

2019/20

John Taolo  
Gaetsewe  
District  
Municipality

FINAL  
ANNUAL  
REPORT  
Volume I



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# Chapter 1

## 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.

# Chapter 1

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### MAYOR’S FOREWORD

The COVID-19 pandemic has affected the entire globe and continues to alter life as we know it. But as COVID-19 cases soar in Europe, the United States, Brazil, and India, confirmed COVID-19 cases in Africa remain comparatively low. With a population of 1.2 billion and weak health infrastructure, experts feared that COVID-19 would severely impact the entire continent of Africa. Speculation is growing that Africa’s youth bulge and warmer climate could help spare most African countries from the worst of the health pandemic. The available data for a few African countries suggests that many positive cases are simply being missed, which allows the virus to spread even further.

With all these challenges, the number of confirmed cases in Africa are increasing significantly, especially in recent months. We continue to be a responsive, accountable, effective and efficient local government reaffirms our commitment to fight poverty and inequality in our communities as well as addressing the health and economic incongruity caused by COVID-19 pandemic. 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.

We have developed and adopted a disaster contingency plan and established a Joint Operations Centre (JOC). Meetings were called by the district Disaster Centre on the 25th of March 2020 where sector department presented their plans on COVID-19 readiness. District Outbreak Response Team (DORT) meeting was held on the 18th of March 2020. The purpose of the DORT is to serve as a communication channel for interventions of relevant departments and stakeholders on the COVID-19.

Awareness material were developed and distributed as well as the awareness material from national National Department of Health was distributed to the communities. Inspection of hospitals in Kuruman, Tshwaragano and Kathu for COVID-19 readiness and visited of the Kathu Airport on 24 March 2020 on readiness for the COVID-19. The visits were conducted as a collective between the JTGDM and the Department of Health. We have also disinfected the taxi rank in Kuruman 27-28 March 2020.

It is 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 utilizing 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.

# Chapter 1

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 believe that the Management Team has managed to keep the standards and sustain the Clean Audit going into the financial year 2019/20.

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**MRS. S. MOSIKATSI**  
**EXECUTIVE MAYOR**

# Chapter 1

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

The overall functioning of the Municipal Departments, the Executive function and the Oversight role of Committees of Council have been considered during the process of the development of the Annual Report for the 19/20 financial year.

**The Annual Report Composition:** reflects the Unaudited Annual Financial Statements (19/20) and Unaudited Annual Performance Reports (MPAC reflection and Audit Committee). The exercise enables us to recognize that good governance requires effective, representative, transparent and accountable government institutions at all levels, public participation, effective checks and balances, and the separation of powers, as well as noting the role of information and communications technologies in achieving these aims.

It also encourages cooperation and exchange of experiences through the Protocol Structure of Council, such as Council reporting to Stakeholders, Administration accounting to Council, Officials reporting to Management. The Municipality filled all vacancy positions to ensure that work gets done and that measures are in place to report. The prepared Annual Report for submission at this stage is unaudited, 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 2019/20.

In this Management, we recognize that corruption gravely affects democratic political institutions and the private sector, weakens economic growth and jeopardizes the basic needs and interests of a country's most underprivileged groups, and that the prevention and control of these problems are the responsibility of government as well as legislative and judicial institutions. Through continued promotion of policies, processes and mechanisms that protect the public interest, the use of disclosure of assets mechanisms for public officials in order to avoid possible conflicts of interest and incompatibilities, as well as other measures that increase transparency.

# Chapter 1

As the Accounting Officer of John Taolo Gaetsewe District Municipality, I would like to express my sincere gratitude to the support from Council, to the hard work of the Management Team and staff, in promoting the development, autonomy and institutional strengthening of local government in order to promote favourable conditions for the sustainable economic and social development of our communities.

We commit that the Draft Annual Report will be made a public document and the processes after its submission will be followed in the form of auditing processes. The authorities like AGSA, SALGA, Provincial Treasury and Provincial COGHSTA will receive a set.

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**MR. D. MOLAOLE**  
**MUNICIPAL MANAGER**

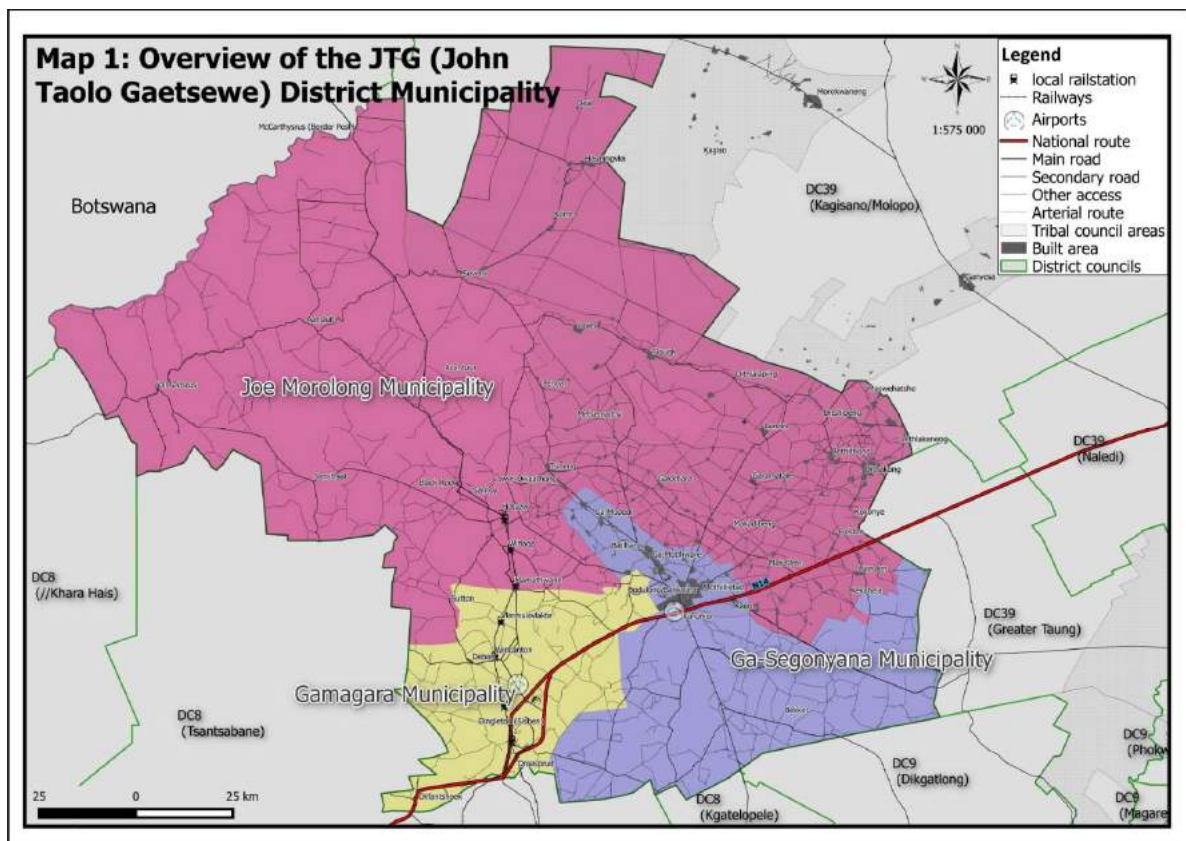
# Chapter 1

## 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 km<sup>2</sup>). The largest area within JT Gaetsewe is the former District Management Area (DMA) with over 10 000 km<sup>2</sup>. Joe Morolong covers the next largest area of 9 477 km<sup>2</sup> (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)

# Chapter 1

## 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	<b>224 799</b>	<b>100</b>	<b>242 264</b>	<b>100</b>
Northern Cape	<b>1 145 861</b>		<b>1 193 780</b>	

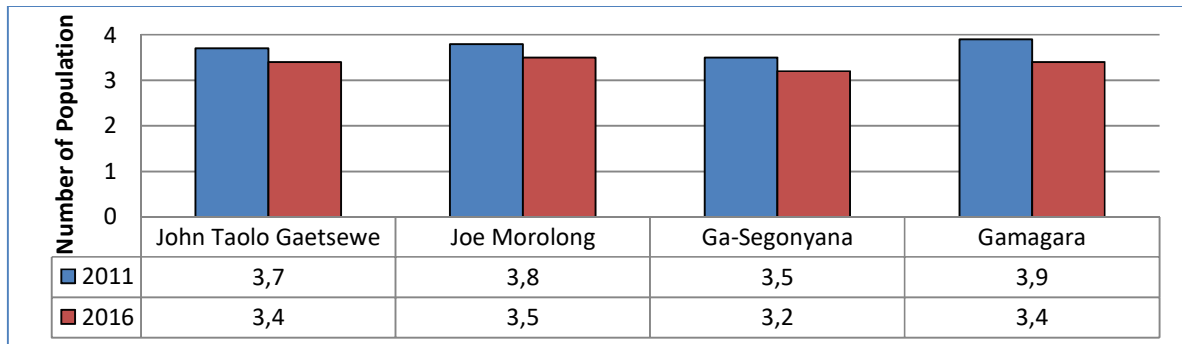
It is evident from the table above that the population of Ga-Segonyana LM has increased from 93 651 in 2011 to 104 408 in 2016 with the increase from 42% in 2011 to 43% in 2016 within the District context. Another increase within the John Taolo Gaetsewe District Municipality is experienced in Gamagara 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.

# Chapter 1



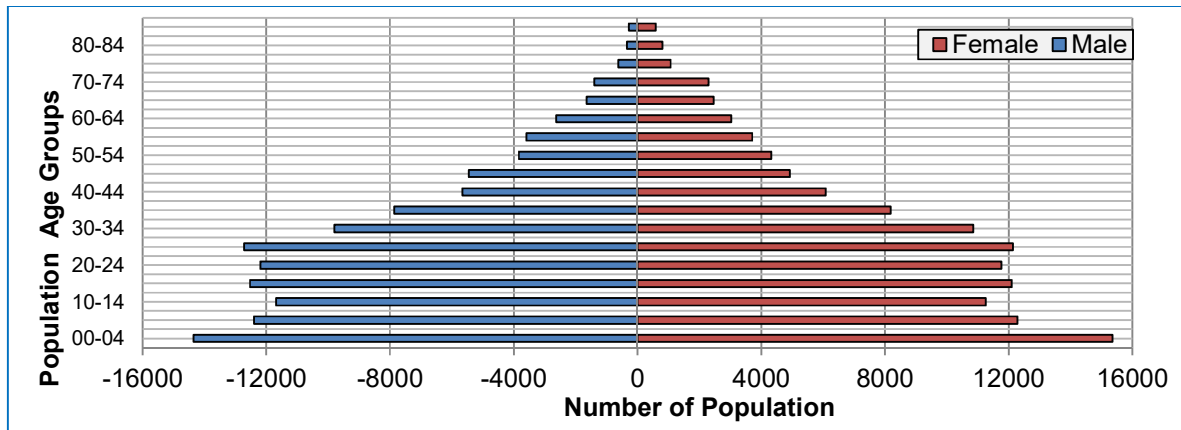
Source: StatsSA 2016

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.

# Chapter 1

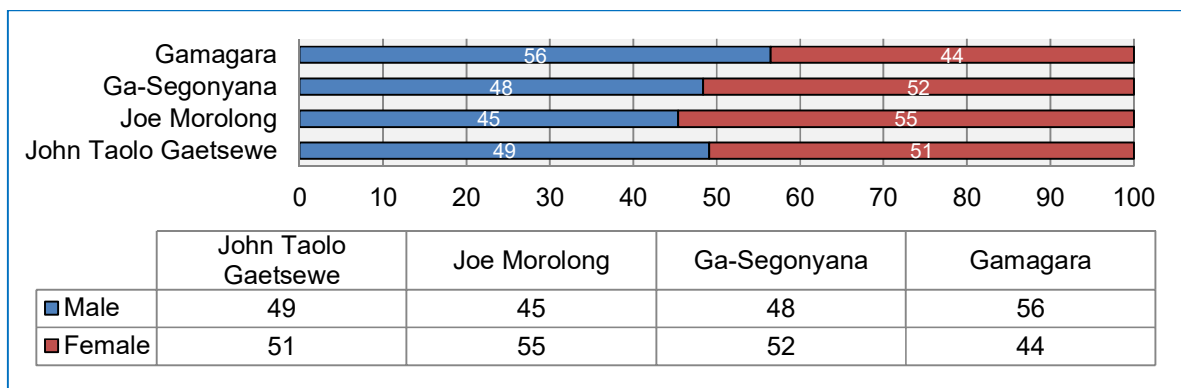


Source: StatsSA 2016

The age profile of the JTGD in 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.



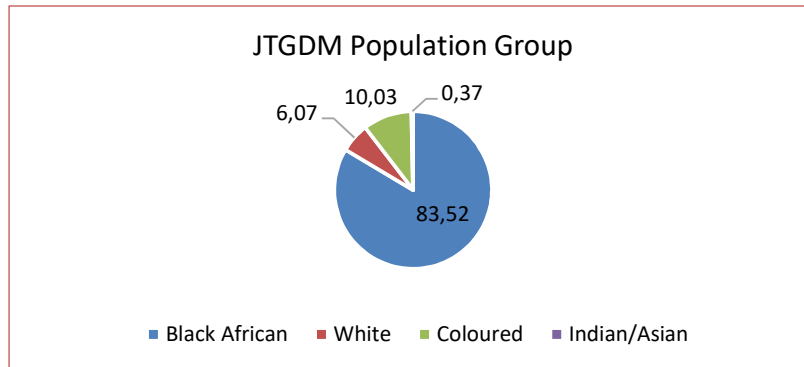
Source: StatsSA 2016

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.

# Chapter 1

## Racial distribution

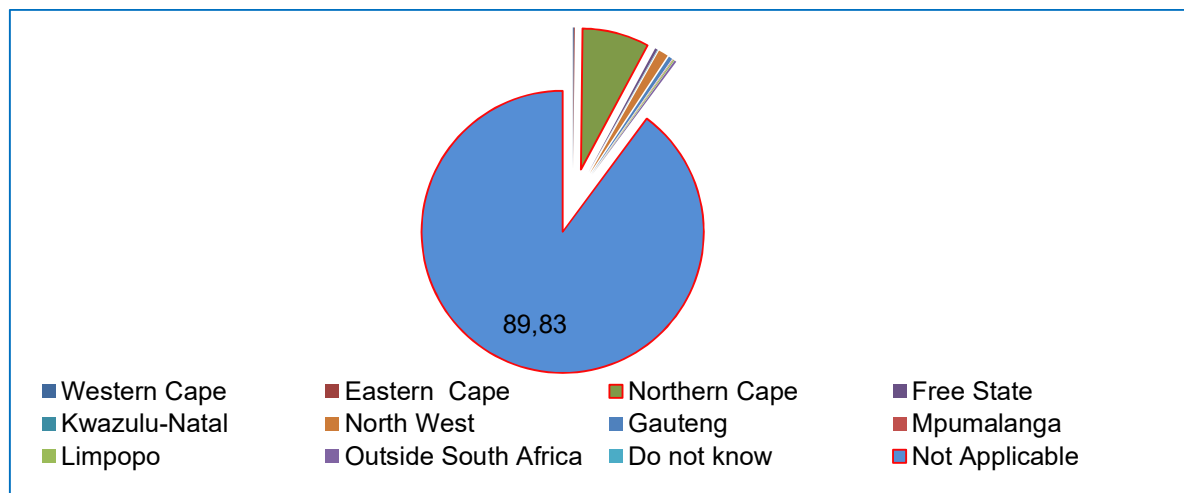
The **racial profile** of the JTGDM is as follows: Black/African: 83.52%; Coloured: 10.03%; Asian and Indian: 0.37%; White: 6.07%.



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

# Chapter 1

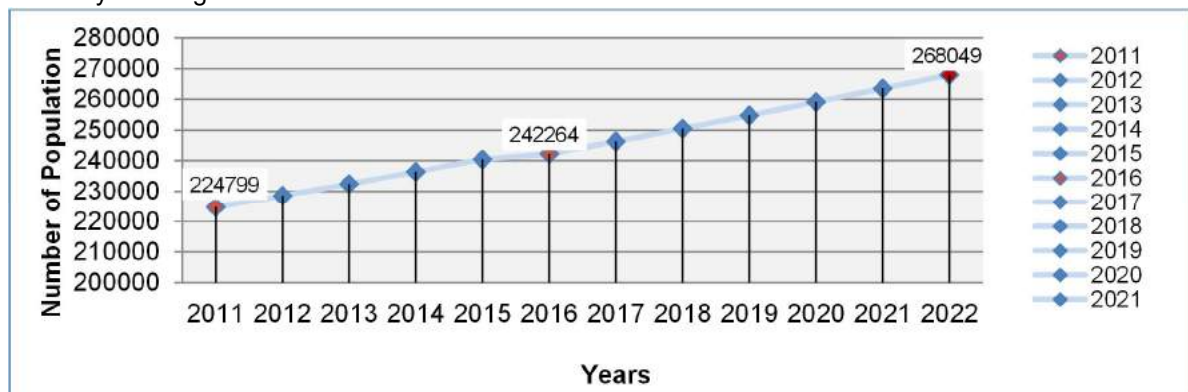
Migrated population within the JTGDM contribute approximately 10.17% to the total population, where most of this population originates from Northern Cape Province (7.65). The migration statistics roughly indicates that most of the economic activities are concentrated in the first two local municipalities and people have migrated there in search of jobs and better livelihood. However, JTGDM 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 JTGDM 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)

# Chapter 1

## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

The John Taolo Gaetsewe District area being mainly rural nature, lower level of service of infrastructure is being implemented, for instance water networks are of a supply targeting 200m communal taps, roads networks are prioritised to render access to social amenities like schools, clinic, etc.

The service delivery infrastructure planning as implemented by the District Municipality is mainly driven by grants relating to the built industry skills development and roads asset management. All infrastructure planning and skills development grants were effectively used and spent within the financial year.

There are three modes of transportation in the District namely Road, Rail and Air. The District is engaging key stakeholders to establish a regional airport so that the public will not only rely to develop the air travel the transportation.

The District had set up the Rural Road Asset Management Systems (RRAMS), and collects road, bridge and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA). The systems improve the accuracy of roads information as collected per the latest data on municipal roads and do thus guide infrastructure maintenance and investments. This if adhered to assists in the reduction of vehicle operating costs.

There are currently 2,717.58km of municipal road network captured on the District Rural Road Asset Management System. A total of 25.46km is block paved, 1286.14km is earth, 1088.37km gravel and 317.62km flexible pavement.

The Municipality maintains the Roads Asset Management Plan (RAMP) developed through the RRAMS and continues to improve data on all municipal roads to guide infrastructure investment on roads. The RAMP assists 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.

Three Civil Engineering technicians are running 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 trained through the ISDG programme are appointed in the one of the nearby local municipality in management positions. One is appointed in the Technical Services Department and the other one as a Town Planner. This development is relevant to the programme objectives as it enhances the built environment levels of professionalism in local government.

Project management, design and Geographic Information System software programmes and related hardware were purchased to improve the training and skills development environment in the built industry. Formal training related to that was also done.

# Chapter 1

Reviewed 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 were submitted in request of funding. Business plans for disaster relief related to the covid-19 pandemic and the effects thereafter and readiness in dealing with any health-related outbreaks in the John Taolo Gaetsewe District Municipal area and specifically addressing provisioning of basic services and environmental requirements were prepared and submitted to different potential parties to consider assistance in any form.

The Integrated Transport Plan is reviewed in the 2019/20 financial year and the District will explore its implementation on achieving sustainable integrated transport in detail. In this way, a step change will be achieved by prioritising the right development in the right locations, along major road and activity route in the district. This approach, coupled with a focus on public transport (PT), non-motorised transport (NMT) and Travel Demand Management (TDM) will reduce travel times and costs, as well as deliver important environmental benefits. This document seeks to set out the District's plans for transport within the wider context of its drive to create an equal society based on integrated communities, economic inclusion and access to opportunities.

The housing demand estimated for the planning period 2021- 2030 requires that approximately 335 hectares of land to be available in the JTG District to supply in the estimated housing backlog and another 2,246 hectares to accommodate the household growth in total with various housing options from both the public and private sector. This situation is reflected in the District Integrated Human Settlement Sector Plan reviewed in the 2019/20 financial year.

Challenges remain on water borne sanitation in addressing the basic housing needs and slow progress in eradicating housing backlogs.

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## **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 authorizations made in terms of this Act.

The district is, however, being plagued by several challenges on the supply of water. Around 8,251 (11,5%) household has no access to the safe drinking water. The 11,5% excludes 8,7% of the population which draws water from own boreholes, rain water harvesting, water carrier/tanker or flowing water/stream/river etc. Only 37,7% have yard piped connections in their yards.

The JTGDM 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 JTGDM 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)*



# Chapter 1

Municipal Infrastructure Grant programme as reflected on projects undertaken per municipalities. Bulk is generally still issue, which hampers provision of waterborne sewerage in townships like Vanzylsrus.

The Vaal Gamagara water supply pipeline municipalities can assist a lot in augmenting the water sources in the region and ease the current water shortages due to depletion of ground water sources.

Following are the 2016 Stats for the District and Municipalities.

**Table 1: Distribution of households by access to safe drinking water by municipality, CS 2016**

Municipality	Access to safe drinking water		No access to safe drinking water		Total Households
	Households	Percentage	Households	Percentage	
Joe Morolong	21,497	90,3	2,303	9,7	23,800
Ga-Segonyana	27,615	85,3	4,774	14,7	32,388
Gamagara	14,502	92,5	1,174	7,5	15,677
<b>John Taolo Gaetsewe</b>	<b>63,614</b>	<b>88,5</b>	<b>8,251</b>	<b>11,5</b>	<b>71,865</b>

**Table 2: Distribution of households by main source of water for drinking, CS 2016**

Municipality	Piped (tap) water inside the dwelling/house/yard		Piped water on community stand / Neighbour's tap/Public/communal tap		Others		Total Households
	Households	Percentage	Households	Percentage	Households	Percentage	
Joe Morolong	2,439	10,2	18,520	77,4	2,961	12,4	23,919
Ga-Segonyana	11,530	35,3	18,410	56,4	2,729	8,4	32,669

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Gamagara	13,328	84.8	1,782	11,3	612	4	15,723
<b>John Taolo Gaetsewe</b>	<b>27,297</b>	<b>37,7</b>	<b>38,712</b>	<b>53,5</b>	<b>6,301</b>	<b>8,7</b>	<b>72,310</b>

**Table 3: Distribution of households by main source of drinking water supplier, CS 2016**

Municipality	Municipality		Other Water scheme		Water vendors		Own service		Flowing water/stream/river/spring/rain-water		Total House-holds
	House-	%	House-	%	House-	%	House-	%	House-holds	%	
Joe Morolong	17,665	74,2	2,383	10,0	84	0,4	3,123	13,1	550	2,3	23,805
Ga-Segonyana	22,747	70,4	5,673	17,6	1,514	4,7	2,298	7,1	68	0,2	32,300
Gamagara	15,000	95,5	127	0,8	69	0,4	511	3,3	-	-	15,707
<b>John Taolo Gaetsewe</b>	<b>55,415</b>	<b>77,2</b>	<b>8,183</b>	<b>11,4</b>	<b>1,666</b>	<b>2,3</b>	<b>5,932</b>	<b>8,3</b>	<b>8,3</b>	<b>0,9</b>	<b>71,812</b>

**Table 4: Distribution of households by water interruptions in the last three months, CS 2016**

Municipality	Water interruptions		No Water interruptions		Total Households
	Households	Percentage	Households	Percentage	
<b>John Taolo Gaetsewe</b>	<b>16,483</b>	<b>30,1</b>	<b>38,356</b>	<b>69,9</b>	<b>54,838</b>

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## Sanitation

Sanitation is a basic need in communities which can pose serious health and hygiene risks for communities and the environment at large scale, if not properly managed and monitored.

According to the White Paper on Basic Household Sanitation, 2001, basic sanitation is defined as: "The minimum acceptable basic level of sanitation is:

Appropriate health and hygiene awareness and behaviour

A System for disposing of human excreta, household waste water and refuse, which is acceptable and affordable to the users, safe, hygienic and easily accessible and which does not have an unacceptable impact on the environmental and a toilet facility for each household".

A total of 65 469 (90.5%) households in the District has some form of toilet, and around 6 841 (9.5%) have no access to sanitation services. 40 377 (56%) households in the District are the Pit latrine toilets and only 22 480 (31%) households are Flush toilets.

The Provincial Department of Water and Sanitation and CoGHSTA are running sanitation projects in the district to eradicate the inadequate toilets and providing toilets where there is a lack. Based on the 2016 STATS the sanitation backlog for John Taolo Gaetsewe can be determined to be 9,453 households

**Table 28: Distribution of households by type of toilet facility and municipality, CS 2016**

Municipality	Flush toilets connected to a public sewerage system	Flush toilets connected to a septic tank or conservancy tank	Chemical toilets	Pit latrine toilet with ventilation pipe	Pit latrine toilet without ventilation pipe	Ecological toilet / other	Bucket toilet	No Toilet
Joe Morolong	1,281	233	172	12,921	5,596	509	1,025	2,182
Ga-Segonyana	5,717	1,772	35	6,115	15,612	453	162	2,789
Gamagara	12,712	764	34	55	79	208	1	1,869
John Taolo Gaetsewe	19,711	2,769	241	19,090	21,287	1,170	1,202	6,841

# Chapter 1

The 2016 STATS, indicates that the households overall rating for sanitation services is at 45.2% and 16.7% of households have no access to sanitation.

## Refuse Removal

In the case of refuse removal, 24.63% of the population within the JTGDm 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 JTGDm 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.

### *Household level of refuse removal*

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

Source: StatsSA 2016

## Electricity

The Part B of Schedule 4 and 5 of the Constitution in section 156(1) grant municipalities' executive authority to administer the local government matters and list as part of the powers and functions, Electricity reticulation. Part of the reticulation includes Bulk supply of electricity, the transmission, distribution and, where applicable, the generation of electricity, and also the regulation, control and maintenance of the electricity reticulation network. However only around 30% of the households in the

# Chapter 1

District obtain electricity from the municipalities the other 70% is supplied directly by Eskom, and that deprives the municipalities an income generating opportunities.

The 2016 Community Survey indicates that 8,527 (11.8%) of the households are still with no electricity in the District. Majority 58 753 (81%) of the households are on Prepaid. Only around (1232) 1.7% households use alternative source of energy.

There continues, though, to be a 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

**Table 59: Distribution of households by main type of energy source**

Municipality	In-house pre-paid	In-house Conventio n Meter	Connecte d to other source	Connecte d to other source	Solar home	Generator / Battery	Other	No Access to Electricity	Total
Joe Morolong	19,727	768	46	26	10	0	85	3,258	23,920
Ga-Segonyana	26,848	1,438	529	21	127	120	59	3,526	32,668
Gamagara	12,178	1,595	156	24	12	0	15	1,743	15,723
John Taolo Gaetsewe DM	58,753	3,801	731	71	149	120	159	8,527	72,311

42 342 (68%) of the households in the District use Eskom prepaid, and 18 541(30%) households' electricity is provided by municipality, it can also be noted that 60 888 (98%) households utilizes prepaid electricity in the District

# Chapter 1

**Table 60: Distribution of households by municipality and supplier of electricity**

Municipality	Municipality Prepaid	Municipality Post-paid	Eskom Prepaid	Eskom Post-paid	Other Supplier	Total
Joe Morolong	2,216	7	17,741	149	146	20,259
Ga-Segonyana	7,207	168	20,532	135	33	28,074
Gamagara	9,117	335	4,069	213	26	13,760
John Taolo Gaetsewe DM	18,541	510	42,342	497	205	62,094

## Housing

The District Municipality remains a level 1 accredited municipality. Engaged on the level 2 accreditation assessment for the District Municipality are at an advanced stage.

The District has an Integrated Human Settlement Sector plan which provide the strategic direction for transforming human settlements in the John Taolo Gaetsewe District aligned to the Provincial Department and Local municipalities' Sector plans and IDPs. This transformation relate 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. This transformation will further support the integration of communities and the spatial restructuring of the towns and villages in the Municipal area.

**Table 42: The following are household growth projections 2016, 2021 to 2024 (STATS 2016)**

Backlog indicator	Total Households			Growth (Calculated)
	CS 2016	2021 Estimates	2024 Estimates	
Joe Morolong	23 919	24 159	24 304	0,2%
Ga-Segonyana	32 669	40 517	46 104	4,4%
Gamagara	15 723	24 303	31 560	9,1%
John Taolo Gaetsewe	72 310	88 979	101 968	3,6%

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The using the 2016 Community Survey growth projections the household's growth in the District can be calculated to be 88 979 in 2021 and 101 968 by 2024. Using the SMEC report 2013 growth scenario for that was anticipated for 2019, the housing backlog and delivery by 2030 may be calculated as follows:

**Table 43: The housing backlog and targeted delivery of housing units**

		<b>Gamagara</b>	<b>Joe Morolong</b>	<b>Ga-Segonyana</b>	<b>JTG</b>
<b>Housing Backlog 2021</b>	<b>Total Backlog/Need</b>	<b>4 440</b>	<b>4 817</b>	<b>7 441</b>	<b>16 698</b>
<b>Future Growth in Households (2021-2030) – Maximum growth scenario</b>	Future Demand: Low Income	12,180	5,046	6,867	24,094
	Future Demand: Gap Market	9,035	765	2,657	12,457
<b>Proposed Average Supply/ Delivery of units – 2021-2030</b>	<b>Total Housing Delivery/Supply Rate</b>	<b>2 609 units/year</b>	<b>1 112 units/year</b>	<b>1 770 units/year</b>	<b>5 491 units/year</b>
	Supply for Backlog Eradication by 2030	488 units/year	530 units/year	817 units/year	1 836 units/year
	Supply for Future Growth – Low Income group (moderate growth)	1218 units/year	505 units/year	687 units/year	2,409 units/year
	Supply for Future Growth – Gap Market	903 units/year	77 units/year	266 units/year	1,246 units/year

The municipal targets for housing supply should balance their yearly allocations towards addressing the backlog, vs providing for the upgrading of informal settlements and providing for the household growth and gap market. This balance is necessary to ensure that the municipality provide for the backlog and for the income groups that increase their revenue base, and hence support the municipal financial sustainability.

The housing demand estimated for the planning period 2021- 2030 requires that approximately 335 hectares of land to be available in the JTG District to supply in the estimated housing backlog and

# Chapter 1

another 2,246 hectares to accommodate the household growth in total with various housing options from both the public and private sector. This land need is divided per local municipality as follows:

**Table 44: The JTG estimated land requirement**

Municipality	Type	Number of households	Size per dwelling unit	Estimated Land Required by 2021
<b>Gamagara LM</b>	Housing Backlog, 2021	4,440	300m <sup>2</sup>	135 ha
	Housing Demand for all income groups due to household growth	28,073	500m <sup>2</sup>	1,404 ha
<b>Ga-Segonyana LM</b>	Housing Backlog, 2021	7,441	300m <sup>2</sup>	225 ha
	Housing Demand for all income groups due to household growth	10,713	500m <sup>2</sup>	536 ha
<b>Joe Morolong LM</b>	Housing Backlog, 2021	4,817	300m <sup>2</sup>	145 ha
	Housing Demand for all income groups due to household growth	6,112	500m <sup>2</sup>	306 ha
<b>John Taolo Gaetsewe DM</b>		61,596	-	2,751ha

An estimated 505 hectares are required to accommodate the housing backlog of 16,698 households in the District within the 2021 to 2024 planning term. Moreover, the total average land required to accommodate various housing options due to the household growth (an estimated total of 44,897 additional households), is estimated at 2,245 hectares within the same term. Which brings the overall land requirement of 61,596 households to 2,751 ha.

{Source: Integrated Human Settlement Sector Plan, JTG-Reviewed}

## Roads, Storm water and Transport

Stormwater water management in various towns and townships seeks to mainly address roads surface water drainage problems. The storm-water infrastructure can best be described as aged. In a number of cases capacity problems are also experienced, due in large part to accumulation of debris in the pipes and surface drains. This debris (gravel, silt, refuse, etc.) are not being removed to allow storm-water systems to function efficiently. In some cases, culverts crossing the roads have collapsed, grids from inlets have been stolen, which exacerbates the problem of refuse being deposited in the systems. The increased sewage influent at the various WWTW, indicates that storm-water is entering the sewerage.

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Though the municipalities do not have storm-water bylaws or policies, they do have storm-water masterplans in place that will guide them on how to proceed to reduce the storm-water problems. There have not been any storm-water projects implemented in the municipalities. This indicates that storm-water management has not been a priority in the municipalities mainly because, probably because of the low rainfall in the area and related traffic volumes in the past. The initiative to compile the masterplans shows a paradigm shift towards mitigation of the storm-water risks and identification of mitigating projects to be implemented.

The Rural Asset Management Systems, is envisaged to assist the Local Municipalities in project prioritisation, maintenance scheduling and application of funding for maintenance and rehabilitation of the roads. The three local municipalities have finalised their Road Masterplan which also incorporate the Storm-water master plans. There are currently 2,717.58km of municipal road network captured on the District Rural Road Asset Management System. Of which 25.46km is Block paved, 1286.14km is earth, 1088.37km gravel and 317.62km have flexible pavement.

**Table 16: The following is the total municipal road network for the District**

Surface Type	Road Network In km	Assessed Road Network
<b>BLOC</b>	25.46	13.86
<b>EARTH</b>	1286.14	326.98
<b>FLEX</b>	317.62	176.41
<b>GRAV</b>	1088.37	93.54
<b>TOTAL</b>	<b>2,717.58</b>	<b>610.79</b>

The modes of transportation in the District beside road transportation are rail and air transportation. The air transportation is mainly of the private sector and as a result airport in the region are not on public grounds only. The District is spearheading stakeholder engagements for the establishment of a regional airport. The District also has an Integrated Transport Plan which is reviewed annually.

The rail infrastructure of the Northern Cape is an important element of the provincial transportation system. The rail transport is mainly utilised in the mining sectors. A railway line extends from Blackrock southwards past Sishen to Kimberley where it connects with the main Cape Town – Johannesburg line. A second line used to transport ore from this area extends from Sishen southwards to Saldanha Bay where it supplies the Saldanha Steel Plant.

Walking and cycling are the most dominant mode of non-motorised transport within the John Taolo Gaetsewe District Municipality with animal drawn transport being the least dominant and found mostly in rural low-income communities. The non-motorised transport within the District is slowly developing

# Chapter 1

and has to date not been given substantial attention to reach appreciable impact in the District. The extent of non-motorised transport within the District still need to be comprehensively quantified. The non-motorised transport infrastructure has been developed in an ad-hoc fashion and there is a need for pedestrian side-walk and cycle path plan to be developed for John Taolo Gaetsewe District Municipality.

Because the District is mainly rural the priority is to develop or improve the access roads in the respective villages or towns and then to the amenities. The District is busy compiling the Roads Asset register that will in future assist with the prioritisation of the road's construction and maintenance.

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

Since the declaration of the National State of Disaster on 15 March 2020, municipalities have been required to perform certain essential and emergency municipal services to address, prevent and combat the spread of COVID -19 in South Africa.

As a result of the crisis, municipalities have been under pressure to provide certain services to assist in curbing the spread of this virus, thus having to reprioritize own funding to comply with the set regulations. The imposed restrictions came in such a way that the municipal core operations had to be halted, municipal staff required to work remotely and ensure essential services are performed.

This overview sets out highlights of the municipality 's financial performance in the 2019/20 financial year. Full details appear in the Unaudited Annual Financial Statements for the year ended 30 June 2020.

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, the municipality changed its core financial management system i.e. from Sebata FMS to SAGE Evolution System in the previous financial year (2018/19) and continues to use the system, fully transacting on the Municipal Standard Chart of Account (mSCOA) as required.

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## Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
<b>Balance at 01 July 2018</b>	<b>55 386 620</b>	<b>29 842 317</b>	<b>85 228 937</b>
Surplus for the year	-	6 740 330	6 740 330
Total changes	-	6 740 330	6 740 330
<b>Restated* Balance at 01 July 2019</b>	<b>55 386 620</b>	<b>36 582 647</b>	<b>91 969 267</b>
Changes in net assets			
Revaluation of land and buildings	8 317 099	-	8 317 099
Net income recognised directly in net assets	8 317 099	-	8 317 099
Deficit for the year	-	(1 081 841)	(1 081 841)
Total recognised income and expenses for the year	8 317 099	(1 081 841)	7 235 258
Total changes	8 317 099	(1 081 841)	7 235 258
<b>Balance at 30 June 2020</b>	<b>63 703 719</b>	<b>35 500 806</b>	<b>99 204 525</b>
Note(s)	19		

The municipality continued to maintain a Net Asset position for the year under review.

An 8.39% increase is recorded for the 2019/20 financial year, this is mainly due to the revaluation of land and buildings of R 8.3 million. The municipality recorded the deficit of R 1 081 841, however with the revaluation reserve the deficit was catered for.

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## JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### Statement of Cash Flow

Figures in Rand	Note(s)	2020	2019 Restated*
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services		5 358 431	3 142 749
Grants		100 877 000	97 542 000
Interest income		2 306 064	1 881 256
		<u>108 541 495</u>	<u>102 566 005</u>
<b>Payments</b>			
Employee costs		(68 842 063)	(61 598 740)
Suppliers		(31 376 658)	(35 133 602)
Finance costs		(247 816)	(347 281)
		<u>(100 466 537)</u>	<u>(97 079 623)</u>
<b>Net cash flows from operating activities</b>	34	<u><b>8 074 958</b></u>	<u><b>5 486 382</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	10	(647 359)	(268 724)
Purchase of other intangible assets	11	(319 500)	(2 508 579)
<b>Net cash flows from investing activities</b>		<u><b>(966 859)</b></u>	<u><b>(2 777 303)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of other financial liabilities		(502 324)	(277 535)
Finance lease payments		(228 730)	(161 846)
<b>Net cash flows from financing activities</b>		<u><b>(731 054)</b></u>	<u><b>(439 381)</b></u>
<b>Net increase in cash and cash equivalents</b>		<u><b>6 377 045</b></u>	<u><b>2 269 698</b></u>
Cash and cash equivalents at the beginning of the year		2 367 091	97 393
<b>Cash and cash equivalents at the end of the year</b>	3	<u><b>8 744 136</b></u>	<u><b>2 367 091</b></u>

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Below is an extract of the Statement of financial Performance:

<b>JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY</b> (DEMARCATIION CODE:DC45) <b>ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020</b>			
<b>Statement of Financial Performance</b>			
Figures in Rand	Note(s)	2020	2019 Restated*
<b>REVENUE</b>			
<b>Revenue from exchange transactions</b>			
Sale of goods		26 087	7 800
Rental of facilities	20	128 687	118 862
Other income	22	204 756	142 154
Administration and management fees received	21	2 288 809	2 640 723
Interest received	23	2 306 064	1 881 256
<b>Total revenue from exchange transactions</b>		<b>4 954 403</b>	<b>4 790 795</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants and subsidies	24	100 941 282	97 865 731
Donations received	25	-	345 974
<b>Total revenue from non-exchange transactions</b>		<b>100 941 282</b>	<b>98 211 705</b>
<b>Total revenue</b>		<b>105 895 685</b>	<b>103 002 500</b>
<b>EXPENDITURE</b>			
Employee related costs	26	(64 430 702)	(56 654 287)
Remuneration of councillors	27	(5 150 388)	(4 944 453)
Depreciation and amortisation	28	(4 079 344)	(3 343 378)
Finance costs	29	(658 447)	(743 970)
Debt impairment	30	(109 096)	(948 994)
Transfers and subsidies	31	(208 498)	(198 948)
Operational costs	32	(31 852 732)	(29 082 538)
<b>Total expenditure</b>		<b>(106 489 207)</b>	<b>(95 916 568)</b>
<b>Operating Surplus/(Deficit)</b>		<b>(593 522)</b>	<b>7 085 932</b>
Loss on disposal of assets	10	(81 056)	-
Fair value adjustments	33	(413 623)	(3 193 662)
Actuarial gains	16	302 879	422 461
Loss on biological assets	49	(296 519)	-
Gain on assets previously not on asset register		-	15 840
Derecognition of prior year provision		-	2 409 759
		<b>(488 319)</b>	<b>(345 602)</b>
<b>Operating (Deficit)/Surplus for the year</b>		<b>(1 081 841)</b>	<b>6 740 330</b>

Over the past year, total revenue increased to R 105 million (2019: R103 million) with the total expenditure increasing to R 106 million (2019: R 95.9 million)

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

A net operating deficit of R 1 081 841 has been recorded during the year under review. This is from a net surplus position amounting to R 6 740 330 (restated) recorded in the 2018/19 financial year. The

# Chapter 1

deficit is mainly attributable to the over-expenditures on the non-cash items i.e. Provision for leave, depreciation and finance costs.

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Financial Overview: Year 2019/20			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	98 657	101 251	100 941
Taxes, Levies and tariffs			
Other	5 375	4 968	4 954
Sub Total	104 032	106 219	105 896
Less: Expenditure	102 081	104 482	106 489
Net Total*	1 951	1 737	(594)
* Note: surplus/(deficit)			T 1.4.2

In addition to the R 593 522 table T 1.4.2, the municipality recorded R 488 319 which is informed by loss on disposal of assets, fair value adjustments, actuarial gains, loss on biological assets and gain on assets not previously recorded on the register.

Operating Ratios	
Detail	%
Employee Cost	65%
Repairs & Maintenance	2%
Finance Charges & Impairment	1%
T 1.4.3	

## COMMENT ON OPERATING RATIOS:

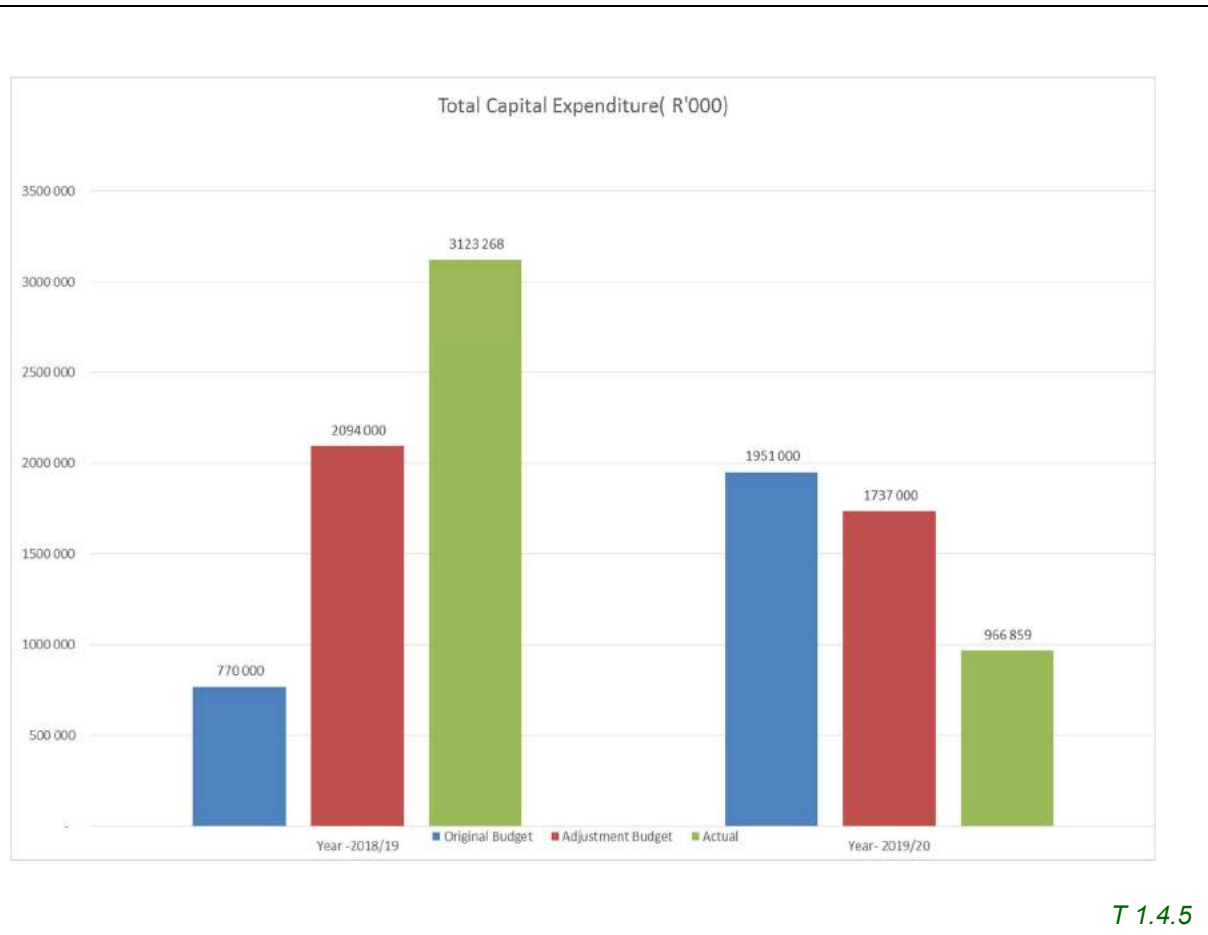
Employee costs remain high at 65%. It must be noted however that there is a 1% increase from 64% of year prior. The high % is directly as a result of grant dependency and the inability to generate any additional revenue.

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

Total Capital Expenditure: Year -2017/18 to Year 2019/20			
			R'000
Detail	Year -2017/18	Year -2018/19	Year- 2019/20
Original Budget	946	770	1 951
Adjustment Budget	1 216	2 094	1 737
Actual	2 399	3 123	967
			T 1.4.4

# Chapter 1

The municipality had planned to invest in computer equipment, however due to COVID-19 outbreak, expenditures had to be reprioritized for emergencies to contain the spread of the virus.



The spending on the capital expenditure relates to the Computer equipment, office equipment, furniture and fittings and intangible assets procured during the year.

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organisational development was done in line with the approved Work Place Skills Plan for 2019/20. 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

# Chapter 1

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: YEAR 2019/20 (CURRENT YEAR)

The Municipality received an unqualified without findings opinion for the 2019/20 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

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	

*T 1.7.1*

### 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 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 <b>w.e.f. January 2018</b> )
Basic Services & Infrastructure	Mr. MW Molusi (Acting Director: Basic Services & Infrastructure <b>w.e.f. January 2018</b> )

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

## 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 2019/20 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

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.

## 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 2019/20 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 2019/20 financial year.

The table below depicts progress on the implementation of the 2019/20 procurement plan:

Bid Number	Bid Description	Date advertised	Closing Date	Date awarded	Awarded to	Bid Price Awarded (R)
BID NO:01/2019/20	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:02/2019/20	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:03/2019/20	Supply & Delivery of fencing material	20-Aug-18	31-Aug-18	09-Oct-19	Around the Moon logistics	R 359 530.00
BID NO:07/2019/20	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 required rate basis.	23-May-19	13-Jun-19	21-Jun-19	CCG Systems	Rate based Contract

## Chapter 2

BID NO:08/2019/ 20	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:09/2019/ 20	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 2019/20 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 2019/20 FY
- Supply Chain Management Policy for 2019/20 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):***

- 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 30<sup>th</sup> October 2018. The municipal manager deemed it necessary to extend the contract on a month to month basis, 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.

## 3. 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 2019/20 financial year. A procurement plan was developed to guide all the procurement processes during the year and implemented accordingly.

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A summary of SCM Activities is given below:

# Chapter 2

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## Chapter 2

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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

# Chapter 2

## 2.10 WEBSITES

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

## Chapter 2

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 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):**

<b>Rating</b>	<b>Poor 1</b>	<b>Satisfactory 2</b>	<b>Good 3</b>
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):**

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

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### **Gamagara Local Municipality (Gamagara, Kathu and Dibeng):**

<b>Rating</b>	<b>Poor 1</b>	<b>Satisfactory 2</b>	<b>Good 3</b>
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.

## Chapter 2

- Electricity bill is expensive and some areas do not access to electricity.
- People need to be notified when electricity supply will not be available.
- 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

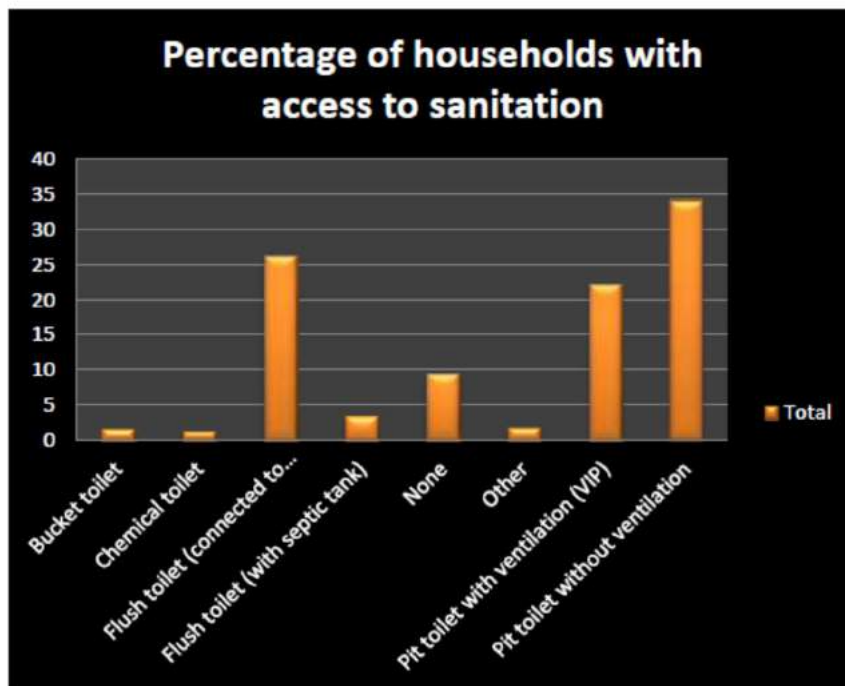
All of the municipalities within the area of jurisdiction of the JT Gaetsewe District Municipality (DC45) reported that they performed a sanitation function during the August 2008 capacity assessment review; in each case the function is rendered by the Technical Services (Basic Services and Infrastructure) 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 JTGDMD 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*

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## 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*

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## 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.

## Chapter 3

### ***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:

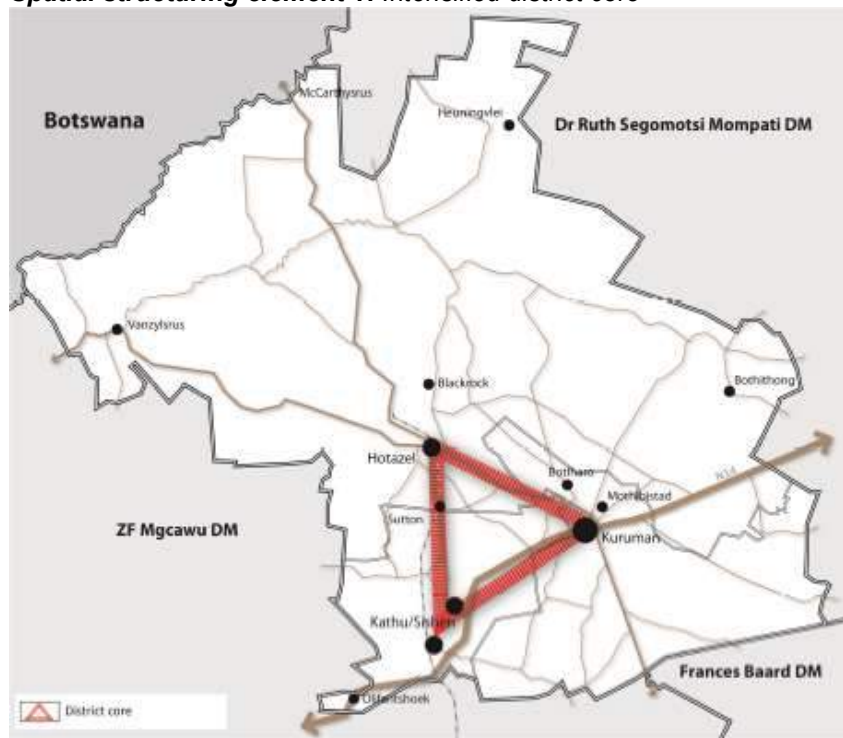
<b>SPLUMA Principles</b>	<b>Spatial Application in JTGD SDF</b>
Spatial Justice	Connectors between regional nodes, local nodes and human development hubs serve impoverished villages.
Spatial Sustainability	Strategies in functional economic regions address mining, agricultural and tourism activities as 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.

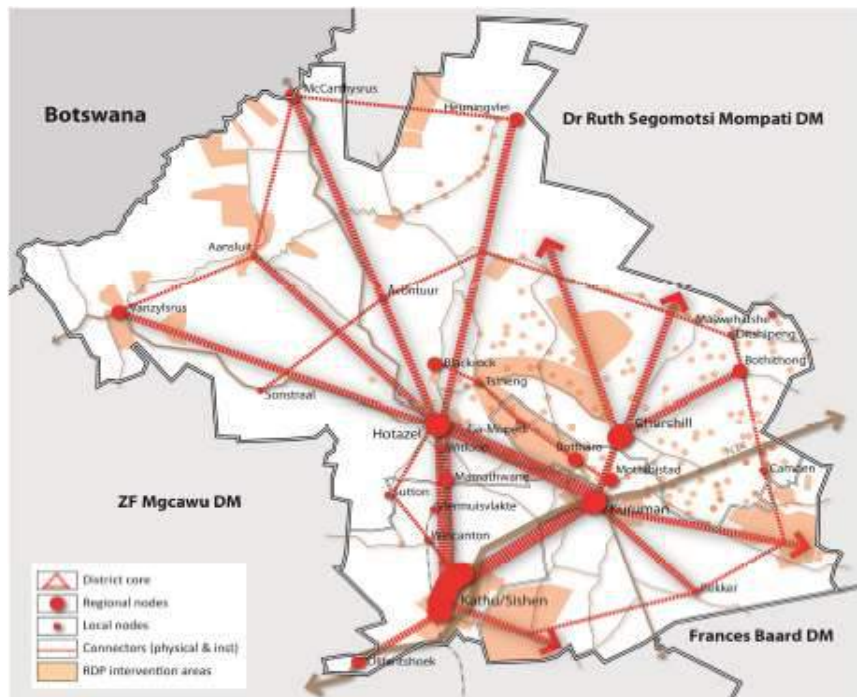
The following elements guide the spatial structure of the district and form the basis of the SDF:

**Spatial structuring element 1: Intensified district core**

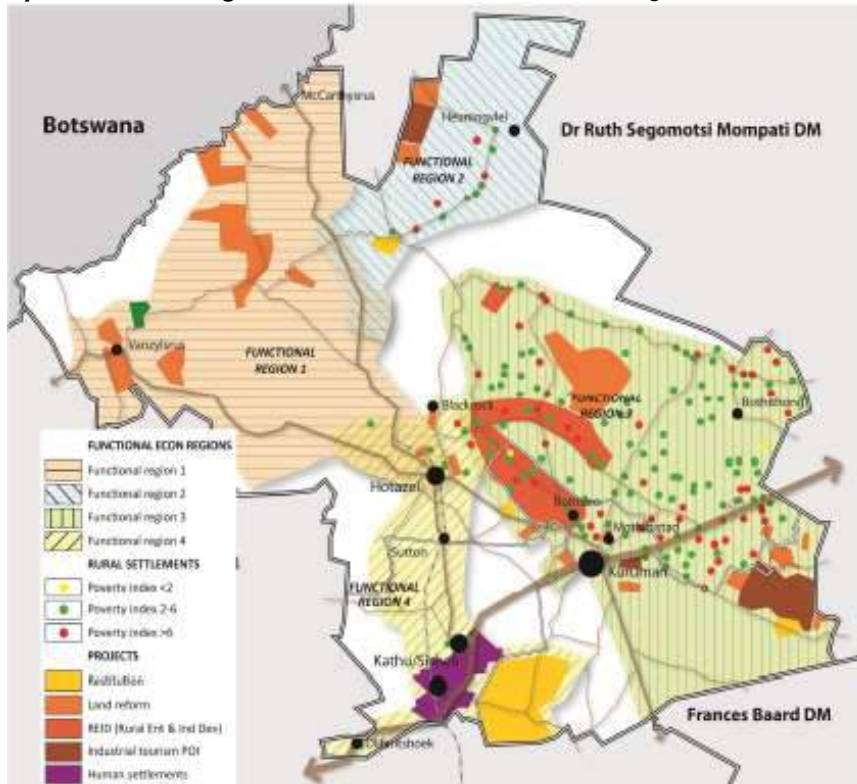


**Spatial structuring element 2:** Polycentric network of nodes and (physical and institutional) connecting routes – Regional nodes, Local nodes and Human Development Hubs

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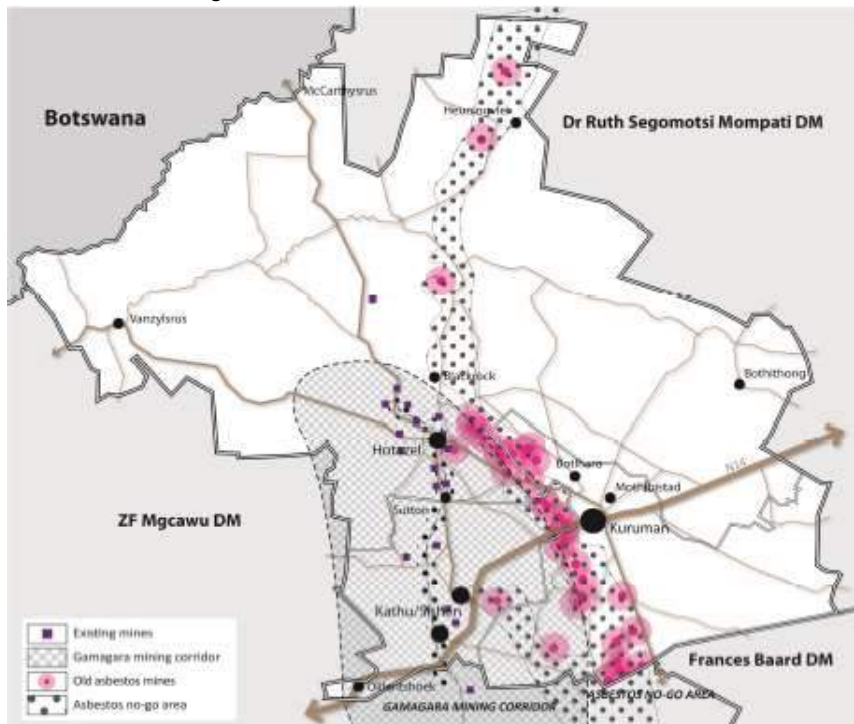


**Spatial structuring element 3: Functional economic regions – Functional Regions 1 – 4**



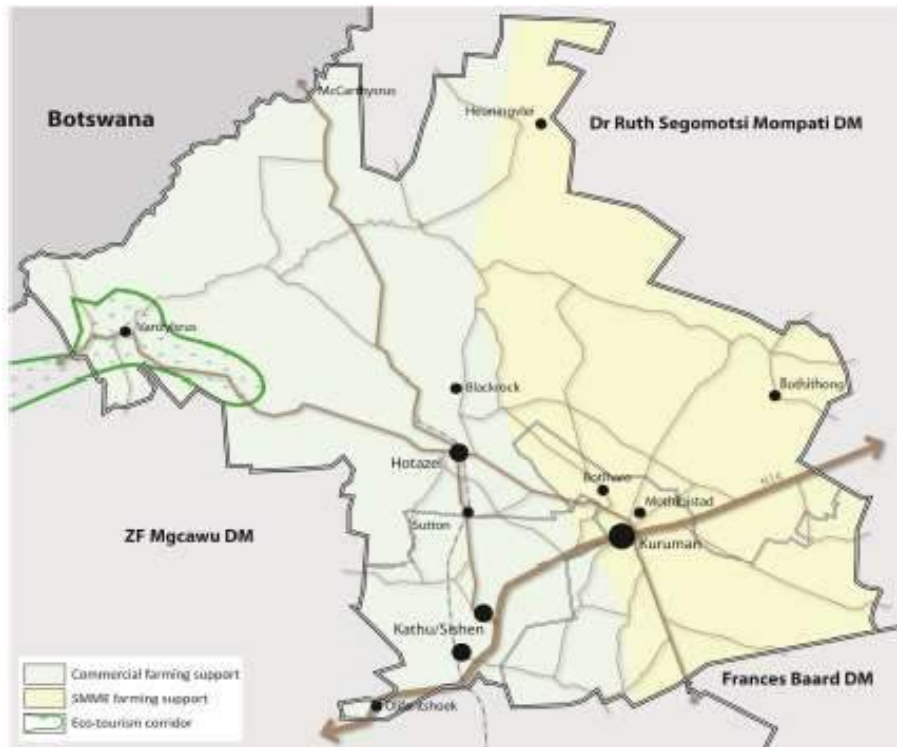
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**Spatial structuring element 4:** Mines and mining activities - Gamagara Mining Corridor, Active mines and Asbestos no-go area

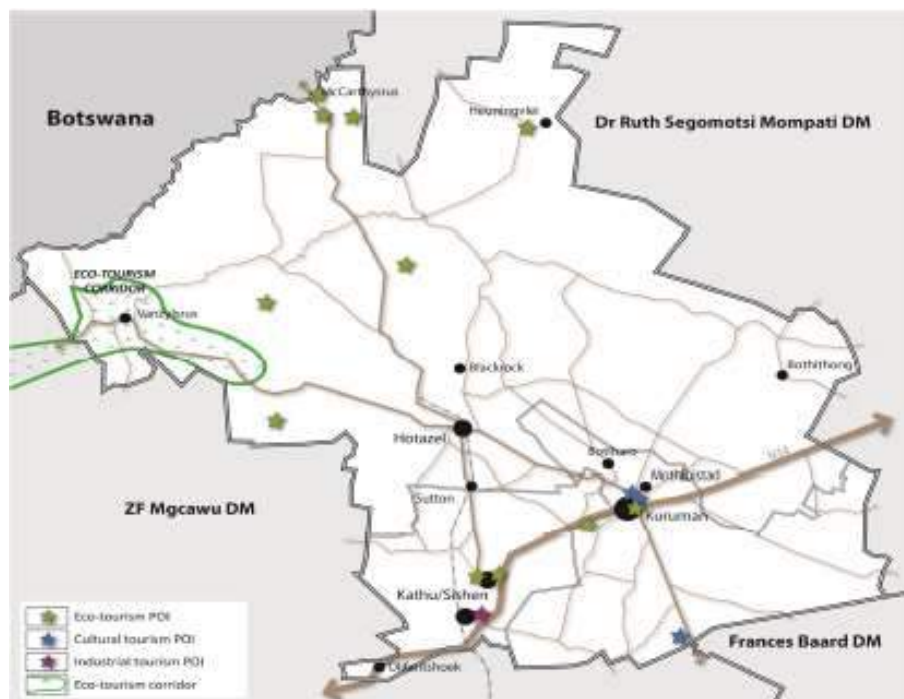


**Spatial structuring element 5:** Agricultural activities – Commercial farming and rural extensive farming

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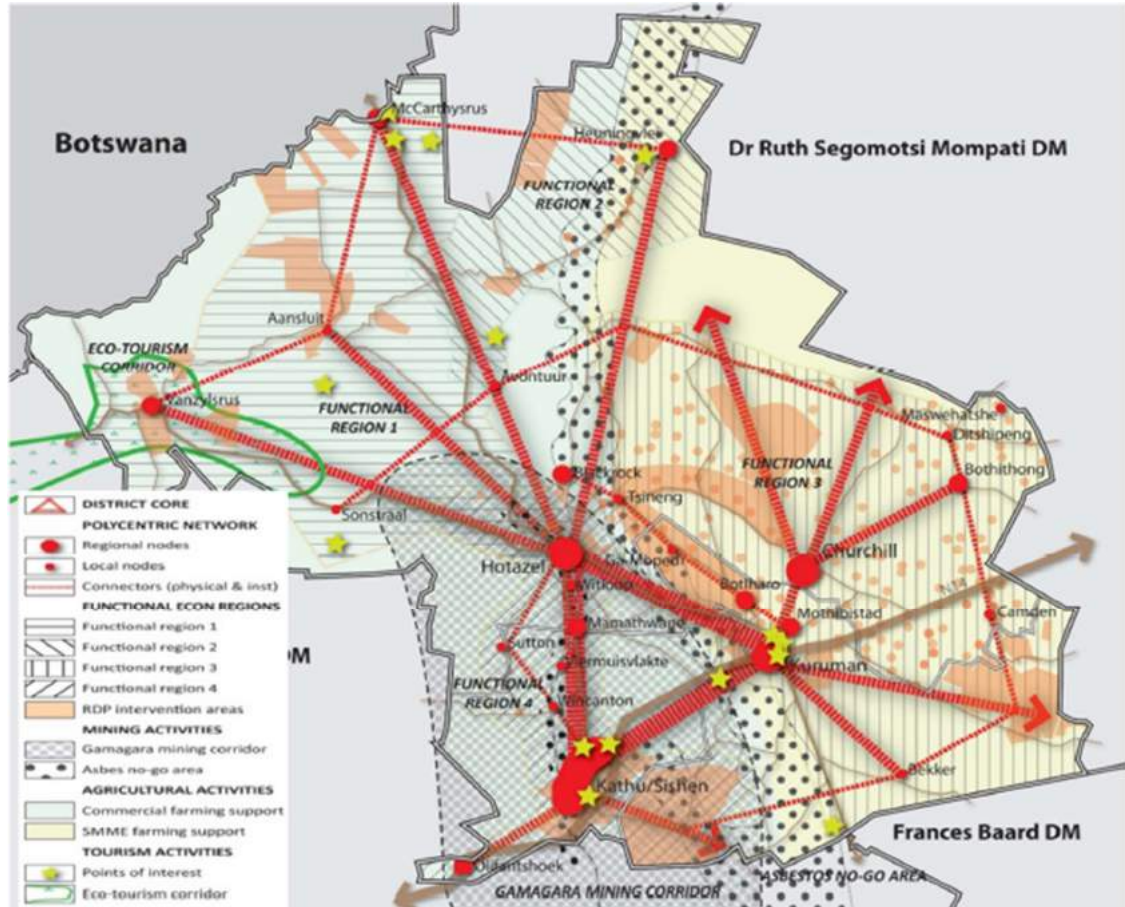


**Spatial structuring element 6:** *Tourism activities– Points of interest and Eco-tourism Corridor*



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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 2019/20 instead.

T 3.10.7

### 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

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- 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*

### **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.

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## 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.

## 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 intended 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. Unfortunately due to the COVID-19 lockdown regulations the JTGDMD deemed it necessary to postpone all public events until a directive is given to resume with such events.

## 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.

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### **5. 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*

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## 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 2014/15-2019/20 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*

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### 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*

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### 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	<b>768</b>
<b>Break Down</b>	
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*

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#### 3.20 POLICE

##### INTRODUCTION TO POLICE

Security and Safety is not a District Municipality function.

*T 3.20.1*

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#### 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.

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## 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
- Contingency Plans for the Easter weekend

## 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

10 Disaster Management Volunteers received training in First Aid Level 1.

## 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.
- 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

## Chapter 3

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 20<sup>th</sup> 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

## Chapter 3

### 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; community 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 services policies, 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 2019/20 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 2019/20 Financial Year.

*T 3.24.7*

# Chapter 3

## 3.25 FINANCIAL SERVICES

### INTRODUCTION FINANCIAL SERVICES

Please refer to the **Unaudited Annual Financial Statements 2019-2020** 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, employee benefits 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 conducted 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 (including interns) and councilors.

*T 3.26.7*

## 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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.

# Chapter 3

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*

## 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 2019/20 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.

The Municipality continued to build on the progress that was made with Risk Management during 2019/20. The continued implementation of the Risk Management model adopted during 2019/20 assisted greatly in identifying and treating risk related to the performance and operations of the Municipality. It has also proven to be very effective in promoting the general performance of the Municipality.

The Municipal Council adopted a Risk Management Framework that formed the basis of developing and/or implementing the following:

- Risk Management Policy, which is a comprehensive policy that outlines the risk management methodology to be used for the identification and assessment of risk;
- Fraud and Corruption Management and Promotion of Ethics and Professionalism Policy and Plan. This is a new policy that comes into effect on 1 July 2020. It replaces the Ethics Management and Fraud Policies and is ultimately aimed at deterring dishonest behaviour and outlines the processes of dealing with it, if it occurs;
- Risk Register for 2019/20, with quarterly progress reviews and reporting during the year;
- Risk Management Strategy and Implementation Plan that guides risk management activities and reporting during the year. Progress was also monitored and reported on during the year on a quarterly basis;

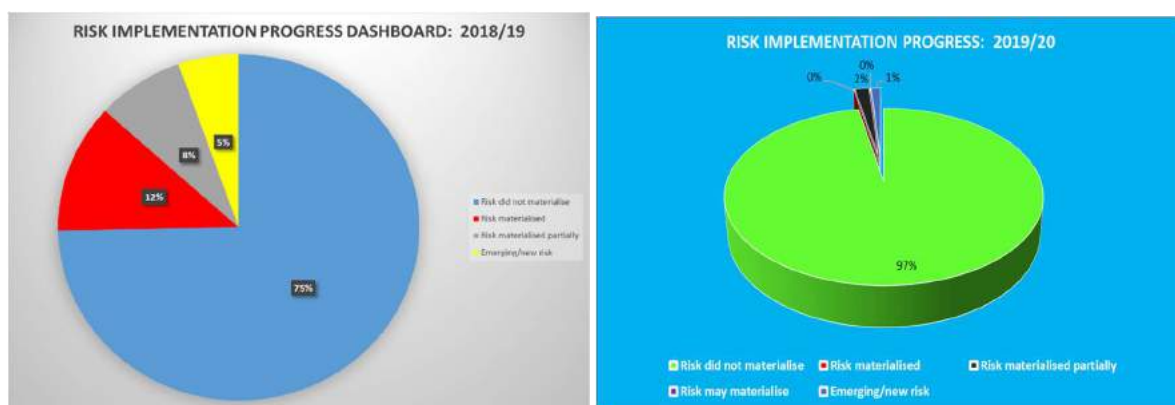
## Chapter 3

- Risk Committee Charter, which guides the activities of the internal Risk Committee and includes key performance indicators in terms of which the Committee assessed its own performance for 2019/20:
- Risk based auditing and the development of internal audit plans;
- Risk assessment and Risk Register for the 2020/21 Financial Year; and
- Risk Management Strategy and Implementation Plan for 2020/21.

Risk Management Champions were identified for each business unit in the Municipality. Quarterly updates of the risk register and report were based on the monthly reports and quarterly meetings with Risk Champions. In addition to this, Risk Champions also reported on the occurrence of risk incidents during each quarter. This was included in the library of risk incidents that has commenced in 2019/20.

All the documentation was reviewed by the internal Risk Committee, before submission to the Audit and Performance Committee of Council. The combination of reporting and participation of Risk Champions, reporting to the internal Risk Committee and its review of documentation, as well as the review of the Audit and Performance Committee all contributed to the increased awareness of risk and the combined responsibility to manage it.

The quarterly risk reporting included a dashboard that enabled Management to view its risk implementation progress at a glance. The risk that did not materialize for 2019/20 was 75%, which in itself was a significant achievement. The reason being, that it was for the first time that the Municipality was able to evaluate the success of its risk management. 12% of identified risk materialized and 8% partially materialized during for 2019/20. Risk that did not materialize for 2019/20 totaled 97% and only 2% that materialized partially. The dashboards below graphically illustrate the risk management implementation progress for 2019/20 and 2019/20, respectively:



The internal Risk Management Committee (RMC) consists of Senior Management. All members signed the Risk Committee Charter and performed their duties in terms of the Charter. Key performance indicators were developed for the Risk Management Committee and included in the Charter. The

## Chapter 3

Committee was able to assess its performance for 2019/20, in terms of these indicators. This is also significant and is a first for the Municipality. The assessment is as follows:

RMC KPI	OUTPUTS	FREQUENCY	ASSESSMENT
Draft Strategic Risk Register Reviewed by 10 June.	Reviewed strategic risk register	Annually	The RMC reviewed the combined register and recommended it for submission to the Audit and Performance Committee (APC).
Draft Operational Risk Register Reviewed by 10 June.	Reviewed operational risk register	Annually	
3 Quarterly risk register updates (risk reports) reviewed by 30 April.	Reviewed quarterly risk progress reports	Quarterly	All the risk register updates and reports were reviewed prior to submission to the APC.
Draft Reviewed Risk and Fraud Risk Management Policies annually reviewed by 31 March	Reviewed Risk and Fraud Risk Management Policies	Annually	The draft reviewed Risk Management Policy, as well as the draft Fraud and Corruption Management and Promotion of Ethics and Professionalism Policy and Plan were reviewed by the RMC, prior to submission to the APC and Council.
RMC Charter reviewed by 31 May.	Reviewed RMC Charter	Triennially	The Charter is only reviewed every 3 years. The first review is planned for 2021/22.
RMC Key Performance Indicators Developed	RMC Key Performance Indicators	Triennially	Key performance indicators were developed and included in the Charter. The first review is planned for 2021/22.
RMC self-assessment annually performed	Annual self-assessment report	Annually	Completed for 2019/20

## Chapter 3

Risk Management Strategy/Implementation Plan annually reviewed by 31 May.	Reviewed Risk Management Strategy/Implementation Plan annually reviewed	Annually	The RMC reviewed the Risk Management Strategy/Implementation Plan for 2020/21, prior to submission to the APC.
Risk Management Strategy/Implementation Plan progress reports reviewed	Reviewed Risk Management Strategy/Implementation Plan progress reports reviewed	Quarterly	The RMC reviewed the quarterly Risk Management Strategy/Implementation Plan progress reports, prior to submission to the APC.
Risk incident register reviewed.	Reviewed Risk Incident Register	Quarterly	The RMC reviewed the Risk Incident Register on a quarterly basis
4 quarterly RMC meetings held	Minutes of RMC meetings	Quarterly	The RMC meetings took place on a quarterly basis
Annual Report risk management comment reviewed by 15 August	Reviewed Annual Report risk management comment	Annually	Completed for 2019/20

The Municipality is continuously working to improve on risk management and is approaching it with the view that there is always room for improvement.

*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.

## Chapter 3

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 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 1<sup>st</sup> 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	0	0.00
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
<b>Total</b>	<b>32</b>	<b>12</b>	<b>37.50</b>
<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	28	8	%
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 positions were filled as per Council's recruitment and selection policy.

T 4.1.4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

A functional Local Labour Forum (LLF) was assisting in a stable working environment. Relevant issues were discussed and resolved at LLF level and submitted to Council for approval. Despite the functional LLF some issues in the workplace still need attention and it is envisaged in coming financial year Management will try to resolve these issues in LLF.

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.	Fund & Reserve Policy	100	100	6.4.29/05/2018
4.	Accounting Policy	100	100	6.4.29/05/2018
5.	Telephone Policy	100	100	6.4.29/05/2019
6.	Remuneration Policy	100	100	6.4.29/05/2019
7.	Housing Allowance Policy	100	100	6.4.29/05/2019
8.	Rental of Council Facilities Policy	100	100	6.4.29/05/2018
9.	Catering Policy	100	100	6.4.29/05/2018
10.	Attendance & Punctuality	100	100	6.4.29/05/2019
11.	Telephone Policy	100	100	6.4.29/05/2019
12.	Credit Control 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	6.4.29/05/2019
17.	Compassion & Bereavement Policy	100	100	6.4.29/05/2019
18.	Internship & Experiential Policy	100	100	6.4.29/05/2019
19.	Fleet Management Policy	100	100	6.4.29/05/2019
20.	Job Evaluation Policy	100	100	6.4.29/05/2019
21.	Municipal Corporate Governance of Information & Communication Technology Policy	100	100	6.4.29/05/2019
22.	Policy Development Framework	100	100	6.4.29/05/2019
23.	Records Management Policy	100	100	6.4.29/05/2019
24.	Records Manual Policy	100	100	6.4.29/05/2019
25.	Recruitment & Selection Policy	100	100	6.4.29/05/2019
26.	Sexual Harassment Policy	100	100	6.4.29/05/2019
27.	Staff Retention Policy	100	100	6.4.29/05/2019
28.	Risk Management Policy	100	100	6.4.29/05/2019
29.	Transfer Policy	100	100	6.4.29/05/2019
30.	Training & Development Policy	100	100	6.4.29/05/2019
31.	Vehicle Allowance Policy	100	100	6.4.29/05/2019
32.	Individual Performance Management Policy	100	100	6.4.29/05/2019
33.	Code of Conduct for Employees	100	100	6.4.29/05/2019

## Chapter 4

34.	Delegations, Authorisation & Responsibility	100	100	6.4.29/05/2019
35.	Leave Management	100	100	6.4.29/05/2019
36.	Acting & Secondment Policy Reviewed	100	100	6.4.29/05/2019
37.	Individual Performance Management Framework	100	100	6.4.29/05/2019
38.	Study Assistance Policy	100	100	6.4.29/05/2019
39.	Bursary Policy (non-employees)	100	100	6.4.29/05/2019
40.	Placement Policy	100	100	6.4.29/05/2019
41.	Employment Equity Plan	100	100	6.4.29/05/2019
42.	HRM Strategy	100	100	6.4.29/05/2019
43.	Assets Management Policy	100	100	6.4.29/05/2018
44.	Budget Policy	100	100	6.4.29/05/2018
45.	Travel & Subsistence Policy	100	100	6.4.29/05/2018
46.	Tariff Policy	100	100	6.4.29/05/2018
47.	Credit Control & Debt Collection Policy	100	100	6.4.29/05/2018
48.	Impairment Policy	100	100	6.4.29/05/2018
49.	Supply Chain Management Policy	100	100	6.4.29/05/2018
50.	Petty Cash Policy	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	124	n/a
<b>Sick leave</b>		
With sick note	143	n/a
Without sick note	8	n/a
Additional paid sick leave	Nil	n/a
<b>Special leave</b>		
Study	32	n/a
Family responsibility	28	n/a
Court appearance	Nil	n/a
Maternity leave	Nil	n/a
Sports / cultural activities	Nil	n/a
Performance	Nil	n/a
Special	6	n/a
Council resolutions/ Overtime	7	n/a
Unpaid	Nil	
Long Service	3	n/a

## Chapter 4

### Quarter 2 Report:-

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	219	n/a
<b>Sick leave</b>		
With sick note	174	n/a
Without sick note	6	n/a
Additional paid sick leave	Nil	n/a
<b>Special leave</b>		
<i>Study</i>	35	n/a
<i>Family responsibility</i>	13	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>	16	n/a
Union	Nil	n/a
Council resolutions	13	n/a
Unpaid	Nil	n/a
Long Service	Nil	n/a

### Quarter 3 Report:-

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	491	n/a
<b>Sick leave</b>		
With sick note	207	n/a
Without sick note	7	n/a
Additional paid sick leave	Nil	n/a
<b>Special leave</b>		
<i>Study</i>	20	n/a
<i>Family responsibility</i>	12	n/a
<i>Court appearance</i>	Nil	n/a
<i>Maternity leave</i>	50	n/a
<i>Sports / cultural activities</i>	Nil	n/a
<i>Performance</i>	Nil	n/a
<i>Special</i>	3	n/a
Council resolutions/ Overtime	19	n/a
Unpaid	Nil	n/a
Long Service	14	n/a
Union	Nil	n/a

Since the enforcement of nation-wide lockdown with effect from 26<sup>th</sup> March 2020 enacted in terms of the Disaster Management Act, all employees with exception of essential workers, had to stay home. All employees in South Africa as a condition of their employment are entitled to leave provisions as set out in the Basic Conditions of Employment Act.

# Chapter 4

## Quarter 4 Report:-

TYPE OF LEAVE	NUMBER OF DAYS TAKEN	COMMENTS
Annual	Nil	n/a
<b>Sick leave</b>		
With sick note	Nil	n/a
Without sick note	Nil	n/a
Additional paid sick leave	Nil	n/a
<b>Special leave</b>		
Study	Nil	n/a
Family responsibility	Nil	n/a
Court appearance	Nil	n/a
Maternity leave	Nil	n/a
Sports / cultural activities	Nil	n/a
Performance	Nil	n/a
Special	Nil	n/a
Council resolutions/ Overtime	Nil	n/a
Unpaid	Nil	
Long Service	Nil	n/a

Due to Covid-19, leaves were not transacted.

## 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 JTGD 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

Implementation of Performance rewards are in line with the Individual Performance Management (IPMS) policy.

## Chapter 4

### COMMENT ON PERFORMANCE REWARDS:

No performance rewards issued during the year.

*T 4.4.1.1*

### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

#### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Skills and developed of staff and councillors was done in line with the Work Skills Plan and Training & Development Policy.

*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		
		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	Target
MM and s57	Female	2	0	0	1	1	1	2	1	1	3	2	2
	Male	4	0	0	1	0	0	0	0	0	1	0	0
Councillors and middle managers	Female	15	0	0	4	4	4	2	0	0	6	4	4
	Male	9	0	0	1	1	1	0	0	0	1	1	1
Technicians and associate professionals*	Female	6	0	0	1	3	3	0	1	1	1	4	4
	Male	15	0	0	1	10	12	0	0	0	1	10	12
Professionals	Female	20	0	0	2	3	15	2	6	6	4	9	21
	Male	8	0	0	1	2	2	1	3	3	2	5	5
Sub total	Female	33	0	0	8	11	23	6	8	8	14	19	31
	Male	36	0	0	4	13	15	1	3	3	5	16	18
Total		69	0	0	11	24	38	7	11	11	19	35	49

# Chapter 4

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2	0	0	1	1	1	1	2	2
	Male	4	0	0	0	0	0	0	0	0
Legislators, and middle managers	Female	15	0	0	4	4	0	0	4	4
	Male	9	0	0	1	1	0	0	4	4
Professionals	Female	20	0	0	15	3	0	6	15	9
	Male	8	0	0	2	2	0	3	2	5
Technicians and associate professionals	Female	6	0	0	3	3	0	1	3	4
	Male	15	0	0	12	10	0	0	12	10
Clerks	Female	30	0	0	11	5	0	0	11	5
	Male	9	0	0	2	3	0	1	2	4
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	4	0	0	4	0	0	0	4	0
	Male	4	0	0	4	0	0	0	4	0
Elementary occupations	Female	5	0	0	10	0	0	0	10	0
	Male	11	0	0	5	1	0	0	5	1
Sub total	Female	73	0	0	49	16	1	8	49	24
	Male	60	0	0	26	17	0	4	29	24
Total		125	0	0	50	9	31	26	186	35
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									1%*	*R545 808.00
T4.5.3										

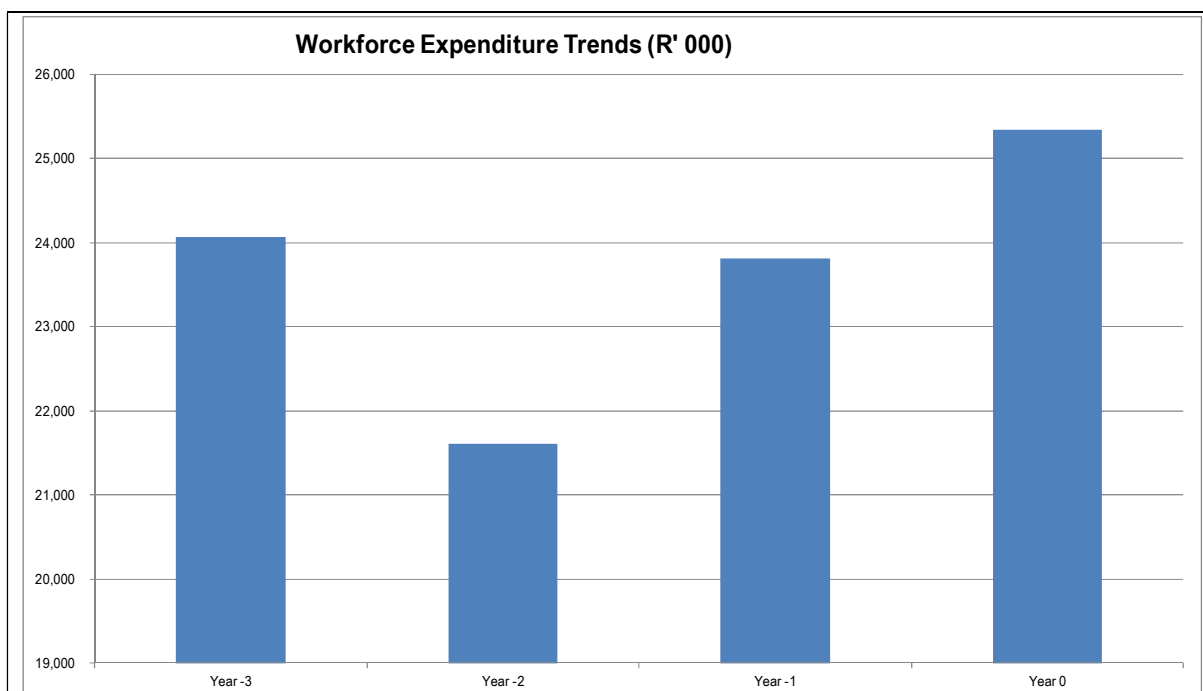
# Chapter 4

## 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 10-13)	Female	0
	Male	0
Skilled (Levels 7-9)	Female	1
	Male	1
Highly skilled production (Levels 6-8)	Female	11
	Male	1
Highly skilled supervision (Levels 4-6)	Female	0
	Male	0
Middle management (Levels 3)	Female	0
	Male	0

## Chapter 4

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
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>		

T 4.6.2

### 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 2019/20 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. 2019/20 financial year, with the findings outlined as per the narratives on the table below:

# Chapter 5

Period:	30 June 2019		
Schedule:	Going Concern assessment		
<b>Key financial ratios</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>Commentary</b>
<b>Current Ratio</b>	<b>2.21</b>	<b>1.25</b>	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	
<b>Acid test ratio</b>	<b>1.41</b>	<b>1.25</b>	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	-	
	15 032 654.00	7 461 000.00	
/ Current liabilities	10 689 273.00	5 982 000.00	
<b>Debt ratio</b>	<b>6.608144527</b>	<b>3.109327984</b>	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.
Total Assets	108 835 691.00	18 600 000.00	
Total Current Assets	23 572 417.00	7 461 000.00	
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	-	
<b>Net revenue to net expenditure</b>	<b>1.086973168</b>	<b>1.019122257</b>	Municipality is generating more revenue than it spends even though the difference is narrow. This is an indication of tough economic environment.
<b>Revenue</b>	<b>102 994 086.00</b>	<b>104 032 000.00</b>	
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	
<b>Expenditure</b>	<b>94 753 108.00</b>	<b>102 080 000.00</b>	
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.
<b>Other issues</b>			
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
<b>Conclusion</b>			
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 2020 is reported in the unaudited Annual Financial Statements in Vol II.

#### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	2019/20											2018/19			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates			-			-			-	0	-				-
Service charges										0	-				
Investment revenue	705	408	1 113			1 113	2 511		1 398	226%	356%				1 881
Transfers recognised - operational	98 657	2 594	101 251			101 251	100 941		(310)	100%	102%				97 866
Other own revenue	4 670	(815)	3 855			3 855	2 444		(1 411)	63%	52%				3 256
Total Revenue (excluding capital transfers and contributions)	104 032	2 187	106 219	-	-	106 219	105 896	-				-	-	-	103 003
Employee costs	64 185	(1 017)	63 168			63 168	64 431		(323)	100%	102%				56 854
Remuneration of councillors	4 388	(96)	5 207			5 207	5 150		(57)	99%	117%				4 944
Debt impairment		(90)	139 489			139	109		(30)	0%	0%				949
Depreciation & asset impairment	3 575	(86)	3 489			3 489	4 079		590	117%	114%				3 343
Finance charges	-	51	51			51	658		608	0%	0%				744
Materials and bulk purchases	1 605					-	-		-	0%	0%				
Transfers and grants	319	208	208			208	208		1%	65%					199
Other expenditure	28 008	3 432	32 219			32 219	31 853		(367)	99%	114%				29 083
Total Expenditure	102 081	2 401	104 482	-	-	104 482	106 489	-	2 007	0	0	-	-	-	95 917
Surplus/(Deficit)	1 951	(214)	1 737	-	-	1 737	(594)	-	(2 331)	-34%	-30%	-	-	-	7 086
Transfers recognised - capital	-	-	-			-	-		-	0%	0%				-
Contributions recognised - capital & contributed assets	-	-	-			-	-		-	0%	0%				-
Surplus/(Deficit) after capital transfers & contributions									-	0%	0%				
Share of surplus/ (deficit) of associate	-	-	-			-	-		-	0%	0%				-
Surplus/(Deficit) for the year	1 951	(214)	1 737	-	-		(594)	-	(2 331)	-34%	-30%	-	-	-	7 086
Capital expenditure & funds sources															
Capital expenditure	1 951	(214)	1 737			1 737	967		(770)	0%	0%				
Transfers recognised - capital	330	-	-			-	-		-	0%	0%				
Public contributions & donations	-	-	-			-	-		-	0%	0%				
Borrowing	-	-	-			-	-		-	0%	0%				
Internally generated funds	1 621	(214)	1 737			1 737	967		(770)	56%	60%				
Total sources of capital funds	1 951	(214)	1 737	-	-	1 737	967	-	(770)	56%	50%	-	-	-	-
Cash flows															
Net cash from (used) operating	2 859	(816)	5 356			5 356	8 075		2 719	151%	282%				5 486
Net cash from (used) investing	(1 951)	(214)	1 737			1 737	(967)		(2 704)	-56%	50%				(2 777)
Net cash from (used) financing	-	776	776			776	(731)		(1 507)	-94%	0%				(439)
Cash/cash equivalents at the year end	908	(253)	7 870	-	-	7 870	6 377	-	(1 493)	81%	702%	-	-	-	2 270

## Chapter 5

SYNOPSIS FINANCIAL PERFORMANCE	FINANCIAL YEAR		% (Increase)/decrease
	2020	2019	
Total Revenue	105 895 685,00	103 002 500,00	-2,81%
Grants	100 941 282,00	97 865 731,00	-3,14%
Grants as a % of revenue	95,32%	95,01%	
Total Expenditure	106 489 207,00	95 915 568,00	-11,02%
Employee Related Costs	64 430 702,00	56 654 287,00	-13,73%
Councillors Remuneration	5 150 388,00	4 944 453,00	-4,16%
Generals Expenses	31 852 732,00	29 082 538,00	-9,53%
%Employee Costs	65,34%	64,22%	
Expenses	29,91%	30,32%	
Surplus Deficit	-1 081 841	6 740 330	-44,39%

### **Revenue Management**

As per the analysis above, the municipal revenue increased by 2.81% 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 is 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 65% (2019: 64%) during the financial year 2019/20.

The second highest cost driver is the operational costs/general expenses at 30% (2019: 30%). Cost containment measures continued to be implemented during the year under review.

### **Surplus/Deficit**

The deficit is mainly attributable to the over-expenditures on the non-cash items i.e. provision for leave, depreciation and finance costs.

## Chapter 5

Grant Performance						
Description	R' 000					
	2018/19	2019/20		2019/20		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>92 436</b>	<b>96 111</b>	<b>99 111</b>	<b>99 111</b>	<b>667%</b>	<b>100%</b>
Equitable share	85 253	89 657	89 657	89 657	100%	0%
Finance Management Grant	1 000	1 465	1 465	1 465	100%	0%
Infrastructure Skills Development Grant	3 200	1 800	4 800	4 800	267%	100%
Rural Road Asset Management Grant	1 983	2 101	2 101	2 101	100%	0%
Extended Public Works Programme Grant	1 000	1 088	1 088	1 088	100%	0%
<b>Provincial Government:</b>	<b>5 430</b>	<b>946</b>	<b>2 021</b>	<b>1 711</b>	<b>229%</b>	<b>164%</b>
HIV and AIDS Council	248	–	875	564	0%	64%
Housing	700	700	900	900	129%	100%
Sports and Recreation	–	–	–	–	0%	0%
NEAR Grant	431	246	246	247	100%	0%
Khotso Pula Nala Grant	3 970	–	–	–	0%	0%
FIRE Grant	81	–	–	–	0%	0%
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		
<i>[insert description]</i>						
<b>Other grant providers:</b>	<b>–</b>	<b>–</b>	<b>119</b>	<b>119</b>	<b>0%</b>	<b>100%</b>
<i>Municipal disaster Grant</i>	<i>–</i>	<i>–</i>	<i>119</i>	<i>119</i>	<i>0%</i>	<i>0%</i>
<b>Total Operating Transfers and Grants</b>	<b>97 866</b>	<b>97 057</b>	<b>101 251</b>	<b>100 941</b>	<b>104%</b>	<b>100%</b>
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 100% of its budgeted grants revenue for the 2019/20 financial year. This constitutes 95% (2019: 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 municipality acquired a total of R 966 856 assets. The largest assets procured during the year under review, were the intangible asset and computer equipment.

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.

## Chapter 5

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 2019/20				
Asset 1				
Name	Software License			
Description	License for Kerio Connsect			
Asset Type	Intangible asset			
Key Staff Involved	A Thupae			
Staff Responsibilities	Key Performance area			
Asset Value	136 000,00			
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	IT and Asset Management Policies			
Asset 2				
Name	Printer			
Description	Printer			
Asset Type	Computer Equipment			
Key Staff Involved	T Mulaudzi			
Staff Responsibilities	Key Performance area			
Asset Value	116 441,30			
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	IT and Asset Management Policies			
Asset 3				
Name	Projectors			
Description	HP projectors			
Asset Type	Computer Equipment			
Key Staff Involved	B Lethoanye			
Staff Responsibilities	Key Performance area			
Asset Value	93 880,00			
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	IT and Asset Management Policies			
				T 5.3.2

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.

## Chapter 5

The municipality recorded a 9.1% increase in the values of the municipal investment properties, as per the valuation done by an Independent Valuer.

A decrease of 35.2% 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 changes in fair value and sale of game.

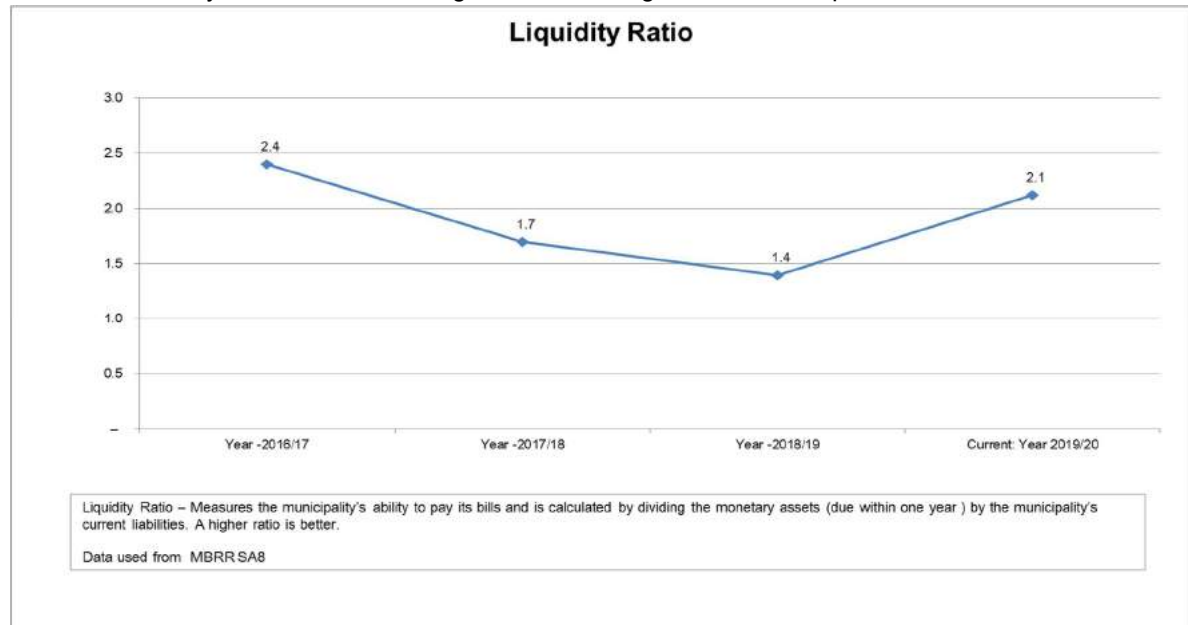
### COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

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 2019/20				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	379	564	1 931	509%
T 5.3.4				

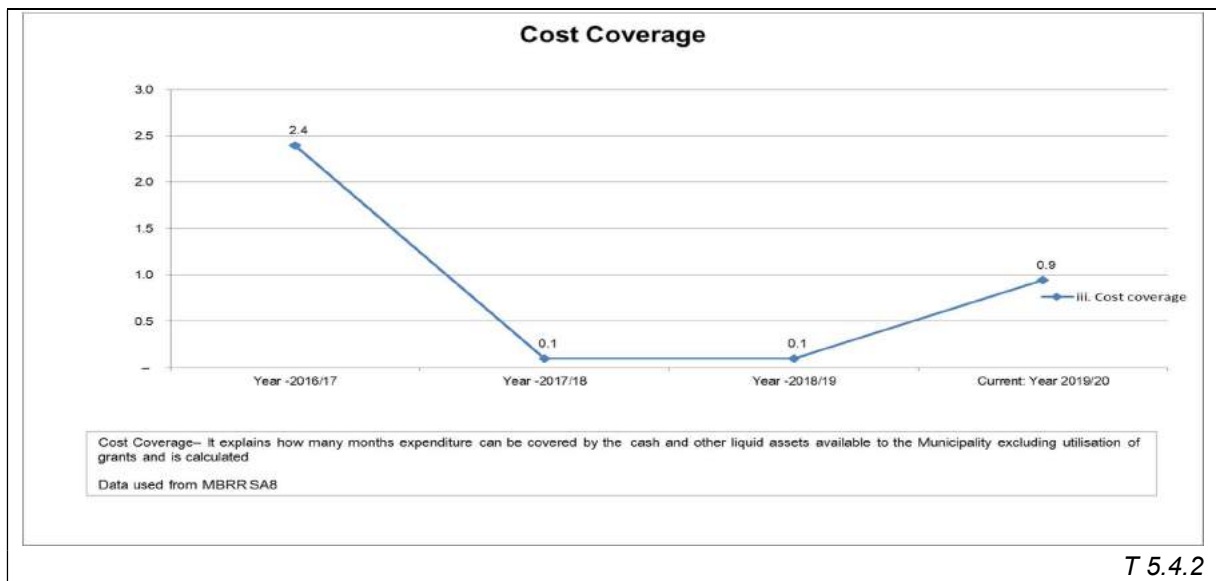
### 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

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



T 5.4.1

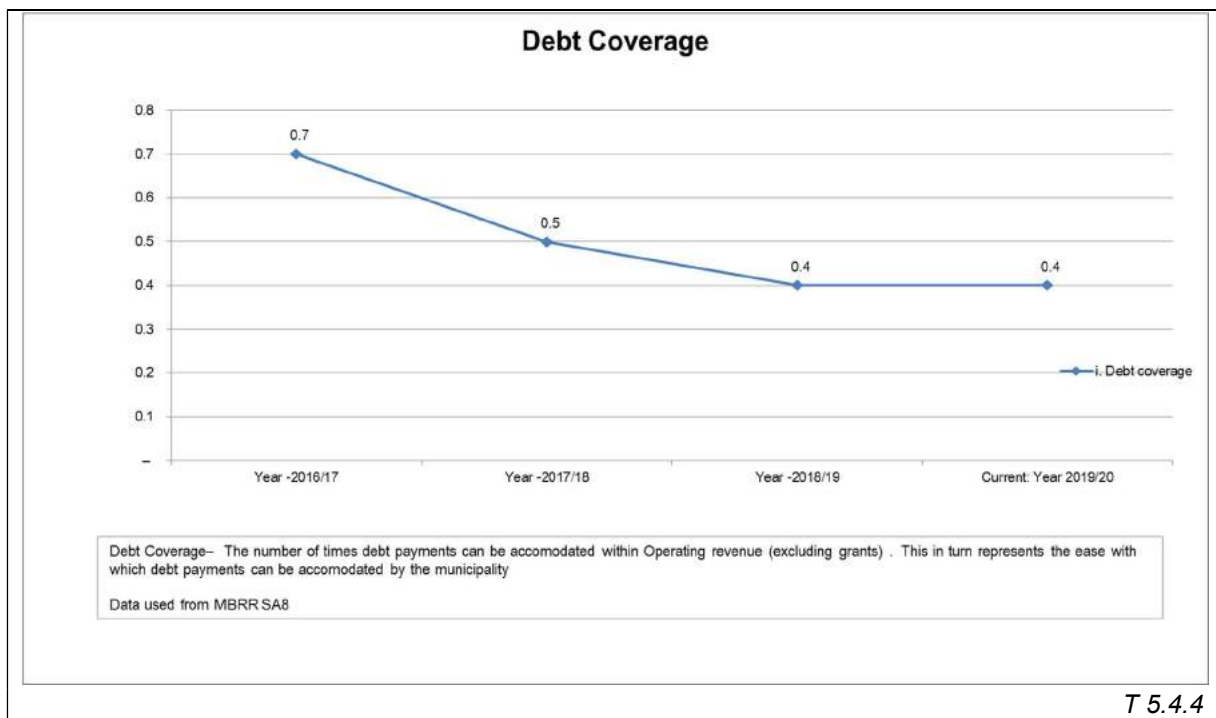
## Chapter 5



T 5.4.2

The Municipality did not have any service debtors in 2019/20 or the prior years.

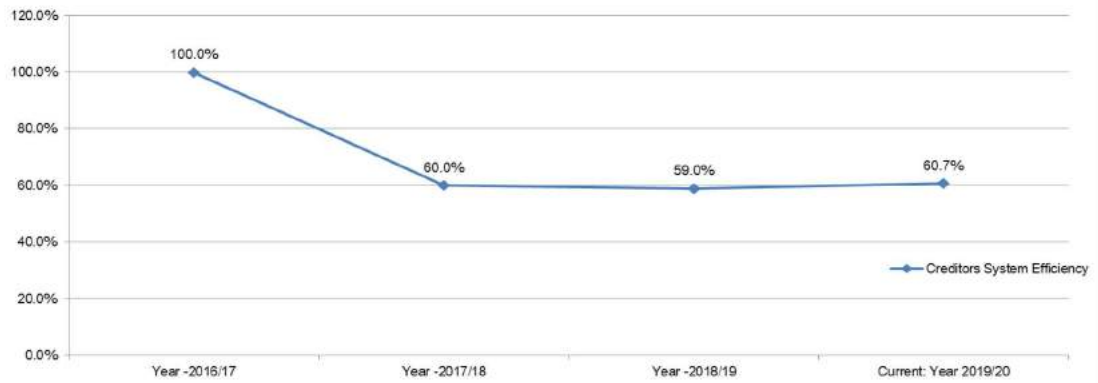
T 5.4.3



T 5.4.4

## Chapter 5

### Creditors System Efficiency

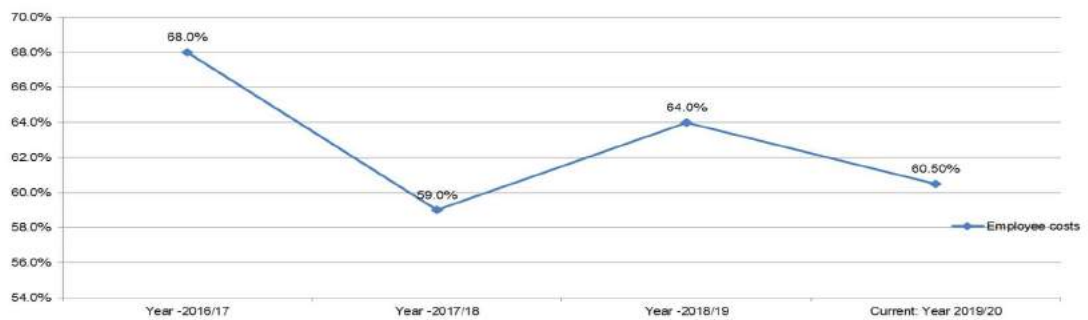


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

### Employee Costs

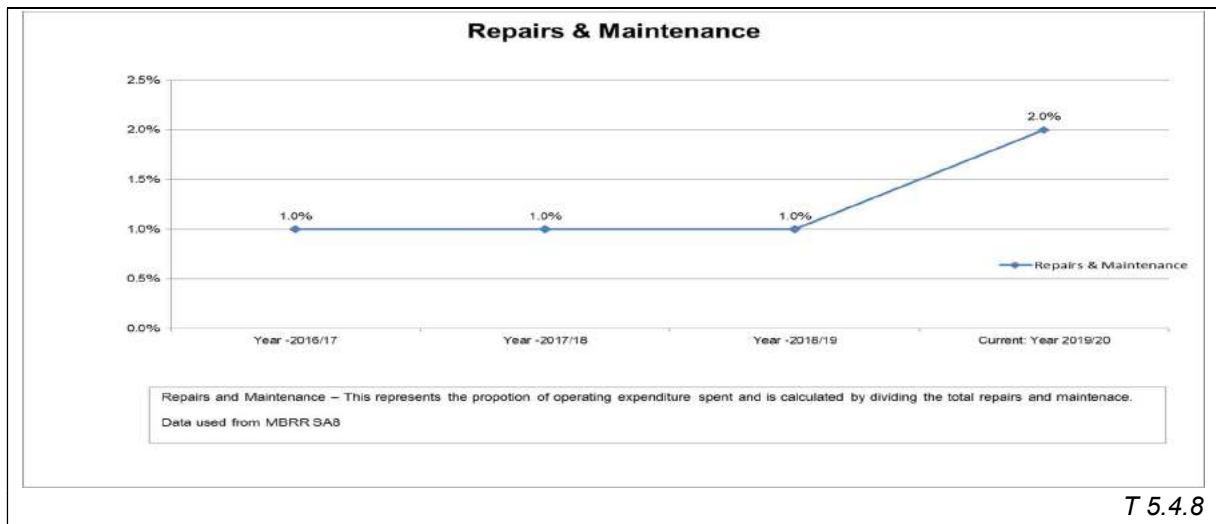


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

## 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 2019/20 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 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.

## Chapter 5

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

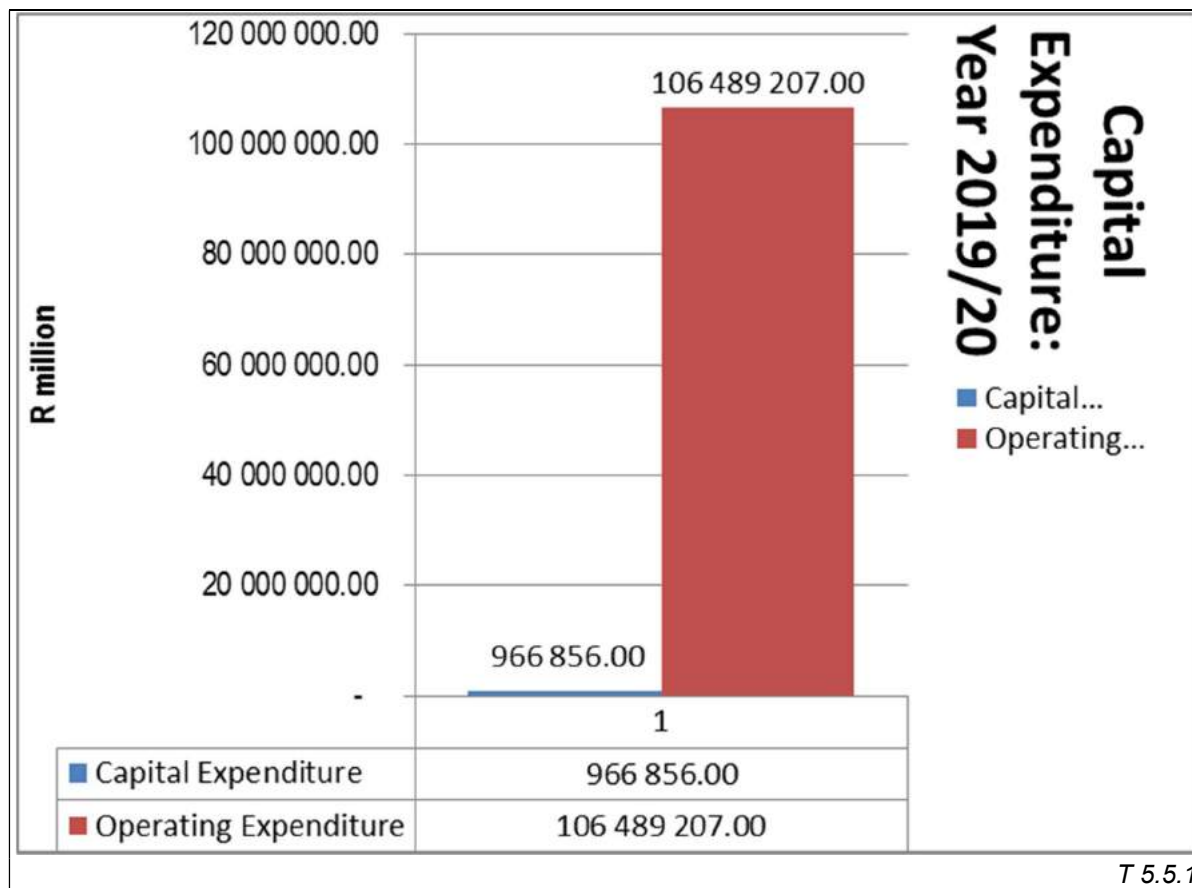
#### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

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 that 99% of the total budgeted expenditure is on operations. This is 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.

# Chapter 5

## 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year - 2018/19 to Year 2019/20						
R' 000						
Details	Year -2018/19	Year 2019/20				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>						
External loans						
Public contributions and donations						
Grants and subsidies						
Other	3 123 268,00	1 951 000,00	1 737 000,00	966 859,00	89,0%	49,6%
<b>Total</b>	<b>3123268</b>	<b>1951000</b>	<b>1737000</b>	<b>966859</b>	<b>89,03%</b>	<b>49,56%</b>
<b>Percentage of finance</b>						
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	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Capital expenditure</b>						
Water and sanitation						
Electricity						
Housing						
Roads and storm water						
Other	3 123 268,00	1 951 000,00	1 737 000,00	966 859,00	89,0%	49,6%
<b>Total</b>	<b>3123268</b>	<b>1951000</b>	<b>1737000</b>	<b>966859</b>	<b>89,03%</b>	<b>49,56%</b>
<b>Percentage of expenditure</b>						
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	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
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.

# Chapter 5

## A. CASHFLOW

<b>JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY</b> (DEMARCATIION CODE:DC45) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020			
<b>Statement of Cash Flow</b>			
Figures in Rand	Note(s)	2020	2019 Restated*
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services		5 358 431	3 142 749
Grants		100 877 000	97 542 000
Interest income		2 306 064	1 881 256
		<u>108 541 495</u>	<u>102 566 005</u>
<b>Payments</b>			
Employee costs		(68 842 063)	(61 598 740)
Suppliers		(31 376 658)	(35 133 602)
Finance costs		(247 816)	(347 281)
		<u>(100 466 537)</u>	<u>(97 079 623)</u>
<b>Net cash flows from operating activities</b>	34	<u><b>8 074 958</b></u>	<u><b>5 486 382</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	10	(647 359)	(268 724)
Purchase of other intangible assets	11	(319 500)	(2 508 579)
<b>Net cash flows from investing activities</b>		<u><b>(966 859)</b></u>	<u><b>(2 777 303)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of other financial liabilities		(502 324)	(277 535)
Finance lease payments		(228 730)	(161 846)
<b>Net cash flows from financing activities</b>		<u><b>(731 054)</b></u>	<u><b>(439 381)</b></u>
<b>Net increase in cash and cash equivalents</b>		<u><b>6 377 045</b></u>	<u><b>2 269 698</b></u>
Cash and cash equivalents at the beginning of the year		2 367 091	97 393
<b>Cash and cash equivalents at the end of the year</b>	3	<u><b>8 744 136</b></u>	<u><b>2 367 091</b></u>

As indicated above, on an extract of the unaudited 2019/20 Annual Financial Statements i.e. the Cash Flow Statement, the municipality recorded a 269% **increase** in terms of the **cash and cash equivalents** for the 2019/20 financial year.

Further to note are the following:

- a. there is an overall **9.4% increase** recorded for the **cash receipted** during the year under review
- b. of the receipted cash:
  - I. cash outflows from operating activities constituted 92.52% (2019: 94.65%)
  - II. net cash flows from Investing activities constituted 0.89% (2019: 2.71%)
  - III. net cash flows from financing activities constituted 0.67% (2019: 0.43%)

## Chapter 5

Cash Flow Outcomes				
R'000				
Description	Year - 2018/19	Current: Year 2019/20		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	3 143	3 926	283	5 358
Government - operating	97 542	96 505	104 540	100 877
Government - capital		–	–	–
Interest	1 881	705	871	2 306
Dividends				
<b>Payments</b>				
Suppliers and employees	(96 732)	(98 277)	(100 329)	(100 219)
Finance charges	(347)	–	(9)	(248)
Transfers and Grants		–	–	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>5 486</b>	<b>2 859</b>	<b>5 356</b>	<b>8 075</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	–	–	–	
Purchase of property, plant and equipment	(269)	–	–	(647)
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables	–	–		
Decrease (increase) in non-current investments		–	–	
purchase of other intangible assets	(2 509)	–	–	(320)
<b>Payments</b>				
Capital assets		(1 951)		
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(2 777)</b>	<b>(1 951)</b>	<b>–</b>	<b>(967)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	–			
Borrowing long term/refinancing	–	–		
Increase (decrease) in consumer deposits	–			
<b>Payments</b>				
Repayment of borrowing	(278)	–	776	(502)
Finance lease payments	(162)	–	–	(229)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(439)</b>	<b>–</b>	<b>776</b>	<b>(731)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>2 270</b>	<b>908</b>	<b>6 133</b>	<b>6 377</b>
Cash/cash equivalents at the year begin:	97	–	–	2 367
Cash/cash equivalents at the year end:	2 367	908	4 172	8 744
Source: MBRR A7				T 5.9.1

# 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 -2017/18 to Year 2019/20			
R' 000			
Instrument	Year -2017/18	Year -2018/19	Year 2019/20
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	1 286	1 206	703
Financial Leases	659	497	268

T 5.10.1

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 No	Municipality Investment Reference No	Start Date (ccyy/mm/dd)	Investment Type	Investment Group	Investment Institution (max 40 chars)	Type of Interest	Timing of Interest payment	% Interest Rate (2 dec) Per Annum	Interest This Quarter (Rand)	at Begin of Quarter (Rand)	Withdrawals This Quarter (Rand)	Top Up This Quarter (Rand)	at End of Quarter (Rand)
1	62821498989	2019-08-12	Deposits - Bank (03)	Banks (02)	FNB(SDG)	Variable (02)	Annually (01)	0,00	0	0	0	0	0
2	508871603-016'	2018-12-19	Deposits - Bank (03)	Banks (02)	STANDARD BANK(SDG)	Fixed (01)	Monthly (04)	0,00	16 795	2 242 786	-2 259 581	0	0
5	508871603-019'	2018-12-19	Deposits - Bank (03)	Banks (02)	STANDARD BANK(HOUSING ACCREDITATION)	Variable (02)	Monthly (04)	6,40	1 985	193 496	-195 481	0	0
6	508871603-020'	2018-12-19	Deposits - Bank (03)	Banks (02)	STANDARD BANK(HIV/AIDS)	Variable (02)	Monthly (04)	6,40	126	17 081	0	0	17 207
7	048463353-001	2019-07-10	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EOS)	Variable (02)	Monthly (04)	0,00	0	0	0	0	0
8	048463353-002	2019-07-10	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EOS)	Fixed (01)	Monthly (04)	0,00	0	0	0	0	0
9	048463353-003	2019-07-10	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EOS)	Fixed (01)	Monthly (04)	0,00	0	0	0	0	0
10	048463353-004	2019-07-10	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EOS)	Fixed (01)	Monthly (04)	0,00	0	0	0	0	0
11	048463353-005	2019-07-10	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EOS)	Fixed (01)	Monthly (04)	0,00	0	0	0	0	0
12	048463353-006	2019-07-10	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EOS)	Fixed (01)	Monthly (04)	0,00	0	0	0	0	0
13	048463353-007	2019-08-14	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EWP)	Variable (02)	Monthly (04)	6,40	1 059	116 760	-31 399	0	0
14	048463353-008	2019-08-14	Deposits - Bank (03)	Banks (02)	STANDARD BANK(RRAMS)	Variable (02)	Monthly (04)	6,40	5 106	542 520	-547 626	0	0
15	048463353-009	2019-12-09	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EOS)	Variable (02)	Monthly (04)	6,40	47 661	5 299 532	-5 347 193	0	0
16	048463353-010	2019-12-09	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EOS)	Fixed (01)	Monthly (04)	0,00	0	0	0	0	0
17	048463353-011	2019-12-09	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EOS)	Fixed (01)	Monthly (04)	0,00	0	0	0	0	0
18	048463353-012	2019-12-09	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EOS)	Fixed (01)	Monthly (04)	0,00	0	0	0	0	0
19	048463353-013	2019-12-11	Deposits - Bank (03)	Banks (02)	STANDARD BANK(FMG)	Fixed (01)	Monthly (04)	6,40	312	45 041	-45 353	0	0
20	048463353-014	2020-04-01	Deposits - Bank (03)	Banks (02)	STANDARD BANK(EOS)	Variable (02)	Monthly (04)	4,15	21 294	0	-3 021 294	3 000 000	0
21	048463353-015	2020-05-28	Deposits - Bank (03)	Banks (02)	STANDARD BANK(MDRG)	Variable (02)	Monthly (04)	4,15	496	0	-119 496	119 000	0
22	03/7881102918/0056	2020-03-20	Deposits - Bank (03)	Banks (02)	NEDBANK(EQS)	Fixed (01)	Monthly (04)	5,90	20 626	5 811 250	-5 831 876	0	0
23	03/7881102918/0057	2020-03-20	Deposits - Bank (03)	Banks (02)	NEDBANK(EQS)	Fixed (01)	Monthly (04)	6,05	49 030	5 811 536	-5 860 566	0	0
24	03/7881102918/0058	2020-03-20	Deposits - Bank (03)	Banks (02)	NEDBANK(EQS)	Fixed (01)	Quarterly (03)	6,15	82 090	5 811 727	-5 893 817	0	0
TOTAL								0,95235046	246 580	25 891 729	-29 153 682	3 119 000	17 207

## Chapter 5

### 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*

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### 5.11 PUBLIC PRIVATE PARTNERSHIPS

#### PUBLIC PRIVATE PARTNERSHIPS

The Municipality does not have any public private partnerships.

*T 5.11.1*

## COMPONENT D: OTHER FINANCIAL MATTERS

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### 5.12 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT

Officials in the Supply Chain Unit comply with the minimum competency requirements.

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 2019/20 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 2019/20

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

The Municipality received an unqualified audit opinion with emphasis of matters for the 2019/20 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 2019/20 CURRENT YEAR)

#### 6.2 AUDITOR GENERAL REPORT YEAR 2019/20

The municipality has received an unqualified without findings audit opinion.

# GLOSSARY

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	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.
<b>Activities</b>	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> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	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.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	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.
<b>Basic municipal service</b>	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.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	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.
<b>General performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	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.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> </ul>

# GLOSSARY

	<ul style="list-style-type: none"> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	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".
<b>Outputs</b>	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.
<b>Performance Indicator</b>	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)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	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.
<b>Performance Targets:</b>	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.
<b>Service Delivery Budget Implementation Plan</b>	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.
<b>Vote:</b>	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

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## 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 <sup>th</sup> 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

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendation during the Year 0	Recommendation adopted (enter Yes) If not adopted (provide explanation)
	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 2020.

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

No long term contracts were entered into during 2019/20.

There are no public private partnerships.

## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The Municipality has no municipal entities.

# APPENDICES

NO	SERVICE PROVIDER	TYPE OF SERVICE	EFFECTIVE DATE	COMPLETION DATE	PERFORMANCE RATING (Better, Acceptable, Marginal, or Unsatisfactory)	TIME MANAGEMENT (Satisfactory, Average, Poor)	CUSTOMER RELATIONS (Satisfactory, Average, Poor)	COMMENTS
<b>BASIC SERVICES DEPARTMENT</b>								
1	Reneilwe Consulting & Projects	Professional Services for RRAMS & ISDG	2018/10/15	2020/06/14	Acceptable	Satisfactory	Satisfactory	
<b>COMMUNITY DEVELOPMENT SERVICES: CONTRACTS</b>								
2	Multichoice	DSTV	2014/03/14	Can be terminated any time if not needed	Acceptable	Satisfactory	Satisfactory	
<b>BUDGET &amp; TREASURY: CONTRACTS</b>								
3	DDP (Pty) Ltd	Valuation of municipal properties for the period of 24 months – DDP Ltd	2017/08/08	2019/08/07	Acceptable	Satisfactory	Satisfactory	
4	Arch Actuaries Consulting	Actuaries for a period of 24 months	2017/08/08	2019/08/07	Acceptable	Satisfactory	Satisfactory	
5	CCG Systems (Pty) Ltd	The appointment of consultants for assistance with the preparation of annual financial statement, quality and GRAP	01/07/2019	30/06/2022	Acceptable	Satisfactory	Satisfactory	

# APPENDICES

NO	SERVICE PROVIDER	TYPE OF SERVICE	EFFECTIVE DATE	COMPLETION DATE	PERFORMANCE RATING (Better, Acceptable, Marginal, or Unsatisfactory)	TIME MANAGEMENT (Satisfactory, Average, Poor)	CUSTOMER RELATIONS (Satisfactory, Average, Poor)	COMMENTS
		compliance review of the annual financial statement 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 required rate basis						
6	Standard Bank	verification and valuation of municipal owned biological assets (game species) at thwane game farm, Van Zylsrus for a period of 36 months	2019/08/01	2022/07/31	Acceptable	Satisfactory	Satisfactory	
7	DBSA	Loan for office Building	2007/05/01	2022/04/30	Acceptable	Satisfactory	Satisfactory	
8	Lateral Unison Insurance Brokers Ltd	Provision of Insurance Services of Properties and Liabilities	2016/10/19	2019/10/19	Acceptable	Satisfactory	Satisfactory	

# APPENDICES

NO	SERVICE PROVIDER	TYPE OF SERVICE	EFFECTIVE DATE	COMPLETION DATE	PERFORMANCE RATING (Better, Acceptable, Marginal, or Unsatisfactory)	TIME MANAGEMENT (Satisfactory, Average, Poor)	CUSTOMER RELATIONS (Satisfactory, Average, Poor)	COMMENTS
9	CCG Systems	Provision of ERP Financial Systems that is mSCOA Compliant	01/02/2019	31/01/2022	Acceptable	Satisfactory	Satisfactory	
10	MaxProf (Pty) Ltd	Professional Services for Vat recovery	04/05/2018	03/04/2021	Acceptable	Satisfactory	Satisfactory	
11	JBFE Consulting Ltd	verification and valuation of municipal owned biological assets (game species) at thwane game farm, Van Zylsrus for a period of 36 months	2019/08/01	2022/07/31	Acceptable	Satisfactory	Satisfactory	
<b>OFFICE OF THE MM &amp; CORPORATR SERVICES: CONTRACTS</b>								
13	Koikanyang Incorporated	Attorneys	2017/11/01	30-Oct-19	Acceptable	Satisfactory	Satisfactory	
14	Sifumba Attorneys	Attorneys	2017/11/01	30-Oct-19	Acceptable	Satisfactory	Satisfactory	
15	Koikanyang Incorporated	Attorneys	2020/10/02	2022/02/09	Acceptable	Satisfactory	Satisfactory	
17	JTG Development Trust	Lease of a building	2011/10/01	2021/09/01	Marginal	Satisfactory	Satisfactory	

# APPENDICES

NO	SERVICE PROVIDER	TYPE OF SERVICE	EFFECTIVE DATE	COMPLETION DATE	PERFORMANCE RATING (Better, Acceptable, Marginal, or Unsatisfactory)	TIME MANAGEMENT (Satisfactory, Average, Poor)	CUSTOMER RELATIONS (Satisfactory, Average, Poor)	COMMENTS
18	Namekhotla Trading Cc	Provision of Cleaning materials	2017/01/03	2020/02/04	Acceptable	Satisfactory	Satisfactory	
19	Aried Trading Cc	Supply & Delivery of Stationery	2018/03/14	2021/03/13	Acceptable	Satisfactory	Satisfactory	
20	Valtrone Trading 46	Supply & Delivery of Groceries and cleaning materials	2018/03/14	2021/03/13	Acceptable	Satisfactory	Satisfactory	
21	Vysyem Traders C.C	Provision of photocopying machines	2018/03/14	2021/03/13	Acceptable	Satisfactory	Satisfactory	
22	Kathu Technical College	Lease of a building	2010/06/01	2020/04/30	Acceptable	Satisfactory	Satisfactory	
23	Kunene Makopo Risk Solution	Provision of Insurance Services of Properties and Liabilities	2020/05/01	2023/04/30	Acceptable	Satisfactory	Satisfactory	
24	PAPKRAST Group	Maintenance of Municipal Websites for a period of 24 months	2020/07/01	2022/06/30	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:

<b>DISCLOSURE OF FINANCIAL INTERESTS FOR COUNCILLORS &amp; SNR OFFICIALS</b>			
<b>Period 1 July 2019 to 30 June 2020</b>			
<b>Position</b>	<b>Name</b>	<b>Description of Financial Interests (Nil / Or Details)</b>	<b>Page</b>
<b>Executive Mayor</b>	Sophia Mosikatsi	Gamagara Close Corporation (member) John Taolo Gaetsewe Developmental Trust (Trustee)	056
	PQ Mogatle	Pulane Mogatle Trading Enterprise Ubuntu Botho Shareholder	051
<b>Member of MayCo</b>	G Assegai	Aleta Melokoe Trading, Gakgadi Self-propelled Trading & Projects	054
	K Masilabele	Nil	053
	OE Hantise	Gamagara Close Corporation (Shares) Olifantshoel Corporative	063 019
	SN Bloem (Resigned)	Bomme Fefo	024
<b>Councillor</b>	TG Anthony	Nil	026
	OH Kgopodithata	Dipudi Faraway Project	049
	ON Mokweni	Batlharoi Agricultural Corporation	052
	V Jordan	Moshaweng Integrated Energy	010
	OG Monaki	Nil	055
	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	046
	H du Plessis	Nil	
	L Gwai	Nil	047
	P Ohentswe	PJO Contractor, Letso Investment, Perth 1 Shop Station and Shop, Ohentswe Construction, Supply & Training Construction, Ba-Ga-Bareki Community Trust	044

# APPENDICES

	O Mathibe	Nil	
	G Kaotsane	Nil	045
	L Moagi	1974 Celesti Trading & Enterprise	048
	M Itumeleng	Nil	050
<b>Municipal Manager</b>	D Molaole	Maverick Trading 1640 Cc Phimola Keledi Burial Scheme (Pty) Ltd	042
<b>Chief Financial Officer</b>	GP Moroane	Nil	057
<b>Directors</b>			
Director Corporate Services	E. Tshabaemang	Angelome (Pty) Ltd, Kuruman Drycleaners, JC Chabi Trade and Construction servises	035
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.

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

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

# APPENDICES

## 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.

## 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 Gaetsewe	Taolo 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	-

# APPENDICES

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

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
None	145	114	261	519

# APPENDICES

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
Other	305	937	361	1 602

Source: StatsSA 2016

# APPENDICES

## 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
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

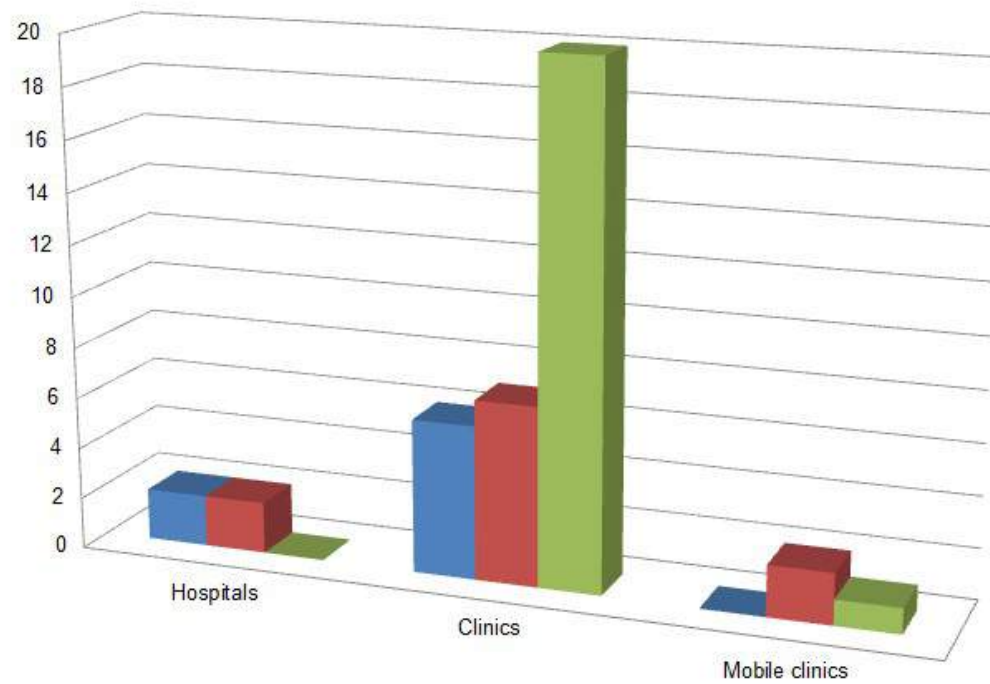
# APPENDICES

## 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
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
Grade 8/Standard 6/Form 1	84 813	13 606	5 055	5 927	2 624

# APPENDICES

<b>Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1</b>	84 188	15 446	5 067	6 817	3 562
<b>Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2</b>	109 531	19 191	5 501	8 575	5 115
<b>Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3</b>	83 298	18 533	4 909	9 661	3 964
<b>Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3</b>	212 153	36 578	6 802	18 144	11 631
<b>NTC I/N1</b>	663	279	12	88	179
<b>NTCII/N2</b>	1 569	576	98	153	325
<b>NTCIII/N3</b>	2 098	695	124	210	360
<b>N4/NTC 4/Occupational certificate NQF Level 5</b>	3 173	1 112	130	444	538
<b>N5/NTC 5/Occupational certificate NQF Level 5</b>	2 244	851	82	285	484
<b>N6/NTC 6/Occupational certificate NQF Level 5</b>	3 707	1 283	263	418	602

# APPENDICES

<b>Certificate with less than Grade 12/Std 10</b>	499	79	-	36	43
<b>Diploma with less than Grade 12/Std 10</b>	1 301	310	20	132	157
<b>Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF</b>	5 007	727	207	199	322
<b>Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6</b>	13 728	1 899	262	1 046	590
<b>Higher Diploma/Occupational certificate NQF Level 7</b>	5 120	979	272	234	474
<b>Post-Higher Diploma (Master's</b>	2 578	439	129	201	109
<b>Bachelor's degree/Occupational certificate NQF Level 7</b>	10 910	1 297	215	789	293
<b>Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8</b>	5 091	795	96	459	240
<b>Master's/Professional Master's at NQF Level 9 degree</b>	1 318	210	80	63	66

# APPENDICES

<b>PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)</b>	505	113	10	29	74
<b>Other</b>	3 988	1 127	147	618	363
<b>Do not know</b>	14 582	3 722	1 149	1 878	696
<b>Unspecified</b>	1 917	296	193	103	-

Source: StatsSA 2016

# APPENDICES

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## 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.

## 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 Unaudited Annual Financial Statements for the 2019/20 Financial Year is enclosed hereto.

2019/20

John Taolo  
Gaetsewe  
District  
Municipality

Audited  
Financial  
Statements  
Volume II





**JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY**  
(DEMARICATION CODE: DC45)  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**  
**AUDITOR-GENERAL OF SOUTH AFRICA**

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## General Information

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<b>Legal form of entity</b>	South African Category C Municipality (District Municipality) as defined by the Municipal Structures Act (Act No, 117 of 1998).
<b>Nature of business and principal activities</b>	John Taolo Gaetsewe Municipality is a district municipality performing the functions as set out in the Constitution (Act no 105 of 1996).
<b>Jurisdiction</b>	The John Taolo Gaetsewe Municipality includes the municipal areas of Gamagara Municipality, Ga-Segonyana Municipality and Joe Morolong Municipality. Demarcation code - DC45 John Gaetsewe
<b>Mayoral committee</b>	
Executive Mayor	S Mosikatsi
Executive Councillors	Monaki O.G. Masilabele K.F. Assegai GC Mogatle P.Q Anthony T.G
Councillors	Paul K Booyesen A. Du Plesis H. Gomolemo N. Gwai L.B. Kaebis L. Kaotsane G. Kgopodithata O.H. Moagi L Makwati K.R. Matebese I. Mathibe O.D. Molwagae T.F. Ohentswe P.J. Van De Westhuizen A.W.P
<b>Grading of local authority</b>	3
<b>Speaker</b>	P.Q. Mogatle
<b>Accounting officer</b>	D.H. Molaole
<b>Chief financial officer</b>	G.P. Moroane
<b>Registered office</b>	P.O. Box 1480 Kuruman 8460
<b>Business address</b>	4 Federale Mynbou Street Kuruman 8460
<b>Primary bankers</b>	The Standard Bank of South Africa Limited

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## General Information

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### Auditors

Auditor-General of South Africa

### Attorneys

Koikanyang Incorporated

Sefumba Attorneys Incorporated contract expired in October 2019

Neville Cloete Attorneys Incorporated

**JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY**  
(DEMARCATIION CODE:DC45)  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

## **Index**

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

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DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act
COGHSTA	Northern Cape Department: Co-operative Governance, Human Settlements and Traditional Affairs

**JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY**  
(DEMARCATIION CODE:DC45)  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

## **Accounting Officer's Responsibilities and Approval**

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended.

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2021 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 dependent 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 Accounting Officer is 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 Accounting Officer on 30 October 2020 and were signed on its behalf by:

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**D.H. Molaole**  
**Municipal Manager**

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## Audit Committee Report

---

We are pleased to present our report for the financial year ended 30 June 2020.

### 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, 4 meetings were held.

Name of member	Number of meetings attended
Mr R. Tshimomola (Chairperson)	4
Mr F. Buys	4
Mr. S. Simelane	1

### Audit committee responsibility

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

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

### 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 ;
- 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.

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Chairperson of the Audit Committee

Date: \_\_\_\_\_

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## Accounting Officer's Report

---

The accounting officer submits his report for the year ended 30 June 2020.

### 1. Review of activities

#### Main business and operations

John Taolo Gaetsewe District Municipality is a district municipality performing the functions as set out in the constitution (act no 105 of 1996) 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 accounting officer to continue procuring funding for the ongoing operations of the municipality.

### 3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of 30 June 2020

### 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. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:  
D.H. Molaole 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 2020

## Statement of Financial Position as at 30 June 2020

Figures in Rand	Note(s)	2020	2019 Restated*
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	8 744 136	2 367 091
Receivables from exchange transactions	4	8 846 739	11 204 787
Receivables from non-exchange transactions	5	94 055	94 055
Inventories	6	8 784 360	8 786 246
VAT receivable	7	283 852	493 505
		<b>26 753 142</b>	<b>22 945 684</b>
<b>Non-Current Assets</b>			
Biological assets	8	2 780 990	4 292 620
Investment property	9	6 570 000	6 020 000
Property, plant and equipment	10	78 060 067	72 585 033
Intangible assets	11	2 224 670	2 576 112
Heritage assets	12	19 750	19 750
		<b>89 655 477</b>	<b>85 493 515</b>
<b>Total Assets</b>		<b>116 408 619</b>	<b>108 439 199</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Other financial liabilities	13	335 406	395 123
Finance lease obligation	14	268 012	228 729
Payables from exchange transactions	15	10 701 335	8 997 749
Employee benefit obligation	16	566 000	656 987
Unspent conditional grants and receipts	17	346 403	410 685
		<b>12 217 156</b>	<b>10 689 273</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	13	367 938	810 545
Finance lease obligation	14	-	268 013
Employee benefit obligation	16	4 619 000	4 702 101
		<b>4 986 938</b>	<b>5 780 659</b>
<b>Total Liabilities</b>		<b>17 204 094</b>	<b>16 469 932</b>
<b>Net Assets</b>		<b>99 204 525</b>	<b>91 969 267</b>
Revaluation reserve	19	63 703 719	55 386 620
Accumulated surplus		35 500 806	36 582 647
<b>TOTAL NET ASSETS</b>		<b>99 204 525</b>	<b>91 969 267</b>

\* See Note 52

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019 Restated*
<b>REVENUE</b>			
<b>Revenue from exchange transactions</b>			
Sale of goods		26 087	7 800
Rental of facilities	20	128 687	118 862
Other income	22	204 756	142 154
Administration and management fees received	21	2 288 809	2 640 723
Interest received	23	2 306 064	1 881 256
<b>Total revenue from exchange transactions</b>		<b>4 954 403</b>	<b>4 790 795</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants and subsidies	24	100 941 282	97 865 731
Donations received	25	-	345 974
<b>Total revenue from non-exchange transactions</b>		<b>100 941 282</b>	<b>98 211 705</b>
<b>Total revenue</b>		<b>105 895 685</b>	<b>103 002 500</b>
<b>EXPENDITURE</b>			
Employee related costs	26	(64 430 702)	(56 654 287)
Remuneration of councillors	27	(5 150 388)	(4 944 453)
Depreciation and amortisation	28	(4 079 344)	(3 343 378)
Finance costs	29	(658 447)	(743 970)
Debt Impairment	30	(109 096)	(948 994)
Transfers and subsidies	31	(208 498)	(198 948)
Operational costs	32	(31 852 732)	(29 082 538)
<b>Total expenditure</b>		<b>(106 489 207)</b>	<b>(95 916 568)</b>
<b>Operating Surplus/(Deficit)</b>		<b>(593 522)</b>	<b>7 085 932</b>
Loss on disposal of assets	10	(81 056)	-
Fair value adjustments	33	(413 623)	(3 193 662)
Actuarial gains	16	302 879	422 461
Loss on biological assets	49	(296 519)	-
Gain on assets previously not on asset register		-	15 840
Derecognition of prior year provision		-	2 409 759
		<b>(488 319)</b>	<b>(345 602)</b>
<b>Operating (Deficit)/Surplus for the year</b>		<b>(1 081 841)</b>	<b>6 740 330</b>

\* See Note 52

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
<b>Balance at 01 July 2018</b>	<b>55 386 620</b>	<b>29 842 317</b>	<b>85 228 937</b>
Surplus for the year	-	6 740 330	6 740 330
Total changes	-	6 740 330	6 740 330
<b>Restated* Balance at 01 July 2019</b>	<b>55 386 620</b>	<b>36 582 647</b>	<b>91 969 267</b>
Changes in net assets			
Revaluation of land and buildings	8 317 099	-	8 317 099
Net income recognised directly in net assets	8 317 099	-	8 317 099
Deficit for the year	-	(1 081 841)	(1 081 841)
Total recognised income and expenses for the year	8 317 099	(1 081 841)	7 235 258
Total changes	8 317 099	(1 081 841)	7 235 258
<b>Balance at 30 June 2020</b>	<b>63 703 719</b>	<b>35 500 806</b>	<b>99 204 525</b>
Note(s)	19		

\* See Note 52

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## Statement of Cash Flow

Figures in Rand	Note(s)	2020	2019 Restated*
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services		5 358 431	3 142 749
Grants		100 877 000	97 542 000
Interest income		2 306 064	1 881 256
		<u>108 541 495</u>	<u>102 566 005</u>
<b>Payments</b>			
Employee costs		(68 842 063)	(61 598 740)
Suppliers		(31 376 658)	(35 133 602)
Finance costs		(247 816)	(347 281)
		<u>(100 466 537)</u>	<u>(97 079 623)</u>
<b>Net cash flows from operating activities</b>	34	<b>8 074 958</b>	<b>5 486 382</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	10	(647 359)	(268 724)
Purchase of other intangible assets	11	(319 500)	(2 508 579)
<b>Net cash flows from investing activities</b>		<b>(966 859)</b>	<b>(2 777 303)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of other financial liabilities		(502 324)	(277 535)
Finance lease payments		(228 730)	(161 846)
<b>Net cash flows from financing activities</b>		<b>(731 054)</b>	<b>(439 381)</b>
<b>Net increase in cash and cash equivalents</b>		<b>6 377 045</b>	<b>2 269 698</b>
Cash and cash equivalents at the beginning of the year		2 367 091	97 393
<b>Cash and cash equivalents at the end of the year</b>	3	<b>8 744 136</b>	<b>2 367 091</b>

\* See Note 52

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

(DEMARCATIION CODE:DC45)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 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						
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>						
<b>REVENUE</b>						
<b>Revenue from exchange transactions</b>						
Sale of goods	-	-	-	26 087	<b>26 087</b>	1
Rental of facilities	128 098	(40 000)	<b>88 098</b>	128 687	<b>40 589</b>	2
Other income	282 898	-	<b>282 898</b>	204 756	<b>(78 142)</b>	2.1
Administration and management fees received	3 798 272	(1 185 580)	<b>2 612 692</b>	2 288 809	<b>(323 883)</b>	3
Interest received	1 165 790	818 219	<b>1 984 009</b>	2 306 064	<b>322 055</b>	4
<b>Total revenue from exchange transactions</b>	<b>5 375 058</b>	<b>(407 361)</b>	<b>4 967 697</b>	<b>4 954 403</b>	<b>(13 294)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	98 657 001	2 594 482	<b>101 251 483</b>	100 941 282	<b>(310 201)</b>	
<b>Total revenue</b>	<b>104 032 059</b>	<b>2 187 121</b>	<b>106 219 180</b>	<b>105 895 685</b>	<b>(323 495)</b>	
<b>EXPENDITURE</b>						
Employee related costs	(64 184 314)	1 016 509	<b>(63 167 805)</b>	(64 430 702)	<b>(1 262 897)</b>	
Remuneration of councillors	(5 304 950)	98 032	<b>(5 206 918)</b>	(5 150 388)	<b>56 530</b>	
Depreciation and amortisation	(3 574 713)	85 791	<b>(3 488 922)</b>	(4 079 344)	<b>(590 422)</b>	6
Finance costs	-	(50 754)	<b>(50 754)</b>	(658 447)	<b>(607 693)</b>	7
Debt Impairment	(229 489)	90 000	<b>(139 489)</b>	(109 096)	<b>30 393</b>	8
Transfers and Subsidies	-	(208 498)	<b>(208 498)</b>	(208 498)	-	
Operational costs	(28 787 593)	(3 431 883)	<b>(32 219 476)</b>	(31 852 732)	<b>366 744</b>	
<b>Total expenditure</b>	<b>(102 081 059)</b>	<b>(2 400 803)</b>	<b>(104 481 862)</b>	<b>(106 489 207)</b>	<b>(2 007 345)</b>	
<b>Operating deficit</b>	<b>1 951 000</b>	<b>(213 682)</b>	<b>1 737 318</b>	<b>(593 522)</b>	<b>(2 330 840)</b>	
Loss on disposal of assets	-	-	-	(81 056)	<b>(81 056)</b>	
Fair value adjustment	-	-	-	(413 623)	<b>(413 623)</b>	9
Actuarial gain	-	-	-	302 879	<b>302 879</b>	10
Loss on biological assets	-	-	-	(296 519)	<b>(296 519)</b>	11
	-	-	-	<b>(488 319)</b>	<b>(488 319)</b>	
<b>Surplus for the year</b>	<b>1 951 000</b>	<b>(213 682)</b>	<b>1 737 318</b>	<b>(1 081 841)</b>	<b>(2 819 159)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>1 951 000</b>	<b>(213 682)</b>	<b>1 737 318</b>	<b>(1 081 841)</b>	<b>(2 819 159)</b>	

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

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## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

### STATEMENT OF FINANCIAL POSITION

#### Assets

##### Current Assets

Inventories	-	8 545 863	8 545 863	8 784 360	238 497	
Receivables from exchange transactions	440 568	7 820 493	8 261 061	8 846 739	585 678	
Receivables from non-exchange transactions	-	94 055	94 055	94 055	-	13
VAT receivable	-	-	-	283 852	283 852	
Cash and cash equivalents	7 020 000	850 000	7 870 000	8 744 136	874 136	14
	<b>7 460 568</b>	<b>17 310 411</b>	<b>24 770 979</b>	<b>26 753 142</b>	<b>1 982 163</b>	

##### Non-Current Assets

Biological assets	-	4 292 620	4 292 620	2 780 990	(1 511 630)	15
Investment property	-	6 020 000	6 020 000	6 570 000	550 000	
Property, plant and equipment	3 126 000	70 594 660	73 720 660	78 060 067	4 339 407	
Intangible assets	1 225 000	729 408	1 954 408	2 224 670	270 262	16
Heritage assets	-	19 750	19 750	19 750	-	
	<b>4 351 000</b>	<b>81 656 438</b>	<b>86 007 438</b>	<b>89 655 477</b>	<b>3 648 039</b>	

#### Total Assets

	<b>11 811 568</b>	<b>98 966 849</b>	<b>110 778 417</b>	<b>116 408 619</b>	<b>5 630 202</b>	
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#### Liabilities

##### Current Liabilities

Other financial liabilities	-	700 045	700 045	335 406	(364 639)	17
Finance lease obligation	-	76 194	76 194	268 012	191 818	18
Payables from exchange transactions	5 982 260	5 037 456	11 019 716	10 701 334	(318 382)	19
Employee benefit obligation	-	-	-	566 000	566 000	20
Unspent conditional grants and receipts	-	-	-	346 403	346 403	21
	<b>5 982 260</b>	<b>5 813 695</b>	<b>11 795 955</b>	<b>12 217 155</b>	<b>421 200</b>	

##### Non-Current Liabilities

Other financial liabilities	-	810 545	810 545	367 938	(442 607)	16
Finance lease obligation	-	268 013	268 013	-	(268 013)	17
Employee benefit obligation	-	4 702 101	4 702 101	4 619 000	(83 101)	20
	<b>-</b>	<b>5 780 659</b>	<b>5 780 659</b>	<b>4 986 938</b>	<b>(793 721)</b>	

#### Total Liabilities

	<b>5 982 260</b>	<b>11 594 354</b>	<b>17 576 614</b>	<b>17 204 093</b>	<b>(372 521)</b>	
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#### Net Assets

	<b>5 829 308</b>	<b>87 372 495</b>	<b>93 201 803</b>	<b>99 204 526</b>	<b>6 002 723</b>	
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#### Reserves

Revaluation reserve	-	55 386 620	55 386 620	63 703 719	8 317 099	22
Accumulated surplus	5 829 308	31 985 875	37 815 183	35 500 805	(2 314 378)	
<b>Total Net Assets</b>	<b>5 829 308</b>	<b>87 372 495</b>	<b>93 201 803</b>	<b>99 204 524</b>	<b>6 002 721</b>	

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## **Accounting Policies**

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### **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.

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## **Accounting Policies**

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### **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 18 - 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 16.

#### **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.

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## **Accounting Policies**

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### **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.

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## Accounting Policies

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### 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, it's deemed cost is the carrying amount of the asset(s) given up.

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

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

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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## **Accounting Policies**

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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:

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<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
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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## Accounting Policies

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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:

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

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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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## **Accounting Policies**

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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 used 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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## **Accounting Policies**

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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 entity and a financial liability or a residual interest of another entity.

#### Classification

The entity 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

Cash and cash equivalents  
Receivables from exchange transactions

##### Category

Financial asset measured at amortised cost  
Financial asset measured at amortised cost

The entity 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

Payables from exchange transactions  
Finance lease obligations  
Other financial liabilities  
Unspent conditional grants and receipts, grant receivable

##### Category

Financial liability measured at amortised cost  
Financial liability measured at amortised cost  
Financial liability measured at amortised cost  
Financial liability measured at fair value

#### Initial recognition

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

The entity recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The entity 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 entity 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 entity 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 entity 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 entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, 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 entity :
  - derecognise the asset; and
  - 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 entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

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 entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

### **1.11 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 taxation**

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 recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity 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 recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the 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 entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

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

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

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

#### 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 entity 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 35.

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 Municipality.

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.

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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 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 recognise 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 recognise 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 disclose 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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## **Accounting Policies**

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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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## **Accounting Policies**

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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 raise 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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## **Accounting Policies**

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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 1 July 2019 to 30 June 2020.

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:
• GRAP 20: Related parties	01 April 2019	The impact of the standard is not material.
• IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land	01 April 2019	The impact of the standard is not material.
• IGRAP 19: Liabilities to Pay Levies	01 April 2019	The impact of the standard is not material.

#### 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 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (amended): Financial Instruments	01 April 2020	Unlikely there will be a material impact
• IGRAP 20: Accounting for Adjustments to Revenue	01 April 2020	Unlikely there will be a material impact
• Guideline: Guideline on Accounting for Landfill Sites	To be determined	No impact
• GRAP 35: Consolidated Financial Statements	01 April 2020	No impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2020	Unlikely there will be a material impact
• GRAP 36: Investments in Associates and Joint Ventures	01 April 2020	No impact
• GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	No impact
• GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	Unlikely there will be a material impact
• GRAP 37: Joint Arrangements	01 April 2020	No impact
• GRAP 34: Separate Financial Statements	01 April 2020	No impact
• GRAP 18 (as amended 2016): Segment Reporting	01 April 2020	No impact

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### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	43	1 949
Bank balance	8 726 886	729 585
Short-term deposits	17 207	1 635 557
	<b>8 744 136</b>	<b>2 367 091</b>

The municipality had the following bank accounts and cash on hand:

Account number / description	Bank statement balances			Cash book balances		
	30 June 2020	30 June 2019	30 June 2018	30 June 2020	30 June 2019	30 June 2018
Std BANK - Call Account 508871603-019	-	496 434	-	-	496 434	-
Std BANK - Call Account 508871603-020	17 207	600 317	-	17 207	600 317	-
Std BANK -Call Account - 048463353-007	86 421	-	-	-	-	-
First National Bank medium term deposit 7100-2746-116	-	-	6 349	-	-	6 349
Standard Bank- Call Account- 508871603-016	-	538 806	-	-	538 806	-
Cash on hand	43	1 949	1 968	43	1 949	1 968
Standard Bank - Main account Account 240923804	8 728 886	729 585	89 076	8 726 886	729 585	89 076
<b>Total</b>	<b>8 832 557</b>	<b>2 367 091</b>	<b>97 393</b>	<b>8 744 136</b>	<b>2 367 091</b>	<b>97 393</b>

The following investment accounts matured during the 2019/20 financial year (i.e. the opening and closing balances at the respective reporting dates were nil):

Standard Bank Limited	Call account	048463353-001
Standard Bank	Investment Fixed Deposit	048463353-002
Standard Bank	Investment Fixed Deposit	048463353-003
Standard Bank	Investment Fixed Deposit	048463353-004
Standard Bank	Investment Fixed Deposit	048463353-005
Standard Bank	Investment Fixed Deposit	048463353-006
Standard Bank	Investment Fixed Deposit	048463353-010
Standard Bank	Investment Fixed Deposit	048463353-011
Standard Bank	Investment Fixed Deposit	048463353-012
Nedbank	Investment Call	03/7881102918/0056
Nebank	Investment Call	03/7881102918/0057
FNB	Investment Call Account	62821498-989

The following investment accounts were opened during 2019/20 financial year.

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### 3. Cash and cash equivalents (continued)

Standard Bank Limited	Call account	048463353-007
Standard Bank Limited	Call account	048463353-008
Standard Bank Limited	Call account	048463353-009
Standard Bank Limited	Call account	048463353-013
Standard Bank Limited	Call accountt	048463353-014
Standard Bank Limited	Call account	048463353-015
Nedbank Investment Account Fixed Deposit		03/7881102918/0058

### 4. Receivables from exchange transactions

Trade debtors	8 134 848	11 204 787
Prepaid expenses	705 811	-
Bursary repayment	6 080	-
	<b>8 846 739</b>	<b>11 204 787</b>

#### Trade and other receivables pledged as security

Trade and other receivables were not pledged as security.

Current (0 - 30 days)	1 055 853	932 176
31 - 60 Days	1 176 439	82 749
61 - 90 Days	(259 803)	81 121
+ 90 Days	8 425 367	11 550 761
Allowance for impairment	(1 551 117)	(1 442 020)
	<b>8 846 739</b>	<b>11 204 787</b>

#### Summary of receivables by customer classification

##### 30 June 2020

	Other	Organs of state	Total
Current (0 - 30 days)	336 066	719 788	1 055 854
31 - 60 Days	718 350	458 089	1 176 439
61 - 90 Days	13 809	(273 613)	(259 804)
+ 90 Days	1 444 172	6 981 195	8 425 367
Allowance for impairment	(1 551 117)	-	(1 551 117)
	<b>961 280</b>	<b>7 885 459</b>	<b>8 846 739</b>

#### Summary of receivables by customer classification

##### 30 June 2019

	Other	Organs of state	Total
Current (0 - 30 days)	16 663	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	11 550 760
Allowance for impairment	(1 442 020)	-	(1 442 020)
	<b>40 886</b>	<b>11 163 901</b>	<b>11 204 787</b>

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### 4. Receivables from exchange transactions (continued)

The negative 61-90 days bracket on the organs of state, in the 2020 financial year is a due to a reversal that was done on Joe Morolong Municipality's debtor account.

#### 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 2020 R7 204 839 (2019 R 10 373 830) trade receivables were past due but not impaired.

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

1 month past due	39 167	174 272
2 months past due	458 089	78 836
3 months past due	6 707 583	10 120 722

### 5. Receivables from non-exchange transactions

Receivable from grants	94 055	94 055
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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	98 389	48 417
Properties to be transferred	8 491 346	8 491 346
Bricks	189 765	241 623
Crusher dust	4 860	4 860
	<b>8 784 360</b>	<b>8 786 246</b>

#### Inventory pledged as security

Inventory was not pledged as security.

### 7. VAT receivable

VAT receivable	283 852	493 505
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### 8. Biological assets

	2020		2019	
	Cost / Valuation	Carrying value	Cost / Valuation	Carrying value
Biological assets - game	2 780 990	-	2 780 990	4 292 620

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### 8. Biological assets (continued)

#### Reconciliation of biological assets - 2020

	Opening balance	Disposals	Losses arising from changes in fair value	Total
Biological assets - game	4 292 620	(548 007)	(963 623)	2 780 990

#### Reconciliation of biological assets - 2019

	Opening balance	Losses arising from changes in fair value	Total
Biological assets - game	6 842 282	(2 549 662)	4 292 620

#### Non-financial information

##### Quantities of each biological asset

Blesbok	7	7
Blue wildebeest	289	476
Duiker	17	28
Eland	41	47
Gemsbok	99	189
Ibex	-	46
Ostrich	58	61
Red hartebeest	10	27
Springbuck	268	354
Zebra	20	23
	<b>809</b>	<b>1 258</b>

The biological assets were valued by JBFE Consulting (PTY) Ltd, an independent professional value

Game is valued using officially listed and publicised game auction 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.

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### 8. Biological assets (continued)

#### Animals with no commercial value

Bat-eared fox	6	-
Black backed jackal	4	13
Vultures	28	9
Domestic cattle	7	5
Domestic horses	9	9
Domestic goat	-	5
	<b>54</b>	<b>41</b>

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 MFMA is available for inspection at the registered office of the municipality.

#### Pledged as security

The biological assets have not been 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.

### 9. Investment property

	2020			2019		
	Cost / Valuation	Gains or losses arising from changes in fair value	Carrying value	Cost / Valuation	Gains or losses arising from changes in fair value	Carrying value
Investment property	6 020 000	550 000	6 570 000	6 664 000	(644 000)	6 020 000

#### Reconciliation of investment property - 2020

	Opening balance	Fair value adjustments	Total
Investment property	6 020 000	550 000	6 570 000

#### Reconciliation of investment property - 2019

	Opening balance	Fair value adjustments	Total
Investment property	6 664 000	(644 000)	6 020 000

#### Pledged as security

Investment properties are not pledged as security.

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### 9. Investment property (continued)

#### Details of property

##### Erf 2617 - Kuruman - Campus

Freehold ownership property in the Kuruman registration division. Site area is 1190 m square. Title deed No. T1049/1993, previously T610/1978. Registration date is 15 June 1978 with conditions and servitudes in accordance with Erf 2617 which is a consolidation of erven 1105 and 1106.

- Valuation

2 240 000	2 270 000
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##### Erf 938 Kuruman - Offices let to the John Taolo Gaetsewe Development Trust

Property in the Northern Cape province with title deed number T416/1996. Site area is 1190m<sup>2</sup>.

- Valuation

1 620 000	1 660 000
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##### Erf 4439 Kuruman - Vacant stand

Property in the Northern Cape province with title deed number T26/2011 previously T25/2011. Site area is 17052m

- Valuation

2 710 000	2 090 000
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The effective date of the revaluations of investment property was Tuesday, 30 June 2020. Revaluations were performed by independent valuers, DDP Property Evaluation Experts. DDP Property Evaluation Experts are not connected to the municipality.

The method of valuation entailed the comparison of recent sales of land and buildings with similar value forming attributes in comparison to the subject property, situated in the surrounding area of the subject property. The market value was determined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

These assumptions were based on current market conditions.

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. Property, plant and equipment

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	3 440 000	-	3 440 000	2 680 000	-	2 680 000
Buildings	21 607 229	(18 435)	21 588 794	21 285 265	(2 078 367)	19 206 898
Furniture and fittings	4 846 079	(2 754 330)	2 091 749	4 898 679	(2 281 613)	2 617 066
Motor vehicles	7 559 644	(5 352 566)	2 207 078	7 582 244	(4 773 137)	2 809 107
Office equipment	649 318	(392 735)	256 583	595 076	(339 741)	255 335
IT equipment	6 750 930	(4 846 671)	1 904 259	6 482 702	(4 261 137)	2 221 565
Community assets - land	42 600 000	-	42 600 000	38 590 001	-	38 590 001
Community assets - buildings	621 000	-	621 000	910 000	(88 725)	821 275
Disaster unit - building	2 570 000	-	2 570 000	2 536 834	(247 342)	2 289 492
Disaster unit Land	500 000	-	500 000	580 000	-	580 000
Leased assets	680 848	(461 849)	218 999	680 848	(242 849)	437 999
Other property, plant and equipment	142 258	(80 653)	61 605	142 802	(66 507)	76 295
<b>Total</b>	<b>91 967 306</b>	<b>(13 907 239)</b>	<b>78 060 067</b>	<b>86 964 451</b>	<b>(14 379 418)</b>	<b>72 585 033</b>

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### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Write-offs	Revaluations	Depreciation	Total
Land	2 680 000	-	-	760 000	-	3 440 000
Buildings	19 206 898	-	-	3 391 329	(1 009 433)	21 588 794
Furniture and fixtures	2 617 066	15 900	(21 065)	-	(520 152)	2 091 749
Motor vehicles	2 809 107	-	-	-	(602 029)	2 207 078
Office equipment	255 335	81 631	(4 737)	-	(75 646)	256 583
IT equipment	2 221 565	549 828	(55 187)	-	(811 947)	1 904 259
Community assets - land	38 590 001	-	-	4 009 999	-	42 600 000
Community assets - buildings	821 275	-	-	(159 211)	(41 064)	621 000
Disaster unit - building	2 289 492	-	-	394 983	(114 475)	2 570 000
Disaster unit Land	580 000	-	-	(80 000)	-	500 000
Leased assets	437 999	-	-	-	(219 000)	218 999
Other property, plant and equipment	76 295	-	(34)	-	(14 656)	61 605
	<b>72 585 033</b>	<b>647 359</b>	<b>(81 023)</b>	<b>8 317 100</b>	<b>(3 408 402)</b>	<b>78 060 067</b>

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### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Assets not previously on register	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	102 641	(359 526)	2 617 066
Motor vehicles	3 385 805	-	-	(576 698)	2 809 107
Office equipment	193 251	99 000	19 349	(56 265)	255 335
IT equipment	2 300 914	461 503	90 939	(631 791)	2 221 565
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
	<b>74 791 634</b>	<b>614 698</b>	<b>212 929</b>	<b>(3 034 228)</b>	<b>72 585 033</b>

#### Pledged as security

None of the above property, plants and equipment have been pledged as security.

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### 10. Property, plant and equipment (continued)

#### Revaluations

The effective date of the revaluations of land and buildings was Tuesday, 30 June 2020. Revaluations were performed by independent valuers, DDP Property Evaluation Experts. DDP Property Evaluation Experts are not connected to the municipality.

The method of valuation entailed the comparison of recent sales of land and buildings with similar value forming attributes in comparison to the subject property, situated in the surrounding area of the subject property. The market value was determined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

These assumptions were based on current market conditions.

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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### 11. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	3 772 184	(1 547 514)	2 224 670	3 452 684	(876 572)	2 576 112

#### Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	2 576 112	319 500	(670 942)	2 224 670

#### Reconciliation of intangible assets - 2019

	Opening balance	Additions	Derecognition of SEBATA software	Reversal of amortisation of derecognised software	Amortisation	Total
Computer software	391 498	2 508 578	(41 100)	41 100	(323 964)	2 576 112

#### Pledged as security

The intangible assets are not pledged as security.

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### 12. Heritage assets

	2020			2019		
	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 2020

	Opening balance	Total
Mayoral chain	19 750	19 750

#### Reconciliation of heritage assets 2019

	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.

### 13. Other financial liabilities

#### At amortised cost

DBSA loan	703 344	1 205 668
The loan accrues interest at a fixed rate of 9.64% (2019: 9.64%), and is repayable in 30 bi-annual instalments of R197 561 over 15 years.		

The municipality has not defaulted on repayment of principal and interest relating to the DBSA loan during the period ended 30 June 2020

#### Non-current liabilities

At amortised cost	367 938	810 545
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#### Current liabilities

At amortised cost	335 406	395 123
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<b>14. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	319 120	382 944
- in second to fifth year inclusive	-	319 120
	319 120	702 064
less: future finance charges	(51 108)	(205 322)
<b>Present value of minimum lease payments</b>	<b>268 012</b>	<b>496 742</b>
<b>Present value of minimum lease payments due</b>		
- within one year	268 012	228 729
- in second to fifth year inclusive	-	268 013
	<b>268 012</b>	<b>496 742</b>
Non-current liabilities	-	268 013
Current liabilities	268 012	228 729
	<b>268 012</b>	<b>496 742</b>

It is municipality policy to lease office equipment such as photocopying and printing machines under finance leases.

## 15. Payables from exchange transactions

Trade payables	1 637 419	3 555 059
Payments received in advanced- contract in process	862 744	171 545
Payroll related liabilities at year end	1 240 529	219 662
Leave accrual	5 275 975	3 392 399
Bonus accrual	1 684 668	1 645 057
Retention creditors	-	14 027
	<b>10 701 335</b>	<b>8 997 749</b>

Payroll related liabilities include payroll taxes due to SARS and bonus installments.

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.

## 16. Employee benefit obligations

The employee benefit obligation relate to post-retirement medical aid benefits provided and long service awards.

### Impact of COVID-19:

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this early stage. There is much uncertainty as to how it will affect mortality, and whether (and when) a treatment or vaccine will become available. If the return to economic normalcy is extended, then the Municipality's experience regarding resignations and retrenchments may also be affected.

As at 30 June 2020 long-term government bond yields (which drive the main figures in this report) increased significantly since the early stages of the pandemic. This pushes up the net discount rate which in turn reduces the liability. It is difficult to say how long-lasting this volatility in the prescribed discount rate and its consequent impact on the liability is likely to be.

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### 16. Employee benefit obligations (continued)

#### Post-retirement Medical Aid Benefit and Long Service Award

##### Carrying value

Present value of unfunded obligation at the beginning of the year	5 359 088	4 868 932
Net actuarial gains or losses	(302 879)	515 928
Difference between expected and actual current service costs	(281 840)	(422 461)
Interest cost	410 631	396 689
	<b>5 185 000</b>	<b>5 359 088</b>
Non-current liabilities	4 619 000	4 702 101
Current liabilities	566 000	656 987
	<b>5 185 000</b>	<b>5 359 088</b>

#### Changes in the present value of the defined benefit obligation are as follows:

Opening balance	(2 940 953)	(2 940 953)
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#### 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	8,46 %	8,21 %
Health care cost inflation rate	4,83 %	5,95 %
Net effective discount rate	3,46 %	2,13 %
	2020	2019
Present value of unfunded obligation at the beginning of the year	2 254 200	2 028 261
Actuarial gains/losses	(477 503)	290 442
Difference between expected and actual current service costs	(257 409)	(237 361)
Interest cost	174 712	172 858
	<b>1 694 000</b>	<b>2 254 200</b>
Non-current liabilities	1 504 000	1 996 791
Current liabilities	190 000	257 409
	<b>1 694 000</b>	<b>2 254 200</b>

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### 16. Employee benefit obligations (continued)

#### Long Service Awards- Key Assumptions

Discount rate	7,24 %	8,11 %
General earnings inflation rate	3,92 %	5,53 %
Net effective discount rate	3,19 %	2,44 %

#### 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	3 104 888	2 840 671
Net actuarial gains or losses	174 624	225 486
Difference between expected and actual current service costs	(24 431)	(185 100)
Interest cost	235 919	223 831
	<b>3 491 000</b>	<b>3 104 888</b>
Non-current liabilities	3 115 000	2 705 310
Current liabilities	376 000	399 578
	<b>3 491 000</b>	<b>3 104 888</b>

-

#### Other assumptions

Assumed general salary inflation and the discount rate have a significant effect on the amounts recognised in surplus or deficit.

All else equal, a one percent increase in the salary inflation rate would result in the liability being valued at R3 008 000; a one percent decrease would result in the liability being valued at R2 689 000. All else equal, if the discount rate used were to increase by one percent, the liability would have been valued at R2 682 000; a one percent decrease would result in the liability being valued at R3 018 000. This sensitivity analysis is reflected in the table below:

			One percent age point increase	One percentage point decrease	
General salary inflation			3 008 000	2 689 000	
Discount rate			2 682 000	3 018 000	
	2018	2017	2016	2015	2014
Eligible employees	2 840 671	2 601 547	2 342 265	2 318 126	2 003 272

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### 17. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

Khotso Pula Nala unspent grant	30 197	30 197
Fire grant	5 005	5 005
HIV and AIDS council	311 201	375 483
	<b>346 403</b>	<b>410 685</b>

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.

### 18. Provisions

#### Reconciliation of provisions - 2020

	Opening Balance	Total
Compensation for occupational injuries and disease	-	-

#### Reconciliation of provisions - 2019

	Opening Balance	Reversed during the year	Total
Compensation for occupational injuries and disease	2 409 759	(2 409 759)	-

Management has performed a review during 2018/19 financial year of the prior year provision and concluded that the conditions that existed in the past no longer exists, therefore the provision has been derecognised

### 19. Revaluation reserve

Opening balance	55 386 620	55 386 620
Revaluation of land and buildings - current year	8 317 099	-
	<b>63 703 719</b>	<b>55 386 620</b>

The revaluation reserve is created by surplus arising from the revaluation of property, plant and equipment. The revaluation of land and buildings was performed by DDP Valuers as at 30 June 2020.

### 20. Rental of facilities and equipment

Premises	128 687	118 862
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### 21. Administration and management fees received

Product related services	1 973 087	2 303 501
Training (LGSETA)	90 722	112 222
District planning tribunal	225 000	225 000
	<b>2 288 809</b>	<b>2 640 723</b>

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<b>22. Other income</b>		
Other revenue	1 400	142 154
VAT recoveries and write-offs	203 356	-
	<b>204 756</b>	<b>142 154</b>
<b>23. Interest received</b>		
<b>Interest revenue</b>		
Receivables from exchange transactions	942 435	1 003 567
Bank	1 363 629	877 689
	<b>2 306 064</b>	<b>1 881 256</b>

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Figures in Rand	2020	2019
<b>24. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	89 657 000	85 253 055
Fire grant	-	80 884
Near grant	247 000	430 531
Financial management grant	1 465 000	1 000 000
Expanded public works program	1 088 000	1 000 000
Rural roads asset management grant	2 101 000	1 983 000
HIV/AIDS grant	564 282	248 458
Infrastructure skills development grant	4 800 000	3 200 000
Khotso Pula Nala grant	-	3 969 803
Municipal Disaster Relief Grant	119 000	-
Housing accreditation grant	900 000	700 000
	<b>100 941 282</b>	<b>97 865 731</b>

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### 24. 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.

Balance unspent at beginning of year	-	-
Current-year receipts	89 657 000	85 159 000
Conditions met - transferred to revenue	(89 657 000)	(85 159 000)
<b>Net grant receivable</b>	<b>-</b>	<b>-</b>

#### Financial management grant

Current-year receipts	1 465 000	1 000 000
Conditions met - transferred to revenue	(1 465 000)	(1 000 000)
<b>Net of unspent grants</b>	<b>-</b>	<b>-</b>

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	5 005	85 889
Conditions met - transferred to revenue	-	(80 884)
<b>Net of unspent grants</b>	<b>5 005</b>	<b>5 005</b>

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	900 000	700 000
Conditions met - transferred to revenue	(900 000)	(700 000)
<b>Net of (unspent)/receivable grants</b>	<b>-</b>	<b>-</b>

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	30 197	-
Current-year receipts	-	4 000 000
Conditions met - transferred to revenue	-	(3 969 803)
<b>Net of unpaid grants</b>	<b>30 197</b>	<b>30 197</b>

The grant related to infrastructure projects at the local municipalities in the district.

#### Near grant

Balance unspent at beginning of year	-	312 757
Current-year receipts	247 000	-
Conditions met - transferred to revenue	(247 000)	(430 531)
Other	-	117 774
<b>Net of unspent grants</b>	<b>-</b>	<b>-</b>

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### 24. Government grants and subsidies (continued)

The grant was used to maintain the disaster management centre.

#### Expanded public works programme - incentive grant

Current-year receipts	1 088 000	1 000 000
Conditions met - transferred to revenue	(1 088 000)	(1 000 000)
<b>Net of unspent/(unpaid) grants</b>	<b>-</b>	<b>-</b>

The grant was used for debushing, fencing of graveyards as well as to address issues of unemployment as it is labour intensive.

#### HIV and AIDS council

Balance unspent at beginning of year	375 483	123 941
Current-year receipts	500 000	500 000
Conditions met - transferred to revenue	(564 282)	(248 458)
<b>Net of unspent grants</b>	<b>311 201</b>	<b>375 483</b>

The grant was used for HIV and AIDS awareness programmes.

#### Infrastructure skill development grant

Current-year receipts	4 800 000	3 200 000
Conditions met - transferred to revenue	(4 800 000)	(3 200 000)
<b>Net of unspent grants</b>	<b>-</b>	<b>-</b>

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	2 101 000	1 983 000
Withheld by National Treasury	-	(94 055)
Conditions met - transferred to revenue	(2 101 000)	(1 983 000)
<b>Net of unspent/(unpaid) grants</b>	<b>-</b>	<b>-</b>

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.

#### Municipal Disaster Relief Grant

Current-year receipts	119 000	-
Conditions met - transferred to revenue	(119 000)	-
	<b>-</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 17).

Provide explanations of conditions still to be met and other relevant information.

#### Changes in level of government grants

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### 24. Government grants and subsidies (continued)

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.

### 25. Donations in kind

Kalagadi Manganese Mine	-	345 974
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### 26. Employee related costs

Basic salary	43 087 240	39 502 940
Bonus	3 085 322	2 726 289
Medical aid - company contributions	3 118 980	2 754 954
Unemployment insurance fund	211 807	202 911
Skills development levy	440 935	273 647
Leave	3 322 349	560 046
Remote Allowance	438 262	-
Inconvenience allowance	110 887	163 716
Nightshift allowance	537 948	480 450
Long-service awards	207 587	375 507
Acting allowance	369 274	802 966
Travel allowance	1 557 730	1 538 363
Housing benefits and allowances	1 683 332	1 706 246
Contribution provident fund	368 120	209 868
Contribution pension fund	5 910 821	5 137 532
Contribution industrial council	10 569	9 590
Change in valuation of employee benefit obligations	(281 840)	-
Cellular phone allowance	251 379	209 262
	<b>64 430 702</b>	<b>56 654 287</b>

#### Remuneration Municipal Management DH Molaoale

Annual Remuneration	1 235 430	1 200 980
Car Allowance	28 800	28 800
Remote Allowance	86 480	86 279
Cellular Phone Allowance	19 200	19 200
Backpay basic salary	31 636	31 574
Backpay-Remote Allowance	2 215	-
Normal Leave Payout	49 302	23 388
	<b>1 453 063</b>	<b>1 390 221</b>

#### Remuneration of acting director of infrastructure: M.W. Molusi

Annual Remuneration	875 778	831 353
Car Allowance	148 800	148 800
Performance Bonuses	69 456	-
Cellphone Allowance	19 200	19 200
Remote Allowance	69 704	69 456
Backpay - Basic Salary	39 110	25 417
Backpay - Remote Allowance	2 738	-
Normal Leave Payout	39 689	-
	<b>1 264 475</b>	<b>1 094 226</b>

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### 26. Employee related costs (continued)

#### Remuneration of director of community services: T.H. Matlhare

Annual Remuneration	814 171	787 549
Car Allowance	129 600	129 600
Performance Bonuses	63 819	-
Remote Allowance	64 048	63 819
Cellular Phone Allowance	19 200	19 200
Normal leave payout	36 468	17 300
Backpay - Basic Salary	35 936	23 355
Backpay - Remote Allowance	2 516	-
	<b>1 165 758</b>	<b>1 040 823</b>

#### Remuneration of acting director of development and planning: K.K. Teise

Annual Remuneration	882 377	852 602
Car Allowance	169 764	169 764
Performance Bonuses	71 378	-
Remote Allowance	71 634	71 398
Cellular Phone Allowance	19 200	19 200
Backpay - Basic Salary	44 243	26 121
Backpay - Remote allowance	2 813	-
Normal Leave Payout	40 788	19 349
	<b>1 302 197</b>	<b>1 158 434</b>

#### Remuneration of acting director of corporate and human resources (corporate services): G. van der Westhuisen

Annual Remuneration	-	89 571
Car Allowance	-	18 236
Cellphone Allowance	-	1 600
	-	<b>109 407</b>

#### Remuneration of the Chief Financial Officer GP Moroane

Annual Remuneration	930 352	902 067
Car Allowance	112 800	112 800
Backpay- Basic Salary	25 975	25 924
Performance Bonuses	70 839	-
Remote Allowance	75 055	66 789
Cellular Phone Allowance	19 200	19 200
Backpay- Remote Allowance	1 818	-
Normal Leave Payout	40 480	19 203
	<b>1 276 519</b>	<b>1 145 983</b>

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### 26. Employee related costs (continued)

#### Director Corporate services E Tshabaemang

Annual Remuneration	634 324	512 323
Car Allowance	208 800	174 000
Performance Bonuses	56 799	-
Backpay - Basic salary	31 983	13 857
Remote Allowance	57 003	38 351
Cellular Phone Allowance	19 200	16 000
Backpay - Remote allowance	2 239	-
Normal leave payout	32 457	-
	<b>1 042 805</b>	<b>754 531</b>

The senior manager remuneration is in line with the 2020 upper limits as per the Government Gazette.

### 27. Remuneration of councillors

Mayor, Speaker and Councillors	5 150 388	4 944 453
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## Notes to the Annual Financial Statements

### 27. 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.

The remuneration of councillors is in line with the 2020 upper limits as per the Government Gazette.

#### Executive mayor: S Mosikatsi

Annual remuneration	621 261	621 917
Car Allowance	84 670	84 670
Pension fund contributions	124 576	103 235
Skills development levy	5 033	-
Cell phone allowance	40 800	40 800
Mobile data	3 600	3 600
Back pay	30 351	18 571
	<b>910 291</b>	<b>872 793</b>

#### Speaker: PQ Mogatle

Annual remuneration	519 064	508 216
Car Allowance	95 510	95 510
Pension fund contributions	49 830	49 665
Skills development levy	4 716	-
Cell phone allowance	40 800	40 800
Mobile data	3 600	3 600
Back pay	24 281	14 857
	<b>737 801</b>	<b>712 648</b>

#### Member of the mayoral committee: KF Masilabele

Annual remuneration	576 162	561 366
Pension fund contributions	46 716	45 516
Skills development levy	4 582	-
Cell phone allowance	40 800	40 800
Mobile data	3 600	3 600
Back pay	22 763	13 928
	<b>694 623</b>	<b>665 210</b>

#### Member of the mayoral committee: GC Assegaai

Annual remuneration	360 056	350 809
Skills development levy	3 083	-
Cell phone allowance	20 400	20 400
Mobile data	1 800	1 800
Back pay	13 159	8 051
	<b>398 498</b>	<b>381 060</b>

#### Member of the mayoral committee: OG Monaki

Basic Salary	576 162	561 366
Pension fund contributions	46 716	45 516
Skills development levy	4 582	-
Cell phone allowance	40 800	40 800
Mobile data	3 600	3 600
Backpay	22 764	13 928

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### 27. Remuneration of councillors (continued)

	694 624	665 210
<b>Member of the mayoral committee: TG Anthony (Appointed on 29 Jul 2019)</b>		
Basic salary	592 977	256 073
Skills development levy	5 059	-
Cell phone allowance	40 800	40 800
Mobile data	3 600	3 600
Backpay	21 552	5 877
	<b>663 988</b>	<b>306 350</b>
<b>MPAC Chairperson: OH Kgopodithata</b>		
Annual remuneration	74 467	72 555
Skills development levy	711	-
Cellphone allowance	20 400	20 400
Mobile data	1 800	1 800
Back pay	2 722	1 665
	<b>100 100</b>	<b>96 420</b>
<b>Councillor: A Van Der Westhuizen ( Resigned on 31 January 2020)</b>		
Annual remuneration	110 143	200 951
Transport allowance	31 199	53 485
Cellphone allowance	23 800	40 800
Pension fund contributions	11 460	-
Skills development levy	1 366	-
Mobile data allowance	2 100	3 600
Back pay	-	5 877
	<b>180 068</b>	<b>304 713</b>
<b>Councillor (MPAC committee member): PJ Ohentswe</b>		
Annual remuneration	205 328	199 149
Transport Allowance	37 782	37 782
Pension fund contributions	19 712	9 647
Skills development levy	1 978	-
Cell phone allowance	40 800	40 800
Mobile data	3 600	3 600
Back pay	9 605	5 877
	<b>318 805</b>	<b>296 855</b>
<b>Councillor: TF Molwangae</b>		
Annual remuneration	243 110	236 868
Pension fund contributions	19 712	19 206
Skills development levy	2 041	-
Cell phone allowance	40 800	40 800
Mobile data	3 600	3 600
Back pay	9 605	5 877
	<b>318 868</b>	<b>306 351</b>
<b>Councillor: KR Paul (Appointed in February 2020)</b>		
Annual remuneration	103 020	-
Transport allowance	7 000	-
Skills development levy	710	-
Cell phone allowance	17 000	-
Mobile allowance	1 500	-

**JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY**  
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### 27. Remuneration of councillors (continued)

Back pay	3 492	-
	<b>132 722</b>	<b>-</b>

#### Councillor S.N. Bloem (Resigned on 23 May 2019)

Annual remuneration	-	320 904
Cell phone allowance	-	18 700
Mobile data allowance	-	1 650
Back pay	-	8 051
	<b>-</b>	<b>349 305</b>

### 28. Depreciation and amortisation

Property, plant and equipment	4 079 344	3 343 378
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### 29. Finance costs

Current service cost on employee benefit obligations	-	396 689
Interest on overdue accounts	3 144	-
Finance leases	154 214	209 800
Non-current borrowings	90 458	118 154
Interest on employee benefit obligations	410 631	19 327
	<b>658 447</b>	<b>743 970</b>

### 30. Debt impairment

Additional amounts impaired	109 096	948 994
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### 31. Transfers and subsidies

Bursaries to non-employees	208 498	198 948
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# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

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## Notes to the Annual Financial Statements

### 32. Operational costs

Advertising	155 145	25 512
Auditors remuneration	2 499 194	2 346 421
Bank charges	114 144	112 324
Business Advisory Services	3 339 422	1 921 225
Maintenance of Equipment	674 025	3 818 150
Bad debt written off	-	14 991
Catering	593 457	-
VAT penalties and assessments	-	192 572
Hire	8 696	1 490
Insurance premiums	1 100 156	463 203
Community development and training	-	634 010
Conferences and seminars	414 344	1 092 655
IT expenses	5 321 782	2 583 167
Legal fees	883 463	1 639 715
Call centre - disaster management	543 522	-
Municipal services	1 256 727	-
Postage and Courier Services	3 048	1 374
Printing and stationery	107 427	371 207
Inventory Consumed	566 634	1 791 490
Repairs of community owned properties	1 256 594	4 155 952
Security services	1 380 918	1 354 811
Staff welfare	1 348	61 398
Membership fees	762 489	382 444
Telephone	560 159	487 121
Travel, subsistence and accommodation	4 664 928	1 900 967
Water quality monitoring	27 857	7 500
Uniforms	172 230	40 533
Study assistance	74 979	42 792
Training and Professional fees	3 526 556	1 886 852
Imbizo events	15 200	19 150
Cleaning Services	1 452 213	1 307 619
Communications	17 456	52 662
Capacity building	358 619	373 231
	<b>31 852 732</b>	<b>29 082 538</b>

### 33. Fair value adjustments

Fair value adjustment on Investment property	550 000	(644 000)
Fair value adjustment on Biological assets	(963 623)	(2 549 662)
	<b>(413 623)</b>	<b>(3 193 662)</b>

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## Notes to the Annual Financial Statements

### 34. Cash generated from operations

(Deficit) surplus	(1 081 841)	6 740 330
<b>Adjustments for:</b>		
Depreciation and amortisation	4 079 344	3 358 191
Disposal of biological assets	548 007	-
Donations	-	(345 974)
Fair value adjustments	413 623	3 193 662
Debt impairment	109 096	948 994
Movements in retirement benefit assets and liabilities	(174 088)	490 156
Movements in provisions	-	(2 409 759)
.	81 023	-
<b>Changes in working capital:</b>		
Inventories	1 886	(48 417)
Receivables from exchange transactions	2 248 952	219 419
Consumer debtors	-	(948 994)
Other receivables from non-exchange transactions	-	946 945
Payables from exchange transactions	1 703 585	(5 994 772)
VAT	209 653	(457 441)
Unspent conditional grants and receipts	(64 282)	(205 958)
	<b>8 074 958</b>	<b>5 486 382</b>

### 35. Contingencies

#### Contingent liabilities

##### Matters disclosed in 2019

- Case No: JS229/17: Imatu obo Rossouw & Van Der Merwe V John Taolo Gaetsewe Municipality, alleged unfair labour amounting to R300 000 and legal cost amounting to R100 000.0.
- 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.

##### Matters disclosed in 2020:

- Case No: JS229/17: Imatu obo Rossouw & Van Der Westhuizen V John Taolo Gaetsewe Municipality, alleged unfair labour amounting to R300 000 and legal cost amounting to R150 000.
- Case No: JR1464/17: Mathabathe V John Taolo Gaetsewe Municipality, alleged unfair dismissal amounting to R100 000.
- Du Toit V John Taolo Gaetsewe District Municipality, litigation claim which could amount to a total cost of R211 485.40. This matter has been finalized, awaiting court order and an estimation of interest.
- Zitshunele V John Taolo Gaetsewe District Municipality, litigation claim which could amount to a total cost of R2 314 603.79 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, January 2019, March 2019 and November 2019 which amount to R2 537 480.84. 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 2020, 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.

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

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## Notes to the Annual Financial Statements

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### 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 municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

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 2020	Less than 1 year	Between 1 and 2 years
Other financial liabilities	335 406	367 938
Finance lease obligations (Undiscounted)	319 120	-
Finance lease obligation (Discounted)	268 011	-
Unspent conditional grants	346 403	-
Payables from exchange transactions	10 701 336	-
At 30 June 2019	Less than 1 year	Between 1 and 2 years
Other financial liabilities	395 123	810 545
Finance lease obligations (Undiscounted)	382 944	319 120
Finance lease obligation (Discounted)	228 729	268 013
Unspent conditional grants	410 685	-
Payables from exchange transactions	8 997 750	-

#### 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.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

#### Market risk

##### 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 2020 and 2019, the municipality's borrowings at variable rate were denominated in the Rand.

The municipality analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing. Based on these scenarios, the municipality calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

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### 37. Going concern

These 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.

Non-compliance (30 days) - The municipality is currently not paying all their creditors within the accepted 30 days. This also resulted in fruitless and wasteful expenditure due to interest on overdue creditors account of R3,144.

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

It is a state entity set up by the Constitution of the Republic of South Africa to provide basic services to the community and is also funded by the state for that purpose. Failure to provide these services will prompt National Government intervention to ensure it stays functional and able to deliver basic services and consequently comply with the Constitution.

#### Government Grants

	2021
Equitable Share	41 976 000
Financial Management Grant	1 000 000
Rural Roads Asset Management Grant	1 400 000
Infrastructure Skills Development Grant	2 500 000
Expanded Public Works Program	250 000
	<b>47 126 000</b>

There is no indication of a possibility of default by the government in paying grants under the act. This is also corroborated by experience where National Treasury has met its obligations year on year and has therefore created a constructive obligation. Part of the grants tabled above has already been paid in July 2020 (Equitable share, Rural roads asset management, Infrastructure skills development).

There was an outbreak of COVID-19 which was declared an epidemic by the World Health Organisation and following that, the South Africa Government declared a nationwide lockdown. In spite of the COVID-19 outbreak, the municipality will continue as a going concern as it is part of the institutions that supply critical services to the communities it serves. The President of South Africa also pledged support for all institutions that supply critical services and a fund has also been set up to support these institutions. Unemployment Insurance Fund (UIF) will also be used to support salaries during this period. The municipality has also received their grants (Equitable share) and they will continue to receive grants in the foreseeable future.

### 38. Events after the reporting date

There were no events after reporting date.

### 39. Unauthorised expenditure

Opening balance as previously reported	32 030 553	32 030 553
	<b>32 030 553</b>	<b>32 030 553</b>
Current year unauthorised expenditure	3 247 882	-
Less: Amount written off - current year	(3 247 882)	-
Less: Amount written off - prior period	(32 030 553)	-
<b>Closing balance</b>	<b>-</b>	<b>32 030 553</b>

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<b>40. Fruitless and wasteful expenditure</b>		
Opening balance as previously reported	2 532 884	2 337 749
	<b>2 532 884</b>	<b>2 337 749</b>
Less: Identified in the current year relating to prior years	-	(882)
Current year fruitless and wasteful expenditure	3 144	196 017
Less: Amount written off - current year	(3 144)	-
Less: Amount written off - prior period	(2 532 884)	-
<b>Closing balance</b>	<b>-</b>	<b>2 532 884</b>
<b>41. Irregular expenditure</b>		
Opening balance	20 997 814	20 997 814
	<b>20 997 814</b>	<b>20 997 814</b>
Add: Irregular Expenditure - current year	276 451	-
Less: Amount written off - current year	(59 250)	-
Less: Amount written off - prior period	(20 997 814)	-
<b>Closing balance</b>	<b>217 201</b>	<b>20 997 814</b>
<b>42. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to organised local government</b>		
Current year subscription / fee	685 730	634 010
Amount paid - current year	(685 730)	(634 010)
	-	-
<b>Audit fees</b>		
Current year subscription / fee	2 499 194	2 346 421
Amount paid - current year	(2 499 194)	(2 346 421)
	-	-
<b>SDL and UIF</b>		
Current year subscription / fee	896 201	476 558
Amount paid - current year	(860 526)	(476 558)
	<b>35 675</b>	-
<b>Pension and Medical Aid Deductions</b>		
Current year subscription / fee	8 907 084	7 892 486
Amount paid - current year	(8 907 084)	(7 892 486)
	-	-
<b>VAT</b>		
VAT receivable	283 852	493 505

All VAT returns have been submitted by the due date throughout the year.

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

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## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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### 43. Utilisation of Long-term liabilities reconciliation

Long-term liabilities raised	703 344	1 205 668
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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. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the 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

Emergency	294 792	3 970 880
Sole supplier	166 500	115 912
Impractical or impossible to follow procurement process	2 320 858	1 440 433
	<b>2 782 150</b>	<b>5 527 225</b>

### 45. Commitments

#### Authorised capital expenditure

The municipality did not have any capital commitments as at 30 June 2019 and 2020.

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

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## Notes to the Annual Financial Statements

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### 46. Related parties

Members of key management	Refer to note 26
Councillors	Refer below and note 27
Subject to significant degree of control by a member of key management	John Taolo Gaetsewe Development Trust

### Related party balances

#### Amounts included in Trade receivable (Trade Payable) regarding related parties

John Taolo Gaetsewe Development Trust	5 423	19 597
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#### Irregular expenditure, interest and other amounts recoverable from councillors

T.G Anthony	283	255
G.C Assegai	19 354	17 494
S.B. Gaobusiwe	173 245	156 597
O.E. Hantise	177 382	160 336
E.V. Makoke	97 601	88 222
M.E. Mochwari	213 034	192 562
C. Mogodi	188 137	170 058
S Mosikatsi	204 782	185 103
A. Mwembo	71 166	64 327
J. Rakoi	63 553	57 446
A. van der Westhuizen	68 493	61 911

The municipality leases one of its buildings to the John Taolo Gaetsewe Development Trust; interest is charged on over-due amounts.

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

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## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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### 46. Related parties (continued)

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

#### Councillors:

S. Mosikatsi	Gamagara Close Corporation (member) John Taolo Gaetsewe Development Trust (Trustee)
G.C. Assegaai	Gadikgadi, Aleta Melokoe Trading; Self-Propelled Trading and Projects
S.N. Bloem	Bomme Fefo
L.L. Kaebis	Sepoane Trading Enterprise
O.H. Kgopodithata	Dipudi Faraway Project
K. Makwati	Kgalagadi Brick Company
P.Q. Mogatle	Pulane Mogatle Trading Enterprise; Ubuntu Botho Shareholder
P. Ohentswe	PJO Contractor, Letso Investment, Perth 1 Shop Station and Shop, Ohentswe Construction supply & Training Construction
A.B. van der Westhuizen	ACSB Reaction and PI Services; Kuruman Fotolab; Taylor and Nager Attorneys.
T.G. Athony	Boikakatlalo General Trading; Kalahari Rural Events and Projects Co-operative Limited

#### Senior management:

T.H. Matlhare	Just Released Trading 505
D.H. Molaole	Maverick Trading 1640 cc Phimola Keledi Burial Scheme (Pty) Ltd
M.W. Molusi	BOM Transportation Services
K. Teise	Strong Team Construction; Protect 8, Kuruman Development Corporation, United Power Construction
E. Tshabaemang	Angelome (Pty) Ltd Kuruman Dry Cleaners JC Chabi Trade and Construction Services

No transactions were entered into with these entities during the 2020 year.

Those councillors and senior managers not listed above declared that they had no business interests.

Councillors seconded from local municipalities:

#### Gamagara Local Municipality

A. Booysen  
H. Du Plessis  
O.E. Hantise

#### Ga-segonyana Local Municipality

G.C. Assegaai  
S.N. Bloem  
K. Makwati  
O. Mathibe  
N.G. Thupaemang  
O.A. Leserwane

#### Joe Morolong Local Municipality

L. Gwai  
L.L. Kaebis  
G. Kaotsane  
O.H. Kgopodithata

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

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## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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### 47. Budget differences

#### Material differences between budget and actual amounts

##### STATEMENT OF FINANCIAL PERFORMANCE

- 1 - The decision to sell the bricks on hand was only made during the current financial year and was therefore not budgeted for.
- 2 - The revenue billed for rentals was more than anticipated. 2.1 VAT recoveries were not budgeted for
- 3 - Revenue received from shared services was slightly lower due to COVID-19 restrictions.
- 4 - Interest received was more than anticipated.
- 5 - The municipality expected to receive more other income in the current financial year based on the 2019 receipts.
- 6 - Movement in depreciation calculations. The actual balance is more than what was budgeted for.
- 7 - The interest for finance leases and long-term loans were not calculated properly for the budget purposes.
- 8 - Impairment calculated on debtors are higher than anticipated.
- 9 - There was no budget for this line item, as the nature of the valuation requires an expert.
- 10 - There was no budget for this line item, as the nature of the valuation requires an expert.
- 11 - No budget for this line item, as it is a challenge to predict.
- 12 - No budget for this item, as it is an unexpected occurrence.

##### STATEMENT OF FINANCIAL POSITION

- 13 - The Municipality did not budget for this line item as it is difficult to determine if VAT will be a receivable or payable.
- 14 - The municipality's investments increased.
- 15 - The budget for this line item was in line with the 2018/19 audited figure, as there was no budget for the sale of biological assets.
- 16 - Additions were made in the current year.
- 17 - The municipality over budgeted for financial liabilities as a matter of caution.
- 18 - The municipality over budgeted for finance lease liabilities as a matter of caution.
- 19 - Payables vary in operational activity, however a decrease in creditors was anticipated with the improved cash flow of the municipality.
- 20 - The Municipality under budgeted for this line item, however it requires the expertise of an actuary.
- 21 - The municipality did not anticipate to have unspent grants at year end.
- 22 - The municipality did not expect the revaluation of certain assets to take place a year earlier.

### 48. Regulation 45 of the supply chain management regulations

#### Awards to close family members of persons in the service of the state

Kuruman T-shirt House	27 250	-
Lefetlho Trading (Pty) Ltd	5 854 953	-
	<b>5 882 203</b>	<b>-</b>

#### Relationship:

Kuruman T-Shirt House: Shumsoniesa Langeveldt director of Kuruman T-Shirt House is a spouse to Richard Langeveldt who is employed by the Department of Education as a Teacher.

Lefetlho Trading (Pty) Ltd: Lasiwe Christabella the director of Lefetlho Trading (Pty) Ltd is a spouse to Dikago Senatle who is employed by the Department of Health as an Assistant Director.

### 49. Loss on biological assets

Losses arising from the sale of biological assets	(296 519)	-
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# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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### 50. Change in estimate

#### Property, plant and equipment

The useful lives of assets were reviewed in the current year, resulting in a change in the depreciation for the current year. This resulted in the increase in current year depreciation of R273 932. There will be a decrease in the future depreciation of these assets of R273 932 in the future periods.

	Depreciation before change in estimate	Depreciation after change in estimate	(Increase)/ Decrease in depreciation
Furniture & Fittings	324 878	(472 719)	(147 841)
IT equipment	603 753	(585 496)	18 257
Motor Vehicles	449 551	(597 702)	(148 151)
Other PPE	18 458	(14 655)	3 803
	<b>1 396 640</b>	<b>(1 670 572)</b>	<b>(273 932)</b>

### 51. Statutory receivables

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial assets. These receivables fall within the scope of GRAP 108, effective for all periods started on or after 1 April 2019. The VAT receivable of R 283,852, disclosed in note 7, is a statutory debtor as it arises from legislation (Value-added Tax Act) and requires settlement by another entity in cash. The municipality has however decided to take advantage of the transitional provision and will only start applying the GRAP 108 standard in the 2020/21 financial year.

In preparing for the adoption of the standard, management shall review the revenue transactions and identify how they arise, that is, through contracts or through other means. Once the transactions have been identified, management shall compare existing accounting policies to the principles in GRAP 108 to identify differences and update the policies to align it with GRAP 108.

### 52. Prior-year adjustments

Presented below are those items contained in the statement of financial position, that have been affected by prior-year adjustments:

#### Statement of financial position

2019

	Note	As previously reported	Correction of error	Restated
Inventories	6	8 539 763	246 483	8 786 246
Property, plant and equipment	10	72 354 792	230 241	72 585 033
Accumulated surplus		(36 105 923)	(476 724)	(36 582 647)

Prior period balances were restated as a result of the following:

Property, plant and equipment was restated by R230 241 as a result of assets found in the current year which had not been recorded on the asset register and fully depreciated assets that are still in use.

Inventory was restated by R246 483 as a result of inventory found in the current year which had not been recorded on the inventory register.

Accumulated surplus was restated by R476 724 as a result of assets and inventory found in the current year which had not been recorded on the asset and inventory registers, as well as fully depreciated assets that are still in use.

2019/20

John Taolo  
Gaetsewe  
District  
Municipality

Audited  
Annual  
Performance  
Report  
Volume III



# **JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY**



## **Audited Annual Performance Report**

**2019/20 FINANCIAL YEAR**

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT	
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4								
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	1	Number of Monthly RRAMS expenditure reports submitted by 30 June	12 Monthly RRAMS expenditure reports submitted by 30 June	Number	EMAIL WITH REPORT	Monthly		3	3	3	3	NEW	3	3	3	3	12	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	2	Annual RRAMS Business Plan submitted to Department of Transport by 31 March	Annual RRAMS Business Plan submitted to Department of Transport by 31 March	Date	EMAIL WITH BUSINESS PLAN	Annually		-	-	31-Mar	-	31-MAY	N/A	N/A	31-Mar	N/A	31-Mar	0	ACHIEVED	-	-	N/A	N/A
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	3	Service Provider appointed to provide support with the updating of the RRAMS by 30 June	Service Provider appointed to provide support with the updating of the RRAMS by 30 June	Date	SIGNED CONTRACT	Annually		-	-	-	30-Jun	25-OCT	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Delays caused by the lockdown regulations	Target discontinued	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	4	Number of Quarterly RRAMS update reports submitted 30 June	4 Quarterly RRAMS update reports submitted 30 June	Number	EMAIL WITH REPORT	Quarterly		1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	5	Number of quarterly Integrated Transport Plan update progress reports submitted by 30 June	3 quarterly Integrated Transport Plan update progress reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly		-	1	1	1	3	N/A	1	1	1	3	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	6	Draft Updated Integrated Transport Plan annually submitted by 30 June	Draft Updated Integrated Transport Plan annually submitted by 30 June	Date	EMAIL WITH ITEM AND PLAN	Annually		-	-	-	30-Jun	29-MAY	N/A	N/A	N/A	25-May	25-May	36 Days	ACHIEVED	Council meeting held on an earlier date than the prescribed date set. Target was also achieved prior to the deadline.	-	Plan still at consultation phase	Adjust target date from 31 March 2020 to 30 June 2020

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									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	7	Integrated Transport Plan Stakeholder engagement annually completed by 31 March	Integrated Transport Plan Stakeholder engagement annually completed by 31 March	Date	EMAIL WITH REPORT	Annually	-	-	31-Mar	-	NEW	N/A	N/A	31-Mar	N/A	0	ACHIEVED	-	-	N/A	N/A	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	8	Final updated Integrated Transport Plan annually submitted by 30 June	Final updated Integrated Transport Plan annually submitted by 30 June	Date	EMAIL WITH PLAN	Annually	-	-	-	30-Jun	NEW	N/A	N/A	N/A	31-May	31 Days	ACHIEVED	Council meeting held on an earlier date than the prescribed date set. Target was also achieved prior to the deadline.	-	Delays with consultation processes	Adjust target date from 31 May 2020 to 30 June 2020	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	9	District Transport Authority established by 30 June	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	10	1 revised Internal Roads Paving EPWP Business Plans progress report submitted to the Municipal Manager by 30 June	1 revised Internal Roads Paving EPWP Business Plans progress report submitted to the Municipal Manager by 30 June	Date	EMAIL WITH REPORT	Annually	-	-	-	30-Jun	3	N/A	N/A	N/A	30-Jun	0	ACHIEVED	-	-	Target description adjusted to meet SMART criteria and delays due to the lockdown	Adjust unit of measurement to date, 3 to 1 and POE to report	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	11	Number of quarterly Joe Morolong LM internal road monitoring reports submitted by 30 June	4 quarterly Joe Morolong LM internal road monitoring reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	4	1	1	1	1	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Road and Transport	To provide roads and transport services	12	Number of quarterly Gamagara LM internal road monitoring reports submitted by 30 June	4 quarterly Gamagara LM internal road monitoring reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	4	1	1	1	1	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria	

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									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To provide bulk water and sanitation services	19	Draft Bulk Water Services by-laws published in Northern Cape Provincial Gazette by 30 June (Dependent on amendment of powers and functions)	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To provide bulk water and sanitation services	20	Bulk Water Services Policy developed by 30 June (Dependent on amendment of powers and functions)	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To provide bulk water and sanitation services	21	Bulk Water Services Tariffs developed by 30 June (Dependent on amendment of powers and functions)	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To provide bulk water and sanitation services	22	Water Services Development Plan (WSDP) developed by 30 June	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Water and Sanitation	To provide bulk water and sanitation services	23	Water Resource Management Strategy developed by 30 June	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated human settlements	To promote integrated human settlement planning	24	Number of bi-annual Integrated infrastructure review progress reports submitted by 30 June	2 bi-annual Integrated infrastructure review progress reports submitted by 30 June	Number	EMAIL WITH REPORT	Bi-Annually	-	-	1	1	NEW	N/A	N/A	1	1	2	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated human settlements	To promote integrated human settlement planning	25	Integrated Infrastructure plan annually reviewed by 31 May	Integrated Infrastructure plan annually reviewed by 31 May	Date	EMAIL WITH ITEM AND PLAN	Annually	-	-	-	31 May	29-MAY	N/A	N/A	N/A	25-May	25-May	6 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A

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									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	26	Number of quarterly Neighbourhood Development Partnership Grant (NDPG) reports submitted by 30 June	4 quarterly Neighbourhood Development Partnership Grant (NDPG) reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	NEW	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	27	Number of quarterly Khotso Pula Nala (KPN) reports submitted by 30 June	4 quarterly Khotso Pula Nala (KPN) reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	NEW	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	28	Number of quarterly Human Settlement Sector Plan update progress reports submitted by 30 June	3 quarterly Human Settlement Sector Plan update progress reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	-	1	1	1	NEW	N/A	1	1	1	3	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	29	Number of draft updated Human Settlement Sector Plans annually submitted 30 June	1 draft updated Human Settlement Sector Plans annually submitted 30 June	Number	EMAIL WITH ITEM AND PLAN	Annually	-	-	-	1	4	N/A	N/A	N/A	1	1	0	ACHIEVED	-	-	Plans still at consultation phase and due to the lockdown only 1 district plan can be achieved	Adjust target date from 31 March 2020 to 30 June 2020 and number from 4 to 1
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	30	Number of final updated Human Settlements Sector Plans annually submitted by 30 June	1 final updated Human Settlements Sector Plans annually submitted by 30 June	Number	EMAIL WITH PLAN	Annually	-	-	-	1	4	N/A	N/A	N/A	1	1	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement, also, due to the lockdown only 1 district plan can be achieved	Adjust target description with a time-bound criteria and number from 4 to 1

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									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q 4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	31	Final reviewed Human Settlements Accreditation Business Plan annually submitted by 30 September	Final reviewed Human Settlements Accreditation Business Plan annually submitted by 30 September	Date	EMAIL WITH PLAN	Annually	30-Sep	-	-	-	25-OCT	27-Sep	N/A	N/A	N/A	27-Sep	3 Days	ACHIEVED	Target achieved earlier than the set date and submitted on time.	-	N/A	N/A
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	32	Number of bi-annual Human Settlements Accreditation Business Plan data collection progress reports submitted by 30 June	2 bi-annual Human Settlements Accreditation Business Plan data collection progress reports submitted by 30 June	Number	EMAIL WITH REPORT	Bi-Annually	-	1	-	1	NEW	N/A	1	N/A	1	2	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	33	Number of monthly human settlement progress reports submitted by 30 June	12 monthly human settlement progress reports submitted by 30 June	Number	EMAIL WITH REPORT	Monthly	3	3	3	3	NEW	3	3	3	3	12	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	34	Number of quarterly human settlement progress reports submitted by 30 June	4 quarterly human settlement progress reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	NEW	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	35	Draft reviewed Human Settlements Accreditation Business Plan annually submitted by 30 June	Draft reviewed Human Settlements Accreditation Business Plan annually submitted by 30 June	Date	EMAIL WITH ITEM AND PLAN	Annually	-	-	-	30-Jun	NEW	N/A	N/A	N/A	25-May	25-May	36 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	36	Number of quarterly Consumer Education Reports submitted by 30 June	4 quarterly Consumer Education Reports submitted by 30 June	Number	REPORT	Quarterly	1	1	1	1	NEW	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria

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									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	37	Number of quarterly Human Settlement Needs Register Reports submitted by 30 June	4 quarterly Human Settlement Needs Register Reports submitted by 30 June	Number	REPORT	Quarterly	1	1	1	1	NEW	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	38	Human Settlements Register annually updated by 30 June	Human Settlements Register annually updated by 30 June	Date	EMAIL WITH REPORT	Annually	-	-	-	30-Jun	30-JUN	N/A	N/A	N/A	30-Jun	30-Jun	0	ACHIEVED	-	-	N/A	N/A
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	39	Number of bi-annual Mandela House construction progress reports submitted by 30 June	2 bi-annual Mandela House construction progress reports submitted by 30 June	Number	EMAIL WITH REPORT	Bi-Annually	-	-	1	1	NEW	N/A	N/A	1	1	2	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	40	Mandela Day House annually constructed by 30 June	Mandela Day House annually constructed by 30 June	Date	EMAIL WITH REPORT	Annually	-	-	-	30-Jun	22-JAN	N/A	N/A	N/A	30-Jun	30-Jun	0	ACHIEVED	-	-	Delays caused by procurement and the lockdown	Adjust target date 30 June 2020 and POE to Report
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	41	Number of bi-annual Human Settlement Business Plan data collection reports submitted by 15 December	2 bi-annual Human Settlement Business Plan data collection reports submitted by 15 December	Number	EMAIL WITH REPORT	Bi-Annually	1	1	-	-	NEW	1	1	N/A	N/A	2	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	42	Business Plans annually submitted to the Provincial Department to access human settlement funding by 31 December	Business Plans annually submitted to the Provincial Department to access human settlement funding by 31 December	Date	EMAIL WITH BUSINESS PLANS	Annually	-	31-Dec	-	-	31-MAR	N/A	20-Dec	N/A	N/A	20-Dec	11 Days	ACHIEVED	Target achieved earlier than the set date and submitted.	-	N/A	N/A

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									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	43	Number of bi-annual House for Special Interest Groups construction progress reports submitted by 15 December	2 bi-annual House for Special Interest Groups construction progress reports submitted by 15 December	Number	EMAIL WITH REPORT	Bi-Annually	1	1	-	-	NEW	1	1	N/A	N/A	2	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	44	House for Special Interest Groups annually completed by 30 June	House for Special Interest Groups annually completed by 30 June	Date	EMAIL WITH REPORT	Annually	-	-	-	30-Jun	14-DEC	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Uncertainties of the construction of a house by CoGHSTA for an earlier identified beneficiary stalled the process as well as the lockdown regulations	Target discontinued	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	45	Number of erven upgraded to waterborne sanitation in Vanzylsrus by 30 June	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To provide adequate housing to residents of the District	46	Number of quarterly human settlements projects monitoring reports submitted by 30 June	4 quarterly human settlements projects monitoring reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	NEW	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	47	Identification of cemeteries to be upgraded annually completed by 30 September	Identification of cemeteries to be upgraded annually completed by 30 September	Date	EMAIL WITH REPORT	Annually	30-Sep	-	-	-	NEW	30-Sep	N/A	N/A	N/A	30-Sep	0	ACHIEVED	-	-	N/A	N/A
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Integrated Human Settlements	To develop community facilities	48	Number of quarterly EPWP Evaluation Reports submitted by 30 June	4 quarterly EPWP Evaluation Reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	NEW	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria



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									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	61	Integrated Waste Management Plan reviewed by 30 June	Integrated Waste Management Plan reviewed by 30 June	Date	EMAIL WITH PLAN	Annually	-	-	-	30-Jun	NEW	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Obtaining council approval will not be possible due to lockdown regulations	Target discontinued	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	62	Air Quality Management Plan reviewed by 30 June	Not applicable to 2019/20	-	-	-	-	-	-	-	28-FEB	-	-	-	-	-	-	-	-	-	-	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	63	Number of quarterly Air Quality Management Plan implementation reports submitted by 30 June	3 quarterly Air Quality Management Plan implementation reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	-	NEW	0	2	1	N/A	3	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement and lockdown regulations	Adjust target description with a time-bound criteria and number from 4 to 3
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	64	Comprehensive Climate Change Strategy reviewed by 30 June	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	65	Number of quarterly Comprehensive Climate Change Strategy implementation reports submitted by 30 June	3 quarterly Comprehensive Climate Change Strategy implementation reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	-	4	0	2	1	N/A	3	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement and lockdown regulations	Adjust target description with a time-bound criteria and number from 4 to 3
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Environmental Management, Conservation and Climate Change Management	To provide municipal health services to the communities of the District	66	Integrated Environmental Management Framework reviewed by 31 May	Integrated Environmental Management Framework reviewed by 31 May	Date	EMAIL WITH ITEM AND FRAMEWORK	Annually	-	-	-	31-May	-	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Delays are foreseen if the National Department of Environmental Affairs does not fund the review and/or provide	Target to be discontinued	



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KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To govern municipal affairs	81	Number of quarterly ordinary Council meetings held by 30 June	4 quarterly ordinary council meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To govern municipal affairs	82	Number of monthly Senior Management meetings held by 30 June	8 monthly Senior Management meetings held by 30 June	Number	MINUTES	Monthly	3	2	3	-	10	3	3	3	3	12	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement and COVID19 lockdown regulations	Adjust target description with a time-bound criteria and number from 10 to 8
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To govern municipal affairs	83	Number of monthly Back to Basics reports submitted to COGHSTA by 30 June	12 monthly Back to Basics reports submitted to COGHSTA by 30 June	Number	EMAIL WITH REPORT	Monthly	3	3	3	3	12	3	3	3	3	12	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	84	Number of quarterly District Communication s Forum meetings held by 30 June	4 quarterly District Communicati ons Forum meetings held by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	4	1	1	1	0	3	1	NOT ACHIEVED	Incorrect evidence submitted for validation	Ensure evidence submitted is adequate and correct	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	85	Number of quarterly external newsletters published by 30 June	4 quarterly external newsletters published by 30 June	Number	NEWSLETTER	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	86	Number of quarterly internal newsletters published on the intranet by 30 June	4 quarterly internal newsletters published on the intranet by 30 June	Number	NEWSLETTER	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	87	Stakeholder register annually updated by 31 July	Stakeholder register updated by 31 July	Date	REGISTER	Annually	31-Jul	-	-	-	31-JUL	31-Jul	N/A	N/A	N/A	31-Jul	0	ACHIEVED	-	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	88	Local Municipalities supported to develop and/or review the respective LM Communication Strategies by 30 June	Local Municipalities supported to develop and/or review the respective LM Communication Strategies by 30 June	Date	EMAIL WITH REPORT	Annually	-	-	-	30-Jun	0	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Stakeholders meeting will not be possible due to lockdown regulations	Target discontinued	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	89	Public Participation and Communication Strategy developed and annually reviewed by 31 March	Public Participation and Communication Strategy developed and annually reviewed by 31 March	Date	EMAIL WITH ITEM STRATEGY	Annually	-	-	31-Mar	-	31-MAR	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Stakeholders meeting will not be possible due to lockdown regulations	Target discontinued	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	90	Number of quarterly Mayoral engagements with key stakeholders by 30 June	4 quarterly Mayoral engagements with key stakeholders by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	4	1	1	0	2	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	91	Number of council outreach programmes to communities by 30 June	4 Council outreach programmes to communities by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	4	1	1	0	2	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	92	Annual Mayoral State of the District Address (SODA) by 30 April	Annual Mayoral State of the District Address (SODA) delivered by 30 April	Date	EMAIL WITH REPORT	Annually	-	-	30-Apr	-	0	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Adherence to lockdown regulations prohibits public assemblage	Target discontinued	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote racial diversity in the District	93	Number of racial diversity awareness events held by 30 June	2 racial diversity awareness events held by 30 June	Number	EMAIL WITH REPORT	Bi-Annually	-	1	-	1	0	N/A	1	N/A	N/A	TARGET DISCONTINUED				Adherence to lockdown regulations prohibits public assemblage	Target discontinued	

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	94	Promotional materials developed by 31 March	Promotional materials developed by 31 March	Date	CALENDARS	Annually	-	-	31-Mar	-	28-FEB	N/A	29-Nov	N/A	N/A	29-Nov	123 Days	ACHIEVED	Target achieved earlier than the set date.	-	Delays with submission of promotional material by service provider	Adjust target date from 30 November to 31 March
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	95	Community satisfaction survey concluded by 30 June	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To improve public participation	96	District Service Delivery Charter developed and annually reviewed by 31 May	District Service Delivery Charter developed and annually reviewed by 31 May	Date	EMAIL WITH ITEM AND CHARTER	Annually	-	-	-	31-May	31-MAY	N/A	N/A	N/A	31-May	31-May	0	ACHIEVED	-	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	97	Number of quarterly targeted group forum meetings held by 30 June	8 quarterly targeted group forum meetings held by 30 June	Number	EMAIL WITH REPORT	Quarterly	2	3	3	-	10	2	3	3	N/A	8	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement and lockdown regulations prohibits public assemblage	Adjust target description with a time-bound criteria and number from 10 to 8
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	98	Number of quarterly targeted group campaigns conducted by 30 June	3 quarterly targeted group campaigns conducted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	-	4	1	1	1	N/A	3	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement and lockdown regulations prohibits public assemblage	Adjust target description with a time-bound criteria and number from 4 to 3

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	99	Number of bi-annual District Disability Council meetings held by 30 June	2 District Disability Council meetings held	Number	MINUTES	Annually	-	-	-	2	2	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Adherence to lockdown regulations prohibits public assemblage	Target discontinued	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	100	Number of students annually supported by 30 June	3 students annually supported by 30 June	Number	EMAIL WITH REPORT	Annually	-	-	-	3	1	N/A	N/A	N/A	3	0	ACHIEVED	-	-	N/A	N/A	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote the interests and rights of targeted groups – women, children, youth, disabled, elderly	101	Number of quarterly District AIDS Council meetings held by 30 June	4 quarterly District AIDS Council meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	1	3	1	1	1	N/A	TARGET DISCONTINUED				Stakeholders meeting will not be possible due to lockdown regulations	Target discontinued	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure legal compliance	102	Number of quarterly compliance monitoring reports submitted by 30 June	4 quarterly compliance monitoring reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	NEW	3	3	3	1	6	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	Management resolved to meet quarterly on compliance and Audit Action monitoring	Adjust target number from 12 to 4	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote oversight and public accountability	103	Number of quarterly consolidated Audit Action Plan progress updates submitted by 30 June	4 quarterly consolidated Audit Action Plan progress updates submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	10	1	1	1	4	0	ACHIEVED	-	-	Management resolved to meet quarterly on compliance and Audit Action monitoring	Adjust target number from 12 to 4	

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									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote oversight and public accountability	104	Number of quarterly MPAC meetings held by 30 June	4 quarterly MPAC meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	1	3	0	2	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	105	Risk assessment annually completed by 30 June	Risk assessment annually completed by 30 June	Date	EMAIL WITH REPORT	Annually	-	-	-	30 June	NEW	N/A	N/A	N/A	6-Jun	5-Jun	25 Days	ACHIEVED	Completion of risk assessment prior to 30 June is desirable, as it assists in the compilation of audit plans prior to the start of the financial year.	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	106	Number of quarterly risk register progress reports submitted by 30 June	4 quarterly risk register progress reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	NEW	1	1	1	1	4	-	ACHIEVED	-	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	107	Number of quarterly risk strategy/implementation plan progress reports submitted by 30 June	4 quarterly risk strategy/implementation plan progress reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	2	1	1	1	1	4	-	ACHIEVED	-	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To manage risks to the Municipality	108	Risk management policy annually reviewed by 31 May	Risk management policy annually reviewed by 31 May	Date	EMAIL WITH ITEM AND POLICY	Annually	-	-	-	31-May	NEW	N/A	N/A	N/A	28-May	28-May	3 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote ethical behaviour	109	Fraud Prevention Policy Annually reviewed by 31 May	Fraud Prevention Policy Annually reviewed by 31 May	Date	EMAIL WITH ITEM AND POLICY	Annually	-	-	-	31-May	NEW	N/A	N/A	N/A	28-May	28-May	3 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A

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									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	110	Annual Audit Action Plan submitted by 31 January	Annual Audit Action Plan submitted by 31 January	Date	EMAIL WITH ITEM AND PLAN	Annually	-	-	31-Jan	-	25-JAN	N/A	N/A	24-Jan	N/A	24-Jan	7 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	111	Number of quarterly internal audit reports issued for all municipalities by 30 June	21 quarterly internal audit reports issued for all municipalities by 30 June	Number	EMAIL WITH REPORT	Quarterly	6	6	6	3	29	9	9	6	3	27	6	ACHIEVED	Target number was adjusted to 21 from 36.	-	Service level agreement not yet concluded between Gamagara and Joe Morolong LMs. COVID19 containment measure have also affected availability of responsible officials	Adjust target number from 36 to 21
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	112	Annual Internal Audit Policy approved by Council by 30 June	Annual Internal Audit Policy approved by Council by 30 June	Date	EMAIL WITH ITEM AND POLICY	Annually	-	-	-	30-Jun	27-JUN	N/A	N/A	N/A	25-Jun	25-Jun	5 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	113	Annual Internal Audit Charter approved by Council by 30 June	Annual Internal Audit Charter approved by Council by 30 June	Date	EMAIL WITH ITEM AND CHARTER	Annually	-	-	-	30-Jun	27-JUN	N/A	N/A	N/A	25-Jun	25-Jun	5 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	114	Number of Quarterly Chief Audit Executive Forum Meetings attended by 30 June	3 quarterly Chief Audit Executive Forum Meetings attended by 30 June	Number	MINUTES	Quarterly	1	1	1	-	2	1	1	1	N/A	3	0	ACHIEVED	-	-	Provincial Forum resolved that in Q4 the Chief Audit Executive Forum meeting will not take place	Adjust target number from 4 to 3

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									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	115	One year audit plans for all municipalities approved by Audit and Performance Committee by 30 June	One year audit plans for all municipalities approved by Audit and Performance Committee by 30 June	Date	EMAIL WITH PLAN	Annually	-	-	-	30-Jun	26-JUN	N/A	N/A	N/A	25-Jun	5 Days	ACHIEVED	Target achieved earlier than the set date.	-	N/A	N/A	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	116	Three year rolling plans approved by Audit and Performance Committee by 30 June	Three year rolling plans approved by Audit and Performance Committee by 30 June	Date	EMAIL WITH PLAN	Annually	-	-	-	30-Jun	26-JUN	N/A	N/A	N/A	25-Jun	5 Days	ACHIEVED	Target achieved earlier than the set date.	-	N/A	N/A	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	117	Number of quarterly Audit Committee meetings held by 30 June	4 quarterly Audit Committee meetings held by 30 June	Number	RESOLUTION REGISTER	Quarterly	1	1	1	1	4	1	1	1	1	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement and carter to lockdown regulations	Adjust target description with a time-bound criteria and POE to resolution register	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote achievement of a clean annual audit outcome for all the Municipalities in the District	118	Annual Council Approved Audit and Performance Committee Charter by 30 June	Annual Council Approved Audit and Performance Committee Charter by 30 June	Date	EMAIL WITH ITEM AND CHARTER	Annually	-	-	-	30-Jun	27-JUN	N/A	N/A	N/A	27-Jun	3 Days	ACHIEVED	Target achieved earlier than the set date.	-	N/A	N/A	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	119	Annual Council approved IDP Framework by 31 August	Annual Council approved IDP Framework by 31 August	Date	EMAIL WITH ITEM AND FRAMEWORK	Annually	31-Aug	-	-	-	31-AUG	29-Aug	N/A	N/A	N/A	29-Aug	1 Day	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	120	Draft IDP annually adopted by Council by 31 March	Draft IDP annually adopted by Council by 31 March	Date	EMAIL WITH ITEM AND PLAN	Annually	-	-	31-Mar	-	27-MAR	N/A	N/A	26-Mar	N/A	5 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A	

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									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	121	Draft Top-layer SDBIP annually submitted to Council with Draft IDP by 31 March	Draft Top-layer SDBIP annually submitted to Council with Draft IDP 31 March	Date	EMAIL WITH ITEM AND PLAN	Annually			31-Mar	-	27-MAR	N/A	N/A	26-Mar	N/A	26-Mar	6 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	122	Number of IDP Lekgotlas annually held by 30 June	1 IDP Lekgotlas annually held by 30 June	Number	EMAIL WITH REPORT	Annually				1	1	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Stakeholders meeting will not be possible due to lockdown regulations	Target discontinued	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	123	Number of IDP and Budget Roadshows annually held by 31 May	3 IDP and Budget Roadshows annually held by 31 May	Number	EMAIL WITH REPORT	Annually				3	3	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Stakeholders meetings will not be possible due to lockdown regulations	Target discontinued	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	124	Final IDP annually adopted by Council by 31 May	Final IDP annually adopted by Council by 31 May	Date	EMAIL WITH ITEM AND PLAN	Annually				31-May	29-MAY	N/A	N/A	N/A	26-May	26-May	3 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To ensure effective strategic integrated sustainable development planning in the District	125	Final Draft Top-layer SDBIP annually submitted to Council with Draft IDP by 31 May	Final Draft Top-layer SDBIP annually submitted to Council with Draft IDP by 31 May	Date	EMAIL WITH ITEM AND PLAN	Annually				31-May	29-MAY	N/A	N/A	N/A	26-May	26-May	3 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementati on progress against predetermine d objectives	126	Annually reviewed Organizational Performance Management Framework approved by Council by 31 May	Annually reviewed Organizational Performance Management Framework approved by Council by 31 May	Date	EMAIL WITH ITEM AND FRAMEWORK	Annually	-	-	-	31-May	27-MAR	N/A	N/A	N/A	24-Mar	24-Mar	66 Days	ACHIEVED	Target completion was brought forward, in light of COVID19 lockdown regulations and adequate progress made with review	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementati on progress against predetermine d objectives	127	1st Quarter Performance Review Report annually submitted by 30 November	1st Quarter Performance Review Report annually submitted by 30 November	Date	EMAIL WITH ITEM AND REPORT	Annually	-	30-Nov	-	-	25-OCT	N/A	14-Oct	N/A	N/A	14-Oct	30 Days	ACHIEVED	Council meeting took place in October 2019. Submission of Q1 Report had to be brought forward	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementati on progress against predetermine d objectives	128	Mid-year performance review report annually submitted by 31 January	Mid-year performance review report annually submitted by 31 January	Date	EMAIL WITH ITEM AND REPORT	Annually	-	-	31-Jan	-	24-JAN	N/A	N/A	28-Jan	N/A	28-Jan	7 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementati on progress against predetermine d objectives	129	3rd Quarter Performance Review Report annually submitted by 31 May	3rd Quarter Performance Review Report annually submitted by 31 May	Date	EMAIL WITH ITEM REPORT	Annually	-	-	-	31-May	29-APR	N/A	N/A	N/A	27-May	27-May	3 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To review and report IDP Implementati on progress against predetermine d objectives	130	Annual report submitted to Auditor General by 31 August	Annual report submitted to Auditor General by 31 August	Date	CONFIRMATION EMAIL	Annually	31-Aug	-	-	-	29-AUG	31-Aug	N/A	N/A	N/A	31-Aug	-	ACHIEVED	-	-	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To implement the Spatial Planning and Land Use Management Act (SPLUMA)	131	Number of quarterly DMPT progress reports submitted to Local Municipalities by 30 June	4 quarterly DMPT progress reports submitted to Local Municipalities by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	4	1	1	1	1	4	-	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To implement the Spatial Planning and Land Use Management Act (SPLUMA)	132	DMPT Agreement reviewed by 30 June	DMPT Agreement reviewed by 30 June	Date	REVIEWED AGREEMENT	Annually	-	-	-	30-Jun	NEW	N/A	N/A	N/A	29-Jun	29-Jun	1 Day	ACHIEVED	Target achieved earlier than the set date.	-	Due to uncertainties with the continuation of the COVID19 containment measures finalization of the agreement may be delayed	Adjust POE to review of agreement
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To implement the Spatial Planning and Land Use Management Act (SPLUMA)	133	Spatial Development Framework reviewed by 30 June	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To provide resources for the daily operations and maintenance of the Municipality	134	Council approved resources budget for the daily operations and maintenance of the Municipality by 31 May	Council approved resources budget for the daily operations and maintenance of the Municipality by 31 May	Date	APPROVED BUDGET	Annually	-	-	-	31-May	29-MAY	N/A	N/A	N/A	28-May	28-May	3 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	Target description adjusted to align to KPI	Adjust target description with resources
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental-relation in the District	135	Number of quarterly District IGR Forum meetings held by 30 June	4 quarterly District IGR Forum meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernmental-relation in the District	136	Number of quarterly Institutional Transformation and Development Forum meetings held by 30 June	4 quarterly Institutional Transformation and Development Forum meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	1	1	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernm ental-relation in the District	137	Number of quarterly Mayor's Forum meetings held by 30 June	4 quarterly Mayor's Forum meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernm ental-relation in the District	138	Number of quarterly Speaker's Forum meetings held by 30 June	2 quarterly Speaker's Forum meetings held by 30 June	Number	MUNITES	Quarterly	-	1	-	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Due to unavailability of key stakeholders scheduled meetings have been reduced to ensure functionality of forum	Adjust target number from 4 to 2
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernm ental-relation in the District	139	Number of quarterly MM's Forum meetings held by 30 June	4 quarterly MM's Forum meetings held by 30 June	Number	MUNITES	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernm ental-relation in the District	140	Number of biannual Traditional Leaders' Forum meetings held by 30 June	2 biannual Traditional Leaders' Forum meetings held by 30 June	Number	MUNITES	Quarterly	-	1	-	1	4	1	1	1	N/A	3	1	ACHIEVED	Target number was adjusted to 2 from 4. Adjustment was made due to availability of stakeholders.	-	Stakeholders not available for meetings	Adjust target number from 4 to 2
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernm ental-relation in the District	141	Number of quarterly District Financial Viability Forum meetings held by 30 June	4 quarterly District Financial Viability Forum meetings held by 30 June	Number	MUNITES	Quarterly	1	1	1	1	4	1	1	0	2	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernm ental-relation in the District	142	Number of quarterly District Planning and Performance Forum meetings held by 30 June	2 quarterly District Planning and Performance Forum meetings held by 30 June	Number	MUNITES	Quarterly	1	1	-	-	4	1	1	-	-	2	0	ACHIEVED	-	-	Target number adjusted due to lockdown restrictions	Adjust target description with a time-bound criteria and number from 4 to 2

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernm ental-relation in the District	143	Number of quarterly Waste Forum meetings held by 30 June	4 quarterly Waste Forum meetings held by 30 June	Number	MUNITES	Quarterly		1		1			1		4	0	ACHIEVED	-	-	Means of verification indicate that the forum meeting held does not match target description	Adjust target description to align to the MOV	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Sustainable Development Orientated Municipality	To promote good intergovernm ental-relation in the District	144	Number of quarterly Integrated Infrastructure, Engineering Services and Human Settlements Forum meetings held by 30 June	4 quarterly Integrated Infrastructure, Engineering Services and Human Settlements Forum meetings held by 30 June	Number	MUNITES	Quarterly		1		1			1		4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	145	DGDS reviewed by 30 June	Not applicable to 2019/20	-	-	-		-		-			-		-	-	-	-	-	-	-	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	146	Number of quarterly DGDS Implementation monitoring reports submitted by 30 June	4 quarterly DGDS Implementati on monitoring reports submitted by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly		1		1			1		4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	147	LED Strategy annually reviewed by 31 May	LED Strategy annually reviewed by 31 May	Date	EMAIL WITH ITEM AND STRATEGY	Annually		-		-		31-May			TARGET DISCONTINUED				Slow progress in the consultation processes due to lockdown regulations	Target discontinued		
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	148	SMME Strategy developed by 30 June	Not applicable to 2019/20	-	-	-		-		-		-		-	-	-	-	-	-	-	-	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	149	SLP Coordination Strategy developed by 30 June	SLP Coordination Strategy developed by 30 June	Date	EMAIL WITH ITEM AND STRATEGY	Annually		-		-		30-Jun			TARGET DISCONTINUED				Obtaining council approval will not be possible due to lockdown regulations	Target discontinued		

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	150	Manufacturing Strategy developed by 30 June	Manufacturing Strategy developed by 30 June	Date	EMAIL WITH ITEM AND STRATEGY	Annually	-	-	-	30-Jun	NEW	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Obtaining council approval will not be possible due to lockdown regulations	Target discontinued	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	151	Number of quarterly LED Strategy Implementation monitoring reports submitted by 30 June	4 quarterly LED Strategy Implementation monitoring reports submitted by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	152	Number of quarterly LED Forum meetings held by 30 June	4 quarterly LED Forum meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	-	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria and number from 4 to 3
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	153	Regional Development Agency (multi-sectorial and multi-stakeholder) established by 30 June	Regional Development Agency (multi-sectorial and multi-stakeholder) established by 30 June	Date	REPORT AND SUBMISSION REGISTER	Annually	-	-	-	30-Jun	NEW	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Stakeholders meetings will not be possible due to lockdown regulations	Target discontinued	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote local economic development	154	Number of quarterly Mining Forum meetings held by 30 June	4 quarterly Mining Forum meetings held by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	1	1	1	0	3	1	NOT ACHIEVED	Incorrect evidence submitted for validation	Ensure evidence submitted is adequate and correct	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target POE to Minutes
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote employment opportunities in the District	155	Number of quarterly District SMME Database update reports submitted by 30 June	4 quarterly District SMME Database update reports submitted by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To facilitate increased LED capacity in the District	156	Number of quarterly Local Municipalities LED support reports submitted by 30 June	4 quarterly Local Municipalities LED support reports submitted by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	157	Number of quarterly Tourism Statistic reports submitted by 30 June	3 quarterly Tourism Statistic reports submitted by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	-	4	1	1	1	-	3	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement and due to lockdown restrictions	Adjust target description with a time-bound criteria and number from 4 to 3
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	158	Tourism Marketing Strategy annually reviewed by 31 May	Tourism Marketing Strategy annually reviewed by 31 May	Date	EMAIL WITH ITEM AND STRATEGY	Annually	-	-	-	31-May	NEW	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Slow progress in the consultation processes due to lockdown regulations	Target discontinued	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	159	Number of quarterly Tourism Marketing Strategy Implementation Reports submitted by 30 June	4 quarterly Tourism Marketing Strategy Implementation Reports submitted by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	NEW	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	160	Number of tourism promotion events participated in by 30 June	4 tourism promotion events participated in by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	N/A	N/A

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	161	District Tourism Festival Concept Document developed by 31 May	District Tourism Festival Concept Document developed by 31 May	Date	REPORT AND SUBMISSION REGISTER	Annually	-	-	-	31-May	NEW	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Slow progress in the consultation processes due to lockdown regulations	Target discontinued	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To enhance tourism development and Promote the District as a preferred Tourism Destination	162	District Tourism Festival held by 30 September	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LOCAL ECONOMIC DEVELOPMENT	Land Development and Reform	To facilitate availability of land for Economic Development	163	Commonage farms refurbishment business plan submitted by 30 June	Commonage farms refurbishment business plan submitted by 30 June	Date	REPORT AND SUBMISSION REGISTER	Annually	-	-	-	30-Jun	30-JUN	N/A	N/A	N/A	17-Jun	17-Jun	13 Days	ACHIEVED	Target achieved earlier than the set date and submitted.	-	Actual works will not take place on account of both COVID19 containment measures and lack of funding	Adjust target description to include business plan submission
LOCAL ECONOMIC DEVELOPMENT	Land Development and Reform	To facilitate availability of land for Economic Development	164	Commonage Management policy annually reviewed by 31 May	Commonage Management policy annually reviewed by 31 May	Date	EMAIL WITH ITEM AND POLICY	Annually	-	-	-	31 May	29-MAY	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Obtaining council approval will not be possible due to lockdown regulations	Target discontinued	
LOCAL ECONOMIC DEVELOPMENT	Land Development and Reform	To facilitate availability of land for Economic Development	165	Commonage tariff structure reviewed by 31 May	Commonage tariff structure reviewed by 31 May	Date	EMAIL WITH TARIFFS	Annually	-	-	-	31-May	0	N/A	N/A	N/A	15-May	15-May	16 Days	ACHIEVED	Target achieved earlier than the set date and submitted.	-	N/A	N/A
LOCAL ECONOMIC DEVELOPMENT	Land Development and Reform	To facilitate availability of land for Economic Development	166	Number of quarterly commonage management implementation reports submitted by 30 June	4 quarterly commonage management implementati on reports submitted by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q 4							
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To facilitate the co-ordination of CRDP	167	Number of quarterly Agri-park facilitation reports submitted by 30 June	4 quarterly Agri-park facilitation reports submitted by 30 June	Number	REPORT AND SUBMISSION REGISTER	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote the conservation and development of heritage resources	168	Heritage Resource conservation and management strategy developed by 30 June	Heritage Resource conservation and management strategy developed by 30 June	Date	EMAIL WITH ITEM AND STRATEGY	Annually	-	-	-	30-Jun	NEW	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Slow progress in the consultation processes due to lockdown regulations	Target discontinued	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote the conservation and development of heritage resources	169	Comprehensive heritage resource conservation and development plan for the District developed by 30 June	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LOCAL ECONOMIC DEVELOPMENT	Local Economic Development	To promote the conservation and development of heritage resources	170	Planning for the erection of a John Taolo Gaetsewe monument and heritage centre completed by 30 June	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	171	Number of quarterly Budget and IDP Steering Committee reports submitted by 30 June	4 quarterly Budget and IDP Steering Committee reports submitted by 30 June	Number	MINUTES	Quarterly	1	1	1	1	2	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	172	Number of monthly MFMA Section 71 Reports data strings uploaded by 30 June	12 monthly MFMA Section 71 Reports data strings uploaded by 30 June	Number	EMAIL WITH REPORT	Monthly	3	3	3	3	12	3	3	3	3	12	0	ACHIEVED	-	-	Data string submission has affected target description	Adjust target description to uploading of data strings as submissions

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	173	Number of quarterly Consolidated Municipal financial reports (MFMA Section 11, 52 and 66 reports) submitted by 30 June	4 quarterly Consolidated Municipal financial reports (MFMA Section 11, 52 and 66 reports) submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	174	Number of quarterly data strings (Long-term contracts, borrowing monitoring, investment monitoring reports) submitted to Provincial and National Treasuries by 30 June	4 quarterly data strings (Long-term contracts, borrowing monitoring, investment monitoring reports) submitted to Provincial and National Treasuries by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	4	1	1	1	1	4	0	ACHIEVED	-	-	Data string submission has affected target description	Adjust target description from returns to data strings
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	175	Annual Financial Statements submitted to Auditor General by 31 August	Annual Financial Statements submitted to Auditor General by 31 August	Date	CONFIRMATION EMAIL	Annually	31-Aug	-	-	-	31-AUG	31-Aug	N/A	N/A	N/A	31-Aug	0	ACHIEVED	-	-	N/A	N/A
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	176	Number of quarterly reports on internal audit findings responded to within the prescribed timeframe by 30 June	4 quarterly reports on internal audit findings responded to within the prescribed timeframe by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	3	1	1	1	1	4	0	ACHIEVED	-	-	N/A	N/A
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	177	Number of Pre-audit data strings of the Annual Financial Statements submitted to National Treasury by 30 September	7 Pre-audit data strings of the Annual Financial Statements submitted to National Treasury by 30 September	Number	EMAIL WITH REPORT	Annually	7	-	-	-	7	7	N/A	N/A	N/A	7	0	ACHIEVED	-	-	Data string submission has affected target description	Adjust target description from returns to data strings

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	178	Number of bi-annual reports on external audit findings responded to within the prescribed timeframe by 30 November	2 bi-annual reports on external audit findings responded to within the prescribed timeframe by 30 November	Number	EMAIL WITH REPORT	Bi-Annually	1	1	-	-	2	1	1	N/A	N/A	2	0	ACHIEVED	-	-	N/A	N/A
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	179	Number of Post-audit data strings of the Annual Financial Statements submitted to National Treasury by 31 January	7 Post-audit data strings of the Annual Financial Statements submitted to National Treasury by 31 January	Number	EMAIL WITH REPORT	Annually	-	-	7	-	7	N/A	N/A	7	N/A	7	0	ACHIEVED	-	-	Data string submission has affected target description	Adjust target description from returns to data strings
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	180	Annual Mid-year budget and performance report submitted by 25 January	Annual Mid-year budget and performance report submitted by 25 January	Date	EMAIL WITH ITEM AND REPORT	Annually	-	-	25-Jan	-	24-JAN	N/A	N/A	24-Jan	N/A	24-Jan	1 Day	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	181	Adjustment Budget submitted by 28 February	Adjustment Budget submitted by 28 February	Date	EMAIL WITH ITEM AND REPORT	Annually	-	-	28-Feb	-	28-FEB	N/A	N/A	22-Feb	N/A	22-Feb	6 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	182	Number of Adjustment Budget data strings submitted by 31 March	7 Adjustment Budget data strings submitted by 31 March	Number	EMAIL WITH REPORT	Annually	-	-	7	-	7	N/A	N/A	7	N/A	7	0	ACHIEVED	-	-	Data string submission has affected target description	Adjust target description from returns to data strings
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	183	Medium Term Revenue and Expenditure Framework submitted by 31 May	Medium Term Revenue and Expenditure Framework submitted by 31 May	Date	EMAIL WITH ITEM AND FRAMEWORK	Annually	-	-	-	31-May	29-MAY	N/A	N/A	N/A	28-May	28-May	3 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	184	Number of Budget related policies annually reviewed by 31 May	11 Budget related policies annually reviewed by 31 May	Number	EMAIL WITH ITEM AND POLICIES	Annually	-	-	-	11	14	N/A	N/A	N/A	18	7	ACHIEVED	A higher target number achieved and presented to Council for approval.	-	N/A	N/A	
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	185	Number of Procedure manuals reviewed by 31 May	3 Procedure manuals reviewed by 31 May	Number	MANUALS	Annually	-	-	-	3	5	N/A	N/A	N/A	3	0	ACHIEVED	-	-	N/A	N/A	
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	186	Number of Budget data strings submitted by 30 June	7 Budget data strings submitted by 30 June	Number	EMAIL WITH REPORT	Annually	-	-	-	7	7	N/A	N/A	N/A	1	7	NOT ACHIEVED	Incorrect evidence submitted for validation	Ensure evidence submitted is adequate and correct	Data string submission has affected target description	Adjust target description from returns to data strings	
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	187	Number of quarterly financial statements submitted to Audit and Performance Committee by 30 June	3 quarterly financial statements submitted to Audit and Performance Committee by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	-	2	1	0	1	3	0	ACHIEVED	-	-	Target description and number adjusted to meet Audit and Performance Committee endorsement due to lockdown regulations	Adjust target description with a time-bound criteria and number from 4 to 3	
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	188	Number of Monthly financial performance reports submitted to Senior Management by 30 June	8 Monthly financial performance reports submitted to Senior Management by 30 June	Number	EMAIL WITH REPORT	Monthly	2	2	2	2	NEW	2	2	2	8	0	ACHIEVED	-	-	Financial performance reports submitted to Management for oversight	Adjust target description from statements to financial performance reports	
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	189	Number of monthly Back to Basics reports submitted by 30 June	12 monthly Back to Basics reports submitted by 30 June	Number	EMAIL WITH REPORT	Monthly	3	3	3	3	12	3	3	3	12	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria	

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT	
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4								
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	190	Number of quarterly Financial Management Capability Maturity Model (FMCMM) reports submitted by 30 June	4 quarterly Financial Management Capability Maturity Model (FMCMM) reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly		1				3	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	191	Annual Procurement Plan reviewed by 30 June	Annual Procurement Plan developed by 30 June	Date	EMAIL WITH ITEM AND PLAN	Annually			-		30-Jun	30-JUN	N/A	N/A	N/A	0	0	NOT ACHIEVED	Incorrect evidence submitted for validation	Ensure evidence submitted is adequate and correct	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description for alignment	
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	192	Number of quarterly progress reports on implementation of the procurement plan submitted to Office of the Municipal Manager and Treasuries by 30 June	4 quarterly progress reports on implementation of the procurement plan submitted to Office of the Municipal Manager and Treasuries by 30 June	Number	EMAIL WITH REPORT	Quarterly			1			4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	193	Number of quarterly reports on implementation of the Supply Chain Management policy submitted to the Executive Mayor and Council by 30 June	4 quarterly reports on implementation of the Supply Chain Management policy submitted to the Executive Mayor and Council by 30 June	Number	EMAIL WITH ITEM AND REPORT	Quarterly			1			4	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To promote and enhance the financial viability of the District Municipality	194	Revenue enhancement strategy developed and annually reviewed by 30 June	Revenue enhancement strategy developed and annually reviewed by 30 June	Date	EMAIL WITH ITEM AND STRATEGY	Annually			-		30-Jun	0	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Slow progress in the consultation processes due to lockdown regulations	Target discontinued	

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To ensure that the municipal assets are properly safeguarded	195	Percentage of assets insured by 30 June	100% assets insured by 30 June	Percentage	POLICY	Annually	-	-	-	100%	100%	N/A	N/A	N/A	100%	0	ACHIEVED	-	-	N/A	N/A	
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To ensure that the municipal assets are properly safeguarded	196	Number of quarterly Asset Management Policy implementation reports submitted by 30 June	4 quarterly Asset Management Policy implementati on reports submitted by 30 June	Number	EMAIL WITH REPORT	Quarterly	1	1	1	1	4	1	1	1	1	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria	
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Sustainable Development Orientated Municipality	To ensure that the municipal assets are properly safeguarded	197	Number of quarterly Functional Assets Management Steering Committee meetings held by 30 June	3 Quarterly Functional Assets Management Steering committee meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	-	3	1	1	1	-	0	ACHIEVED	-	-	Target description and number adjusted to meet Audit and Performance Committee endorsement due to lockdown regulations	Adjust target description with a time-bound criteria and number from 4 to 3	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	198	Comprehensive HR Strategy reviewed by 30 June	Not applicable to 2019/20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	199	Number of bi-annual HR Strategy implementation monitoring reports submitted by 30 June	2 bi-annual HR Strategy implementati on monitoring reports submitted by 30 June	Number	EMAIL WITH ITEM AND REPORT	Bi-Annually	-	1	-	1	2	N/A	1	N/A	1	0	ACHIEVED	-	-	N/A	N/A	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	200	Council approved annually reviewed staff structure by 31 May	Council approved annually reviewed staff structure by 31 May	Date	EMAIL WITH ITEM AND STRUCTURE	Annually	-	-	-	31-May	27-MAR	N/A	N/A	N/A	28-May	3 Days	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	201	Number of quarterly HR status reports submitted by 30 June	4 quarterly HR status reports submitted by 30 June	Number	EMAIL WITH ITEM AND REPORT	Quarterly	1	1	1	1	4	1	1	1	1	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria	

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	202	Quinquennial reviewed Employment Equity Plan by 31 May	Not applicable to 2019/20	-	-	-	-	-	-	-	29-MAY	-	-	-	-	-	-	-	-	-	-	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	203	Number of HR policies annually reviewed by 31 May	20 HR policies annually reviewed by 31 May	Number	EMAIL WITH ITEM AND POLICIES	Annually	-	-	-	20	29-MAY (prior year target was a day)	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Slow progress in the consultation processes due to lockdown regulations	Target discontinued	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	204	Senior Management annual performance assessment panel facilitated by 30 September	Senior Management annual performance assessment panel facilitated by 30 September	Date	REPORT	Annually	30-Sep	-	-	-	0	18-Aug	N/A	N/A	N/A	18-Aug	43 Days	ACHIEVED	Target achieved earlier than the set date.	-	N/A	N/A
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide integrated human resource service	205	Percentage of staff qualifying for performance rewards rewarded by 30 June	100% staff qualifying for performance rewards rewarded by 31 May	Percentage	EMAIL WITH REPORT	Annually	-	-	-	100%	0	N/A	N/A	N/A	N/A	TARGET DISCONTINUED				Reviewing of the IPMS Policy requires a comprehensive feasibility study to be concluded on the current reward system	Target discontinued	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide adequate opportunities for the development of employees and councillors	206	Annually reviewed WSP submitted to LGSETA by 31 May	Annually reviewed WSP submitted to LGSETA by 31 May	Date	WSP	Annually	-	-	-	31-May	30-APR	N/A	N/A	N/A	29-May	29-May	2 Days	ACHIEVED	Target achieved earlier than the set date due to extension of submission date.	-	Slow progress in the submission processes due to lockdown regulations	Adjust target date from 30 April to 31 May
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide adequate opportunities for the development of employees and councillors	207	Annual training report submitted to LGSETA by 31 May	Annual training report submitted to LGSETA by 31 May	Date	REPORT	Annually	-	-	-	31 May	30-APR	N/A	N/A	N/A	29-May	29-May	2 Days	ACHIEVED	Target achieved earlier than the set date due to extension of submission date.	-	Slow progress in the submission processes due to lockdown regulations	Adjust target date from 30 April to 31 May

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide adequate opportunities for the development of employees and councillors	208	Number of quarterly Training Committee meetings held by 30 June	4 quarterly Training Committee meetings held by 30 June	Number	MINUTES	Quarterly	1	1	1	1	2	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	209	IT Strategy reviewed by 30 June	IT Strategy reviewed by 30 June	Date	EMAIL WITH ITEM AND STRATEGY	Annually	-	-	-	30-Jun	NEW	N/A	N/A	N/A	29-Jun	29-Jun	1 Day	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	210	IT Policy annually reviewed by 30 June	IT policy annually reviewed by 30 June	Date	EMAIL WITH ITEM AND POLICY	Annually	-	-	-	30-Jun	29-MAY	N/A	N/A	N/A	29-Jun	29-Jun	1 Day	ACHIEVED	Target achieved earlier than the set date and presented to Council for approval.	-	N/A	N/A
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	211	Number of quarterly internal IT Steering Committee meetings held by 30 June	4 quarterly internal IT Steering Committee meetings held by 30 June	Number	EMAIL WITH REPORTS	Quarterly	1	1	1	1	3	1	1	1	1	4	0	ACHIEVED	-	-	Ensure POE submission is aligned to target	Adjust POE to email with reports
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	212	Number of monthly IT Support and IT Services Management reports submitted by 30 June	12 IT Support and IT Services Management Monthly reports submitted by 30 June	Number	REPORTS	Monthly	3	3	3	3	12	3	3	3	3	12	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	213	Disaster Recovery and Business Continuity Plan reviewed by 30 September	Disaster Recovery Planning and Business Continuity Plan reviewed by 30 September	Date	EMAIL WITH ITEM AND PLAN	Annually	30-Sep	-	-	-	29-MAY	N/A	30-Sep	N/A	N/A	30-Sep	0	ACHIEVED	-	-	Target achieved in 29 May 2019, KPI description to be adjusted	Adjust target description from developed to reviewed

KPA	IDP Programme (IDP PRIORITY AREA)	Strategic Objective	KPI NR	KEY PERFORMANCE INDICATOR TITLE	TARGET (OUTPUT)	UNIT OF MEASUREMENT	PORTFOLIO OF EVIDENCE	REPORTING CYCLE	TARGET BREAKDOWN				AUDITED ANNUAL PERFORMANCE 18/19	ACTUAL QUARTERLY PERFORMANCE				ACTUAL ANNUAL PERFORMANCE (2019-2020)	VARIANCE	ACHIEVED / NOT ACHIEVED (2019-2020)	IF NOT ACHIEVED, REASONS FOR NOT ACHIEVING AND/OR VARIANCE (2019-2020)	CORRECTIVE MEASURES TO BE TAKEN (2019-2020)	PROPOSED OPERATIONAL BUDGET ADJUSTMENT	PROPOSED CAPITAL BUDGET ADJUSTMENT
									Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4							
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	214	Number of monthly Disaster Recovery and Business Continuity implementation reports submitted by 30 June	12 monthly Disaster Recovery Planning and Business Continuity reports submitted by 30 June	Number	REPORTS	Monthly	3	3	3	3	2	3	3	3	3	12	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	215	Number of monthly website maintenance reports submitted by 30 June	12 monthly website maintenance reports submitted by 30 June	Number	REPORTS	Monthly	3	3	3	3	12	3	3	3	3	12	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide IT services	216	Annual website upgrading and redesigning completed by 30 June	Annual website upgrading and redesigning completed by 30 June	Date	REPORT	Annually	-	-	-	30-Jun	0	N/A	N/A	N/A	19-Jun	19-Jun	11 Days	ACHIEVED	Target achieved earlier than the set date.	-	Redesigning and upgrading feasibility study is ongoing	Adjust target date from 30 September 2019 to 30 June 2020
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide record management services	217	Record Management Policy annually reviewed by 31 May	Record Management Policy annually reviewed by 31 May	Date	EMAIL WITH ITEM AND POLICY	Annually	-	-	-	31-May	NEW	N/A	N/A	N/A	29-Jun	29-Jun	2 Days	ACHIEVED	Target achieved earlier than the set date.	-	N/A	N/A
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Sustainable Development Orientated Municipality	To provide record management services	218	Number of quarterly record management reports submitted by 30 June	4 quarterly record management reports submitted by 30 June	Number	REPORTS	Quarterly	1	1	1	1	NEW	1	1	1	1	4	0	ACHIEVED	-	-	Target description adjusted to meet Audit and Performance Committee endorsement	Adjust target description with a time-bound criteria

2019/20

John Taolo  
Gaetsewe  
District  
Municipality

Audit and  
Performance  
Committee  
Report  
Volume IV



## **JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY AUDIT, RISK AND PERFORMANCE COMMITTEE ANNUAL REPORT FOR THE PERIOD ENDING 30 JUNE 2020**

The Committee is honoured to present its report for the financial period ending 30 June 2020.

The committee is required to meet at least four times during the financial year in terms of Section 166 of the MFMA. The committee has met on the dates set out below in the table to execute its mandate in accordance with the agenda of the day.

The details of attendance of meeting are as follows:

<b>Members</b>	<b>14 August 2019</b>	<b>24 October 2019</b>	<b>21 February 2020</b>	<b>26 June 2020</b>
<b>Mr.R.Tshimomola (Chairperson)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Mr.F.Buys (Member)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Mr.S.Simelane (Member)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

### **AUDIT COMMITTEE RESPONSIBILITIES**

The committee is pleased to report that it had complied with its responsibilities arising from Section 166 of the MFMA, Section 41 of the Municipal Systems Act, Local Government Municipal Planning, Performance Management Regulation, Relevant Treasury Regulations, Treasury Circulars and other relevant legislations.

The committee had formally adopted its terms of reference as its Audit, Risk and Performance Committee Charter and has regulated its affairs in compliance with this charter and discharged its duties as contained therein.

The committee performed the following key responsibilities during the financial year:

- Reviewed and adopted Audit, Risk and Performance Committee Charter as approved by council.
- Reviewed and adopted Internal Audit Charter and Methodology.
- Reviewed and approved the three year rolling Internal Audit Plan and Annual Operational Plan and monitored their implementations.
- Reviewed Risk Management Policy, Strategy, Implementation Plan and quarterly risk management reports as noted and approved by the council.
- Evaluated the findings raised by internal and external auditors and made recommendations on addressing the root cause of findings.
- Reviewed monthly and quarterly financial information reports presented by management and made recommendations on financial management improvements and reporting.
- Reviewed quarterly and annual performance information reports presented by management and made recommendations on performance management improvements and reporting.
- Reviewed quarterly and annual financial statements and gave council the credible view of the financial position, financial performance and cash flow information of the municipality.
- Reviewed revenue, expenditure, assets and liabilities management reports presented by management and recommended appropriate actions for management to implement.
- Reviewed conditional grants, unconditional grants, deviations, information communications technology, human resources management reports presented by management and recommended appropriate actions for management to implement.
- Reviewed audit action plans emanating from internal and external audit findings and recommended appropriate actions for management to implement.
- Liaised with the Auditor General South Africa to discuss and resolve external audit matters.
- Prepared and presented quarterly reports to the council to fulfil oversight roles.

**JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY AUDIT, RISK AND PERFORMANCE  
COMMITTEE ANNUAL REPORT FOR THE PERIOD ENDING 30 JUNE 2020**

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**INTERNAL AUDIT**

Audit, Risk and Performance Committee is satisfied that the internal audit unit performed its activities in accordance with approved internal audit plan for the financial year and Section 165 of the MFMA. Quarterly internal audit progress reports were reviewed and adopted in the committee meetings held during the year. Internal Audit reported to Audit, Risk and Performance Committee functionally to ensure its independence and objectivity on performance of its duties.

**EFFECTIVENESS OF INTERNAL CONTROL**

The committee is of the view that that internal control system is effective based on the independent evaluations conducted by internal audit during the financial year and reports submitted to the committee.

Audit, Risk and Performance Committee concur with and accept the Auditor-General of South Africa's Audit Report 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 of South Africa.



**R. Tshinemo (MR)**

**Chairperson of the Audit, Risk and Performance Committee**

**30 October 2020**

**Date**

2019/20

John Taolo  
Gaetsewe  
District  
Municipality

Audit  
Report  
Volume V



# 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 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as 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 2020, 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, 2019 (Act No. 16 of 2019) (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' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Emphasis of matter**

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

### **Unauthorised expenditure**

7. As disclosed in note 39 to the financial statements, the municipality incurred unauthorised expenditure of R3 247 882, as a result of exceeding its budget as certain non-cash items were not properly budgeted for.

## **Other matter**

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

### **Unaudited disclosure notes (MFMA125)**

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

## **Responsibilities of the accounting officer for the financial statements**

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

## **Auditor-general's responsibilities for the audit of the financial statements**

12. 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.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Introduction and scope

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do 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.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2020:

Development priority	Pages in the annual performance report
Development priority 1 – Basic service delivery and infrastructure development	X– X

17. 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.

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

- Basic service delivery and infrastructure development

## Other matter

18. I draw attention to the matter below.

## Achievement of planned targets

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

## Report on the audit of compliance with legislation

### Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
21. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

## Other information

22. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that have been specifically reported in this auditor's report.
23. 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.
24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. 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

26. 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. I did not identify any significant deficiencies in internal control.

#### Other reports

27. I draw attention to the following engagements conducted by various parties which 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.
28. The Directorate for Priority Crime Investigation (HAWKS) are investigating allegations of fraud committed by a supplier in the year ending 30 June 2016. These proceedings were in progress at the date of this report.

*Auditor General*

Kimberley

27 March 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

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

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the John Taolo Gaetsewe District Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also 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, the actions taken to eliminate threats or the safeguards applied.

