Receivables from non-exchange transactions

Receivable from grants	94 055	1 041 000
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5. Receivables from exchange transactions (continued)

Receivables from non exchange transactions are in relation to amounts owed to the municipality by Provincial and National Treasury for Grants.

6. Inventories

Consumable stores

48 417

-

Properties to be transferred

8 491 346

8 491 346

8 539 763

8 491 346

Inventory pledged as security

Inventory was not pledged as security.

7. Biological assets

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Biological assets - game	4 292 620	-	4 292 620	6 842 282	-	6 842 282

Reconciliation of biological assets - 2019

	Opening balance	Gains or losses arising from changes in fair value	Total
Biological assets - game	6 842 282	(2 549 662)	4 292 620

Reconciliation of biological assets - 2018

	Opening balance	Gains or losses arising from changes in fair value	Total
Biological assets - game	5 461 827	1 380 455	6 842 282

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7. Biological assets (continued)

Non-financial information

Quantities of each biological asset

Blesbok	7	21
Blue wildebeest	478	650
Duiker	28	4
Eland	47	81
Gemsbok	189	258
Greater Kudu	-	1
Ibex	46	13
Ostrich	61	45
Red hartebeest	27	34
Springbuck	354	201
Warthog	-	3
Zebra	23	42
	1 258	1 363

The biological assets were valued by JBFE Consulting (Pty) LTD, an independent professional valuer.

Game is valued using officially listed and publicised game auction data and numbers. An active market exists for game but some species have no commercial value and are counted but not valued for trading. These are reflected in the listing below.

Animals with no commercial value

Bat-eared fox	-	5
Black backed jackal	13	-
Vultures	-	7
Domestic cattle	9	-
Domestic horses	6	-
Domestic goat	9	-
Warthog	5	-
	41	12

Domestic animals on the farm are known to belong to members of the community, and are not considered to be assets of the municipality.

The key assumption in the valuation method used is that genetic variation in species are excluded from the valuation. This means that rare species types sales values are excluded as their pricing is not a fair reflection of the game populations value.

The increase could be due to changes in environmental factors such as rainfall, which resulted in an incline in population numbers.

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

Pledged as security

The biological assets are not pledged as security.

Methods and assumptions used in determining fair value

The fair value represents the market values for biological assets that are traded on active markets in the Northern Cape.

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8. Investment property

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	6 020 000	-	6 020 000	6 664 000	-	6 664 000

Reconciliation of Investment property - 2019

	Opening balance	Fair value adjustments	Total
Investment property	6 664 000	(644 000)	6 020 000

Reconciliation of Investment property - 2018

	Opening balance	Total
Investment property	6 664 000	6 664 000

Pledged as security

The investment property is not pledged as security.

Details of property

Erf 2817 - Kuruman - Campus

Freehold ownership property in the Kuruman registration division. Site area is 1190m². Title deed No. T1049/1993, previously T810/1978. Registration date is 15 June 1978 with conditions and servitudes in accordance with Erf 2817 which is a consolidation of erven 1105 and 1106.

- Valuation since purchase

2 270 000 3 200 000

Erf 938 Kuruman - Offices let to the John Talo Gaetsewe Development Trust

Property in the Northern Cape province with title deed number T416/1996. Site area is 1190m².

- Valuation

1 660 000 2 100 000

Erf 4439 Kuruman - Vacant stand

Property in the Northern Cape province with title deed number T26/2011 previously T25/2011. Site area is 17052m².

- Valuation

2 090 000 1 364 000

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9. Property, plant and equipment

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	21 285 265	(2 078 387)	19 206 898	21 285 265	(1 068 934)	20 216 331
Community assets - buildings	910 000	(89 725)	821 275	910 000	(45 500)	864 500
Community assets - land	38 590 001	-	38 590 001	38 590 001	-	38 590 001
Disaster unit - building	2 536 834	(247 342)	2 289 492	2 536 834	(126 842)	2 409 992
Disaster unit Land	580 000	-	580 000	580 000	-	580 000
Furniture and fittings	4 796 038	(2 281 613)	2 514 425	4 765 923	(1 822 941)	2 942 982
IT equipment	6 391 763	(4 281 137)	2 110 626	6 930 082	(3 629 166)	3 300 916
Land	2 680 000	-	2 680 000	2 680 000	-	2 680 000
Leased assets	680 848	(242 849)	437 999	680 848	(23 849)	656 999
Motor vehicles	7 582 244	(4 790 449)	2 791 795	7 582 244	(4 213 751)	3 368 493
Office equipment	575 727	(339 741)	235 986	476 893	(283 642)	193 251
Other property, plant and equipment	142 802	(86 507)	56 295	119 907	(49 048)	70 859
Total	86 751 622	(14 396 730)	72 354 892	86 137 997	(11 363 676)	74 774 321

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9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Land	2 680 000	-	-	2 680 000
Buildings	20 216 331	-	(1 009 433)	19 206 898
Furniture and fixtures	2 842 982	30 969	(359 526)	2 514 425
Motor vehicles	3 368 493	-	(576 698)	2 791 795
Office equipment	193 251	99 000	(56 265)	235 986
IT equipment	2 300 914	461 503	(631 791)	2 130 626
Community assets - land	38 590 001	-	-	38 590 001
Community assets - buildings	864 500	-	(43 225)	821 275
Disaster unit - building	2 409 992	-	(120 500)	2 289 492
Disaster unit Land	580 000	-	-	580 000
Leased assets	656 999	-	(219 000)	437 999
Other property, plant and equipment	70 859	23 226	(17 790)	76 295
	74 774 322	614 698	(3 034 228)	72 354 792

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Assets no longer in use	Prior period adjustments	Depreciation	Impairment loss	Total
Land	2 680 000	-	-	-	-	-	2 680 00
Buildings	21 278 837	-	-	-	(1 062 506)	-	20 216 33
Furniture and fixtures	2 896 853	306 008	(3 076)	854	(324 013)	(33 444)	2 842 98
Motor vehicles	3 496 889	1 272 000	(500 429)	1	(716 543)	(181 206)	3 368 49
Office equipment	248 842	-	(526)	167	(48 499)	(6 533)	193 25
IT equipment	2 441 714	587 481	(11 491)	1 978	(658 227)	(60 541)	2 300 91
Community assets - land	38 590 000	-	-	1	-	-	38 590 00
Community assets - buildings	910 000	-	-	-	(45 500)	-	864 50
Disaster unit - building	2 536 834	-	-	-	(126 842)	-	2 409 99
Disaster unit Land	580 000	-	-	-	-	-	580 00
Leased assets	20 078	680 849	-	-	(43 928)	-	656 99
Other property, plant and equipment	76 453	9 889	-	331	(15 440)	(374)	70 86
	76 766 880	2 866 227	(616 622)	3 332	(3 043 498)	(282 097)	74 774 32

Pledged as security

None of the above property, plants and equipment have been pledged as security.

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

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10. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	3 452 684	(876 572)	2 576 112	985 206	(593 708)	391 498

Reconciliation of Intangible assets - 2019

	Opening balance	Additions	Derecognition of SEBATA Software	Reversal of amortisation of derecognised software	Amortisation	Total
Computer software	391 498	2 508 579	(41 100)	41 100	(323 984)	2 576 112

Reconciliation of Intangible assets - 2018

	Opening balance	Additions	Assets not in use	Other changes, movements	Amortisation	Total
Computer software	476 489	9 898	(15 434)	16 543	(96 998)	391 498

Pledged as security

The intangible assets are not pledged as security.

Other information

The municipality procured SAGE Evolution software during the financial year. The municipality was using SEBATA Software and this was derecognised during the financial year.

A register containing the information required by section 83 of the MFMA is available for inspection at the registered office of the municipality.

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11. Heritage assets

	2019			2018		
	Cost / Valuation	Accumulated Impairment losses	Carrying value	Cost / Valuation	Accumulated Impairment losses	Carrying value
Mayoral chain	19 750	-	19 750	19 750	-	19 750

Reconciliation of heritage assets 2019

	Opening balance	Total
Mayoral chain	19 750	19 750

Reconciliation of heritage assets 2018

	Opening balance	Total
Mayoral chain	19 750	19 750

Assessment for impairment of Heritage assets

The Mayoral chain was assessed for impairment and there were no indications of impairment noted.

Pledged as security

The heritage assets are not pledged as security.

Expenditure incurred to repair maintain heritage assets

No such expenditure was incurred in relation to heritage assets.

Other Information

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

12. Other financial liabilities

At amortised cost

DBSA loan

1 205 668 1 483 203

The loan accrues interest at a fixed rate of 9.64% (2018: 9.64%), and is repayable in 30 bi-annual instalments of R197 581 over 15 years.

Non-current liabilities

At amortised cost

810 545 1 007 987

Current liabilities

At amortised cost

395 123 475 216

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	2019	2018
13. Finance lease obligation		
Minimum lease payments due		
- within one year	382 944	382 944
- in second to fifth year inclusive	319 120	702 064
	702 064	1 085 008
less: future finance charges	(205 322)	(426 420)
Present value of minimum lease payments	496 742	658 588
 Present value of minimum lease payments due		
- within one year	228 729	161 846
- in second to fifth year inclusive	268 013	496 742
	496 742	658 588
 Non-current liabilities	268 013	496 742
Current liabilities	228 729	161 846
	496 742	658 588

It is municipality policy to lease office equipment such as photocopying and printing machines under finance leases.

14. Payables from exchange transactions

Trade payables	3 555 059	8 184 233
Payments received in advanced- contract in process	171 545	862 744
Payroll related liabilities at year end	219 682	273 903
Leave Pay Provision	3 392 399	4 148 121
Bonus Provision	1 845 057	1 368 914
Retention creditors	14 027	14 027
Water monitoring	-	88 054
Fleet card	-	54 525
	8 997 749	14 992 521

Payables are recognised net of any discounts.

As far as possible, 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.

15. Employee benefit obligations

The employee benefit obligation relate to post-retirement medical aid benefits provided and long service awards.

Post-retirement Medical Aid Benefit and Long Service Award

Present value of unfunded obligation at the beginning of the year	4 868 932	4 579 704
Net actuarial gains or losses	515 928	291 928
Difference between expected and actual current service costs	(422 481)	(380 869)
Interest cost	395 689	358 169
	5 359 088	4 868 932
 Non-current liabilities	4 702 101	4 127 057
Current liabilities	656 987	741 875
	5 359 088	4 868 932

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15. Employee benefit obligations (continued)

Medical Aid Benefit- Key Assumptions used

The Municipality provides post-employment medical aid benefits upon retirement to some retirees. The entitlement to post-employment medical aid benefits is based on special resolution by the council, or the terms of employment prevailing at the time the employees retired. The Municipality operates an unfunded defined benefit plan for these qualifying individuals. No other post-retirement benefit are provided to these individuals.

The actuarial valuation of the present value of the obligation at 30 June 2019 was carried out by Arch Actuarial Consulting. The present value of the obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

Assumptions used at the reporting date for Medical Aid Benefit:

Discount rates used	8.21 %	9.04 %
Healthcare cost inflation rate	5.95 %	7.23 %
Net effective discount rate	2.13 %	1.69 %

	2019	2018
Present value of unfunded obligation at the beginning of the year	2 028 261	1 878 157
Actuarial gains/losses	290 442	109 188
Difference between expected and actual current service costs	(237 381)	(220 152)
Interest cost	172 858	161 088
	2 254 200	2 028 261

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	2019	2018
15. Employee benefit obligations (continued)		
Long Service Awards- Key Assumptions		
Discount rate	8 %	9 %
General salary inflation	6 %	6 %
Net effective discount rate	2	2
Long service awards		
The municipality has an obligation to provide long service awards benefits to all its permanent employees. In terms of the municipalities policies and practice, permanent employees other than section 57 managers are entitled to a cash allowance, calculated in terms of the rules of the scheme, after 5, 10, 15, 20, 25, 30, 40 and 45 years of continued service. The municipality operates an unfunded defined benefit plan for these qualifying employees.		
The actuarial valuation of the present value of the obligation at 30 June 2019 was carried out by Arch Actuarial Consulting CC. The present value of the obligation, the related current service cost and past service cost, were measured using the projected unit credit method.		
Present value of unfunded obligation at the beginning of the year	2 840 671	2 601 547
Net actuarial gains or losses	225 486	182 760
Difference between expected and actual current service costs	(185 100)	(140 717)
Interest cost	223 831	197 081
	3 104 888	2 840 671
 Non-current liabilities	 2 705 310	 2 336 157
Current liabilities	399 578	504 514
	3 104 888	2 840 671
		-

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Khotso Pula Nala unspent grant	30 197	-
Near grant	-	312 757
Fire grant	5 005	85 690
HIV and AIDS council	375 483	123 941
Rural road asset management grant	-	94 055
	410 685	616 643

The nature and extent of government grants recognised on these audited annual financial statements are an indication of other forms of government assistance from which the municipality has directly benefited.

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17. Provisions

Reconciliation of provisions - 2019

	Opening Balance	Reversed during the year	Total
Compensation for occupational injuries and disease	2 409 759	(2 409 759)	-

Reconciliation of provisions - 2018

	Opening Balance	Additions	Total
Compensation for occupational injuries and disease	2 093 713	316 046	2 409 759

Management has performed a review of the prior year provision and concluded that the conditions that existed in the past no longer exists, therefore the provision has been derecognised.

18. Revaluation reserve

Opening balance	55 386 620	55 386 620
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The revaluation reserve is created by surplus arising from the revaluation of property, plant and equipment.

19. Rental of facilities and equipment

Premises	118 862	105 916
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20. Administration and management fees received

Product related services	2 303 501	2 212 213
Telephone	-	51 563
Training	112 222	49 587
District planning tribunal	225 000	235 000
	2 640 723	2 548 363

21. Interest received

Interest revenue		
Receivables from exchange transactions	1 003 567	210 781
Bank	877 689	1 143 330
	1 881 256	1 354 111

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	2019	2018
22. Government grants and subsidies		
Operating grants		
Equitable share	85 253 055	71 799 000
Fire grant	80 884	9 100
Near grant	430 531	275 293
Financial management grant	1 000 000	1 250 000
Expanded public works program	1 000 000	1 000 000
Rural roads asset management grant	1 983 000	1 884 945
HIV/AIDS grant	248 458	166 332
Infrastructure skills development grant	3 200 000	3 200 000
Khotso Pula Nala grant	3 989 803	-
Housing accreditation grant	700 000	950 000
	97 865 731	80 534 670

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22. Government grants and subsidies (continued)

Equitable share

The equitable share is a financial allocation from National Treasury in the form of an unconditional grant that enables municipalities to provide basic services to poor households, and to enable municipalities with limited own resources to afford basic administrative and governance capacity and perform core municipal functions.

Current-year receipts	85 159 000	71 799 000
Conditions met - transferred to revenue	(85 159 000)	(71 799 000)
Net grant receivable	-	-

Financial management grant

Current-year receipts	1 000 000	1 250 000
Conditions met - transferred to revenue	(1 000 000)	(1 250 000)
Net of unspent grants	-	-

The Financial management grant is paid by National Treasury to municipalities to help implement the financial reforms required by the MFMA.

Fire grant

Balance unspent at beginning of year	85 890	94 990
Conditions met - transferred to revenue	(80 884)	(9 100)
Net of unspent grants	5 006	85 890

Kuruman is prone to natural disasters, mainly fires. This grant was used to assist local municipalities to upgrade and render a fire service.

Housing accreditation grant

Current-year receipts	700 000	950 000
Conditions met - transferred to revenue	(700 000)	(950 000)
Net of unspent/(receivable) grants	-	-

The housing grant was utilised for the development of erven and the erection of top structures.

Khotso Pula Nala

Balance unspent at beginning of year	-	31 619
Current-year receipts	4 000 000	-
Conditions met - transferred to revenue	(3 969 803)	-
Other	-	(31 619)
Net of unpaid grants	30 197	-

The grant related to infrastructure projects at the local municipalities in the district.

Near grant

Balance unspent at beginning of year	312 757	238 050
Current-year receipts	-	350 000
Conditions met - transferred to revenue	(430 531)	(275 293)
Other	117 774	-
Net of unspent grants	-	312 757

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22. Government grants and subsidies (continued)

The grant was used to maintain the disaster management centre.

Expanded public works programme - incentive grant

Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)
Net of unspent/(unpaid) grants	-	-

The grant was used for debushing, fencing of graveyards as well as to address issues of unemployment as it is labour intensive.

Vanzylerus sports field grant

Balance unspent at beginning of year	-	26 057
Conditions met - transferred to revenue	-	(26 057)
Net of unspent grants	-	-

The grant was used to build a sports field at Vanzylerus; this project concluded in the prior year, and the balance was recognised to revenue.

HIV and AIDS council

Balance unspent at beginning of year	123 941	290 273
Current-year receipts	500 000	-
Conditions met - transferred to revenue	(248 458)	(186 332)
Net of unspent grants	375 483	123 941

The grant was used for HIV and AIDS awareness programmes.

Infrastructure skill development grant

Current-year receipts	3 200 000	3 200 000
Conditions met - transferred to revenue	(3 200 000)	(3 200 000)
Net of unspent grants	-	-

The grant was used to employ interns for training in civil engineering, building inspections and town planning.

Rural road asset management grant

Balance unspent at beginning of year	94 055	-
Current-year receipts	1 983 000	1 979 000
Withheld by National Treasury	(94 055)	-
Conditions met - transferred to revenue	(1 983 000)	(1 884 945)
Net of unspent grants	-	94 055

This grant is gazetted in the DORA to establish a road asset management system. The municipality uses these funds to employ interns to analyse and report on road usage.

Expanded Public Works Programme Incentive Grant: Brick making program

Current-year receipts	-	2 621
Conditions met - transferred to revenue	-	(2 621)

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22. Government grants and subsidies (continued)

- -

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

23. Donations in kind

Vanzylerus sports field grant	-	26 057
Expanded public works programme - brick making grant	-	2 620
Khotso Pula Nala grant	-	31 619
Kalagadi Manganese Mine	345 974	-
	345 974	60 296

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	2019	2018
24. Employee related costs		
Basic salary	39 502 840	35 789 510
Bonus	2 726 289	2 332 561
Medical aid - company contributions	2 754 954	2 813 206
Unemployment insurance fund	202 911	192 468
COIDA contribution	-	318 048
Skills development levy	273 847	492 275
Leave pay provision charge	674 840	1 515 807
Inconvenience allowance	163 716	66 586
Nightshift allowance	480 450	388 940
Long-service awards	375 507	249 889
Acting allowance	802 966	1 769 977
Travel allowance	1 538 383	2 434 876
Housing benefits and allowances	1 708 246	1 819 408
Contribution provident fund	209 868	317 538
Contribution pension fund	5 137 532	5 028 924
Contribution industrial council	9 590	9 281
Change in valuation of employee benefit obligations	-	(68 941)
Cellular phone allowance	94 668	244 544
	56 684 287	65 602 254

Remuneration of chief finance officer: G.P. Moroane

Annual Remuneration	902 087	840 482
Car Allowance	112 800	112 800
Cellular phone allowance	19 200	19 200
Remote allowance	66 789	22 403
Municipal contributions to funds	-	1 785
Back pay	25 924	80 468
Leave day payout	19 203	-
	1 145 983	1 077 138

Remuneration of acting director of infrastructure: M.W. Molusi

Annual Remuneration	831 353	793 788
Car Allowance	148 800	148 800
Cellular phone allowance	19 200	19 200
Remote allowance	69 456	21 968
Municipal Contributions to funds	-	1 785
Back pay	25 417	71 531
Acting allowance	-	263 279
	1 084 226	1 320 349

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24. Employee related costs (continued)

Remuneration of director of corporate and human resources (corporate services): M. Ellerd

Annual Remuneration	-	64 499
Car Allowance	-	17 400
Cellular phone allowance	-	1 600
Municipal contributions to funds	-	157
Leave paid out	-	102 166
	-	185 822

Remuneration of director of community services: T.H. Mathare

Annual Remuneration	787 549	732 087
Car Allowance	129 800	129 800
Cellular phone allowance	19 200	19 200
Remote allowance	63 819	20 183
Municipal contributions to funds	-	1 190
Back pay	23 355	72 494
Acting allowance	-	157 967
Leave day payout	17 300	-
	1 040 823	1 132 701

Remuneration of acting director of development and planning: K.K. Teles

Annual Remuneration	852 802	798 118
Car Allowance	169 784	169 784
Cellular phone allowance	19 200	19 200
Remote allowance	71 398	22 580
Municipal contributions to funds	-	1 785
Back pay	26 121	73 511
Leave paid out	19 349	47 036
Acting allowance	-	21 534
	1 168 434	1 163 528

Remuneration of acting director of corporate and human resources (corporate services): G. van der Westhulsen

Annual Remuneration	88 671	582 211
Car Allowance	18 236	109 414
Cellular phone allowance	1 600	9 600
Housing allowance	-	18 264
Municipal contributions to funds	-	142 188
Acting allowance	-	164 815
	108 407	1 028 492

Remuneration of municipal manager: D.H. Molale

Car Allowance	28 800	9 600
Annual remuneration	1 200 980	389 802
Cellular phone allowance	19 200	6 400
Remote allowance	86 279	-
Back pay	31 574	-
Leave days payout	23 388	-
	1 390 221	405 802

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24. Employee related costs (continued)

Appointed from 01 March 2018

Director Corporate services E Tehabaemang

Annual Remuneration	512 323	-
Car Allowance	174 000	-
Cellphone allowance	16 000	-
Remote allowance	38 351	-
Backpay	13 857	-
	754 531	-

The Director Corporate services was appointed on 01 September 2018.

25. Remuneration of councillors

Mayor, Speaker and Councillors	4 944 453	4 837 257
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Councillor S.N. Bloem resigned on 23 May 2019.

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25. Remuneration of councillors (continued)

In-kind benefits

The executive mayor, speaker and mayoral committee members are full-time. Each is provided with an office and secretarial support at the cost of the council.

The executive mayor has use of a council owned vehicle for official duties.

Executive mayor: S. Mosikatsi

Annual remuneration	621 917	572 183
Car allowance	84 870	148 518
Municipal contributions to funds	103 236	77 213
Cellphone allowance	40 800	40 800
Mobile data allowance	3 600	3 600
Back pay	18 571	-
	872 793	840 314

Speaker: P.Q. Mogaele

Annual remuneration	508 216	489 701
Car allowance	95 510	88 618
Municipal contributions to funds	48 865	58 412
Cellphone allowance	40 800	42 800
Mobile data allowance	3 600	3 600
Back pay	14 857	-
	712 648	683 131

Member of the mayoral committee: A. Van Der Westhuizen

Annual remuneration	200 851	198 392
Car allowance	53 485	53 485
Cellphone allowance	40 800	40 800
Back pay	5 877	-
Mobile data allowance	3 600	3 600
	304 713	296 277

Member of the mayoral committee: G.C. Assegaa

Annual remuneration	350 809	351 703
Cellphone allowance	20 400	20 400
Mobile data allowance	1 800	1 800
Back pay	8 051	-
	381 060	373 903

Member of the mayoral committee: O.E. Hantiso

Councillor allowance	-	50 640
Cellphone allowance	-	1 739
Mobile data allowance	-	300
	-	52 679

Member of the mayoral committee: M.E. Mochwari

Councillor allowance	-	53 524
Transport allowance	-	23 313

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	2019	2018
25. Remuneration of councillors (continued)		
Municipal contributions to funds	-	4 581
Cellphone allowance	-	3 478
Mobile data allowance	-	800
		88 476
Member of the mayoral committee: K.F. Maillabale		
Annual remuneration	561 386	572 435
Municipal contributions to funds	45 516	32 407
Cellphone allowance	40 800	40 800
Mobile data allowance	3 600	3 600
Back pay	13 928	-
	665 210	649 242
Member of the mayoral committee: T.G. Anthony		
Annual remuneration	256 073	296 686
Back pay	5 877	-
Cellphone allowance	40 800	15 300
Mobile data allowance	3 600	1 350
	306 350	313 336
Member of the mayoral committee: O.G. Monaki		
Annual remuneration	561 386	585 743
Municipal contributions to funds	45 516	11 193
Cellphone allowance	40 800	40 800
Back pay	13 928	-
Mobile data allowance	3 600	3 600
	665 210	641 336
Councillor: O.H. Kgopodlthata		
Annual remuneration	72 555	78 008
Cellphone allowance	20 400	20 400
Mobile data allowance	1 800	1 800
Back pay	1 665	-
	96 420	100 209
Councillor: T.F. Molwangae		
Annual remuneration	236 866	225 780
Contributions to funds	19 206	26 117
Cellphone allowance	40 800	40 800
Mobile data allowance	3 600	3 600
Back pay	5 877	-
	306 351	296 277
Councillor: P.T. Ohentswe		
Annual remuneration	199 149	216 315
Contribution to funds	9 647	26 117
Car allowance	37 782	9 445
Cellphone allowance	40 800	40 800
Mobile data allowance	3 600	3 600
Back pay	5 877	-
	296 856	296 277

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25. Remuneration of councillors (continued)**Councillor: S.N. Bloem**

Annual remuneration	320 904	298 686
Cellphone allowance	18 700	15 300
Mobile data allowance	1 650	1 350
	8 051	-
	349 305	313 336

26. Depreciation and amortisation

Property, plant and equipment	3 343 378	3 139 487
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27. Finance costs

Current service cost on employee benefit obligations	398 689	-
Finance leases	209 800	362 548
Non-current borrowings	118 154	185 140
Penalty interest raised on VAT	-	348 381
Interest on employee benefit obligations	19 327	-
	743 970	896 069

28. Debt impairment

Additional amounts impaired	948 994	-
Contributions to debt impairment provision - trade receivables	-	142 040
	948 994	142 040

29. Transfers and subsidies

Cost of properties transferred	198 948	1 849 450
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	2019	2018
30. Operational costs		
Advertising	25 512	121 291
Assessment rates	-	314 129
Auditors remuneration	2 346 421	2 669 838
Bank charges	112 324	89 425
Prior period expense	-	228 025
Business Advisory Services	1 921 225	3 537 347
Maintenance of Equipment	3 818 150	670 088
Bad debt written off	14 991	2 999
VAT penalties and assessments	182 572	1 915 803
Hire	1 490	-
Insurance premiums	463 203	349 558
Community development and training	634 010	50 900
Conferences and seminars	1 092 655	107 578
Maintenance of buildings and facilities	-	87 385
IT expenses	2 583 167	778 954
Fleet	-	751 276
Magazines, books and periodicals	-	1 405
Legal fees	1 839 715	1 838 830
Fuel and oil	-	6 000
Postage and Courier Services	1 374	7 105
Printing and stationery	371 207	95 853
Inventory Consumed	1 791 490	1 092 764
Repairs of community owned properties	4 155 952	3 129 362
Records management	-	13 800
Security services	1 354 811	1 338 228
Staff welfare	61 398	58 218
Membership fees	382 444	52 392
Telephone	487 121	553 533
Travel, subsistence and accommodation	1 900 987	2 242 256
Water quality monitoring	7 500	51 680
Uniforms	40 533	12 754
Tourism events	-	31 885
Study assistance	42 792	-
Infrastructure planning expenses	1 886 852	1 479 981
Imbizo events	19 150	1 562 291
Health and occupational awareness	-	1 100
Cleaning Services	1 307 619	96 703
Catering	-	100 866
Communications	52 662	68 186
Capacity building	373 231	2 382
	29 082 536	25 304 766
31. Fair value adjustments		
Fair value adjustment on Investment property	(644 000)	-
Fair value adjustment on Biological assets	(2 549 662)	1 380 455
	(3 193 662)	1 380 455

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	2019	2018
32. Cash generated from operations		
Surplus (deficit)	6 740 330	(6 718 187)
Adjustments for:		
Depreciation and amortisation	3 358 191	3 139 487
Loss on sale of assets and liabilities	-	281 412
Donations received	(345 974)	-
Fair value adjustments	3 193 662	(1 380 455)
Finance costs	-	898 069
Impairment deficit	-	282 097
Debt impairment	948 994	142 040
Prior period adjustments	-	523 157
Movements in retirement benefit assets and liabilities	490 156	289 228
Movements in provisions	(2 409 759)	316 046
Changes in working capital:		
Inventories	(48 417)	1 848 450
Receivables from exchange transactions	219 419	1 142 582
Consumer debtors	(948 994)	-
Other receivables from non-exchange transactions	948 945	(1 041 000)
Payables from exchange transactions	(5 994 772)	530 601
VAT	(457 441)	1 452 508
Unspent conditional grants and receipts	(205 958)	(88 986)
	5 486 382	2 618 099
33. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	-	147 000
Total capital commitments		
Already contracted for but not provided for	-	147 000
Total commitments		
Total commitments		
Authorised capital expenditure	-	147 000

The municipality did not have any capital commitments as at 30 June 2019.

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34. Contingencies

Contingent liabilities

Matters disclosed in 2018

- The municipality is defending a claim by M.Mosiapoe amounting to R800 000, with estimated legal costs of R150 000
- The municipality has received a claim by Solidarity on behalf of Du Toit, relating to medical aid contributions, amounting to R104 340, with estimated legal costs amounting to R85,660.

The following are new issues arising in 2018:

- Case No: JS228/17: Imatu obo Rossouw & Van Der Merwe V John Taolo Gaetsewe Municipality, alleged unfair labour amounting to R300 000 and legal cost amounting to R100 000.
- John Taolo Gaetsewe District Municipality is in a litigation claim which could result to a total cost of R 120 668.00 including legal costs.
- The municipality is in dispute with an IT service provider, with regards to the invoices raised for the periods April 2018, May 2018, September 2018, October 2018 and January 2019 which amount to R1 177 843.57. The dispute was as a result of the service provider failing to submit progress reports to the municipality to substantiate the work that was being billed for. As at 30 June 2019, the service provider had not provided the progress reports to this regard. The municipality also engaged Treasury to ensure that they are aware of the dispute and to intervene. The liability due to the service provider could therefore not be measured with sufficient reliability.

Contingent assets

During 2018 the municipality considered an amount of R127 008 to be a contingent asset. This related to an error that was made when salaries were processed which was considered to be owed by the affected employees. In the current year management has considered the likelihood of any further recoveries on this amount to be remote, therefore no contingent asset will be recognised.

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35. Related parties

Members of key management

Refer to note 24

Councillors

Refer below and to note 25

Subject to significant degree of control by a member of key management

John Taolo Gaetsewe Development Trust

Related party balances

Amounts included in Receivables from exchange transactions regarding related parties

John Taolo Gaetsewe Development Trust

19 597

9 005

Irregular expenditure, interest and other amounts recoverable from councillors

T.G Anthony

255

2 538

G.C Assagaal

17 494

28 654

S.B. Gaobushiwe

158 597

185 788

O.E. Hantise

160 338

181 012

E.V. Makoke

88 222

92 264

M.E. Mochwari

192 582

197 336

C. Mogodi

170 058

117 750

S Mosikatal

185 103

196 436

A. Mvembo

64 327

69 565

J. Rakoi

57 446

63 094

A. van der Westhuizen

61 911

70 503

The municipality leases one of its buildings to the John Taolo Gaetsewe Development Trust; interest is charged on over-due amounts.

All councillors and senior managers are required to declare their business interests annually. Such business interests are listed below:

Councillors:

G.C. Assagaal

Gadikgadi, Aleta Melokoe Trading; Self-Propelled Trading and Projects

S.N. Bloem

Bomme Fefo

O.E. Hantise

Gamagara Close Corporation; Olfantshoek Cooperative

L.L. Keabis

Sepoane Trading Enterprise

O.H. Kgopodlthata

Dipudi Faraway Project

K. Makwati

Kgalagedi Brick Company

P.Q. Mogathe

Pulane Mogathe Trading Enterprise; Ubuntu Botho Shareholder

P. Ohehawe

PJO Contractor, Letao Investment, Perth 1 Shop Station and Shop, Ohehawe

Construction supply & Training Construction

A.B. van der Westhuizen

ACSB Reaction and PI Services; Kuruman Fotolab; Taylor and Nager Attorneys.

Senior management:

T.H. Matlhare

Just Released Trading 505

D.H. Molaole

Maverick Trading 1640 cc

M.W. Molusi

Bom Transportation Services

K. Telee

Strong Team Construction; Protect 8, Kuruman Development Corporation, United Power Construction

No transactions were entered into with these entities during the 2019 year.

Those councillors and senior managers not listed above declared that they had no business interests.

Councillors seconded from local municipalities:

Gamagara Local Municipality

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35. Related parties (continued)

A. Booysen
H. Du Plessis
O.E. Hantise

Ga-egonyana Local Municipality

G.C. Assegasi
S.N. Bloem
K. Makwato
O. Mathibe
N.G. Thupamang
O.A. Leserwane

Joe Morolong Local Municipality

L. Gwai
L.L. Keesie
G. Kaotsane
O.H. Kgopodithata

36. Risk management

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position 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.

At 30 June 2019	Less than 1 year	Between 1 and 5 years
Financial liabilities	395 123	810 545
Finance lease obligations (Undiscounted)	382 944	319 120
Finance lease obligations (Discounted)	228 729	268 013
Unspent conditional grants	410 865	-
Payables from exchange transactions	8 997 750	-

At 30 June 2018	Less than 1 year	Between 1 and 5 years
Financial liabilities	475 216	1 007 987
Finance lease obligations (Discounted)	161 846	498 742
Finance lease obligations (Undiscounted)	382 944	702 084
Unspent conditional grants	618 643	-
Payables from exchange transactions	14 992 521	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Market risk

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36. Risk management (continued)

Interest rate risk

The Municipality's interest rate risk arises from long-term borrowings. Borrowings arise at fixed rates, which expose the Municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the Municipality to fair value interest rate risk. During 2019 and 2018, the Municipality's borrowings at variable rate were denominated in the Rand.

37. Going concern

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. We draw attention to the fact that at 30 June 2019, trade payables were more than cash on hand.

38. Events after the reporting date

There were no events after reporting date.

39. Unauthorised expenditure

Unauthorised expenditure	32 030 553	19 490 781
Current year unauthorised expenditure	-	12 539 772
	32 030 553	32 030 553

Municipality is holding discussions with the National Treasury regarding the condonation of the R 32 060 553 unauthorised expenditure.

40. Fruitless and wasteful expenditure

Opening balance	2 337 749	55 556
Current year fruitless and wasteful expenditure	196 017	18 209
Identified in the current year relating to prior years	(882)	2 263 984
	2 532 884	2 337 749

Fruitless and wasteful expenditure is awaiting condonation by National Treasury

41. Irregular expenditure

Opening balance	20 997 814	20 632 434
Add: Irregular Expenditure - current year	-	365 380
Less: Amounts recoverable (not condoned)	-	-
Less: Amounts not recoverable (not condoned)	-	-
	20 997 814	20 997 814

Analysis of expenditure awaiting condonation per age classification

Current year	-	365 380
Prior years	20 997 814	8 321 529
	20 997 814	8 686 909

Municipality is holding discussions with the National Treasury regarding the condonation of the R 20 997 814 irregular expenditure.

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	2019	2018
42. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription / fee	634 010	629 323
Amount paid - current year	(634 010)	(629 323)
	-	-
Audit fees		
Current year subscription / fee	2 346 421	2 670 379
Amount paid - current year	(2 346 421)	(2 670 379)
	-	-
SDL and UIF		
Current year subscription / fee	478 558	684 743
Amount paid - current year	(478 558)	(684 743)
	-	-
Pension and Medical Aid Deductions		
Current year subscription / fee	7 892 486	7 565 585
Amount paid - current year	(7 892 486)	(7 565 585)
	-	-
VAT		
VAT receivable	493 505	36 064
All VAT returns have been submitted by the due date throughout the year.		
43. Utilisation of Long-term liabilities reconciliation		
Long-term liabilities raised	1 205 668	1 483 203
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.		
44. Deviation from supply chain management regulations		
Paragraph 12(1)(d)(i) of Government gazette No. 27696 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.		
Paragraph 36 of the same gazette states that the Municipal Manager may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the Municipal Manager and includes a note to the Annual Financial Statements.		
The following tables shows the amounts of deviation and reasons for deviation:		
Reason for deviation	2019	2018
Emergency	3 970 880	-
Sole supplier	115 912	185 486
Impractical or impossible to follow procurement process	1 440 433	818 952
	5 527 225	984 438

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45. Budget differences

Material differences between budget and actual amounts

STATEMENT OF FINANCIAL PERFORMANCE

- 1- Rental of facilities: The municipality budgeted for more revenue in comparison to the actual amount billed hence the 4.2% difference.
- 2- Administration and management fees received: Revenue from management fees was less than anticipated as the municipality did not render services to Gamagara Local Municipality for internal audit shared services.
- 3- Interest received: Interest received was more than anticipated due to proper investment monitoring.
- 4- Government grants and subsidies:
- 5- Employee related costs: The variance is as a result of vacant positions that were budgeted for but were not filled during the year.
- 6- Remuneration of councillors: Actual Remuneration of Councillors is lower as committee member and seating allowance was budgeted for under operational costs due to the new mSCOA version 6.2.
- 7- Depreciation and amortisation: The budget for depreciation and amortisation was based on an incomplete calculation.
- 8- Impairment loss: The budget did not provide for impairment of assets, which is inherently unpredictable.
- 9- Finance costs: The budget did not account for interest on the employee benefit obligation as this requires an expert.
- 10- Debt Impairment: the budget was based on the debtors amount before taking into account the irregular expenditure for Councillors remuneration backpay.
- 11- Contracted services: Contracted services is lower than budgeted due to cost containment measures that were implemented effectively during the year.
- 12- Transfers and subsidies: Transfers and subsidies were lower than budgeted due to cost containment measures that were implemented during the year.
- 13- Operational costs: Operational expenditure were higher than budgeted for due to reclassifications as per mSCOA version 6.2.
- 14- Loss on disposal of assets: No budget was raised for loss on disposal of assets as this is difficult to predict.
- 15- Fair value adjustments: There was a fair value loss on the investment property assets. It is not practical to estimate this in advance as this would require an expert and is volatile in nature.
- 16- Actuarial gains/loss: No budget was raised for this as it is not practical to estimate actuarial gains/loss in advance. The nature of the valuation requires an expert.

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45. Budget differences (continued)

STATEMENT OF FINANCIAL POSITION

1- Inventories: Inventories was lower than budgeted as the municipality implemented cost containment measures during the year.

2- Receivables from exchange transactions: The municipality did not provide internal audit shared services to one of the local municipalities. The budgeted amount is higher as the municipality anticipated to have a receivable from internal shared services provided to local municipalities.

3- Receivables from non-exchange transactions: The municipality did not budget for the amount deducted by National Treasury for Equitable share. National Treasury is yet to refund the amount.

4- Cash and cash equivalents: The municipality was more liquid compared to the anticipated position as a result of the cost containment measures that were implemented effectively.

5- Biological assets: The budget for biological assets was in line with the prior year.

6- Investment property: The amounts budgeted for were in line with prior year audited balances. The decrease on the actuals is as a result of the decrease in property values as at year end based on the independent valuation reports.

7- Property, plant and equipment: The actual amount is lower than budgeted as the municipality did not procure more assets as anticipated.

8- Intangible assets: The variance is as a result of software licenses that were procured during the year.

9- Heritage assets: The variance between the actual and budgeted of R250 is insignificant

10- Other financial liabilities: The municipality did not budget for the current portion of other financial liabilities. Everything was budgeted for under non current liabilities. The municipality paid more than anticipated for the DBSA loan hence the lower budgeted amount.

11- Financial lease obligation: The municipality did not budget for finance lease obligation.

12- Payables from exchange transactions: Payables vary with operational activity, and it was anticipated that the creditors would be less than actual as the municipality anticipated to be liquid and have settled most payables..

13- VAT payable: VAT was not budgeted for due to it being unpredictable if purchases will be made from a VAT vendor or not.

14- Employee benefit obligation: The current portion of the employee benefits obligations is not budgeted for due to its complexity as it requires an expert.

15- Unspent conditional grants: The municipality did not utilise the unspent grants as anticipated.

16- Provisions: The municipality reversed the Provision during the current year hence the difference between budgeted and actual amount.

46. VAT receivable

VAT receivable

493 505

38 064

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47. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2018

	As previously reported	Correction of error	Restated
VAT (payable)/VAT Receivable	(422 727)	458 830	36 103
Property, plant and equipment	74 336 458	437 864	74 774 322
Payables from exchange transactions	(13 859 878)	(1 132 845)	(14 992 521)
Accumulated surplus	(29 601 584)	235 989	(29 365 595)

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47. Prior-year adjustments (continued)

Statement of financial performance

2018

	As previously reported	Correction of error	Re-classification	Restated
Contracted services	(259 213)	-	259 213	-
Operational costs	(24 064 533)	(961 020)	(259 213)	(25 304 766)
Gain on assets previously not on asset register	-	437 864	-	437 864
	(24 343 745)	(523 156)	-	(24 866 902)

Prior period balances were restated as a result of the following:

VAT payable was restated by R386 663 as a result of Input VAT which had not been claimed from SARS.

Property, plant and equipment was restated by R437 864 as a result of the differences between the Asset register and the Annual Financial Statements and also as a result of existing assets which had not been recorded in the asset register.

Payables were also restated by R1 132 645 as a result of expenditure that had been incurred in 2018 but not accrued for in 2018.

Accumulated surplus was restated as a result of the net effect of Operational expenses of R961 020, Gain on assets not previously on asset register of R437 864 and the effect of Opening accumulated surplus adjustment of R287166. Opening accumulated surplus was adjusted by R287 166 as a result of input VAT which had not been claimed in prior years.

An amount of R259 213 was reclassified from Contracted services to Operational costs to ensure that expenditure is accounted for by nature.

Operational costs were also restated by R961 020 as a result of expenditure that was incurred in 2018 but not accrued for in 2018.

An amount of R437 864 was credited to Gains on assets not previously on asset register as a result of the differences between the Asset register and the Annual Financial Statements and also as a result of existing assets which had not been recorded in the asset register.

48. Reassessment of useful lives

During the year, management conducted a conditional assessment of assets and re-evaluated the useful lives of assets based on their conditions. This led to a decrease in the depreciation charged of R259 460. The effects of the change in estimates of the useful lives across all categories of depreciable assets is as follows: Additional text

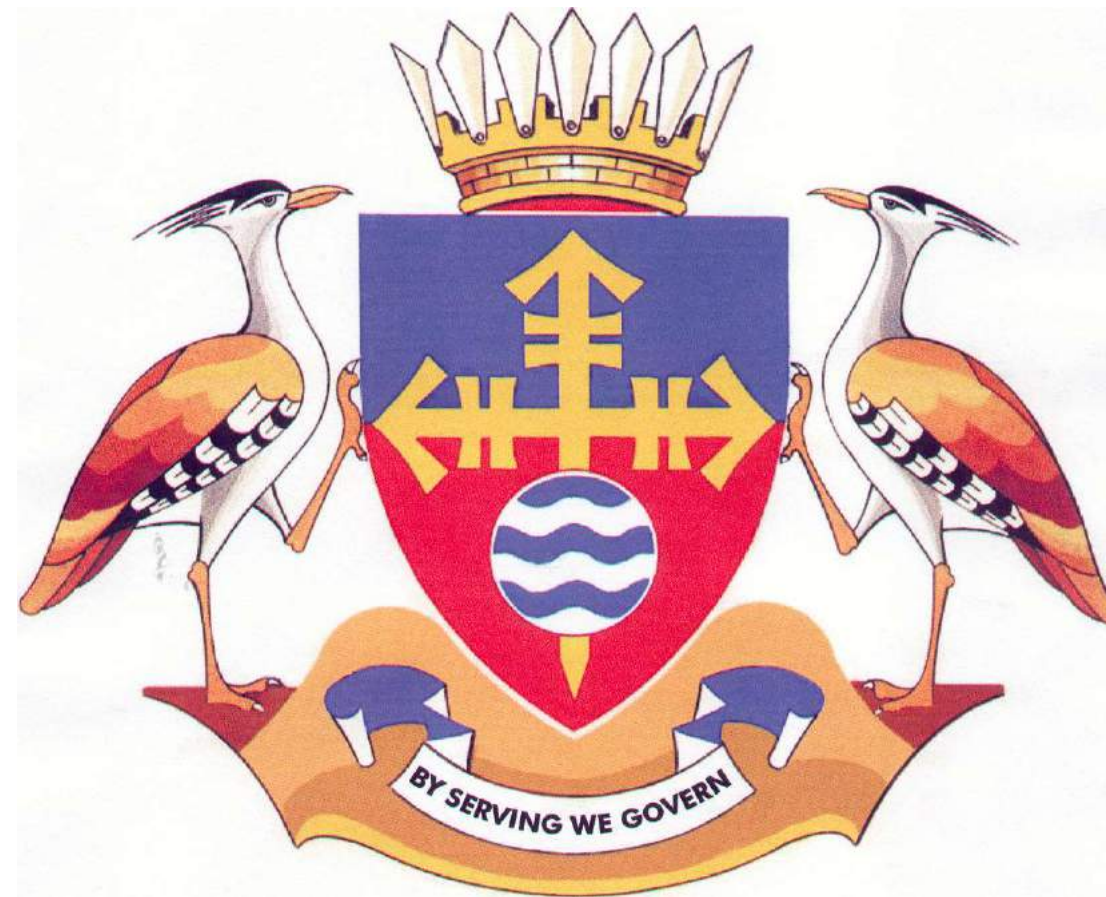
	Depreciation expense	Property Plant and Equipment
Before Change in Estimate	3 293 688	72 095 932
After Change in Estimate	(3 034 228)	(72 354 792)
	259 460	(259 460)

2018/19

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FINAL
ANNUAL
REPORT
Volume III

John Taolo Gaetsewe District Municipality



Audited Annual Performance Report 2018/2019

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CHAPTER 1

Introduction

Legislative Requirements:

The Municipal **Planning and Performance Management Regulations (2001)** stipulate 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” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

The Municipal Planning and Performance Management Regulations (2001), further instructs a municipality to ensure that its performance management system:

- Relates to the municipality’s employee performance management processes.
- Provides for the procedure by which the system is linked to the municipality’s integrated development planning processes.
- Is adopted by the municipality before or at the same time as the commencement of the process of setting key performance indicators and targets in accordance with its integrated development plan.

The **Municipal Systems Act 32 of 2000** determines specifically that individual Municipalities should develop their own performance management systems in the interest of efficient and effective management. This is achieved through planning targets and the achievement and maintenance of quality and accountability in the delivery of projects and services to the communities within the Municipality. The following is required of municipalities in terms of the Act:

Section 38-

- Establish a PMS that is commensurate with its resources, best suited to its circumstances and in line with the priorities, objectives and targets in the IDP.
- Promote a culture of performance management among its political structures, political office bearers and councillors and in its administration.

Section 41-

- Set appropriate key performance measures (indicators) as a yardstick for measuring performance with regard to the development priorities and objectives in the IDP.
- Set measurable performance targets for each of those development priorities and objectives.

- Monitor performance.
- Measure and evaluate performance at least once per year.
- Take steps to improve performance.
- Establish a process of regular reporting to Council, other political structures, political office bearers and staff of the Municipality; and of the public and appropriate organs of state.

Section 42-

Involve the local community in the development, implementation and review of the Municipality's PMS, and, in particular, allow the community to participate in the setting of appropriate measures and targets.

Section 44-

Make known, both internal and to the general public, the performance measures and targets set by it for the purposes of its PMS.

Section 45-

Audit the results of the performance measurement as part of internal auditing processes and annually by the Auditor General.

Section 46-

Publish an annual performance report reflecting the performance of the Municipality and of each external service provider; a comparison of the performances with targets; and measures taken to improve performance.

Outline of the Report:

This document forms part of the John Taolo Gaetsewe District Municipality's Annual Report for the 2018-2019 financial year. Combining our report on past accomplishments with our plans for the upcoming year provides the reader a useful, complete, and integrated picture of our performance. It represents a continuing step forward in the efforts of the District Municipality to implement the tenets of performance-based management at the heart of Local Government's Key Performance Areas-

- **Chapter 1 – Introduction:** This chapter includes summary information about the Legislative Requirements on performance reporting and outlining of the report.
- **Chapter 2 – Performance (2018-2019):** This chapter provides the performance report for the 2017-2018 financial year, which presents how the District Municipality is working toward accomplishing its mission. The Performance Report provides a comprehensive outlook on the Key Performance Indicators per Key Performance Area of Local Government. It reports on performance measures, achievements, challenges and actual performance for the mentioned financial year as well as the audit outcome. The report also shows the significant changes undertaken on the current performance report (2018-2019) to address performance findings and to ensure that there are system improvements.

CHAPTER 2

Annual Performance Information 18/19 Financial Year

Key Performance Areas:

These areas were clustered according to the 5 National Key Performance Areas for Local Government in South Africa. Each of the Five (5) National Key Performance Areas of Local Government is provided with a short description and its area of focus, namely:

1. **Basic Service delivery and Infrastructure;**
2. **Local Economic Development;**
3. **Good Governance and Public Participation;**
4. **Institutional Transformation and Development;**
5. **Financial Viability and Management;**

Audit Outcome 2017/18:

Unqualified audit opinion with emphasize on financial matters and unqualified on performance.

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To provide roads and transport services	Date	1	Annual RRAMS Business Plan submitted to Department of Transport by 31 May	Continued with amendments	Annual RRAMS Business Plan submitted to Department of Transport by 31 May	Annually	EMAIL WITH BUSINESS PLAN	-	-	-	31-May	29-Mar	31-May	Achieved	n/a	n/a
To provide roads and transport services	Date	2	Service Provider appointed to provide support with the updating of the RRAMS by 31 October	Continued	Service Provider appointed to provide support with the updating of the RRAMS by 31 October	Annually	SIGNED CONTRACT	-	31-Oct	-	-	N/A	25-Oct	Achieved	n/a	n/a
To provide roads and transport services	Number	3	Number of Quarterly RRAMS update reports submitted	Continued	4 Quarterly RRAMS update reports submitted	Quarterly	EMAIL WITH REPORT	1	1	1	1	4	4	Achieved	n/a	n/a
To provide roads and transport services	Date	4	Integrated Transport Plan annually updated by 31 May	Continued	Integrated Transport Plan annually updated by 31 May	Annually	EMAIL WITH ITEM AND PLAN	-	-	-	31-May	31-Mar	29-May	Achieved	n/a	n/a
To provide roads and transport services	Date	5	District Transport Authority established by 30 June	New	Not applicable to 2018/19											
To provide roads and transport services	Number	6	Number of revised Internal Roads Paving EPWP Business Plans submitted to the Provincial Department by 30 June	Continued with amendments	3 revised Internal Roads paving EPWP business plans submitted to the Provincial Department by 30 June	Annually	EMAIL WITH BUSINESS PLANS	-	-	-	3	4	3	Achieved	n/a	n/a
To provide roads and transport services	Number	7	Number of quarterly Joe Morolong LM internal road implementation reports submitted	Continued with amendments	4 quarterly Joe Morolong LM internal road implementation reports submitted	Quarterly	HANDOVER REPORT	1	1	1	1	4	4	Achieved	n/a	n/a
To provide roads and transport services	Number	8	Number of quarterly Gamagara LM internal road implementation reports submitted	New	4 quarterly Gamagara LM internal road implementation reports submitted	Quarterly	HANDOVER REPORT	1	1	1	1	Target discontinued	4	Achieved	n/a	n/a

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To provide roads and transport services	Number	9	Number of quarterly Ga-Segonyana LM internal road implementation reports submitted	New	4 quarterly Ga-Segonyana LM internal road implementation reports submitted	Quarterly	HANDOVER REPORT	1	1	1	1	0	4	Achieved	n/a	n/a
To provide roads and transport services	Number	10	Number of quarterly progress reports regarding engagements with key stakeholders for the establishment of the Regional Airport submitted	New	4 quarterly progress reports regarding engagements with key stakeholders for the establishment of the Regional Airport submitted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To enhance the skills capacity of young professionals in the built environment	Date	11	Annual ISDG Business Plan submitted to National Treasury by 31 August	Continued	Annual ISDG Business Plan submitted to National Treasury by 31 August	Annually	EMAIL WITH ITEM AND REPORT	31-Aug	-	-	-	28-Feb	31-Aug	Achieved	n/a	n/a
To enhance the skills capacity of young professionals in the built environment	Number	12	Number of quarterly ISDG Grant Implementation reports submitted	Continued	4 quarterly ISDG Grant Implementation reports submitted	Quarterly	EMAIL WITH REPORT	1	1	1	1	4	4	Achieved	n/a	n/a
To provide bulk water and sanitation services	Date	13	Section 78 Assessment concluded by 30 June	Continued	Not applicable to 2018/19											
To provide bulk water and sanitation services	Date	14	Draft Bulk Water Services by-laws published in Northern Cape Provincial Gazette by 30 June (Dependent on amendment of powers and functions)	Continued	Not applicable to 2018/19											
To provide bulk water and sanitation services	Date	15	Bulk Water Services Policy developed by 30 June (Dependent on amendment of powers and functions)	Continued	Not applicable to 2018/19											

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To provide bulk water and sanitation services	Date	16	Bulk Water Services Tariffs developed by 30 June (Dependent on amendment of powers and functions)	Continued	Not applicable to 2018/19											
To provide bulk water and sanitation services	Date	17	Water Services Development Plan (WSDP) reviewed by 30 June	Continued	Not applicable to 2018/19											
To provide bulk water and sanitation services	Date	18	Water Resource Management Strategy developed by 30 June	Continued	Not applicable to 2018/19											
To promote integrated human settlement planning	Date	19	Integrated Infrastructure plan annually reviewed by 31 May	New	Integrated Infrastructure plan annually reviewed by 31 May	Annually	EMAIL WITH ITEM AND PLAN	-	-	-	31-May	0	29-May	Achieved	n/a	n/a
To provide adequate housing to residents of the District	Number	20	Number of human settlements sector plans annually updated by 30 June	Continued	4 human settlements sector Plans annually updated by 30 June	Annually	UPDATED HUMAN SETTLEMENT PLANS	-	-	-	4	31-Mar (prior target was date)	4	Achieved	n/a	n/a
To provide adequate housing to residents of the District	Date	21	Human Settlements Accreditation Business Plan annually reviewed by 15 December	Continued	Human Settlements Accreditation Business Plan annually reviewed by 15 December	Annually	EMAIL WITH ITEM AND PLAN	-	15-Dec	-	-	28-Feb	25-Oct	Achieved	n/a	n/a
To provide adequate housing to residents of the District	Date	22	Human Settlements Register annually updated by 30 June	Continued with amendment	Human Settlements Register annually updated by 30 June	Annually	REPORTS	-	-	-	30-Jun	31-Mar	30-Jun	Achieved	n/a	n/a
To provide adequate housing to residents of the District	Date	23	Mandela Day House annually constructed by 31 March	Continued	Mandela Day House annually constructed by 31 March	Annually	HAPPY LETTER	-	-	31-Mar	-	15-Dec	22-Jan	Achieved	n/a	n/a

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To provide adequate housing to residents of the District	Date	24	Business Plans submitted to the Provincial Department to access human settlement funding by 31 March	New	Business plans submitted to the Provincial Department to access human settlement funding by 31 March	Annually	EMAIL WITH BUSINESS PLAN	-	-	31-Mar	-	31-Mar	31-Mar	Achieved	n/a	n/a
To provide adequate housing to residents of the District	Date	25	House for Special Interest Groups annually completed by 15 December	New	House for Special Interest Groups annually completed by 15 December	Annually	HAPPY LETTER	-	15-Dec	-	-	Target discontinued	14-Dec	Achieved	n/a	n/a
To provide adequate housing to residents of the District	Date	26	Number of erven upgraded to waterborne sanitation in Vanzylsrus by 30 June	Continued without change	Not applicable to 2018/19											
To develop community facilities	Number	27	Number of cemetery upgrade projects completed in Ga-Segonyana LM by 30 June	Continued without change	2 cemetery upgrade projects completed in Ga-Segonyana LM by 30 June	Annually	COMPLETION CERTIFICATE	-	-	-	2	2	2	Achieved	n/a	n/a
To develop community facilities	Number	28	Number of cemetery upgrade projects completed in Joe Morolong LM by 30 June	New	2 cemetery upgrade projects completed in Joe Morolong LM by 30 June	Annually	REPORTS	-	-	-	2	2	2	Achieved	n/a	n/a
To develop community facilities	Number	29	Number of cemetery upgrade jobs created in Ga-Segonyana LM by 30 June	Continued without change	30 cemetery upgrade jobs created in Ga-Segonyana LM by 30 June	Annually	REPORTS	-	-	-	30	30	30	Achieved	n/a	n/a
To develop community facilities	Number	30	Number of cemetery upgrade jobs created in Joe Morolong LM by 30 June	Amended	30 cemetery upgrade jobs created in Joe Morolong by 30 June	Annually	REPORTS	-	-	-	30	30	30	Achieved	n/a	n/a

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To develop community facilities	Number	31	Number of brickmaking jobs created by 30 June	Continued without change	20 brickmaking jobs created by 30 June	Annually	REPORTS	-	-	-	20	N/A	0	Not Achieved	No funding secured to implement project	Funding to be source in new financial year
To provide municipal health services to the communities of the District	Date	32	Municipal Health Services Strategy reviewed by 30 June	New	Not applicable to 2018/19											
To provide municipal health services to the communities of the District	Date	33	Municipal health policy annually reviewed as per amendments of National Environmental Health Policy by 30 June	Continued	Municipal health policy annually reviewed as per amendments of National Environmental Health Policy by 30 June	Annually	EMAIL WITH ITEM AND POLICY	-	-	-	30-Jun	24-Apr	29-May	Achieved	n/a	n/a
To provide municipal health services to the communities of the District	Date	34	Reviewed Municipal health tariffs annually approved by 31 March	Continued	Reviewed Municipal health tariffs annually approved by 31 March	Annually	EMAIL WITH DRAFT TARIFFS	-	-	31-Mar	-	27-Mar	13-Dec	Achieved	n/a	n/a
To provide municipal health services to the communities of the District	Number	35	Number of Municipal Health Services Actions performed by 30 June	New	528 Municipal Health Services Actions performed by 30 June	Quarterly	REPORTS	-	-	-	528	855	1084	Achieved	n/a	n/a
To provide municipal health services to the communities of the District	Date	36	Absorption of Gamagara Municipal Health Services concluded by 30 June	Continued	Absorption of Gamagara Municipal Health Services concluded by 30 June	Annually	EMPLOYMENT CONTRACTS	-	-	-	30-Jun	Target discontinued	Target discontinued	n/a	Target discontinued	Target discontinued
To provide municipal health services to the communities of the District	Date	37	Groundwater protocol (for water and sanitation) reviewed by 30 June	Continued	Not applicable to 2018/19											
To provide municipal health services to the communities of the District	Date	38	Integrated Waste Management Plan by 30 June	Continued	Not applicable to 2018/19											

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To provide municipal health services to the communities of the District	Date	39	Air quality management by-law reviewed by 30 June	Continued	Air quality management by-law reviewed by 30 June	Annually	EMAIL WITH ITEM AND REPORT	-	-	-	30-Jun	Target discontinued	28-Feb	Achieved	n/a	n/a
To provide municipal health services to the communities of the District	Date	40	Air Quality Management Plan completed by 30 June	Continued	Air quality Management Plan completed by 30 June	Annually	EMAIL WITH ITEM AND REPORT	-	-	-	30-Jun	Target discontinued	28-Feb	Achieved	n/a	n/a
To provide municipal health services to the communities of the District	Number	41	Number of quarterly Air Quality Management Plan implementation reports submitted	Continued	Not applicable to 2018/19											
To provide municipal health services to the communities of the District	Date	42	Comprehensive Climate Change Strategy reviewed by 30 June	New	Not applicable to 2018/19											
To provide municipal health services to the communities of the District	Number	43	Number of quarterly Comprehensive Climate Change Strategy implementation reports submitted	Continued with amendments	4 quarterly Comprehensive Climate Change Strategy implementation reports submitted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To provide municipal health services to the communities of the District	Date	44	Integrated Environmental Management Framework reviewed by 30 June	Continued	Not applicable to 2018/19											
To provide Disaster Management Services	Number	45	Number of quarterly disaster statistical reports submitted	Continued	4 quarterly disaster statistical reports submitted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To provide Disaster Management Services	Number	46	Number of quarterly Disaster Management Advisory Forum meetings held	New	4 quarterly Disaster Management Advisory Forum meetings held	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To provide Disaster Management Services	Date	47	Annual District Disaster Management Report submitted to Northern Cape Province by 30 June	Continued	Annual District Disaster Management Report submitted to Northern Cape Province by 30 June	Annually	REPORTS	-	-	-	30-Jun	26-Jun	30-Jun	Achieved	n/a	n/a
To provide Disaster Management Services	Number	48	Number of Disaster Management Contingency Plans reviewed by 30 June	New	4 Disaster Management Contingency Plans reviewed by 30 June	Quarterly	EMAIL WITH ITEM AND PLAN	1	1	1	1	4	4	Achieved	n/a	n/a
To provide Disaster Management Services	Date	49	Disaster Management Framework reviewed by 30 June	Continued	Not applicable to 2018/19											
To provide Disaster Management Services	Date	50	Disaster Management Plan reviewed by 30 June	Continued	Not applicable to 2018/19											
To provide Disaster Management Services	Percentage	51	Percentage of Disaster Management Volunteers trained by 30 June	Continued	100% of Disaster Management Volunteers trained by 30 June	Annually	REPORT	-	-	-	100%	93%	100%	Achieved	n/a	n/a
To provide Disaster Management Services	Number	52	Number of quarterly disaster response and recovery inventory replenishment reports submitted	Continued	4 quarterly disaster response and recovery inventory replenishment reports submitted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To provide Disaster Management Services	Date	53	Disaster Management Centre upgraded by 30 June	Continued	Not applicable to 2018/19											
To govern municipal affairs	Number	54	Number of quarterly ordinary Council meetings held	Continued	4 quarterly ordinary council meetings held	Quarterly	MINUTES	1	1	1	1	4	4	Achieved	n/a	n/a
To provide auxiliary services	Number	55	Number of quarterly auxiliary services reports submitted	Continued	4 quarterly auxiliary services reports submitted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To provide auxiliary services	Date	56	Building Alterations (Strongroom) completed by 30 June	Continued with amendments	Building alterations (strongroom) completed by 30 June	Annually	COMPLETION CERTIFICATE	-	-	-	30-Jun	Target discontinued	Target discontinued	n/a	Target discontinued	Target discontinued
To provide auxiliary services	Date	57	Building renovations completed (Phase 1) by 30 June	Continued	Not applicable to 2018/19											
To provide auxiliary services	Date	58	Building renovations completed (Phase 2, including of Tourism Office) by 30 June	Continued	Not applicable to 2018/19											
To govern municipal affairs	Number	59	Number of monthly Senior Management meetings held	New	10 monthly Senior Management meetings held	Monthly	MINUTES	3	2	2	3	10	10	Achieved	n/a	n/a
To govern municipal affairs	Number	60	Number of monthly Back to Basics reports submitted to COGHSTA	New	12 monthly Back to Basics reports submitted to COGHSTA	Monthly	EMAIL WITH REPORTS	3	3	3	3	12	12	Achieved	n/a	n/a
To improve public participation	Number	61	Number of quarterly District Communications Forum meetings held	New	4 quarterly District Communications Forum meetings held	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To improve public participation	Number	62	Number of quarterly external newsletters published	Continued with amendments	4 quarterly external newsletters published	Quarterly	NEWS LETTERS	1	1	1	1	4	4	Achieved	n/a	n/a
To improve public participation	Number	63	Number of quarterly internal newsletters published on the intranet	New	4 quarterly internal newsletters published on the intranet	Quarterly	NEWS LETTERS	1	1	1	1	4	4	Achieved	n/a	n/a
To improve public participation	Date	64	Stakeholder register annually updated by 31 July	Continued	Stakeholder register updated by 31 July	Annually	REGISTER	31-Jul	-	-	-	23-Oct	31-Jul	Achieved	n/a	n/a

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To improve public participation	Date	65	Local Municipalities supported to develop and/or review the respective LM Communication Strategies by 30 June	Continued	Local Municipalities supported to develop and/or review the respective LM Communication Strategies by 30 June	Annually	EMAIL WITH REPORTS	-	-	-	30-Jun	10-Nov	0	Not Achieved	Evidence submitted did not satisfy IA validation	Corrections and adjustments to be made in the new financial year SDBIP
To improve public participation	Date	66	Public Participation and Communication Strategy developed and annually reviewed by 31 March	Continued	Public Participation and Communication Strategy developed and annually reviewed by 31 March	Annually	EMAIL WITH ITEM AND REVIEWED COMMUNICATION STRATEGY	-	-	31-Mar	-	31-Jan	31-Mar	Achieved	n/a	n/a
To improve public participation	Number	67	Number of quarterly Mayoral engagements with key stakeholders	Continued	4 quarterly Mayoral engagements with key stakeholders	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To improve public participation	Number	68	Number of council outreach programmes to communities by 30 June	Continued	4 Council outreach programmes to communities	Quarterly	REPORTS	1	1	1	1	3	4	Achieved	n/a	n/a
To improve public participation	Date	69	Annual Mayoral State of the District Address (SODA) by 30 April	Continued	Annual Mayoral State of the District Address (SODA) delivered by 30 April	Annually	EMAIL WITH DRAFT SODA	-	-	-	30-Apr	0	0	Not Achieved	Budget constraints	Target to be achieved next financial year
To improve public participation	Date	70	Promotional materials developed by 30 November	Continued with amendments	Promotional materials developed by 30 November	Annually	CALENDARS	-	30-Nov	-	-	0	28-Feb	Achieved	n/a	n/a
To improve public participation	Date	71	Community satisfaction survey concluded by 30 June	Continued	Not applicable to 2018/19											

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To improve public participation	Date	72	District Service Delivery Charter developed and annually reviewed by 31 May	Continued	District Service Delivery Charter developed and annually reviewed by 31 May	Annually	EMAIL WITH ITEM AND CHARTER	-	-	-	31-May	26-Oct	31-May	Achieved	n/a	n/a
To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	Number	73	Number of quarterly targeted group forum meetings held	Continued	10 quarterly targeted group forum meetings held	Quarterly	MINUTES	2	3	2	3	4	10	Achieved	n/a	n/a
To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	Number	74	Number of quarterly targeted group campaigns conducted	Continued	4 quarterly targeted group campaigns conducted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	Number	75	Number of bi-annual District Disability Council meetings held by 30 June	Continued	2 District Disability Council meetings held	Bi-annually	MINUTES	-	-	-	2	2	2	Achieved	n/a	n/a
To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	Date	76	Development of a Student Support Policy by 31 March	Continued	Development of a Student Support Policy by 31 March	Annually	EMAIL WITH ITEM AND POLICY	30-Sep	-	-	-	29-May	0	Not Achieved	Political Office not capacitated to achieve target	Policy development to be transferred to HR as a corrective action
To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	Number	77	Number of students annually supported by 30 June	Continued	1 student annually supported by 30 June	Annually	REPORT	-	-	-	1	1	1	Achieved	n/a	n/a
To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	Number	78	Number of quarterly District AIDS Council meetings held	Continued	3 quarterly District AIDS Council meetings held	Quarterly	MINUTES	n/a	1	1	1	4	3	Achieved	n/a	n/a

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To ensure legal compliance	Number	79	Number of quarterly consolidated legislative and compliance monitoring reports submitted to Municipal Manager	Continued	4 quarterly consolidated legislative compliance monitoring reports submitted to Municipal Manager	Quarterly	EMAIL WITH REPORTS	1	1	1	1	4	Target discontinued	Not Achieved	Coordinating unit currently vacant	Departments to monitor relevant legislated compliance
To ensure legal compliance	Number	80	Number of bi-annual policy consultation sessions held by 30 June	Continued	2 bi-annual policy consultation sessions held by 30 June	Bi-annually	REPORTS	-	1	-	1	2	Target discontinued	Not Achieved	Coordinating unit currently vacant	Departments to facilitate consultation of relevant policy
To ensure legal compliance	Number	81	Number of quarterly legal compliance reports submitted by 30 June	Continued	4 quarterly legal compliance reports submitted by 30 June	Quarterly	REPORTS	1	1	1	1	N/A	Target discontinued	Not Achieved	Coordinating unit currently vacant	Departments to monitor relevant legislated compliance
To promote oversight and public accountability	Number	82	Number of monthly consolidated Audit Action Plan progress updates submitted	Continued	10 monthly consolidated Audit Action Plan progress updates submitted	Monthly	REPORTS	2	2	3	3	10	10	Achieved	n/a	n/a
To promote oversight and public accountability	Number	83	Number of quarterly MPAC meetings held	Continued	4 quarterly MPAC meetings held	Quarterly	MINUTES	1	1	1	1	N/A	3	Not Achieved	Due to unavailability of stakeholders	Members reminded to prioritize meeting
To manage risks to the Municipality	Number	84	Number of annual strategic and operational risk assessments completed for all municipalities by 30 June	Continued	4 annual strategic and operational risk assessments completed for all municipalities by 30 June	Annually	STRATEGIC AND OPERATIONAL RISK REGISTER	-	-	-	4	2	2	Not Achieved	Coordinating unit currently vacant	STROP Unit delegated to implement Risk functions

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To manage risks to the Municipality	Number	85	Number of operational risk registers annually compiled for all departments in all municipalities by 30 June	Continued with amendments	16 operational risk registers annually compiled for all departments in all municipalities by 30 June	Annually	OPERATIONAL RISK REGISTERS	-	-	-	16	11	0	Not Achieved	Coordinating unit currently vacant	STROP Unit delegated to implement Risk functions
To manage risks to the Municipality	Number	86	Number of quarterly strategic risk register updates completed by 31 March	Continued	9 quarterly strategic risk register updates completed by 31 March	Annually	MINUTES	3	3	3	-	2	0	Not Achieved	Coordinating unit currently vacant	STROP Unit delegated to implement Risk functions
To manage risks to the Municipality	Number	87	Number of quarterly operational risk review updates completed for all municipalities by 31 March	Continued without change	48 quarterly operational risk review updates completed for all municipalities by 31 March	Quarterly	OPERATIONAL RISK REGISTER UPDATES	16	16	16	-	20	0	Not Achieved	Coordinating unit currently vacant	STROP Unit delegated to implement Risk functions
To promote ethical behaviour	Number	88	Number of quarterly Ethics Steering Committee meetings held	Continued	4 quarterly Ethics Steering Committee meetings held	Quarterly	MINUTES	1	1	1	1	2	0	Not Achieved	Coordinating unit currently vacant	STROP Unit delegated to implement Risk functions
To promote ethical behaviour	Date	89	Ethics Management Policy annually reviewed by 31 May	Continued	Ethics Management Policy annually reviewed by 31 May	Annually	EMAIL WITH ITEM AND POLICY	-	-	-	31-May	0	0	Not Achieved	Coordinating unit currently vacant	STROP Unit delegated to implement Risk functions
To promote ethical behaviour	Number	90	Number of quarterly ethics monitoring reports submitted to Ethics Steering Committee	Continued	4 quarterly ethics monitoring reports submitted to Ethics Steering Committee	Quarterly	REPORTS	1	1	1	1	2	0	Not Achieved	Coordinating unit currently vacant	STROP Unit delegated to implement Risk functions

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To promote ethical behaviour	Date	91	Annual Ethics Awareness Sessions conducted by 31 March	Continued	Annual Ethics Awareness Sessions conducted by 31 March	Annually	REPORTS	-	-	31-Mar	-	0	0	Not Achieved	Coordinating unit currently vacant	STROP Unit delegated to implement Risk functions
To promote achievement of a clean annual audit outcome for all the Municipalities in the District	Date	92	Annual Audit Action Plan submitted by 31 January	Continued	Annual Audit Action Plan submitted by 31 January	Annually	EMAIL WITH ITEM AND PLAN	-	-	31-Jan	-	29-Jan	25-Jan	Achieved	n/a	n/a
To promote achievement of a clean annual audit outcome for all the Municipalities in the District	Number	93	Number of quarterly internal audit reports issued for all municipalities by 30 June	Continued	24 quarterly internal audit reports issued for all municipalities by 30 June	Quarterly	REPORTS	6	6	6	6	25	29	Achieved	n/a	n/a
To promote achievement of a clean annual audit outcome for all the Municipalities in the District	Date	94	Annual Internal Audit Policy approved by Council by 30 June	New	Annual Internal Audit Policy approved by Council by 30 June	Annually	EMAIL WITH ITEM AND POLICY	-	-	-	30-Jun	29-May	27-Jun	Achieved	n/a	n/a
To promote achievement of a clean annual audit outcome for all the Municipalities in the District	Date	95	Annual Internal Audit Charter approved by Council by 30 June	Continued	Annual Internal Audit Charter approved by Council by 30 June	Annually	EMAIL WITH ITEM AND CHARTER	-	-	-	30-Jun	29-May	27-Jun	Achieved	n/a	n/a
To promote achievement of a clean annual audit outcome for all the Municipalities in the District	Number	96	Number of Quarterly Chief Audit Executive Forum Meetings attended	New	2 quarterly Chief Audit Executive Forum Meetings attended	Quarterly	MINUTES	1	-	1	-	4	2	Achieved	n/a	n/a

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To promote achievement of a clean annual audit outcome for all the Municipalities in the District	Date	97	One year audit plans for all municipalities approved by Audit and Performance Committee by 30 June	New	One year audit plans for all municipalities approved by Audit and Performance Committee by 30 June	Annually	EMAIL WITH PLAN	-	-	-	30-Jun	28-Jun	26-Jun	Achieved	n/a	n/a
To promote achievement of a clean annual audit outcome for all the Municipalities in the District	Date	98	Three year rolling plans approved by Audit and Performance Committee by 30 June	New	Three year rolling plans approved by Audit and Performance Committee by 30 June	Annually	EMAIL WITH PLAN	-	-	-	30-Jun	28-Jun	26-Jun	Achieved	n/a	n/a
To promote achievement of a clean annual audit outcome for all the Municipalities in the District	Number	99	Number of quarterly Audit Committee meetings held	New	4 quarterly Audit Committee meetings held	Quarterly	MINUTES	1	1	1	1	5	4	Achieved	n/a	n/a
To promote achievement of a clean annual audit outcome for all the Municipalities in the District	Date	100	Annual Council Approved Audit and Performance Committee Charter by 30 June	New	Annual Council Approved Audit and Performance Committee Charter by 30 June	Annually	EMAIL WITH ITEM AND CHARTER	-	-	-	30-Jun	N/A	27-Jun	Achieved	n/a	n/a
To ensure effective strategic integrated sustainable development planning in the District	Date	101	Annual Council approved IDP Framework by 31 August	New	Annual Council approved IDP Framework by 31 August	Annually	EMAIL WITH ITEM AND FRAMEWORK	31-Aug	-	-	-	31-Aug	31-Aug	Achieved	n/a	n/a
To ensure effective strategic integrated sustainable development planning in the District	Date	102	Draft IDP annually adopted by Council by 31 March	New	Draft IDP annually adopted by Council by 31 March	Annually	EMAIL WITH ITEM, DRAFT IDP AND SDBIP	-	-	31-Mar	-	27-Mar	27-Mar	Achieved	n/a	n/a

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To ensure effective strategic integrated sustainable development planning in the District	Date	103	Draft Top-layer SDBIP annually submitted to Council with Draft IDP by 31 March	New	Draft Top-layer SDBIP annually submitted to Council with Draft IDP 31 March	Annually	EMAIL WITH ITEM, DRAFT IDP AND SDBIP	-	-	31-Mar	-	27-Mar	27-Mar	Achieved	n/a	n/a
To ensure effective strategic integrated sustainable development planning in the District	Number	104	Number of IDP Lekgotlas annually held by 30 June	New	1 IDP Lekgotlas annually held by 30 June	Annually	REPORT	-	-	1	-	1	1	Achieved	n/a	n/a
To ensure effective strategic integrated sustainable development planning in the District	Number	105	Number of IDP and Budget Roadshows annually held by 31 May	New	3 IDP and Budget Roadshows annually held by 31 May	Annually	REPORT	-	-	-	3	3	3	Achieved	n/a	n/a
To ensure effective strategic integrated sustainable development planning in the District	Date	106	Final IDP annually adopted by Council by 31 May	Continued with amendments	Final IDP annually adopted by Council by 31 May	Annually	EMAIL WITH ITEM, IDP AND SDBIP	-	-	-	31-May	29-May	29-May	Achieved	n/a	n/a
To ensure effective strategic integrated sustainable development planning in the District	Date	107	Final Draft Top-layer SDBIP annually submitted to Council with Draft IDP by 31 May	Continued	Final Draft Top-layer SDBIP annually submitted to Council with Draft IDP by 31 May	Annually	EMAIL WITH ITEM, IDP AND SDBIP	-	-	-	31-May	29-May	29-May	Achieved	n/a	n/a
To review and report IDP Implementation progress against predetermined objectives	Date	108	Annually reviewed Organizational Performance Management Framework approved by Council by 31 May	Continued	Annually reviewed Organizational Performance Management Framework approved by Council by 31 May	Annually	EMAIL WITH ITEM AND FRAMEWORK	-	-	-	31-May	29-May	27-Mar	Achieved	n/a	n/a

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To review and report IDP Implementation progress against predetermined objectives	Date	109	1st Quarter Performance Review Report annually submitted by 30 November	Continued	1st Quarter Performance Review Report annually submitted by 30 November	Annually	EMAIL WITH ITEM AND REPORT	-	30-Nov	-	-	30-Nov	25-Oct	Achieved	n/a	n/a
To review and report IDP Implementation progress against predetermined objectives	Date	110	Mid-year performance review report annually submitted by 31 January	Continued	Mid-year performance review report annually submitted by 31 January	Annually	EMAIL WITH ITEM AND REPORT	-	-	31-Jan	-	29-Jan	24-Jan	Achieved	n/a	n/a
To review and report IDP Implementation progress against predetermined objectives	Date	111	3rd Quarter Performance Review Report annually submitted by 31 May	Continued with amendments	3rd Quarter Performance Review Report annually submitted by 31 May	Annually	EMAIL WITH ITEM AND REPORT	-	-	-	31-May	29-Jun	29-Apr	Achieved	n/a	n/a
To review and report IDP Implementation progress against predetermined objectives	Date	112	Annual report submitted to Auditor General by 31 August	Continued	Annual report submitted to Auditor General by 31 August	Annually	EMAIL WITH ITEM AND REPORT	31-Aug	-	-	-	31-Aug	31-Aug	Achieved	n/a	n/a
To implement the Spatial Planning and Land Use Management Act (SPLUMA)	Number	113	Number of quarterly DMPT progress reports submitted to Local Municipalities	Continued	4 quarterly DMPT progress reports submitted to Local Municipalities	Quarterly	REPORT	1	1	1	1	4	4	Achieved	n/a	n/a
To implement the Spatial Planning and Land Use Management Act (SPLUMA)	Date	114	DMPT Agreement reviewed by 30 June	Continued	Not applicable to 2018/19											

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To implement the Spatial Planning and Land Use Management Act (SPLUMA)	Date	115	Spatial Development Framework reviewed by 30 June	Continued with amendments	Not applicable to 2018/19											
To provide resources for the daily operations and maintenance of the Municipality	Date	116	Council approved budget for the daily operations and maintenance of the Municipality by 31 May	Continued	Council approved budget for the daily operations and maintenance of the Municipality by 31 May	Annually	APPROVED MUNICIPAL SDBIP	-	-	-	31-May	29-May	29-May	Achieved	n/a	n/a
To promote good intergovernmental-relation in the District	Number	117	Number of quarterly District IGR Forum meetings held	Continued	4 quarterly District IGR Forum meetings held	Quarterly	MINUTES	1	1	1	1	4	4	Achieved	n/a	n/a
To promote good intergovernmental-relation in the District	Number	118	Number of quarterly Institutional Transformation and Development Forum meetings held	New	4 quarterly Institutional Transformation and Development Forum meetings held	Quarterly	MINUTES	1	1	1	1	0	1	Not Achieved	Unavailability of members	Timeframes to be adhered to in the new financial year
To promote good intergovernmental-relation in the District	Number	119	Number of quarterly Mayor's Forum meetings held	New	4 quarterly Mayor's Forum meetings held	Quarterly	MINUTES	1	1	1	1	4	4	Achieved	n/a	n/a
To promote good intergovernmental-relation in the District	Number	120	Number of quarterly Speaker's Forum meetings held	New	4 quarterly Speaker's Forum meetings held	Quarterly	MINUTES	1	1	1	1	4	4	Achieved	n/a	n/a

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To promote good intergovernmental-relation in the District	Number	121	Number of quarterly MM's Forum meetings held	Continued	4 quarterly MM's Forum meetings held	Quarterly	MINUTES	1	1	1	1	2	4	Achieved	n/a	n/a
To promote good intergovernmental-relation in the District	Number	122	Number of quarterly Traditional Leaders' Forum meetings held	New	4 quarterly Traditional Leaders' Forum meetings held	Quarterly	MINUTES	1	1	1	1	0	4	Achieved	n/a	n/a
To promote good intergovernmental-relation in the District	Number	123	Number of quarterly District Financial Viability Forum meetings held	Continued	4 quarterly District Financial Viability Forum meetings held	Quarterly	MINUTES	1	1	1	1	3	4	Achieved	n/a	n/a
To promote good intergovernmental-relation in the District	Number	124	Number of quarterly District Planning and Performance Forum meetings held	Continued	4 quarterly District Planning and Performance Forum meetings held	Quarterly	MINUTES	1	1	1	1	4	4	Achieved	n/a	n/a
To promote good intergovernmental-relation in the District	Number	125	Number of quarterly Community Services, Environmental Health and Disaster Management Forum meetings held	Continued with amendments	4 quarterly Community Services, Environmental Health and Disaster Management Forum meetings held	Quarterly	MINUTES	1	1	1	1	4	0	Not Achieved	Evidence submitted did not satisfy IA validation	Corrections and adjustments to be made in the new financial year SDBIP
To promote good intergovernmental-relation in the District	Number	126	Number of quarterly Integrated Infrastructure, Engineering Services and Human Settlements Forum meetings held	New	4 quarterly Integrated Infrastructure, Engineering Services and Human Settlements Forum meetings held	Quarterly	MINUTES	1	1	1	1	4	3	Not Achieved	Target could not be met due to unavailability of Local Municipalities	Target to be completed in new financial year

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To promote racial diversity in the District	Number	127	Number of racial diversity awareness events held by 30 June	Continued with amendments	2 Racial diversity awareness events held by 30 June	Bi-annually	REPORTS	-	1	-	1	N/A	0	Not Achieved	Due to legislative intricacies target could not be implemented	Target to be reviewed and completed in new financial year
To promote local economic development	Date	128	DGDS reviewed by 30 June	New	Not applicable to 2018/19											
To promote local economic development	Number	129	Number of quarterly DGDS Implementation monitoring reports submitted	Continued	4 quarterly DGDS Implementation monitoring reports submitted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To promote local economic development	Date	130	LED Strategy reviewed by 31 May	New	Not applicable to 2018/19											
To promote local economic development	Date	131	SMME Strategy developed by 30 June	Continued	Not applicable to 2018/19											
To promote local economic development	Date	132	SLP Coordination Strategy developed by 30 June	Continued	SLP Coordination Strategy developed by 30 June	Annually	EMAIL WITH ITEM AND PLAN	-	-	-	30-Jun	0	0	Not Achieved	Due to policy uncertainty between the DM and LMs	Governance structure to resolve the matter at a strategy level

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To promote local economic development	Date	133	Manufacturing Strategy developed by 30 June	Continued	Not applicable to 2018/19											
To promote local economic development	Number	134	Number of quarterly LED Strategy Implementation monitoring reports submitted	Continued	4 quarterly LED Strategy Implementation monitoring reports submitted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To promote local economic development	Number	135	Number of quarterly LED Forum meetings held	New	4 quarterly LED Forum meetings held	Quarterly	MINUTES	1	1	1	1	4	4	Achieved	n/a	n/a
To promote local economic development	Date	136	Regional Development Agency (multi-sectorial and multi-stakeholder) established by 30 June	New	Not applicable to 2018/19											
To promote local economic development	Number	137	Number of quarterly Mining Forum meetings held	Continued	4 quarterly Mining Forum meetings held	Quarterly	MINUTES	1	1	1	1	4	4	Achieved	n/a	n/a
To promote employment opportunities in the District	Number	138	Number of quarterly District SMME Database update reports submitted	New	4 quarterly District SMME Database update reports submitted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To facilitate increased LED capacity in the District	Number	139	Number of quarterly Local Municipalities LED support reports submitted	New	4 quarterly Local Municipalities LED support reports submitted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To enhance tourism development and Promote the District as a preferred Tourism Destination	Number	140	Number of quarterly Tourism Statistic reports submitted	Continued with amendments	4 quarterly Tourism Statistic reports submitted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To enhance tourism development and Promote the District as a preferred Tourism Destination	Date	141	Tourism Marketing Strategy developed by 31 May	Continued	Not applicable to 2018/19											
To enhance tourism development and Promote the District as a preferred Tourism Destination	Number	142	Number of quarterly Tourism Marketing Strategy Implementation Reports submitted	Continued with amendments	Not applicable to 2018/19											
To enhance tourism development and Promote the District as a preferred Tourism Destination	Number	143	Number of tourism promotion events participated in by 30 June	Continued with amendments	4 tourism promotion events participated in by 30 June	Quarterly	REPORT	1	1	1	1	4	4	Achieved	n/a	n/a
To enhance tourism development and Promote the District as a preferred Tourism Destination	Date	144	District Tourism Festival Concept Document developed by 31 May	Continued with amendments	Not applicable to 2018/19											

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To enhance tourism development and Promote the District as a preferred Tourism Destination	Date	145	District Tourism Festival held by 30 September	Continued	Not applicable to 2018/19											
To facilitate availability of land for Economic Development	Date	146	Commonage farms refurbished by 30 June	Continued	Commonage farms refurbished by 30 June	Annually	COMPLETION CERTIFICATE	-	-	-	30-Jun	29-May	30-Jun	Achieved	n/a	n/a
To facilitate availability of land for Economic Development	Date	147	Commonage Management policy annually reviewed by 31 May	Continued	Commonage Management policy annually reviewed by 31 May	Annually	EMAIL WITH ITEM AND DRAFT POLICY	-	-	-	31-May	29-May	29-May	Achieved	n/a	n/a
To facilitate availability of land for Economic Development	Date	148	Commonage tariff structure in place by 31 May	Continued	Commonage tariff structure in place by 31 May	Annually	EMAIL WITH PROPOSED TARIFFS	-	-	-	31-May	27-Mar	0	Not Achieved	Submission of tariff structure was inadequate	Submission of tariff structure to be officially submitted in the new financial year
To facilitate availability of land for Economic Development	Number	149	Number of quarterly commonage management implementation reports submitted	Continued with amendments	4 quarterly commonage management implementation reports submitted	Quarterly	EMAIL WITH REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To facilitate the co-ordination of CRDP	Number	150	Number of quarterly Agri-park facilitation reports submitted	Continued	4 quarterly Agri-park facilitation reports submitted	Quarterly	EMAIL WITH REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To promote the conservation and development of heritage resources	Date	151	Heritage Resource conservation and management strategy developed by 30 June	Continued	Not applicable to 2018/19											
To promote the conservation and development of heritage resources	Date	152	Comprehensive heritage resource conservation and development plan for the District developed	Continued	Not applicable to 2018/19											
To promote the conservation and development of heritage resources	Date	153	Planning for the erection of a John Taolo Gaetsewe monument and heritage centre completed by 30 June	Continued	Not applicable to 2018/19											
To promote and enhance the financial viability of the District Municipality	Date	154	Medium Term Revenue and Expenditure Framework submitted by 31 May	Continued	Medium Term Revenue and Expenditure Framework submitted by 31 May	Annually	COUNCIL RESOLUTION	-	-	-	31-May	31-May	29-May	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Number	155	Number of Budget Returns submitted by 30 June	Continued	7 Budget Returns submitted by 30 June	Annually	EMAIL WITH REPORTS	-	-	-	7	7	7	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Date	156	Adjustment Budget submitted by 28 February	Continued	Adjustment Budget submitted by 28 February	Annually	COUNCIL RESOLUTION	-	-	28-Feb	-	28-Feb	28-Feb	Achieved	n/a	n/a

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								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To promote and enhance the financial viability of the District Municipality	Number	157	Number of Adjustment Budget returns submitted by 31 March	STATUS OF INDICATOR	7 Adjustment Budget returns submitted by 31 March	Annually	EMAIL WITH REPORTS	-	-	7	-	7	7	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Number	158	Number of quarterly Budget and IDP Steering Committee meetings held	Continued	4 quarterly Budget and IDP Steering Committee meetings held	Quarterly	MINUTES	1	1	1	1	3	2	Not Achieved	Unavailability of stakeholders	Timeframes to be adhered to in the new financial year
To promote and enhance the financial viability of the District Municipality	Number	159	Number of monthly MFMA Section 71 Reports submitted to prescribed institutions	Continued with amendments	12 monthly MFMA Section 71 Reports submitted to prescribed institutions	Monthly	EMAILS WITH REPORTS	3	3	3	3	12	12	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Number	160	Number of quarterly Consolidated Municipal financial reports (MFMA Section 11, 52 and 66 reports) submitted	Continued	4 quarterly Consolidated Municipal financial reports (MFMA Section 11, 52 and 66 reports) submitted	Quarterly	COUNCIL RESOLUTION	1	1	1	1	4	4	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Number	161	Number of quarterly returns (Long-term contracts, borrowing monitoring, investment monitoring reports) submitted to Provincial and National Treasuries	Continued	4 Quarterly returns (Long-term contracts, borrowing monitoring, investment monitoring reports) submitted to Provincial and National Treasuries	Quarterly	EMAIL WITH REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Date	162	Annual Mid-year budget and performance report submitted by 31 January	Continued	Annual Mid-year budget and performance report submitted by 31 January	Annually	COUNCIL RESOLUTION	-	-	31-Jan	-	31-Jan	24-Jan	Achieved	n/a	n/a

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To promote and enhance the financial viability of the District Municipality	Number	163	Number of Pre-audit returns to the Annual Financial Statements submitted to National Treasury by 30 November	New	7 Pre-audit returns to the Annual Financial Statements submitted to National Treasury by 30 November	Annually	EMAIL WITH REPORTS	-	7	-	-	30-Nov	7	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Date	164	Annual Financial Statements submitted to Auditor General by 31 August	Continued with amendments	Annual Financial Statements submitted to Auditor General by 31 August	Annually	LETTER AND ANNUAL FINANCIAL STATEMENTS	31-Aug	-	-	-	31-Aug	31-Aug	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Number	165	Number of Post-audit returns to the Annual Financial Statements submitted to National Treasury by 31 January	Continued with amendments	7 Post-audit returns to the Annual Financial Statements submitted to National Treasury by 31 January	Annually	EMAIL WITH REPORTS	-	-	7	-	31-Jan	7	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Number	166	Number of quarterly financial statements submitted to Audit and Performance Committee	New	4 quarterly financial statements submitted to Audit and Performance Committee	Quarterly	EMAIL WITH QUARTERLY AFS	1	1	1	1	4	2	Not Achieved	Due to having to deal with backlog when migrating to the new financial system	Prepare and submit the Annual Financial Statements by 15th August 2019
To promote and enhance the financial viability of the District Municipality	Number	167	Number of Monthly financial statements submitted to Senior Management	New	Not applicable to 2018/19											
To promote and enhance the financial viability of the District Municipality	Number	168	Number of Budget related policies annually reviewed by 31 May	New	11 Budget related policies annually reviewed by 31 May	Annually	EMAIL WITH DRAFT POLICIES	-	-	-	31-May	31-May (prior target was date)	14	Achieved	n/a	n/a

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To promote and enhance the financial viability of the District Municipality	Number	169	Number of Procedure manuals developed by 31 May	Continued	3 Procedure manuals developed by 31 May	Annually	MANUALS	-	-	-	3	31-May (prior target was date)	5	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Number	170	Number of monthly Back to Basics reports submitted	Continued	12 monthly Back to Basics reports submitted	Monthly	EMAIL WITH REPORTS	3	3	3	3	12	12	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Number	171	Number of quarterly reports on internal audit findings responded to within the prescribed timeframe	Continued	4 quarterly reports on internal audit findings responded to within the prescribed timeframe	Quarterly	REPORTS	1	1	1	1	4	3	Not Achieved	Late response to IA findings due to financial system transition	Time frames to be adhered to in new financial year
To promote and enhance the financial viability of the District Municipality	Number	172	Number of bi-annual reports on external audit findings responded to within the prescribed timeframe by 30 November	Continued	2 bi-annual reports on external audit findings responded to within the prescribed timeframe	Bi-annually	REPORTS	1	1	-	-	2	2	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Number	173	Number of quarterly Financial Management Capability Maturity Model (FMCMM) reports submitted	Continued	4 quarterly Financial Management Capability Maturity Model (FMCMM) reports submitted	Quarterly	REPORTS	1	1	1	1	4	3	Not Achieved	Report not submitted for Q1	Time frames to be adhered to in new financial year
To promote and enhance the financial viability of the District Municipality	Date	174	Annual Procurement Plan reviewed by 30 June	Continued	Annual Procurement Plan reviewed by 30 June	Annually	PLAN	-	-	-	30-Jun	30-Jun	30-Jun	Achieved	n/a	n/a

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To promote and enhance the financial viability of the District Municipality	Number	175	Number of quarterly progress reports on implementation of the procurement plan submitted to Office of the Municipal Manager and Treasuries	Continued	4 quarterly progress reports on implementation of the procurement plan submitted to Office of the Municipal Manager and Treasuries	Quarterly	EMAIL WITH REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Number	176	Number of quarterly reports on implementation of the Supply Chain Management policy submitted to the Executive Mayor and Council	Continued	4 quarterly reports on implementation of the Supply Chain Management policy submitted to the Executive Mayor and Council	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To promote and enhance the financial viability of the District Municipality	Date	177	Revenue enhancement strategy developed and annually reviewed by 30 June	New	Revenue enhancement strategy developed and annually reviewed by 30 June	Annually	COUNCIL RESOLUTION	-	-	-	30-Jun	0	0	Not Achieved	Draft document at consultation stage	Benchmark with other DMs and consult Provincial Treasury
To ensure that the municipal assets are properly safeguarded	Percentage	178	Percentage of assets insured by 30 June	Continued	100% assets insured by 30 June	Annually	POLICY	-	-	-	100%	100%	100%	Achieved	n/a	n/a
To ensure that the municipal assets are properly safeguarded	Number	179	Number of quarterly Asset Management Policy implementation reports submitted	Continued	4 quarterly Asset Management Policy implementation reports submitted	Quarterly	REPORTS	1	1	1	1	4	4	Achieved	n/a	n/a
To ensure that the municipal assets are properly safeguarded	Number	180	Number of quarterly Functional Assets Management Steering Committee meetings held	Continued with amendment	4 Quarterly Functional Assets Management Steering committee meetings held	Quarterly	MINUTES	1	1	1	1	4	3	Not Achieved	Meeting could not be held due to BTO focusing on migration to a new mSCOA complaint system	Time frames to be adhered to in new financial year

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To provide integrated human resource service	Date	181	Comprehensive HR Strategy reviewed by 30 June	Continued	Not applicable to 2018/19											
To provide integrated human resource service	Number	182	Number of bi-annual HR Strategy implementation monitoring reports submitted by 30 June	New	2 bi-annual HR Strategy implementation monitoring reports submitted by 30 June	Bi-annually	EMAIL WITH ITEM AND REPORT	-	1	-	1	0	2	Achieved	n/a	n/a
To provide integrated human resource service	Date	183	Council approved annually reviewed staff structure by 31 May	New	Council approved annually reviewed staff structure by 31 May	Annually	EMAIL WITH ITEM AND REPORT	-	-	-	31-May	29-May	27-Mar	Achieved	n/a	n/a
To provide integrated human resource service	Number	184	Number of quarterly HR status reports submitted	Continued without change	4 quarterly HR status reports submitted	Quarterly	EMAIL WITH ITEM AND REPORT	1	1	1	1	4	4	Achieved	n/a	n/a
To provide integrated human resource service	Date	185	Quinquennially reviewed Employment Equity Plan by 31 May	Continued without change	Quinquennially reviewed Employment Equity Plan by 31 May	Quinquennially	EMAIL WITH ITEM AND PLAN	-	-	-	31-May	29-May	29-May	Achieved	n/a	n/a
To provide integrated human resource service	Date	186	Number of HR policies annually reviewed by 31 May	New	17 HR policies annually reviewed by 31 May	Annually	EMAIL WITH ITEM AND LIST OF POLICIES	-	-	-	31-May	29-May	29-May	Achieved	n/a	n/a

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To provide integrated human resource service	Date	187	Senior Management annual performance assessment panel facilitated by 30 September	Continued without change	Senior Management annual performance assessment panel facilitated by 30 September	Annually	EMAIL WITH ITEM AND ASSESSMENT REPORT	30-Sep	-	-	-	0	0	Not Achieved	Unavailability of stakeholders to establish assessment panel	Panel establishment to be concluded in the next financial year
To provide integrated human resource service	Percentage	188	Percentage of staff qualifying for performance rewards rewarded by 30 June	Amended	100% staff qualifying for performance rewards rewarded by 30 June	Annually	EMAIL WITH ITEM AND REPORT	-	-	-	100%	0	0	Not Achieved	Performance Committee have not resolved on individual performance evaluations made	Target to be completed in new financial year
To provide adequate opportunities for the development of employees and councillors	Date	189	Annually reviewed WSP submitted to LGSETA by 30 April	Continued without change	Annually reviewed WSP submitted to LGSETA by 30 April	Annually	WSP	-	-	-	30-Apr	30-Apr	30-Apr	Achieved	n/a	n/a
To provide adequate opportunities for the development of employees and councillors	Date	190	Annual training report submitted to LGSETA by 30 April	New	Annual training report submitted to LGSETA by 30 April	Annually	REPORT	-	-	-	30-Apr	30-Apr	30-Apr	Achieved	n/a	n/a
To provide adequate opportunities for the development of employees and councillors	Number	191	Number of quarterly Training Committee meetings held	Continued	4 quarterly Training Committee meetings held	Quarterly	MINUTES	1	1	1	1	0	2	Not Achieved	Training committee not functional	New members nominated and corrective action achieved
To provide IT services	Date	192	IT Strategy reviewed by 31 May	Continued	Not applicable to 2018/19											

IDP OBJECTIVES	UNIT OF MEASUREMENT	KPI NR	KEY PERFORMANCE INDICATOR TITLE	STATUS OF INDICATOR	TARGET (OUTPUT)	REPORTING CYCLE	MEANS OF VERIFICATION (ADMINISTRATION) (SOURCE/ COLLECTION OF DATA)	TARGET BREAKDOWN				ACTUAL PERFORMANCE 17/18	ACTUAL PERFORMANCE 18/19	2018/2019 FINANCIAL YEAR		
								Q1	Q2	Q3	Q4			ACHIEVED / NOT ACHIEVED	IF NOT, REASON FOR NOT ACHIEVING	CORRECTIVE MEASURES TO BE TAKEN
To provide IT services	Date	193	IT Policy reviewed by 31 May	New	IT policy reviewed by 31 May	Annually	EMAIL WITH ITEM AND POLICY	-	-	-	31-May	29-May	29-May	Achieved	n/a	n/a
To provide IT services	Number	194	Number of quarterly internal IT Steering Committee meetings held	Continued	4 quarterly internal IT Steering Committee meetings held	Quarterly	REPORTS	1	1	1	1	3	3	Not Achieved	Unavailability of stakeholders	Target to be properly implemented in new financial year
To provide IT services	Number	195	Number of monthly IT Support and IT Services Management reports submitted	Continued	12 monthly IT Support and IT Services Management reports submitted	Monthly	REPORTS	3	3	3	3	N/A	12	Achieved	n/a	n/a
To provide IT services	Date	196	Disaster Recovery and Business Continuity Plan developed by 30 September	New	Disaster Recovery and Business Continuity Plan developed by 30 September	Annually	REPORTS	30-Sep	-	-	-	N/A	29-May	Not Achieved	Delays due to plans had to be researched and developed internally	Plans approved, corrective action achieved
To provide IT services	Number	197	Number of monthly Disaster Recovery and Business Continuity implementation reports submitted	New	12 monthly Disaster Recovery and Business Continuity implementation reports submitted	Monthly	REPORTS	3	3	3	3	N/A	2	Not Achieved	DRP and BCP only adopted in May 2019	Target to be properly implemented in new financial year
To provide IT services	Number	198	Number of monthly website maintenance reports submitted	Continued	12 monthly website maintenance reports submitted	Monthly	REPORTS	3	3	3	3	12	12	Achieved	n/a	n/a
To provide IT services	Date	199	Annual website upgrading and redesigning completed by 30 September	New	Annual website upgrading and redesigning completed by 30 September	Annually	REPORTS	30-Sep	-	-	-	N/A	0	Not Achieved	Terms of Reference for redesigning the website sent to SCM to advertise and source service providers with budget adjustment	Technical specifications to be resolved in new financial year

2018/19

John Taolo
Gaetsewe
District
Municipality

FINAL
ANNUAL
REPORT
Volume IV

JOHN TAOLO DISTRICT MUNICIPALITY AUDIT, RISK AND PERFORMANCE COMMITTEE ANNUAL REPORT FOR THE PERIOD ENDING 30 JUNE 2019

The audit committee is pleased to present its report for the financial period ending 30 June 2019.

The audit committee consisted of the number listed below and had four quarterly meetings during the financial year as required in terms of Section 166 of the MFMA. The details of attendance of meeting are as follows:

Name of the Member	Number of quarterly meetings attended
R. Tshimomola (Acting Chairperson)	4
L. Dlamini (Chairperson, contract expired)	2
S.P. Simelane (Member)	2
F. Buys (Member)	3
S.A.B. Ngobeni (Member, contract expired)	1

AUDIT COMMITTEE RESPONSIBILITIES

The audit committee had formally adopted its terms of reference in accordance with its Audit, Risk and Performance Committee Charter. The committee had also regulated its affairs in compliance with this charter and discharged all its duties and responsibilities as contained therein. The audit committee has performed the following key responsibilities:

- Recommended the risk management plan, policy and strategy to the council, monitored and evaluated the implementation.
- Approved the internal audit plan for the financial year, monitored and evaluated its implementation.
- Evaluated the findings raised by the internal and external audit and made recommendations on improvement of the control environment.
- Reviewed the financial and performance information presented and made recommendations on the improvements of performance.
- Reviewed the annual financial statements and annual performance report and make recommendations for implementation.
- Reviewed the compliance with legal and regulatory requirements for improvement.
- Reported to council quarterly on the performance of its oversight responsibility.

INTERNAL AUDIT

The audit committee is satisfied that the internal audit unit is operating independently and had effectively performed its activities in accordance with the approved internal audit plan for the financial year. The audit committee reviewed and adopted the quarterly internal audit reports.

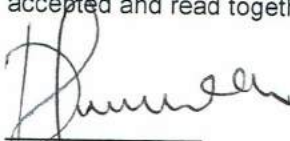
MONTHLY AND QUARTERLY MANAGEMENT REPORTS

The audit committee reviewed the monthly and quarterly management reports prepared and presented by the management in its quarterly meetings.

INTERNAL CONTROL

The audit committee reviewed the internal audit reports presented and recommended some improvement on the control environment.

The audit committee concurs with and accepts the report of the Auditor General of South Africa on the annual financial statements, and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor General South Africa.



R. Tshimomola

Chairperson of the Audit, Risk and Performance Committee

Report of the auditor-general to the Northern Cape Provincial Legislature and the council on John Taolo Gaetsewe District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the John Taolo Gaetsewe District Municipality set out on pages X to X, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the John Taolo Gaetsewe District Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (DORA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other - ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 40 to the financial statements, which indicates that the municipality incurred a net loss of R5 195 001 during the year ended 30 June 2018. As stated in note 40, these events or conditions, along with other matters as set forth in note 40, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern. However, the municipality is exploring alternative options to improve its financial position, develop new revenue streams in terms of its mandated functions, and better use existing assets.

Emphasis of matters

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

Restatement of corresponding figures

9. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Fruitless and wasteful expenditure

10. As disclosed in note 46 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R2 282 193 (2016-17: R62 441) during the year under review, mainly due penalties and interest arising from a VAT audit. The total fruitless and wasteful expenditure recorded in the annual financial statements at 30 June 2018 was R2 337 749 (2016-17: R55 556).

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

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

Auditor-general's responsibilities for the audit of the financial statements

15. 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.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development objective presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development objective presented in the annual performance report of the municipality for the year ended 30 June 2018:

Development objective	Pages in the annual performance report
KPA 1 – basic service delivery and infrastructure development	x – x

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

KPA 1 – basic service delivery and infrastructure development

21. I did not raise any material findings on the usefulness and reliability of the reported performance information for this development objective.

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on pages x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the unqualified opinions expressed on the usefulness and reliability of the reported performance information in paragraph x of this report.

Adjustment of material misstatements

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

Report on the audit of compliance with legislation

Introduction and scope

25. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

26. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements and annual reports

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of the submitted financial statements relating to inventory and cashflow statements were identified by the auditors, were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

28. The oversight report adopted by the council on the 2016-17 annual report was not made public, as required by section 129(3) of the MFMA.

Expenditure management

29. Reasonable steps were not taken to prevent irregular expenditure of R20 977 814 disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by contraventions of supply chain processes.

30. Reasonable steps were not taken to prevent unauthorised expenditure of R32 030 553 as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of

the MFMA. The majority of the unauthorised expenditure was caused by overspending the total amount appropriated for a vote in the approved budget.

Strategic planning and performance management

31. The Integrated Development Plan did not reflect a financial plan as required by section 26(h) of the Municipal Systems Act and municipal planning and performance management regulation 2(3)(a).
32. The Service Delivery and Budget Implementation Plan for the year under review did not include monthly revenue projections by source of collection and/or the monthly operational and capital expenditure by vote, as required by section 1 of the MFMA.

Procurement and contract management

33. Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2). Similar non-compliance was also reported in the previous year.

Other information

34. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.
35. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
36. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
37. 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

38. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the

significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

39. The leadership did not effectively monitor the action plan to ensure that corrective actions were taken when required and within the required time frames. This resulted in material findings on compliance similar to the previous financial year recurring in the current financial year.
40. The processes to ensure that reviews were performed before submission of the financial statements were not adequate as material errors were detected in the financial statements, which were subsequently adjusted.
41. The municipality did not comply with applicable legislation. Material findings on compliance with legislation were raised in the year under review. The municipality's internal processes and system did not prevent material non-compliance, and irregular and unauthorised expenditure.

Other reports

42. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
43. The Directorate for Priority Crime Investigation (Hawks) are investigating allegations of fraud, corruption and money laundering at the municipality. These proceedings were in progress at the date of this report.

AUDITOR GENERAL

Kimberley

30 November 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the John Taolo Gaetsewe District Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



Audit Action Plan 2018/19 - John Taolo Gaetsewe District Municipality

Narratives to the action plan

1) Purpose of the action plan:

To ensure that the municipality addresses ALL issues/findings raised in the Auditor-General report for the financial year 2018/19 audit.

2) Responsibilities

- (i) All employees of the municipality will be responsible for the implementation of the audit action plan.
- (ii) The Executive Mayor will provide an oversight role in the implementation of the Audit Action Plan, the progress on the implementation will be reported to her by the Municipal Manager on a monthly basis.
- (iii) The Municipal Manager and all Head of Departments (HoDs) will ensure 100% compliance with the implementation of the audit action plan through bi-weekly Operation Clean Audit Committee (OCAC) meetings.
- (iv) Internal Audit unit will from time to time be requested to do quality assurance/ validations on reported progress and POEs

3) Officials Responsibilities

- (i) Manager Legal and Compliance, will be responsible for the compilation of the progress report on a monthly basis. To be submitted to the Mayor, Municipal Manager, Internal Audit, Senior Management and Treasury before the 15th of every month.
- (ii) Municipal Manager will be responsible for the submission of progress report on the audit action plan to Council on a quarterly basis.
- (iii) All other staff members will be required to submit weekly progress reports on addressing audit queries in their section, with relevant supporting documentation to address the queries.

COMPILED BY: BUDGET AND TREASURY OFFICE

REVIEWED BY: DH MOLAOLE
MUNICIPAL MANAGER

ADOPTED BY COUNCIL RESOLUTION: _____
DATE ADOPTED: _____



AUDIT REPORT BASED AUDIT ACTION PLAN OF JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY FOR 30 JUNE 2019

John Taolo Gaetsewe District Municipality			Period-end	30 June 2019		
Date:	31 January 2020		Action Plan			
Prepared by:	John Taolo Gaetsewe District Municipality: Budget & Treasury Office		Reviewed by:	Office of the Municipal Manager		
			Total Findings	Average Progress		
				Completed	In progress	Not yet started
Total 2018/19			1	0%	100%	0%
Completed	C	0	0%	-	-	
In Progress	IP	1	-	100%	-	
		0	-	-	-	
Not Yet Started	NYS					

AUDIT REPORT BASED AUDIT ACTION PLAN OF JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY FOR 30 JUNE 2019

NO.	MATRIX	MATAR (A)	OIM (B)	EoM (C)
0	Material affecting the audit report			
0	Other important matters			
1	Emphasis of Matters			
	Restatement of corresponding figures	0	0	1
		0	0	1



No.	AUDIT REPORT PAR. NO.	FINDING(S)	IMPACT OF THE FINDING	CLASSIFICATION	ACTIONS TO BE TAKEN - JTGD	SUPPORTING DOCUMENTATION FOR AUDIT FILE 2019/20	RESPONSIBLE DEPARTMENT	RESPONSIBLE SECTION	RESPONSIBLE PERSON	START DATE	DUE DATE	SUBMISSION DATE TO INTERNAL AUDIT / LEGAL DEPT	RESPONSE DATE FROM INTERNAL AUDIT	PROGRESS %	COMPLETE/ INCOMPLETE	REMARKS	ADJUSTMENT TO GL/TB/AFS/AP R	RESPONSE FROM RESPONSIBLE OFFICIAL (COMPLETED / INCOMPLETE)	RESOLVED / UNRESOLVED (AUDITOR'S CONCLUSION)	AUDITOR'S CONCLUSION
OTHER MATTERS																				
1	6	Restatement of corresponding figures 1. As disclosed in note 47 to the financial statements, the corresponding figures for previous balance sheet date were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2019.	Emphasis of matter	Emphasis of matter	1. Perform monthly reconciliations to detect errors 2. Compile and submit quarterly AFS to Internal Audit and the Audit, Risk and Performance committee for quality assurance purposes	1. Reconciliations performed 2. Quarterly Annual Financial Statements	Budget and Treasury Office	Budget and Reporting Unit	Chief Financial Officer	Jan-20	Jun-20	Quarterly								