



# **GA-SEGONYANA LOCAL MUNICIPALITY**

**Draft Annual Report**

**2020-2021**



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## REVISED ANNUAL REPORT TEMPLATE

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

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

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

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

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

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

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

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

# Chapter 1

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

### COMPONENT A: MAYOR’S FOREWORD

#### MAYOR’S FOREWORD

Our 2020/2021 Integrated Development Plan (IDP) review document seeks to focus on the following:

- ❖ Accelerating service delivery
- ❖ Building a municipality that is effective, efficient and responsive
- ❖ Promoting economic and social development
- ❖ Fostering development partnerships and social cohesion.
- ❖ Improve a Safe and Healthy living environment.

As the municipality we have committed ourselves to the following deliverables:

- ❖ Supply of basic services to communities.
- ❖ Electricity and Water must be accessible.
- ❖ Waste removal services must be improved.
- ❖ Promote Social and Economic development.

The Municipal Systems Act indicates that the constitution of South Africa envisages a robust local government, which can provide democratic and accountable government for local communities. In 2020/2021, we encountered the Local Government Elections which marked the end of a Council Term and the beginning of a Newly elected and inaugurated Council. The Council of Term 2016-2020 have achieved to bring stability to the overall Municipal performance in regards to finance in which we managed to receive a 2019/2020 Unqualified Auditor Opinion from the Auditor General Of South Africa (AGSA) as compared to previous years of disclaimers prior 2016.

In the Fourteen (14) Wards in Ga-Segonyana we completed and handed over Thirty Nine (39) projects from 2016 to date which were funded by the collective from Municipal Integrated Grant (MIG), Water Services Infrastructure Grant (WSIG), Department of Water and Sanitation (DWS), Local Mining houses and John Taolo Gaetsewe Developmental Trust. The projects based solely on the basic services of Water, Electricity and Roads.

Ga-Segonyana has experienced over population within their Wards due to communities locating near to economic and social opportunities. The municipality works in collaboration with Local Houses of

# Chapter 1

Traditional Leaders in regards to spatial planning and land use. We continue to request the Provincial and National Leadership to assist financially in regards to implementing various key economic and social infrastructures for job creation and afford the community dignified living environment with sustainable human settlement areas.

Ga-Segonyana Local Municipality adheres and implements the objectives and mission of the local municipality.

.....  
**Mayor Neo George Masegela**

*T 1.0.1*

# Chapter 1

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### MUNICIPAL MANAGER'S OVERVIEW

As the municipality we ensure that the municipal services are provided to local communities in an equitable, financially and environmentally sustainable manner.

We pride ourselves on the following:

- ❖ Being responsive to the needs of the communities in Ga-Segonyana
- ❖ Having well established communication channels with the communities.
- ❖ Being accountable and transparent to the local communities on the operations and functionality of the municipality through the departments which we have namely as Co-Operate, Technical , Community Service and Finance departments.

In accordance with Chapter 4 of the Municipal Systems Act 32 of 2000, Community participation in the affairs and programmes of the municipality is a legal obligation. The public participation and response to public emergencies to service delivery has been accelerated through the use of digital and online communication platforms such as the active official social media page ( Facebook), the radio interviews at the local community radio station (Kurara FM) and announcements, publications in print Local Newspapers. The Municipal Call Center has been made available 24/7 to attend to all technical community emergencies. The interactive community meetings were postponed due to the lockdown national laws of Covid-19 pandemic.

According to Section 156 (2) of the Constitution of the Republic of South Africa (1996) provides that the municipality may make and administer By-Laws for the effective administration of matters which it has right to administer. Ga-Segonyana Local Municipality has implemented by-laws that govern Ga-Segonyana which are also made accessible to communities and are in use. However, the Municipality has experienced many challenges in regards to municipal property vandalism and theft that has interrupted proper supply of electricity and water. Our Legal and Compliance office working with the Local South African Police Service (SAPS) and Community Forums have collectively worked to resolve these criminal elements in Ga-Segonyana. Furthermore, Maintenance and repairs to municipal infrastructures has been accelerated to ensure providence of service delivery to

# Chapter 1

communities.

The impact of Covid-19 pandemic resulted in the Municipality having basic service backlogs due to Covid-19 lockdown regulations. However, our municipal officials together with sector departments have developed and implemented strategies and weekly routines that addressed the matter. Ga-Segonyana Local Municipality values work ethics and code of conduct guiding employees relations with management and all stakeholders. We encountered industrial strike in which we were able to resolve through the functional established Local Labour Forum which comprise of representatives from South African Municipal Workers Union(SAMWU), Independent Municipal and Allied Trade Union (IMATU) and Administration of the Municipality.

.....  
**Municipal Manager**

**Mr Martin Tsatsimpe**

*T 1.1.1*

# Chapter 1

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

The rural villages to the north-west of Kuruman are administered through a traditional authority system with two Traditional leaders. This area is not formalised with the result that no title deeds exist for residents. Currently no billing for services is conducted in these areas. It is crucial for the success of the project that a suitable “social contract” be put in place to ensure financial feasibility through successful cost recovery. For this purpose, all erven must have water meters (where yard / house connections are installed) and consumers must be billed towards debt collection and cost recovery. As a minimum level of township formalization services must be registered for roads and infrastructure and registered identifiable erven must be created. This will allow for the legal identification of the erven, consumers and water meters and will facilitate billing and cost recovery. Similarly, the legal ownership of infrastructure will be documented and registered by the registering of services.

Migration from the cross-border areas from the north adds significantly to the housing need and the development of water and sanitation infrastructure. Backlogs in housing must be addressed. The status of the Municipality’s Water Service’s Development Plan is that of a draft and its blue drop assessment level is 72,27%, with:

#### BLUE DROP ASSESSMENT RESULTS, 2012

Battharos (GLM Boreholes – Sedibeng Water)	78,23%
Mothibistad (GLM Boreholes – Sedibeng Water)	73,4%
Bankhara-Bodulong (Managed by Ga-Segonyana LM)	64,16%
Kuruman – Wrenchville (Managed by Ga-Segonyana LM)	64,16%

#### Refuse Removal and Waste Disposal

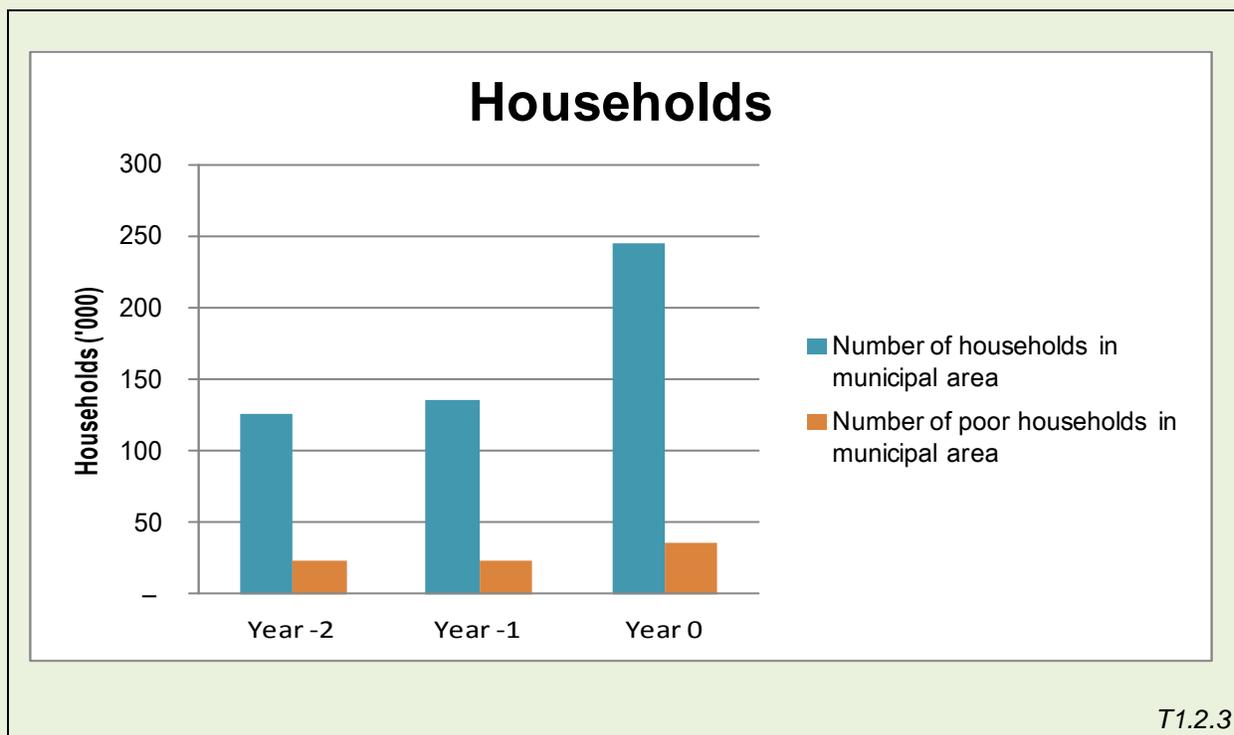
The Municipality remove an average of 12-ton waste per day from business premises and 18,45 ton from domestic premises.

*T 1.2.1*

# Chapter 1

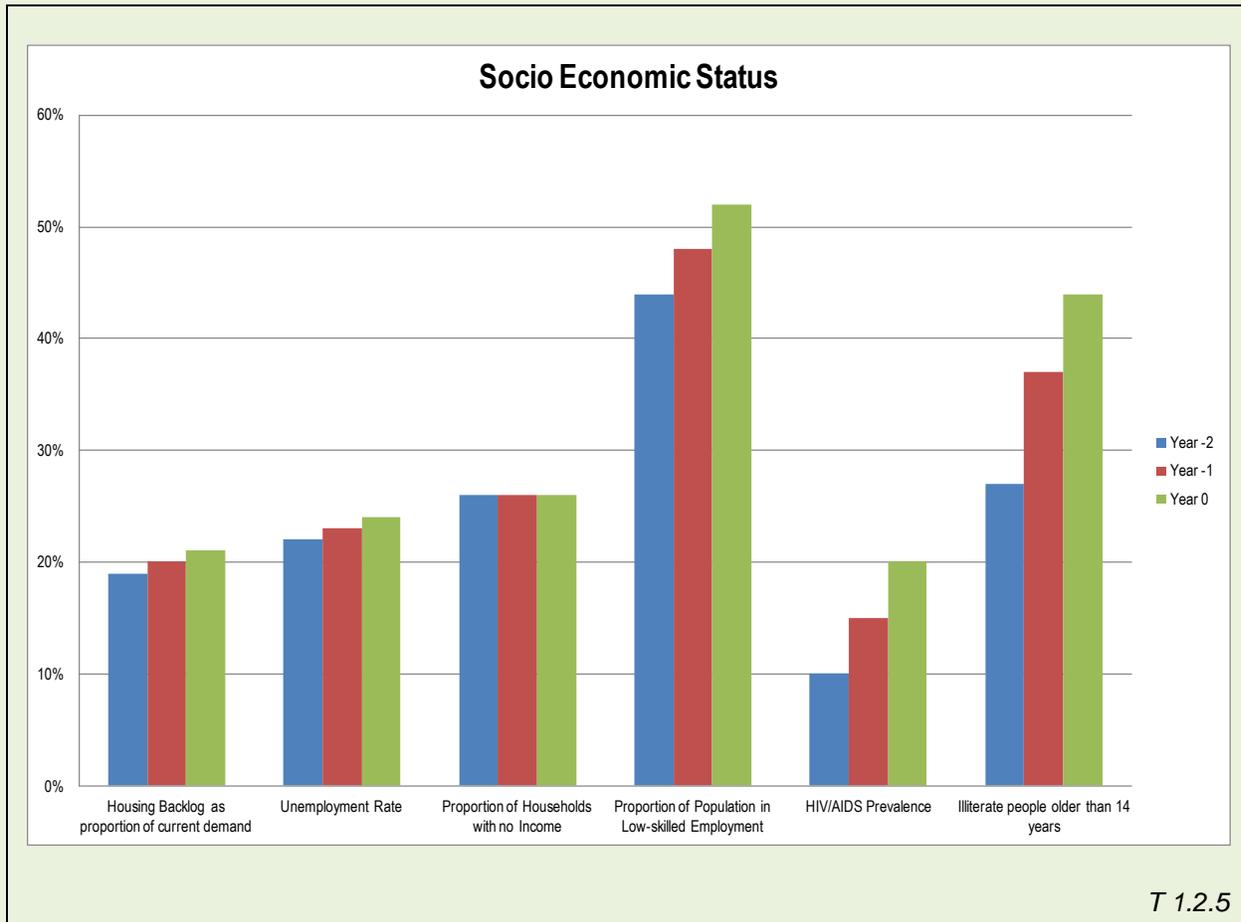
Population Details									
Age	Population '000								
	Year -2			Year -1			Year 0		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4			0			0			0
Age: 5 - 9			0			0			0
Age: 10 - 19			0			0			0
Age: 20 - 29			0			0			0
Age: 30 - 39			0			0			0
Age: 40 - 49			0			0			0
Age: 50 - 59			0			0			0
Age: 60 - 69			0			0			0
Age: 70+			0			0			0

Source: Statistics SA T 1.2.2



# Chapter 1

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year -2	19%	22%	26%	44%	10%	27%
Year -1	20%	23%	26%	48%	15%	37%
Year 0	21%	24%	26%	52%	20%	44%
<i>T 1.2.4</i>						



# Chapter 1

## COMMENT ON BACKGROUND DATA:

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

T 1.2.8

## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

The Municipality experiences a huge backlog on the provision of basic infrastructure due to migration into our Municipal area by people losing their jobs at the mines, and influx of people wanting to come to closer to town to deemed job opportunity. This takes place in an uncontrolled environment where informal settlement mushroom overnight into our Municipality. The informal settlement of Promise land is currently receiving attention from the Department of Human Settlement, to formalize and deliver basic service. Township layout is currently being finalized.

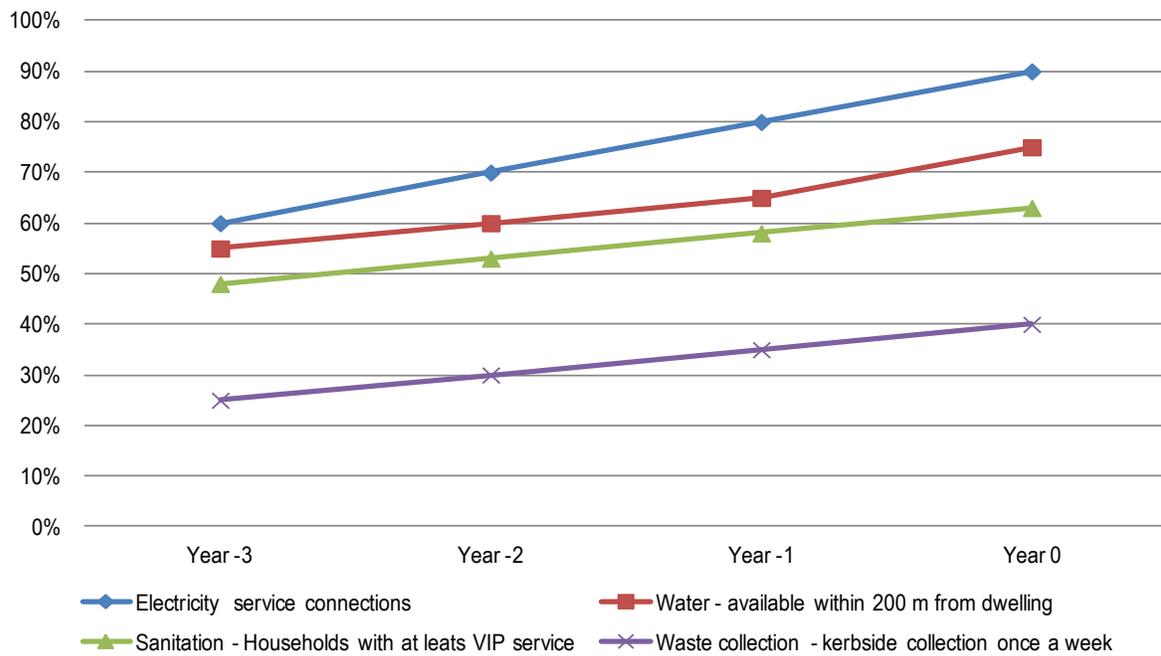
There are no budget provisions to attend to basic infrastructure as funding must be sourced by grant funding and it takes time to plan and source such funding. The disaggregation of families causes an even larger increase in number of people needing basic services.

The Municipality is left at a disadvantage in that the equitable share, and available grant funding has got no chance to keep up maintenance and provision of infrastructure. Lack of funding also has an impact negatively on the provision of free basic services, to the deserving communities. The Municipality also managed to source funding from mining houses to complete the Kuruman Bulk water supply scheme. Roads and storm water master plan was also completed with the funding we got from DBSA

T 1.3.1

# Chapter 1

## Proportion of households with access to basic services



T 1.3.2

### COMMENT ON ACCESS TO BASIC SERVICES:

The biggest shortfalls in the Municipality's efforts to deliver basic services are limited funding and the ever-increasing backlogs resulting from rapid urbanisation in mostly the settlements situated nearer to Kuruman. Urbanisation resulting from mine retrenchments and community expectations for job opportunities in this Area exacerbates the shortfalls in service delivery. The Municipality is reliant on grant funding and assistance from the mining houses through the Social Labour Plan (SLP) funding. Most often this funding becomes limited, as it gets directed to refurbishment of the existing services as well. The other factor which limits basic services delivery is the non-payment of services by community, resulting in the Municipality failing to generate sufficient revenue to meet the basic service delivery demands of the community.

T 1.3.3

# Chapter 1

## 1.4. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

The financial year 2020/21 was an extra ordinary year with unique economic pattern due to the global COVID-19 pandemic. The economy generally dropped and lots of lives and losses were lost. This resulted in demand pattern for municipal services dwindling in different directions. Business consumption dropped whereas domestic consumption showing an upward trend due to people working from home, some industries not being able normally if not at all and also the plunge of job losses.

The following table display the Municipality's performance per National Key Performance Indicator as stipulated in the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Local Government: Municipal Systems Act 32 of 2000 (MSA). These key performance indicators are linked to the National Key Performance Area (KPA), namely: Municipal Financial Viability and Management:

T 1.4.1

Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	200	205	203
Taxes, Levies and tariffs	345	355	365
Other	100	80	78
Sub Total	645	640	646
Less: Expenditure	644	640	645
Net Total*	1	0	1
* Note: surplus/(defecit)			T 1.4.2

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

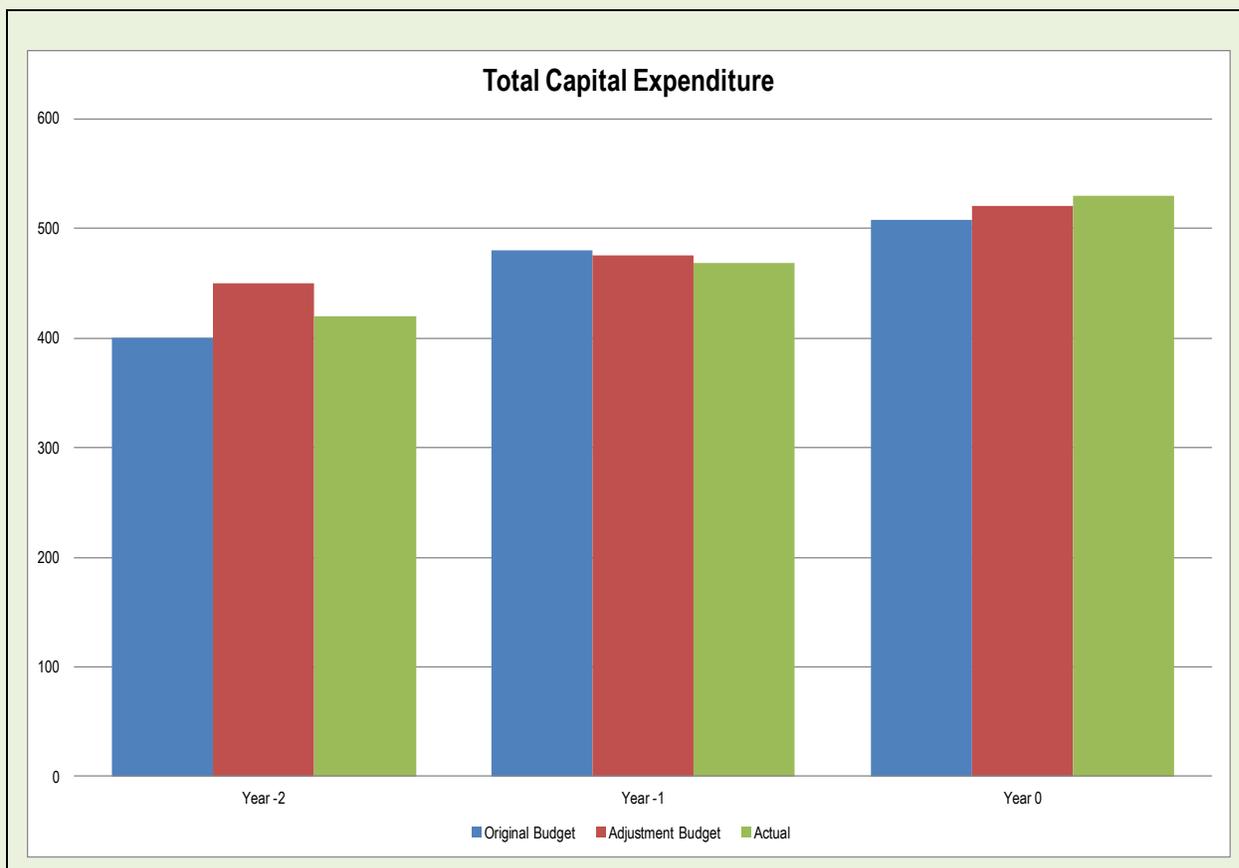
# Chapter 1

## COMMENT ON OPERATING RATIOS:

Employee costs: The expenditure amounts to 32% of the total budget. National treasury's circular 71 states this ratio to be a maximum of 40%. Repairs and maintenance accounts to 1% of total OPEX. This looks as a shortfall by 7% to circular 71 prescripts. However, this seems low as the bulk of CAPEX is generated or funded by external non-governmental sources such as mines. These are generally not in the municipality's budget but end up at year end reporting stages and through adjustment budgets to authorise them. Most of these assets are still work in progress and therefore not yet capitalised.

T 1.4.3

Total Capital Expenditure: Year -2 to Year 0			
R'000			
Detail	Year -2	Year -1	Year 0
Original Budget	400	480	508
Adjustment Budget	450	475	520
Actual	420	468	530
			T 1.4.4



# Chapter 1

T 1.4.5

## COMMENT ON CAPITAL EXPENDITURE:

Variance between actual and budget arises mainly due to mine SLPs that benefits the municipality. Mining companies in the municipal region do make contributions in form of social labour plans to the municipality on an annual basis. There is currently an ongoing project (Kuruman Bulk water) in Bankahara Bodulong which the mines have contributed over R200m towards its development.

T 1.4.5.1

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

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

T 1.5.1

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

**Delete Directive note once comment is completed** – State the type of opinion given (disclaimer; adverse opinion; qualified opinion; unqualified opinion with ‘other matters’; and an unqualified opinion) and briefly explain the issues leading to that opinion. In terms of a disclaimer you must state that ‘the accounts of this municipality were too deficient in essential detail for the Auditor General to form an opinion as the financial viability or rectitude of this municipality’. If opinion is unqualified, briefly explain the key steps taken to accomplish and maintain (where appropriate) this important achievement. Note that the full audit report should be contained in chapter 6 of the Annual Report.

T 1.6.1

# Chapter 1

## 1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	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	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

T 1.7.1

# Chapter 1

## COMMENT ON THE ANNUAL REPORT PROCESS:

The progress of the 2020-2021 Annual Report is partially done, there's only a few outstanding information that needs to be adhered to. The Auditor General's Report, Financial Statements and Annual performance Report are attached as appendix. The Annual Report will be tabled to council alongside the oversight report for reviewing.

*T 1.7.1.1*

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

The Constitution of the Republic of South Africa Act 108 of 1996 stipulated that public administration should adhere to a number of principles, including that:

- a) A high standard of professional ethics be promoted and maintained;
- b) Services are provided impartially, fairly, equitably and without bias;
- c) Resources are utilized efficiently, economically and effectively;
- d) People's needs be responded to;
- e) The public be encouraged to participate in policy making, and it be accountable, transparent and development-oriented. Good governance has major characteristics which are;

1. Participation by citizens
2. Rule of laws - which are fair legal frameworks that are enforced impartially
3. Transparency - decision taken and their enforcement of laws requires and their enforcement are done in a manner that follows rules and regulations and information is freely available and accessible to those who will be affected by such decision and enforcement.
4. Responsiveness - good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe
5. Consensus oriented - good governance requires mediation of different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved
6. Equity and inclusiveness - this requires all groups and particularly the most vulnerable, to have opportunities to improve or maintain their well-being
7. Effectiveness and efficiency - Good governance means that processes and institutions produce results that meet that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the next context of good governance also covers the sustainable use of natural resources and the protection of the environment.
8. Accountability - is a key requirement of good governance not only government institutions but also, the private sector and civil society organizations must be accountable to the public and to their institutional stakeholder.

In the Ga-Segonyana Local Municipality the political wing of the municipality exercises their executive and legislative powers and functions to govern the affairs of the municipality and the administrative wing is responsible for Corporate Governance as prescribed by various legislative frameworks.

T 2.0.1

# Chapter 2

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Systems Act requires the municipality to clarify the roles and responsibilities of the most important role players in the municipality. Municipalities are complex institutions with wide-ranging powers and duties governed by politicians and assisted by a staff component whose main purpose it is to ensure and maintain services to the community. This goal is only achievable if there is harmonious interaction between the various role-players. They must know and understand their respective roles follow protocols and co-operate with each other but, when they fail, they should be able to correct their mistakes in terms of pre-determined processes.

The Constitution not only confers on a municipality the right to govern the affairs of the community within the municipal area, but also empowers the Municipal Council to make decisions concerning the exercise of all the powers and the performance of all the functions of the municipality. To this end the Municipal Council is clearly the principal political structure and the ultimate decision maker of the Municipality.

The Mayor is the political leader of Ga-Segonyana Local Municipality, he is responsible to enhance good governance, promote institutional pride, build external and media relations, engage with communities and facilitate the process of governing. The Mayor is responsible for monitoring the management of the municipality's administration in accordance with the directions of the municipal council. He is accountable to council and must report to council on performance and discharge of powers, functions and duties of the office. The Mayor is assisted by the Mayoral Committee. The Mayor's area of responsibility from a geographical perspective is not limited to the geographical area of the municipality. Due to the municipality's involvement in co-operative governance the Mayor's influence is much wider, e.g. the Premier's Co-ordinating Forum, SALGA, Mayoral Forum, etc.

As regards the functional area the Mayor possesses all the powers conferred by law on the office, as well as those powers that have been delegated to him/her, or can be implied, or derive from civic culture or tradition

*T 2.1.0*

# Chapter 2

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

Ga-Segonyana Local Municipality is a Category B Municipality established in terms of section 12 notice of the Municipal Structures Act 117 of 1998.

The Constitution of the Republic of South Africa of 1996 and Municipal Structures Act of 2000 requires that every Council elects a Chairperson, who is called the Speaker. The aim of the Office of the Speaker is to structure the two functions of a Municipal Council which are the legislative function and its executive function. The Speaker presides over meetings of Council and performs the duties and exercises the powers delegated to the Speaker.

As the Mayor of Ga-Segonyana Local Municipality commits to efficient service delivery to the people of Ga-Segonyana at large. I also commit to work with the staff, trade unions through the management led by current Municipal Manager Mr Martin Tsatsimpe to ensure that we all reading from the same page in providing speedily and efficient service to our people. All councillors of Ga-Segonyana commits to delivery of their promises on services delivery. All Councillors are committed and determined to confront all challenges of Poverty, inequality and unemployment. Together moving Development Local government forward.

The duties of the Speaker include:

1. Ensuring that Council meets at least quarterly;
2. Maintaining order during meetings of Council;
3. Ensure compliance in the Council and Council committees in the line with Code of Conduct of Councillors and;
4. Ensure that Council meetings are conducted in accordance with the adopted rules and orders of the Council.

Therefore, as the elected Speaker of Ga-Segonyana Council I am committed to use this office to protect and uphold the Constitution of the Republic, we will ensure that public participation becomes one of the strategic tools we apply to reach out too many and thousands of people of Ga-Segonyana. The Speakers Office will at material times ensure good governance through political oversight functions that is efficient and effective in order to hold the administration accountable so that the elected officials can also account to their constituencies and people who voted us in to political office bearer positions.

The other key stakeholder that I am committing this office to work with closely is the labour unions recognised in this institution and the ward committees who are our eyes and ears on the ground. Together as team we will take our municipality forward and make it an employer of choice as envisioned in the 2030 plan of Government in the National Development Plan.

According to the gazette the Mayor and Speaker are full-time but the full-time position of the Speaker is subjected to change in terms of the Division of Revenue Bill. The Speaker will facilitate the nomination and process of the Executive Committee In terms of section 43 of the Local Government: Municipal Structures Act; 117/98. The procedure set out in the schedule 3 of the Structures Act applies to the election of the Executive Committee.

The Speaker calls for the nomination of candidate for Executive Committee members and presides over the election of Exco in terms of the procedure of Schedule 3 of the Structures Act 117 of 1998.

# Chapter 2

MPAC must be established in terms of section 79 of the Municipal Structure Act and the Municipal Finance Management Act, Act 56 of 2003 to serve as an oversight committee to exercise oversight over the Executive obligations of Council. The purpose of establishment MPACs is to ensure that municipal resources are used efficiently and effectively. By so doing, the MPAC would help to increase council and public awareness of the financial performance issues of the municipality.

The MPAC shall comprise of councillors excluding any councillor who is serving as Mayor, Speaker, and a member of the Executive Committee. However, council may invite representatives of the community and co-opt members of the public who have expertise in relevant specific fields to assist and advice in the deliberations when the need arise. These representatives will have no voting rights as they are not elected councillors.

T 2.1.1



**Kagiso Noke**  
Chief Financial Officer



**Martin Tsatsimpe**  
Municipal Manager



**Hendrik Smit**  
Director Infrastructure Services



**Kelibone Baloyi**  
Director Community Services



**Clifford Pule**  
Director Corporate Services

# Chapter 2

## COUNCILLORS

**Delete Directive note once comment is completed** - Provide a brief paragraph on the Councillors, indicating the total number of Councillors and making a distinction between ward councillors and those appointed on a proportional basis. Refer to **Appendix A** where a full list of Councillors can be found (including committee allocations and attendance at council meetings).

Also refer to **Appendix B** which sets out committees and committee purposes.

T 2.1.2

## POLITICAL DECISION-TAKING

The functions of the Mayor are set out in the Municipal Structures Act. The Mayor is elected by the Municipal council to co-ordinate the work of the Municipality. The Mayor is the political head of the municipality and is expected to provide the required leadership necessary to keep the municipality moving in the proper direction. The Mayor presides over meetings of the executive committee and performs functions assigned to him or her by the municipal council or the executive committee.

These duties include any ceremonial duties. The Municipal Manager is directly accountable to the Mayor. The Mayor appoints the Municipal Manager and heads of departments upon resolution of the council. One person may serve a maximum of two consecutive terms as Mayor in the same council.

The Constitution and Municipal Structures Act requires that every Council elects a Chairperson, who is called The Speaker. The aim of the Office of the Speaker is to structure the two functions of a Municipal Council, i.e. its legislative function and its executive function. The Speaker presides at meetings of the Council and performs the duties and exercises the powers delegated to the Speaker. These duties include:

1. Ensuring that Council meets at least quarterly;
2. Maintaining order during meetings; must ensure;
3. Ensuring compliance in the Council and Council committees with the Code of Conduct of Councillors; and;
4. Ensuring that Council meetings are conducted in accordance with the rules and orders of the Council.

The new system of local government represents a paradigm shift from the old system since it incorporates a vision of a developmental local government system. The Office of the Chief-Whip was established to create synergy and to maintain discipline among Councillors from various Political Parties. The Role of the Chief-Whip of the Council covers both the political and administrative domains of Council with emphasis on the political aspect.

The Chief-Whip has to ensure that relationships are constructive and focused on key issues that aimed at improving the lives of the Ga-Segonyana residence. The Chief-Whip further acts as a link between the Speaker, The Executive and the Administration. The Chief-Whip ensures that there is equitable representation in Committees of Council. The Chief-Whip of the Council also serves as the Chief-Whip of the ruling party and his responsibilities include the managements of the whippers of the ANC. It is also his responsibility to chair the Caucus and ensure that members of the Party speak with one voice.

T 2.1.3

# Chapter 2

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Systems Act requires the municipality to clarify the roles and responsibilities of the most important role players in the municipality. Municipalities are complex institutions with wide-ranging powers and duties governed by politicians and assisted by a staff component whose main purpose it is to ensure and maintain services to the community. This goal is only achievable if there is harmonious interaction between the various role-players. They must know and understand their respective roles follow protocols and co-operate with each other but, when they fail, they should be able to correct their mistakes in terms of pre-determined processes.

The Constitution not only confers on a municipality the right to govern the affairs of the community within the municipal area, but also empowers the Municipal Council to make decisions concerning the exercise of all the powers and the performance of all the functions of the municipality. To this end the Municipal Council is clearly the principal political structure and the ultimate decision maker of the Municipality.

The Mayor is the political leader of Ga-Segonyana Local Municipality, he is responsible to enhance good governance, promote institutional pride, build external and media relations, engage with communities and facilitate the process of governing. The Mayor is responsible for monitoring the management of the municipality's administration in accordance with the directions of the municipal council. He is accountable to council and must report to council on performance and discharge of powers, functions and duties of the office. The Mayor is assisted by the Mayoral Committee. The Mayor's area of responsibility from a geographical perspective is not limited to the geographical area of the municipality. Due to the municipality's involvement in co-operative governance the Mayor's influence is much wider, e.g. the Premier's Co-ordinating Forum, SALGA, Mayoral Forum, etc.

As regards the functional area the Mayor possesses all the powers conferred by law on the office, as well as those powers that have been delegated to him/her, or can be implied, or derive from civic culture or tradition.

T 2.2.1

# Chapter 2

Photos



**Cllr. Neo Masegela**  
Mayor & PR Councillor  
(ANC)



**Cllr. Tuelo Meyers**  
Speaker & PR Councillor  
(ANC)

## COUNCIL OF GA-SEGONYANA LOCAL MUNICIPALITY



**Cllr. Keamogetse Madikiza**  
Ward 8 Councillor &  
Chairperson of IDP  
Standing Committee  
(ANC)



**Cllr. Bothoile Modise**  
Ward 2 Councillor &  
Chairperson of Finance  
Standing Committee  
(ANC)



**Cllr. Neo Disipi**  
Ward 5 Councillor &  
Chairperson of Human Resource  
Standing Committee  
(ANC)



**Cllr. Keabetswe Chweu**  
PR Councillor &  
Chairperson of Community  
Services Committee  
(EFF)



**Cllr. Lesanggang Moagi**  
Chairperson MPAC  
Ward 3 Councillor  
(ANC)



**Cllr. Lea Nelson**  
PR Councillor (DA)



**Cllr. Nomsa Thupaemang**  
PR Councillor (COPE)



**Cllr. Goitseman Assegai**  
PR Councillor (ANC)



**Cllr. Lebogang Moseki**  
PR Councillor (ANC)



**Cllr. Itumeleng  
Tshetshemeserogwe**  
Ward 10 Councillor (ANC)



**Cllr. Kedihleng Nels**  
PR Councillor (ANC)



**Cllr. Barend Eiman**  
Ward 13 Councillor (ANC)



**Cllr. Lebogang Makoke**  
Ward 14 Councillor (ANC)



**Cllr. Goitseone Mntuyedwa**  
Ward 4 Councillor (ANC)



**Cllr. Dineonyane Mpata**  
Ward 6 Councillor (ANC)



**Cllr. Keolebogile Makwati**  
Ward 7 Councillor (ANC)



**Cllr. Oldridge Mathibe**  
PR Councillor (DA)



**Cllr. Kennetseng Kanjeruba**  
Ward 11 Councillor (ANC)



**Cllr. Nkagiseng Ngesi**  
Ward 12 Councillor (ANC)



**Cllr. Boratwaemang Leserwane**  
Ward 9 Councillor (ANC)



**Cllr. Bontsiboile Gaetsewe**  
PR Councillor (EFF)



**Cllr. Malebogo Disang**  
PR Councillor (EFF)



**Cllr. Mosamiemang Reetsang**  
PR Councillor (EFF)



**Cllr. Matshidiso Galeboe**  
PR Councillor (EFF)



**Cllr. Abraham  
Van Der Westhuizen**  
PR Councillor (DA)

# Chapter 2

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The role of a district intergovernmental forum is to serve as a consultative forum for the district municipality and the local municipalities in the district to discuss and consult each other on matters of mutual interest, including—

- a) Draft national and provincial policy and legislation relating to matters affecting local government interests in the district;
- b) The implementation of national and provincial policy and legislation with respect to such matters in the district;
- c) Matters arising in the Premier's intergovernmental forum affecting the district;
- d) Mutual support in terms of section 88 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- e) The provision of services in the district;
- f) Coherent planning and development in the district;
- g) The co-ordination and alignment of the strategic and performance plans and priorities, objectives and strategies of the municipalities in the district; and
- h) Any other matters of strategic importance which affect the interests of the municipalities in the district.

A District intergovernmental forum may refer a matter arising in the forum to—

- a) The Premier's intergovernmental forum; or
- b) Any other provincial intergovernmental forum established in terms of section

*T 2.3.0*

# Chapter 2

## 2.3 INTERGOVERNMENTAL RELATIONS

### DISTRICT INTERGOVERNMENTAL STRUCTURES

The role of a district intergovernmental forum is to serve as a consultative forum for the district municipality and the local municipalities in the district to discuss and consult each other on matters of mutual interest, including—

- a) Draft national and provincial policy and legislation relating to matters affecting local government interests in the district;
- b) The implementation of national and provincial policy and legislation with respect to such matters in the district;
- c) Matters arising in the Premier's intergovernmental forum affecting the district;
- d) Mutual support in terms of section 88 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- e) The provision of services in the district;
- f) Coherent planning and development in the district;
- g) The co-ordination and alignment of the strategic and performance plans and priorities, objectives and strategies of the municipalities in the district; and
- h) Any other matters of strategic importance which affect the interests of the municipalities in the district.

A District intergovernmental forum may refer a matter arising in the forum to—

- a) The Premier's intergovernmental forum; or
- b) Any other provincial intergovernmental forum established in terms of section

T 2.3.4

# Chapter 2

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

*Note: MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.*

**Delete Directive note once comment is completed** - Provide a brief comment on how your municipality carries out these responsibilities, improvements made during the year and benefits derived from these activities during the year.

T 2.4.0

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

The municipality involve or communicate with our communities in its affairs by means of public advertisement (in local newspapers and local radio station) of the Integrated Development Plan and Service Delivery and Budget Implementation Plan, as well as its performance plans with specific reference to the Annual Report. The municipality also advertise the activities of the Oversight Report and invite participation from the communities.

The community also participate through the structures of the IDP Representative Forum and the IDP/Budget community consultative roadshows that we conduct annually. The IDP Rep Forums are held four times per annum, IDP/Budget community consultation road shows two times per annum. The purpose of these meetings is to involve community in the Review of IDP and to come up with the issues relating to service delivery. All Councillors, Management, Directors of sector departments, Traditional Leaders, Community Based Organisations (CBO), Non-Government Organisation (NGO's), Faith Based Organisation, Ward Committee Secretaries, Community Development Workers (CDW's) and Advocacy Groups forms part of the IDP Rep Forum. And all the community members form part of the IDP/Budget community consultative meetings. Politicians and managers also conduct public engagement session when new or reviewed by-laws, policies, strategic or sector plans and strategies are considered.

T 2.4.1



# Chapter 2

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T 2.5.1

# Chapter 2

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

**Delete Directive note once comment is completed** - Please explain in brief the scope of corporate governance.

T 2.6.0

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

Risk Management is an essential part of effective corporate governance and it is management's responsibility. Implementation of risk management processes is one of the key tools in ensuring acceleration of service delivery and improvement of quality of lives. We do not seek to identify all risk faced by the municipality. The focus was only on those risks which were highlighted during risk assessment sessions by the participants.

Each risk identified has root cause, consequence of the risk, risk exposure, current controls processes in place to mitigate the risk, and risk owner. The following top five are taken from the Strategic Risk Register and have selected based on the ratings from the Risk Assessment Methodology.

Top five risks to the municipality

1. Accountability over IT
2. Loss of income
3. Non-adherence to the SD framework
4. Disasters
5. Ageing infrastructure; - Electricity, - Sewerage, - Water, - Storm and Roads, - Vehicles.

Risk has been identified and assessed, actions plans have been developed to further mitigate risks, the real risk management is to implement these action plans and embed management of risks into day-to-day activities of the municipality.

T 2.6.1

# Chapter 2

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

*Note: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.*

**Delete Directive note once comment is completed** - Describe in broad terms what strategies are in place to prevent corruption, fraud and theft. Also indicate key risk areas and processes put in place as a deterrent – e.g. division of duties, internal audit review of processes and adherence thereto, Audit Committees that exclude politicians and officials as voting members, condemnation by mayor and municipal manager of corrupt practices and involvement of the police as soon as grounds for suspicion become evident. Note that this information is sensitive; therefore municipalities should not provide names of people involved in investigations. Please state that your municipality's Audit Committee recommendations for year 0 are set out at **Appendix G**. If your municipality does not have a functioning Audit Committee then give reasons and describe how this is being addressed.

T 2.7.1

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

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

**Delete Directive note once comment is completed** - Provide a brief narrative on the SCM policies and processes, and indicate improvements contributing to effective service delivery. Also indicate challenges experienced to attain the standards set out in Section 112 of the MFMA (see SCM Implementation checklist MFMA Circular 40). Refer to information on long term contracts which is set out in **Appendix H**. Explain remedial action being taken to address these shortfalls. Refer to further comments set out under the Financial Performance – Chapter 5, Component D.

T 2.8.1

# Chapter 2

## 2.9 BY-LAWS

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication

\*Note: See MSA section 13. T 2.9.1

### COMMENT ON BY-LAWS:

*Note: MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.*

**Delete Directive note once comment is completed** - Indicate the nature of the public participation that was conducted and on how the new by-laws will be enforced.

T 2.9.1.1

# Chapter 2

## 2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents		
All current budget-related policies		
The previous annual report (Year -1)		
The annual report (Year 0) published/to be published		
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards		
All service delivery agreements (Year 0)		
All long-term borrowing contracts (Year 0)		
All supply chain management contracts above a prescribed value (give value) for Year 0		
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		
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		
Public-private partnership agreements referred to in section 120 made in Year 0		
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0		
<p><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></p>		

T 2.10.1

### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

**Delete Directive note once comment is completed** – Refer to the requirement for Municipal websites as set out in MFMA section 75. Explain plans to address the shortfall in content. Comment on progress made in placing personal computers in accessible locations to the public so that Council web based information can be accessed. The municipality should monitor and report on the use of its website by the public, for example, by measuring the number of hits on the website.

T 2.10.1.1

# Chapter 2

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFCATION LEVELS

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

T 2.11.1

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

Concerning T 2.11.2:

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

T 2.11.2.1

# Chapter 2

## COMMENT ON SATISFACTION LEVELS:

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

T 2.11.2.2

# Chapter 3

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

### INTRODUCTION

- A total of 3.8 Km of paved roads was completed in Bankhara-Bodulong and Magojaneng. Box cuts were also completed at Seven miles road of which completion is expected to be in 2019/2020. PMU to give report on all other projects for 19/20
- Construction of Sedibeng hall was completed in 2019/2020.
- The refurbishment of the boreholes in Mothibistad was also completed in 2019/2020.
- A development of new water sources was started in Batlharos and still work in progress of which it will be completed in 2019/2020.
- The upgrading of the Kuruman Waste Water Treatment Works commenced in May 2021 to ensure the works are upgraded from 6.0 ML/day to 8.0 ML/day
- Adequate funding was received from mining houses for Kuruman bulk water supply scheme and final completion of the project is expected in 2020/2021.
- INEP electrification projects resulted in 2200 new connections Promised Land and Obama Hills settlements.
- 124 households were connected in Wrenchville RDP.
- 15 High-mast lights were newly connected in Seoding, Magojaneng, Mapoteng, Ditshoswaneng, Garuele and Galotolo villages.

T 3.0.1

# Chapter 3

## COMPONENT A: BASIC SERVICES

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

### INTRODUCTION TO BASIC SERVICES

The Municipality still experiences a huge backlog on the provision of basic infrastructure due to migration into our Municipal area by people losing their jobs at the mines, and influx of people wanting to come to closer to town to deemed job opportunity. This takes place in an uncontrolled environment where informal settlement mushroom overnight into our Municipality. The informal settlement of Promise land is currently receiving attention from the Department of Human Settlement, to formalize and deliver basic service. Township layout is currently being finalized.

There are no budget provisions to attend to basic infrastructure as funding must be sourced by grant funding and it takes time to plan and source such funding.

The Municipality is left at a disadvantage in that the equitable share, and available grant funding has got no chance to keep up maintenance and provision of infrastructure. The poor forthcoming of residents registering on the indigent register also has an influence on the equitable share allocation, thus the lack of funding also has an impact negatively on the provision of free basic services, to the deserving communities.

The Municipality also managed to source funding from mining houses to complete the Kuruman Bulk Water Supply Scheme. Roads and storm water master plan was also completed with the funding we received from DBSA. The Municipality is still in the process of sourcing for funding for the implementation of the masterplan. Funds were also received from mining houses to upgrade the electrical and roads maintenance materials infrastructure in Kuruman and Wrenchville.

The impact of Covid-19 on capital projects and service delivery had a negative impact on funding as projects could not spend on allocated budgets and revenue for rates and taxes declined due to the hard lock down.

T 3.1.0

# Chapter 3

## 3.1. WATER PROVISION

### INTRODUCTION TO WATER PROVISION

The Municipality is the Water Service Authority (WSA) for the entire Municipality Area. It serves as the water service provider for Kuruman, Wrenchville and Bankhara-Bodulong, the rural areas including Mothibistad, are serviced by Sedibeng water as the appointed Water Service Provider for Ga-Segonyana Local municipality. The Municipality depends entirely on underground water sources for its domestic, agricultural and commercial consumption. To date a total of 31 325 households benefitted from the supply of water services. The municipal blue drop status is **73%**.

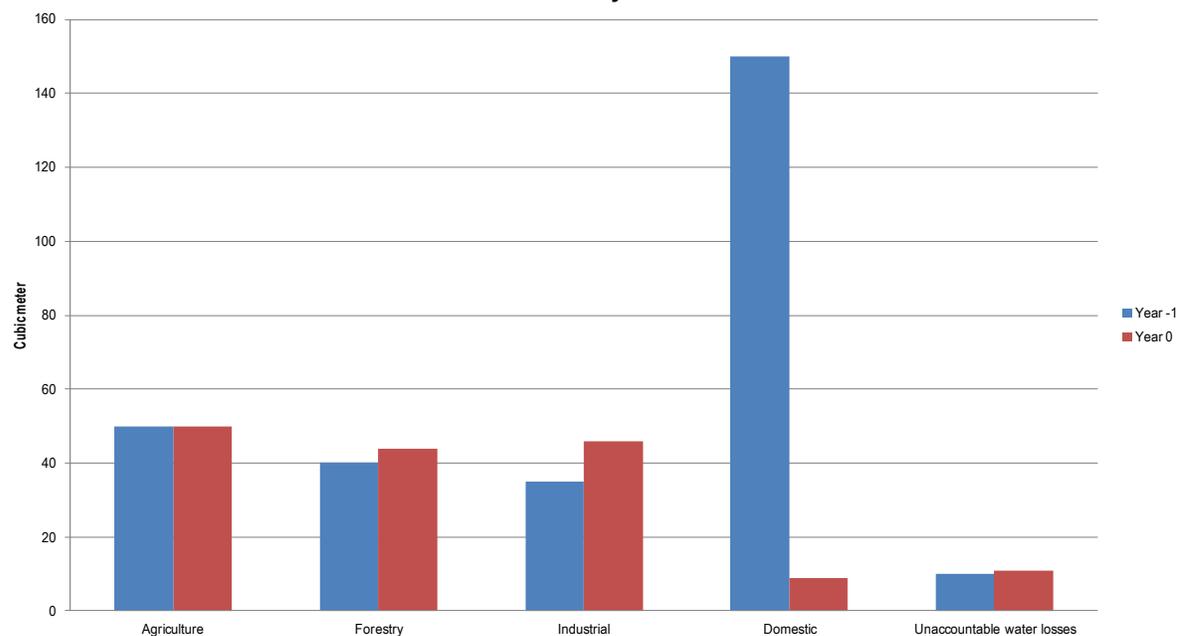
T 3.1.1

### Total Use of Water by Sector (cubic meters)

	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2018-2019	241955	0	136955	2032186	12
2019-2020	241955	0	136955	2133795	15
2020-2021	241955	0	136955	2133795	14

T 3.1.2

### Water use by Sector



T 3.1.2.1

# Chapter 3

## COMMENT ON WATER USE BY SECTOR:

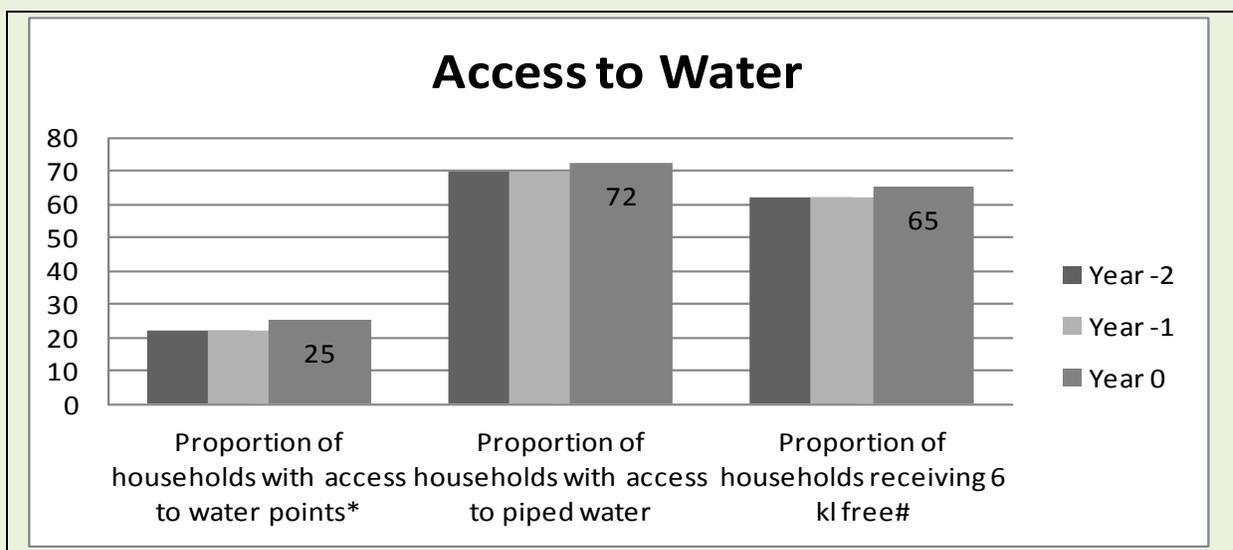
The municipality is the main supplier of water for domestic and industrial use. This excludes people who get water supply through boreholes in their premises and the provision of water for agricultural use by the Department of Agriculture. As small percentage of agriculture small holdings in Kuruman get their water supply from the municipality. Water produced and sold is significantly affected by the extreme losses as a result of the damage to the Kuruman reservoir. However, the municipality has constructed a 24 Mega litre water reservoir and still in a process of completing the second phase of pipe work from the boreholes to the reservoir. The intention of this project is to reduce the water losses. Despite the challenge, the Municipality has been able to supply water consistently to all the concerned sectors for consumption. The Municipality also experiences losses or unaccounted for water through the illegal extraction from fire hydrants and illegal water connection.

T 3.1.2.2

Water Service Delivery Levels				
Description	Households			
	2017-2018	2018-2019	2019-2020	2020-2021
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Water: (above min level)</u></b>				
Piped water inside dwelling	6	6	8	9
Piped water inside yard (but not in dwelling)	6	6	10	13
Using public tap (within 200m from dwelling)	10	10	12	14
Other water supply (within 200m)	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	22	23	30	35
<i>Minimum Service Level and Above Percentage</i>	65%	65%	63%	61%
<b><u>Water: (below min level)</u></b>				
Using public tap (more than 200m from dwelling)	10	10	15	18
Other water supply (more than 200m from dwelling)	–	–	–	–
No water supply	2	2	3	5
<i>Below Minimum Service Level sub-total</i>	12	12	18	22
<i>Below Minimum Service Level Percentage</i>	35%	35%	37%	21%
<b>Total number of households*</b>	<b>35</b>	<b>35</b>	<b>48</b>	<b>57</b>
* - To include informal settlements				T 3.1.3

# Chapter 3

Households - Water Service Delivery Levels below the minimum						
Description	2016-2017	2017-2018	2018-2019	2020-2021		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	1	27	23	30	30	30
Households below minimum service level	1	2	3	4	4	4
Proportion of households below minimum service level	100%	7%	11%	13%	13%	13%
<b>Informal Settlements</b>						
Total households	1	2	3	5	5	5
Households below minimum service level	1	2	3	5	5	5
Proportion of households to below minimum service level	100%	100%	100%	100%	100%	100%



# Chapter 3

*\* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute  
# 6,000 liters of potable water supplied per formal connection per month*

*T 3.1.5*

# Chapter 3

Water Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Indicators (i)	(ii)								
<b>Service Objective xxx</b>									
<i>Households without minimum water supply</i>	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	xxxxxxxx additional HHs (xxxxxx HHs outstanding)							
<i>Improve reliability of water supply</i>	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of Year -1 (xxx interruptions of one hour or more during the yr)	T0% (xxxxxx Ints)	A0% (xxxxxx Ints)	T1% (xxxxxx Ints)	T1% (xxxxxx Ints)	A1% (xxxxxx Ints)	T2% (xxxxxx Ints)	T5% (xxxxxx Ints)	T5% (xxxxxx Ints)
<i>Improve water conservation</i>	Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres (KLs) unaccounted for during the yr)	T0% (xxxxxx KLs)	A0% (xxxxxx KLs)	T1% (xxxxxx KLs)	T1% (xxxxxx KLs)	A1% (xxxxxx KLs)	T2% (xxxxxx KLs)	T5% (xxxxxx KLs)	T5% (xxxxxx KLs)
<p>Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the blue water drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									

T 3.1.6

# Chapter 3

Employees: Water Services					
Job Level	2020-2021	2020-2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	16	5	16	5	100%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	1	3	1	100%
13 - 15	1	0	1	0	0%
16 - 18	1	0	1	0	0%
19 - 20	0	0	0	0	0%
Total	21	6	21	6	100%

T3.1.7

Financial Performance Year 0: Water Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	R 86 829.00	R 70 274.00	R 70 775.00	R 70 352.00	-1%
Expenditure:					
Employees	R 3 795.00	R 3 135.00	R 2 893.00	R 3 460.00	19%
Repairs and Maintenance	R 0.00	R 250.00	R 310.00	R 311.00	
Other	R 45.00	R 26 375.00	R 26 137.00	R 29 192.00	11%
<b>Total Operational Expenditure</b>	R 42 353.00	R 29 760.00	R 29 340.00	R 32 963.00	12%
<b>Net Operational Expenditure</b>	-R 44 476.00				

T 3.1.8

# Chapter 3

Capital Expenditure Year 2019-2020: Water Services					
R' 000					
Capital Projects	2020 – 2021				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>R40 000 000.00</b>	<b>R 0.00</b>	<b>R 76 372 384.36</b>	<b>R 0.00</b>	
Construction of water supply augmentation in kagung and westderby	R 833 939.95	R 0.00	R 403 233.61	R 0.00	R 18 597 542.53
Water Service Operating Subsidy (WSOS)	R 15 685 622.02		R 16 394 259.34	R 708 637.32	R 16 757 914.31
Maruping/Batlharos Bulk Water Supply Phase 3	R 13 503 235.95	R 0.00	R 13 620 552.67	R 117 316.72	R 27 915 274.63
<i>T 3.1.9</i>					

## COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The Municipality endeavors to provide a basic level of access to water for its residents at an RDP standard of 200m radius. In other circumstances residents have been able to make use of the services of Sedibeng water to attain yard and ultimate house connections. The biggest challenge in water provision is the increasing backlogs, which results from the illegal and uncontrolled occupation and allocation of stands in the rural areas. This makes it difficult for the municipality to plan for the complete eradication of water backlogs in the municipality.

*T 3.1.10*

# Chapter 3

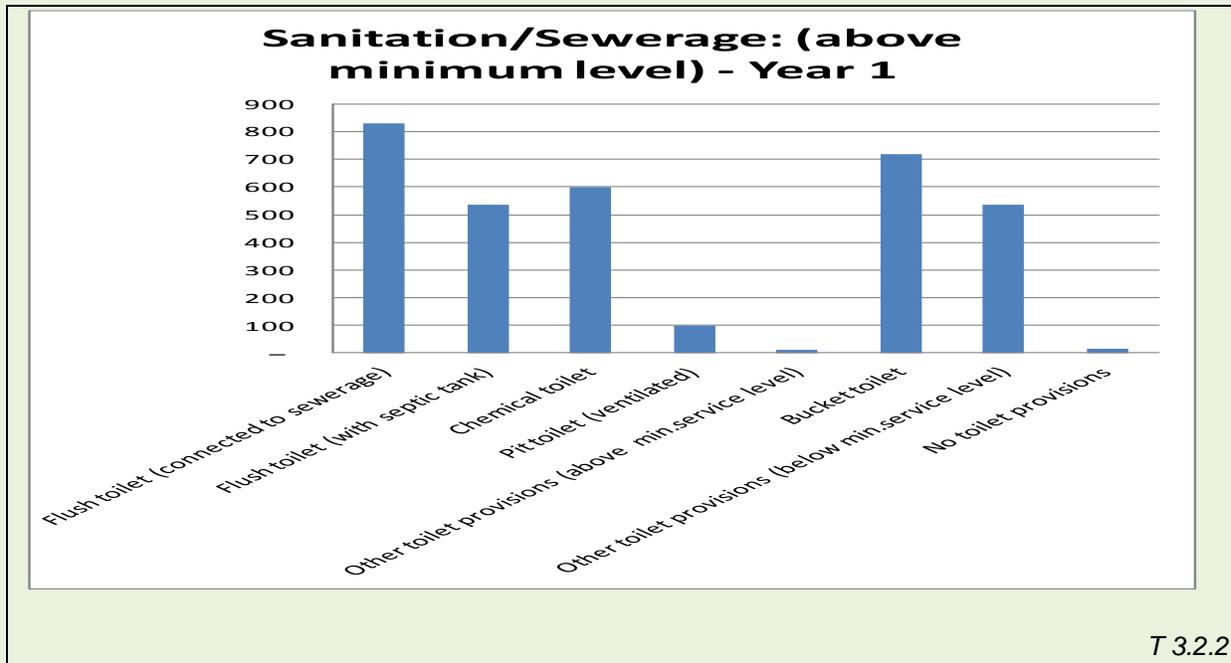
## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

In its efforts to eradicate sanitation backlogs, the Municipality has embarked on a three-year program with the appointment of a dedicated service provider. This makes it easier to deliver the construction of VIP sanitation units across the rural areas of the municipality. Out of the existing Municipal settlement, Wrenchville, Mothibistad, Kuruman and parts of Bankhara–Bodulong have access to full water borne sanitation. The rest of the settlements in the Municipality are receiving VIP sanitation or are still on traditional pit latrines. Sewer suction services are also provided to some parts of privately owned septic tanks in rural villages.

*T 3.2.1*

# Chapter 3

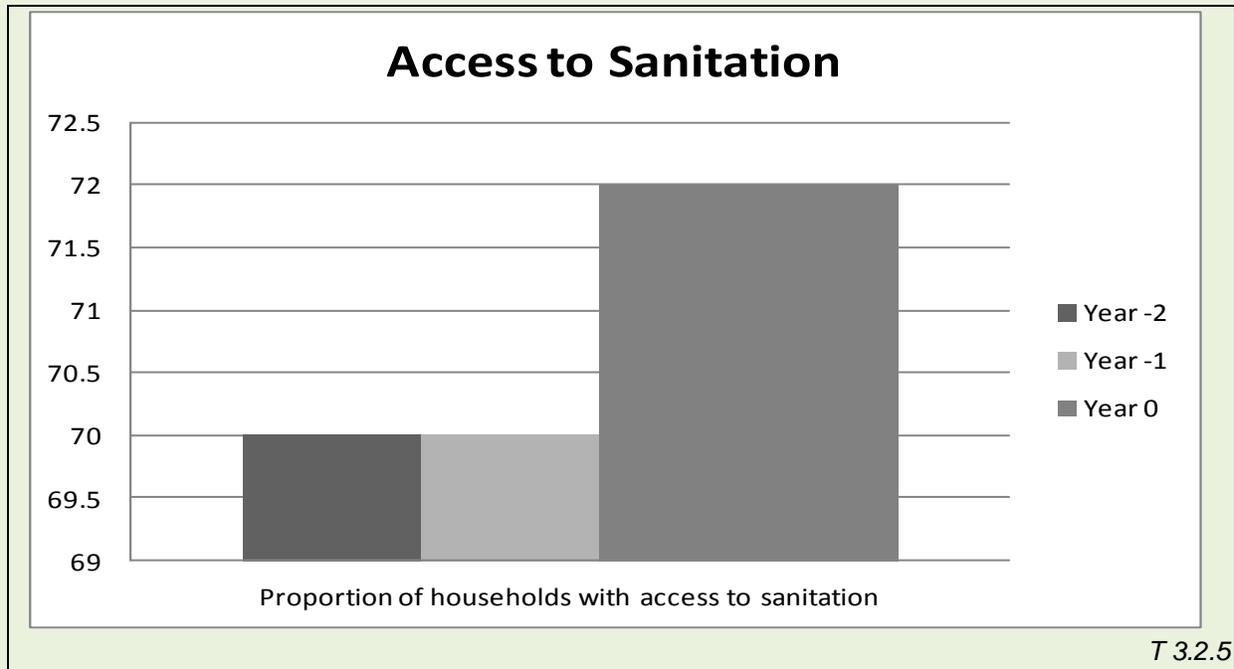


Sanitation Service Delivery Levels				
Description	2017-2018	2018-2019	2019-2020	*Households 2020-2021
	Outcome No.	Actual No.	Actual No.	Actual No.
<b><u>Sanitation/sewerage: (above minimum level)</u></b>				
Flush toilet (connected to sewerage)	10	10	10	10
Flush toilet (with septic tank)	-	-	-	-
Chemical toilet	-	-	-	-
Pit toilet (ventilated)	2	2	2	0
Other toilet provisions (above minimum Service level)	-	-	-	-
<i>Minimum Service Level and Above</i>				
<i>sub-total</i>	12	12	12	10
<i>Percentage</i>	100.0%	76.2%	76.2%	100.0%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>				
Bucket toilet	-	-	-	-
Other toilet provisions (below min.service level)	-	-	-	-
No toilet provisions	-	4	4	0
<i>Below Minimum Service Level</i>				
<i>sub-total</i>	-	4	4	0
<i>Percentage</i>	0.0%	23.8%	23.8%	0%
<b>Total households</b>	<b>11</b>	<b>15</b>	<b>4</b>	<b>10</b>

T 3.2.3



# Chapter 3





# Chapter 3

Employees: Sanitation Services					
Job Level	2019-2020	2021-2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	16	5	16	5	100%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	1	3	1	100%
13 - 15	1	0	1	0	0%
16 - 18	1	0	1	0	0%
19 - 20	0	0	0	0	0%
Total	21	6	21	6	100%
					T 3.2.7

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

# Chapter 3

Capital Expenditure 2020-2021: Sanitation Services					
					R' 000
Capital Projects	2020-2021				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
<b>Total All</b>	<b>R 4 971 088.00</b>	<b>R 0</b>	<b>R 12 111 148.2 1</b>	<b>0%</b>	
Refurbishment of Barnard Avenue Pump Station	<b>R 4 971 088.00</b>	<b>R 0</b>	<b>R 4 961 997.78</b>	<b>0%</b>	<b>R 4 971 088.00</b>
<i>T 3.2.9</i>					

## COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The refurbishment of Barnard pump station has been completed, and improved the blockages which reduced the maintenance cost

*T 3.2.10*

### 3.3 ELECTRICITY

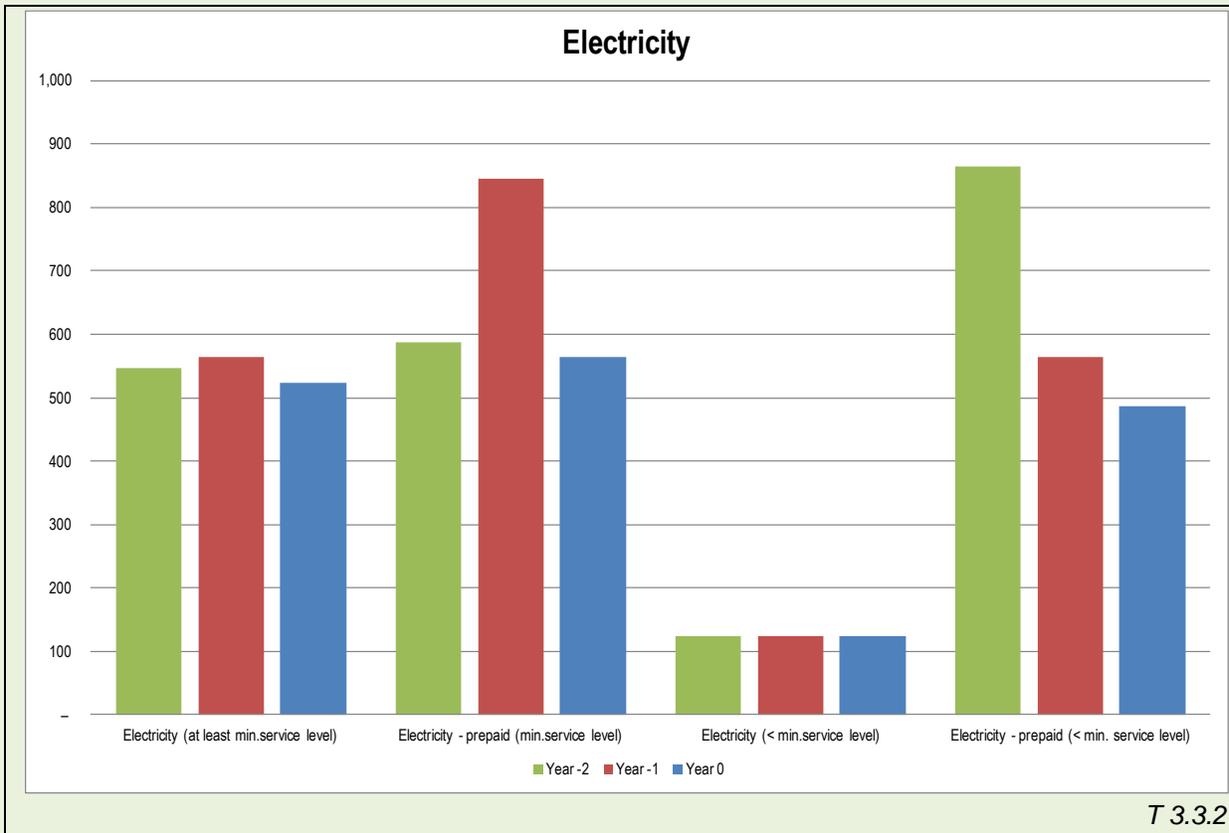
#### INTRODUCTION TO ELECTRICITY

The Municipality is the electricity provider license holder for Kuruman, Wrenchville and Bankhara-Bodulong. The Municipality successfully managed to electrify 2200 household in Promise Land and 120 households in Wrenchville RDP.

The rural areas including Mothibistad are being serviced by ESKOM. Applications for infills and extensions were submitted to ESKOM for the financial year for the rural areas and Mothibistad, to address backlogs resulting from the growth of the villages. ESKOM is currently in the process of constructing two new sub-stations in Mothibistad and Gamohana of which both are in construction phase. Eskom is in the process of electrifying Magojaneng, Mapoteng, Kagung and Mothibistad infill

*T 3.3.1*

# Chapter 3



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

# Chapter 3

<b>Total number of households</b>	23	23	23	26
<i>T 3.3.3</i>				

<b>Households - Electricity Service Delivery Levels below the minimum</b>						
<b>Description</b>	<b>Year -3</b>	<b>Year -2</b>	<b>Year -1</b>	<b>Year 0</b>		
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Original</b>	<b>Adjusted</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>Budget</b>	<b>Budget</b>	<b>No.</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
<b>Formal Settlements</b>						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
<b>Informal Settlements</b>						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households ts below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households ts below minimum service level	25%	25%	25%	25%	25%	25%
<i>T 3.3.4</i>						



# Chapter 3

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	5	5	0	0%
4 - 6	4	4	4	0	0%
7 - 9	0	0	0	0	#DIV/0!
10 - 12	8	8	8	0	0%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	#DIV/0!
<b>Total</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>0</b>	<b>0%</b>

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

T 3.3.6

Financial Performance Year 0: Electricity Services					R'000
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
<b>Total Operational Expenditure</b>	<b>195</b>	<b>732</b>	<b>750</b>	<b>744</b>	<b>2%</b>
<b>Net Operational Expenditure</b>	<b>75</b>	<b>607</b>	<b>650</b>	<b>649</b>	<b>6%</b>

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

T 3.3.7

# Chapter 3

Capital Expenditure Year 0: Electricity Services					R' 000
Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.3.8

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

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

T 3.3.9

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

### INTRODUCTION TO WASTE MANAGEMENT

Household refuse collection is done weekly in Kuruman town, Mothibistad and Wrenchville. Business refuse collection is done on daily basis from Monday to Friday to achieve according to the National Standard for weekly refuse collection from every household by 2020. 14 951 Households are serviced weekly on door to door.

Donation of 210 empty oil drums to be converted into street bins. They are opened, painted and 65 have been installed.

Ongoing weekly clean-up campaign

# Chapter 3

The Waste Management Section has won a price of R50 000-00 in the Provincial Greenest Municipality Competition.

Monthly reports are submitted to SAWIC and approved

Assmang Khumani Iron Ore has donated a skip loaded truck with 8 skip bins and a 23 ton Compactor Truck

Landfill site is electrified, fenced, installation and training of massamatic software is completed.

Due to congestion and movement of people in Kuruman Town street cleaning is done during the night. 15 employees are involved in night shift from 16H00 to 24H00.

Weekly households is done without any backlog

The prize money from the Greenest Municipality Competition is utilised to procure gloves, respirator masks and refuse bags for cleaning.

The municipality is rendering Free Basic Services to the communities that are living in poverty and are deficient. The names are put in the indigent registers so that the municipality can receive an equitable share grant to enable smooth service delivery.

T 3.4.1

## Solid Waste Service Delivery Levels

Households

# Chapter 3

Description	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week	14	13	13	14
<i>Minimum Service Level and Above sub-total</i>	184	317	447	951
<i>Minimum Service Level and Above percentage</i>	39.1%	37.6%	37.8%	40.4%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>				
Removed less frequently than once a week	120	120	120	120
Using communal refuse dump	1	1	1	1
Using own refuse dump	17	17	17	17
Other rubbish disposal	2	2	2	2
No rubbish disposal	1	1	1	1
<i>Below Minimum Service Level sub-total</i>	643	643	643	643
<i>Below Minimum Service Level percentage</i>	22	22	22	22
	102	102	102	102
	60.9%	62.4%	62.2%	59.6%
	36	35	35	37
<b>Total number of households</b>	<b>286</b>	<b>419</b>	<b>549</b>	<b>053</b>
				T 3.4.2

Solid Waste Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above sub-total</i>	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above percentage</i>	50.9%	47.1%	51.5%	44.8%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>				
Removed less frequently than once a week	655	547	565	523
Using communal refuse dump	865	846	487	865
Using own refuse dump	655	547	565	523
Other rubbish disposal	502	952	938	720
No rubbish disposal	112	123	124	124
<i>Below Minimum Service Level sub-total</i>	2,790	3,015	2,678	2,755
<i>Below Minimum Service Level percentage</i>	49.1%	52.9%	48.5%	55.2%
<b>Total number of households</b>	<b>5,685</b>	<b>5,699</b>	<b>5,523</b>	<b>4,991</b>
				T 3.4.2

# Chapter 3

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	14	13	13			14
Households below minimum service level	184	317	447	–	–	951
Proportion of households below minimum service level	444	406	407			407
	3%	3%	3%	#DIV/0!	#DIV/0!	3%
<b>Informal Settlements</b>						
Total households	22	22	22			22
Households below minimum service level	102	102	102	–	–	102
Proportion of households below minimum service level	22	22	22			22
	102	102	102	–	–	102
	100%	100%	100%	#DIV/0!	#DIV/0!	100%

T 3.4.3

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
<b>Informal Settlements</b>						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%

T 3.4.3

**Waste Management Service Policy Objectives Taken From IDP**

Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)

Service Objective xxx									
<b>Provision of weekly collection service per household (HH)</b>	Weekly collection per household for (Kuruman, Mothibistad and Wrenchville)	12 480 households	13447 households	12 480 households	12 480 households	14951 households	12 480 households	12480	14960 households
<b>Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites</b>	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage	T0 years of unused landfill capacity available	A0 years of unused landfill capacity available	T1 years of unused landfill capacity available	T1 years of unused landfill capacity available	A1 years of unused landfill capacity available	T2 years of unused landfill capacity available	T5 years of unused landfill capacity available	T5 years of unused landfill capacity available
<b>Proportion of waste that is recycled</b>	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.	Recycling not done due to lack of electricity	Recycling not done due to lack of electricity	Recycling not done due to lack of electricity	Recycling not done due to lack of electricity	Recycling not done due to lack of electricity	Recycling not done due to lack of electricity	Recycling not done due to lack of electricity	5 tons of waste to be recycled once the by-back centre is electrified
<b>Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.</b>	x% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.	1 licensed landfill	1 sites compliant	1 sites compliant	1 landfill site identified between Mapoteng and Disthoswaneng				

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*\*Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*\*Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

T 3.4.4

# Chapter 3

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	45	45	45	2	4%
4 - 6	1	1	1	0	0%
7 - 9	6	6	6	2	33%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18			0	0	#DIV/0!
19 - 20			0	0	#DIV/0!
Total	55	55	55	4	7%

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

T3.4.5

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

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

T3.4.6

# Chapter 3

Financial Performance Year 0: Solid Waste Management Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
<b>Total Operational Expenditure</b>	195	732	750	744	2%	
<b>Net Operational Expenditure</b>	75	607	650	649	6%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.4.7

Financial Performance Year 0: Waste Disposal and Other Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
<b>Total Operational Expenditure</b>	195	732	750	744	2%	
<b>Net Operational Expenditure</b>	75	607	650	649	6%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.4.8

Capital Expenditure Year 0: Waste Management Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T 3.4.9

# Chapter 3

## COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Waste collection services for households and business is done 100%, targets are met timeously in Kuruman, Wrenchville & Mothibistad.

As indicated in the IDP, waste collection services are not done in the rural or village communities due to lack of human and capital capacity.

Littering and illegal dumping remains a challenge even though the 8skip loaded truck is used during ongoing clean up campaigns to mitigate the problem.

The landfill site is electrified, training provided to the staff and the installation of the Massamatic software is done and the weighbridge is fully operational, the buy-back centre is awaits for the bailing machine for recycling purposes.

Kuruman landfill site is registered with the South African Waste Information System established in terms of Chapter 6 of the National Environment Management Waste Act, 2008 (Act 59 of 2008). 23ton compactor truck, 8 skip loaded truck was donated by Assmang Khumani Iron Ore.

*T 3.4.10*

## 3.5 HOUSING

### INTRODUCTION TO HOUSING

Housing backlogs are a moving target that is driven by people's socio-economic aspirations. Housing backlogs are significantly impacted by the Municipality's spatial structure. The vastness of the Municipal area has put pressure on the main service centre which is Kuruman, to house hundreds of people that have over recent years migrated from their historical and traditional settlements situated furthest from Kuruman. The settlement patterns of the Municipality are characterised by small pockets of villages that are often far from basic services and provide a challenge in responding to housing needs in terms of breaking new ground policy framework. For this purpose, the in-situ housing delivery programme has been adopted, as it permits the construction of houses for beneficiaries in the villages with little risk of displacement of the beneficiaries. This allows the municipality to eradicate mud houses and other informal structures, restoring our people's dignity. The fact that the Provincial Department of Human Settlement has taken over the implementation of projects has proven to be a challenge. Our role is currently only limited to beneficiary administration. Delays in the payment of contractor's claims have also impacted negatively on the delivery process. This results in a slow delivery of houses and often leads to the abandonment of sites by contractors.

Currently the Department of Human Settlement is busy with a process of formalising Promise Land. Construction of 241 RDP houses is in progress in Wrenchville also being implemented by the Department.

*T 3.5.1*

# Chapter 3

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	560000	350000	62.5%
Year -2	654000	450000	68.8%
Year -1	654000	500000	76.5%
Year 0	684000	540000	78.9%
			T 3.5.2

# Chapter 3

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
<b>Total</b>	<b>55</b>	<b>93</b>	<b>55</b>	<b>38</b>	<b>41%</b>

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

T 3.5.4

Financial Performance Year 0: Housing Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
<b>Total Operational Expenditure</b>	<b>195</b>	<b>732</b>	<b>750</b>	<b>744</b>	<b>2%</b>	
<b>Net Operational Expenditure</b>	<b>75</b>	<b>607</b>	<b>650</b>	<b>649</b>	<b>6%</b>	

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.5.5

# Chapter 3

Capital Expenditure Year 0: Housing Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.5.6</i>

## COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

**Delete Directive note once comment is completed** – Explain the priority of the four largest capital projects and explain variances from budget for operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

*T 3.5.7*

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Ga-Segonyana municipal Council has adopted the Indigent policy as part of its budget related policies. This policy serves as guideline to assist with provision of basic services to its qualifying applicant households. The adopted policy lists the qualification criteria for these indigents. On an annual basis this policy gets reviewed with the adoption of the budget and conditions of qualification are looked into and aligned to the socio-economic conditions within the country. The municipality faces the challenge of non-submission of applications by the community members, the turnout of applications on an annual basis is deteriorating thereby defeating efforts of this policy and its intention. The free basic package comprises of rates rebates, 50kwh of free electricity, free sanitation and refuse collection as well as free 6kl of water to all registered indigents.

Our Indigent policy is a short-term intervention that enables access to free services whilst we integrate our people into sustainable means of improving their economic conditions.

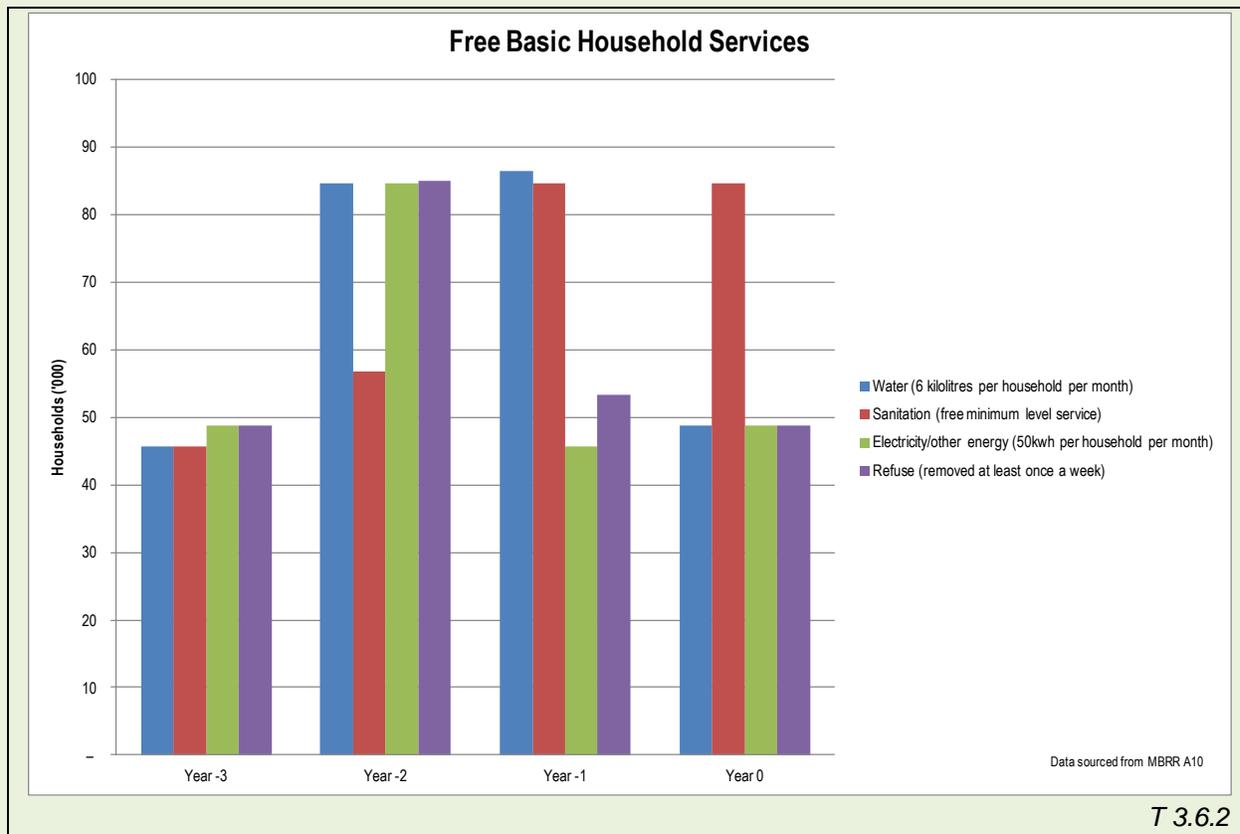
# Chapter 3

Indigents and qualifying households will receive the following benefits:

- ♣ 6 Kilolitres of water per month
- ♣ 50 Kilowatts of electricity
- ♣ Indigent owners and child-headed families will receive a 100% rebate from rates and services;
- ♣ All residential properties with a market value of less than R25000 and an additional R56 802 for Bankhara are exempted from paying rates;
- ♣ All qualifying senior citizens and disabled persons are exempted from paying rates on the first R25000 value of their residential properties; and they further apply for more exemption.
- ♣ All Churches and registered Public Benefit Organisations (PBOs) are also exempted from paying assessment rates.

A provision is made for the supply of these free basic services to the poorer communities in Gasegonyana Local Municipality.

T 3.6.1



# Chapter 3

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	%	Access	%	Access	%	Access	%	
Year -2	100,000	18,000	12,000	67%	10,000	56%	13,000	72%	7,000	39%
Year -1	103,000	18,500	13,000	70%	11,000	59%	14,500	78%	8,000	43%
Year 0	105,000	19,000	15,000	79%	12,000	63%	16,100	85%	9,000	47%
										T 3.6.3

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	200	244	250	248	2%
Waste Water (Sanitation)	220	240	250	245	2%
Electricity	100	120	130	135	11%
Waste Management (Solid Waste)	105	110	120	125	12%
Total	625	714	750	753	5%
					T 3.6.4

# Chapter 3

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The municipality has an indigent register of 1286 registered households who are benefitting from the FBE social package. This package is inclusive is rates rebates, free basic electricity of 50kwh per month per household, free 6kl of water as well as free refuse removal and sanitation. This number is very low as compared to stats SA census report. We have challenges with attracting households to come register for indigency. Plans are in place to widen the net in the 2021/22 financial period.

T 3.6.6

## COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

### INTRODUCTION TO ROAD TRANSPORT

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

T 3.7

## 3.7 ROADS

### INTRODUCTION TO ROADS

***Delete Directive note once comment is completed*** – Explain in brief your Roads strategy, the steps taken towards the implementation of the strategy and discuss the major successes achieved and challenges faced in year 0 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Roads Services within the municipality.

T 3.7.1

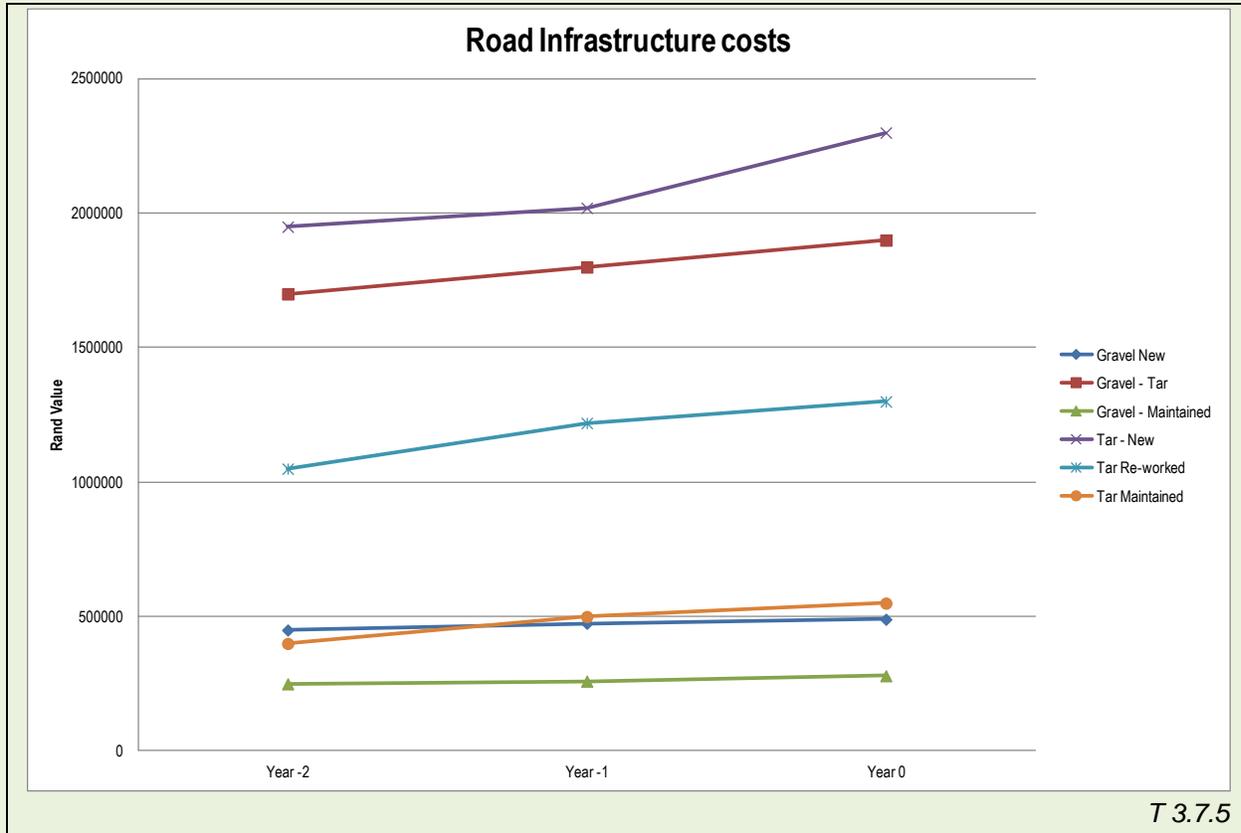
# Chapter 3

Gravel Road Infrastructure					Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
Year -2	145	15	10	100	
Year -1	160	20	12	120	
Year 0	166	25	14	140	
					T 3.7.2

Tarred Road Infrastructure						Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained	
Year -2	85	10	23	18	100	
Year -1	98	14	25	15	120	
Year 0	114	20	30	25	140	
						T 3.7.3

Cost of Construction/Maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
Year -2	450000	1700000	250000	1950000	1050000	400000	
Year -1	475000	1800000	260000	2020000	1220000	500000	
Year 0	490000	1900000	280000	2300000	1300000	550000	
							T 3.7.4

# Chapter 3



# Chapter 3

Employees: Road Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	7	1	6	86%
4 - 6	10	16	10	5	31%
7 - 9	6	8	6	2	25%
10 - 12	0	2	0	2	100%
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
<b>Total</b>	<b>22</b>	<b>33</b>	<b>17</b>	<b>15</b>	<b>45%</b>

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

T3.7.7

Financial Performance Year 0: Road Services						R'000
Details	Year -1	Year 0			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
<b>Total Operational Revenue</b>	31 643 059.00	16 447 400.00	19 178 617.00	24 763 836.00	34%	
Expenditure:						
Employees	6 357 393.00	5 649 708.00	4 830 708.00	4 507 173.00	-25%	
Repairs and Maintenance	925 806.00	1 667 840.00	4 317 840.00	3 209 589.00	48%	
Other	213 995.00	407 760.00	307 760.00	188 146.00	-117%	
<b>Total Operational Expenditure</b>	7 497 194.00	7 725 308.00	9 456 308.00	7 904 908.00	2%	

# Chapter 3

## Net Operational Expenditure

#DIV/0!

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.7.8

Capital Expenditure Year 0: Road Services					
					R' 000
Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.7.9

### COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

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

T 3.7.10

# Chapter 3

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

### INTRODUCTION TO STORMWATER DRAINAGE

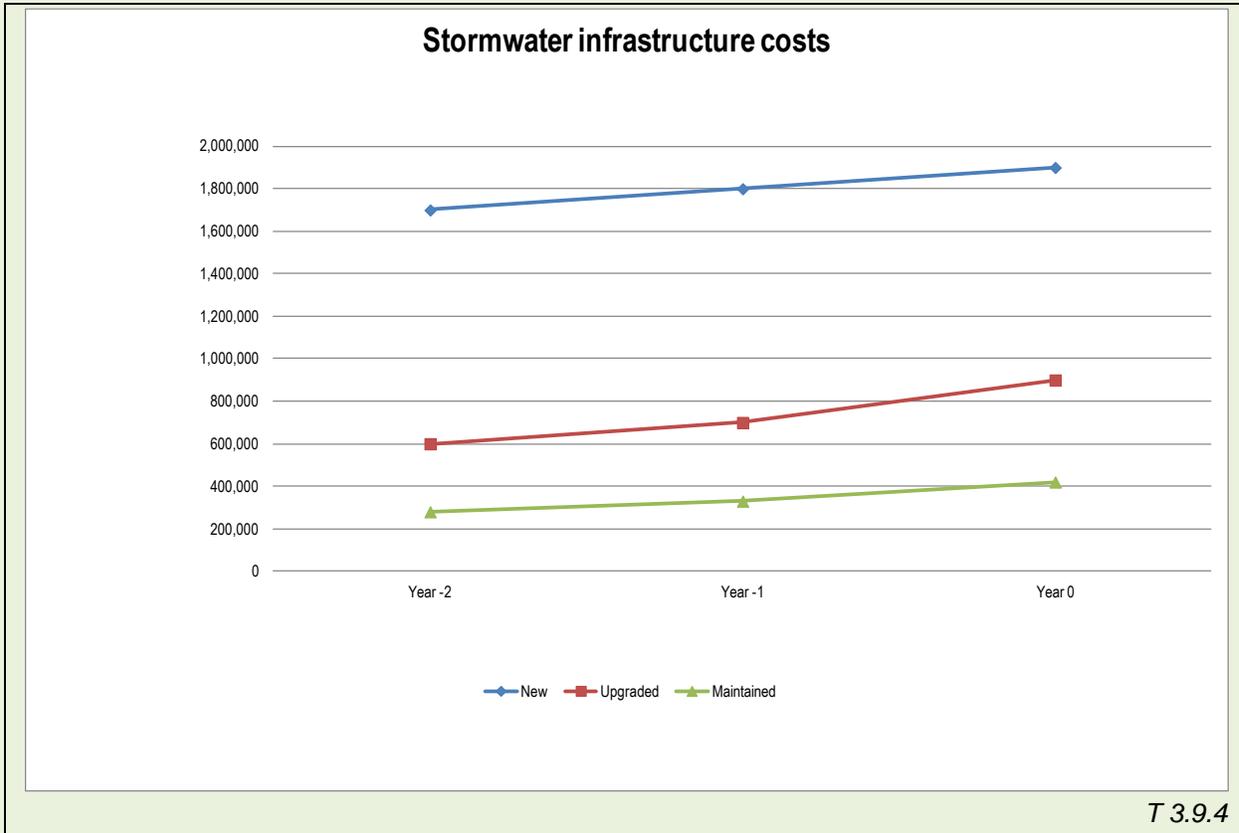
**Delete Directive note once comment is completed** – Provide brief introductory comments on the progress being made to improve stormwater drainage and discuss the major successes achieved and challenges faced in year 0 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to informal settlement and rural development. Refer to support given to those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Stormwater Drainage Services within the municipality.

T 3.9.1

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -2	145	15	10	100
Year -1	160	20	12	120
Year 0	166	25	14	140
				T 3.9.2

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
Year -2	1,700,000	600,000	280,000	
Year -1	1,800,000	700,000	330,000	
Year 0	1,900,000	900,000	420,000	
			T 3.9.3	

# Chapter 3





# Chapter 3

Employees: Stormwater Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	1	1	0	0%
4 - 6	7	10	7	3	30%
7 - 9	0	8	6	0	0%
10 - 12	3	4	3	1	25%
13 - 15	0	15	9	0	0%
16 - 18	0	21	11	0	0%
19 - 20	0	30	18	0	0%
Total	15	89	55	4	4%

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

T 3.9.6

Financial Performance Year 0: Stormwater Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
<b>Total Operational Expenditure</b>	195	732	750	744	2%	
<b>Net Operational Expenditure</b>	75	607	650	649	6%	

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

T 3.9.7

# Chapter 3

Capital Expenditure Year 0: Stormwater Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.9.8

## COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

**Delete Directive note once comment is completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T3.9.9

# Chapter 3

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

**Delete Directive note once comment is completed** - Provide brief overview of the opportunities and challenges in the fields of economic development and physical planning field for your municipality.

T 3.10

### 3.10 PLANNING

#### INTRODUCTION TO PLANNING

**Delete Directive note once comment is completed** - Set out in brief the main elements of your planning strategies (and make particular reference to achievements and challenges in year 0); Town Planning; and building regulation and enforcement). Set out your top 3 service delivery priorities and the impact you have had on them during the year. Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T 3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received						
Determination made in year of receipt						
Determination made in following year						
Applications withdrawn						
Applications outstanding at year end						

T 3.10.2

# Chapter 3

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
<b>Total</b>	<b>55</b>	<b>93</b>	<b>55</b>	<b>38</b>	<b>41%</b>

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.10.4

Financial Performance Year 0: Planning Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
<b>Total Operational Expenditure</b>	<b>195</b>	<b>732</b>	<b>750</b>	<b>744</b>	<b>2%</b>	
<b>Net Operational Expenditure</b>	<b>75</b>	<b>607</b>	<b>650</b>	<b>649</b>	<b>6%</b>	

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.10.5

# Chapter 3

Capital Expenditure Year 0: Planning Services					R' 000
Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.10.6

## COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

**Delete Directive note once comment is completed** - Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T 3.10.7

# Chapter 3

## 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

### INTRODUCTION TO ECONOMIC DEVELOPMENT

Ga-Segonyana Local Municipality is one of the three Local Municipalities that make up the John Taolo Gaetsewe District. The economy is mainly based on Mining and Agricultural activities. The Ga-Segonyana Local Municipality is situated on the Namaqua route, forming part of the main route between Gauteng and Namibia and Cape Town via Upington.

The Municipality is an Administrative Capital of the District, given its centrality to accessible transport routes, amenities and also housing most government and some private sector administrative offices. This has also contributed in the influx of people from the neighbouring municipalities, especially Joe Morolong Local Municipality and even outside the district in pursuit of economic opportunities. Ga-Segonyana Local is positioned as a preferred services centre, both for commercial and residential for the Mining Corridor.

The Local Economic Development Unit of the Municipality focuses on the three service delivery sections, which includes Small, Medium & Micro Enterprises Development, Tourism Development and Business Licensing and Regulation. The Unit is structured to respond to the issues impacting on economic activities but also provides for a conducive environment where economic development can happen through stakeholder relations and ensuring for governance and regulations through municipal by laws and legislative framework.

Over the previous year, the municipality has aggressively implemented existing policies in order to have maximum impact in its service delivery programmes. The alignment of the LED Strategy to other key policies such as the IDP, National Spatial Development Perspective, the Provincial Growth strategy and National LED Framework has allowed the LED services within the municipality to start making critical in routes and find expression in the other work of the municipality but also in clarifying what the role of Local Economic Development is, within a municipal context. This is obviously an area of growth given lessons learnt and potential for great improvement in services provision

*T 3.11.1*

# Chapter 3

Economic Activity by Sector				R '000
Sector	Year -2	Year -1	Year 0	
Agric, forestry and fishing	2	1.5	1.5	
Mining and quarrying	6	5	2	
Manufacturing	56	58	63	
Wholesale and retail trade	45	51	52	
Finance, property, etc.	51	48	52	
Govt, community and social services	23	25	25	
Infrastructure services	34	38	41	
Total	217	226.5	236.5	
				T 3.11.2

Economic Employment by Sector				Jobs
Sector	Year 1 No.	Year -1 No.	Year 0 No.	
Agric, forestry and fishing	20,000	25,000	30,000	
Mining and quarrying	400,000	435,000	372,000	
Manufacturing	320,000	300,000	270,000	
Wholesale and retail trade	190,000	200,000	210,000	
Finance, property, etc.	275,000	255,000	235,000	
Govt, community and social services	300,000	310,000	320,000	
Infrastructure services	400,000	430,000	450,000	
Total	1905000	1955000	1887000	
				T 3.11.3

## COMMENT ON LOCAL JOB OPPORTUNITIES:

**Delete Directive note once comment is completed** - Comment briefly on the short and longer term prospects for economic growth and development referring to the above. Include in this section references to Tourism and Market Places (including street traders)

T 3.11.4

# Chapter 3

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -2				
Year -1				
Year 0				
Initiative A (Year 0)				
Initiative B (Year 0)				
Initiative C (Year 0)				
				T 3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -2		40
Year -1		50
Year 0		66
* - Extended Public Works Programme		T 3.11.6

# Chapter 3

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	#DIV/0!
7 - 9	2	2	2	0	0%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0%</b>

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  
T 3.11.8

Financial Performance Year 0: Local Economic Development Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	1 408 812.00	812 592.00	827 592.00	1 621 942.00	50%	
Expenditure:						
Employees	3 064 108.00	2 143 548.00	2 096 548.00	3 820 565.00	44%	
Repairs and Maintenance	36 675.00	0	0	12 560.00	100%	
Other	32 873.00	76 572.00	76 572.00	39 544.00	-94%	
<b>Total Operational Expenditure</b>					#DIV/0!	
<b>Net Operational Expenditure</b>					#DIV/0!	

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*  
T 3.11.9

# Chapter 3

Capital Expenditure Year 0: Economic Development Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.11.10

# Chapter 3

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

### 3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

#### INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Municipal library provides services to the community in the form of reading materials for convenient use; circulation of reading materials; service to help provide users with library materials, educational and recreational audiovisual materials; or a combination of these services.

Ga-Segonyana municipality has eight (8) libraries (Kuruman, Mothibistad, Batlharos, Kagung, Bankhara, Seoding, and Seven Miles, Ga-Sehubane) that serves the broader community in the municipal jurisdiction.

While the services include community information services, recreational activities, reference services, storytelling, reading competition, career information, customer care, adult literacy education, mobile library services, services to prisoners, services to old age homes and online internet search.

The primary purposes of our libraries are to provide resources and services in a variety of media to meet the needs of individuals and groups for education, information and personal development including recreation and leisure.

T3.12.1

#### SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Service Statistic of all libraries for the 2020/ 2021 financial year

<b>Activity</b>	<b>Totals</b>
1. Circulation of library materials	- 640
2. Un-shelved library materials	- 616
3. Library users	- 459
4. Library visitors	- 1303
5. Total Library memberships	- 8029

T 3.12.2



# Chapter 3

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	9	9	9	0	0%
4 - 6	0	0	0	0	0%
7 - 9	14	14	1	12	65%
10 - 12	4	4	3	1	25%
13 - 15	2	2	1	1	50%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	29	29	14	14	#NAME?

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

T 3.12.4

# Chapter 3

## 3.13 CEMETORIES AND CREMATORIIUMS

### INTRODUCTION TO CEMETORIES & CREMATORIIUMS

The municipality is providing services to Kuruman, Wrenchville and Mothibistad cemeteries. We are assisting with indigent coffins and graves only. No income community members benefit/qualify for the coffin. They have to bring affidavit from the nearest police station confirming that they have no income/unemployed, Burial Order, Death Certificate to the registration office.

T 3.13.1

### SERVICE STATISTICS FOR CEMETORIES & CREMATORIIUMS

#### **Kuruman Cemetery**

Work plan is in place to clean the cemetery

10 graves were bought for 2020/21

A grader is needed to clear the roadway.

#### **Wrenchville Cemetery**

Wrenchville cemetery is very rocky and very difficult to dig with hands. A TLB and Compressor need to be purchased for the next financial year.

Work plan in place to clean graves

60 graves were bought for 2020/21

#### **Mothibistad Cemetery**

Work plan in place to clean the cemetery

58 graves were bought for 2020/21

The road to the graveside in bad condition paving is recommended

T 3.13.2

# Chapter 3

Cemeteries and Crematoriums Policy Objectives Taken From IDP									
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>Service Objective xxx</b>									
<i>Fence repairs of grave yards</i>		3	3	3	3	0	3	3	4
Digging of graves (Mothibistad, Wrenchville, Kuruman)		105	105	105	120	12	300	300	300
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									

T 3.13.3

# Chapter 3

Employees: Cemeteries					
Task Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	13	13	13	7	54%
4 - 6					#DIV/0!
7 - 9					#DIV/0!
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	14	14	14	7	50%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T</p>					
3.13.4					

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T 3.13.4</p>					

# Chapter 3

Financial Performance Year 0: Cemeteries and Crematoriums					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	736 303.00	852 456.00	902 456.00	913 260.00	7%
Expenditure:					
Employees	1 629 411.00	1 925 364.00	1 902 364.00	1 776 015.00	-8%
Repairs and Maintenance	49 911.00	61 476.00	46 476.00	20 362.00	-202%
Other	13 419.00	54 264.00	54 264.00	14 657.00	-270%
<b>Total Operational Expenditure</b>					#DIV/0!
<b>Net Operational Expenditure</b>					#DIV/0!
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
					T 3.13.5

Capital Expenditure Year 0: Cemeteries and Crematoriums					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.13.6

# Chapter 3

## 3.20 POLICE

### INTRODUCTION TO POLICE

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

Functions of driving license testing centre (DLTC)

1. Appointment for learners licenses for all codes
2. Appoinment for driving licenses for all codes
3. Testing for leaners licenses for all codes
4. Testing for driving licenses for all codes
5. Issuing for leaner licenses
6. Issuing temporary driving licenses
7. Issuing duplicate learnes licenses
8. Renewal of drivers licenses
9. Renewal of professional driving permits (PRDP)

NB!! In summary the DLTC is responsible for ensuring the driver fitness in order to allow a driver to sit behind a steering wheel.

*T 3.20.1*

Metropolitan Police Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year				
2	Number of by-law infringements attended				
3	Number of police officers in the field on an average day	12	12	12	12
4	Number of police officers on duty on a average day	12	12	12	12

*T 3.20.2*

# Chapter 3

Concerning T 3.20.2

## **Driving License Testing Centre (DLTC) Statistics for July 2020 until June 2021**

The under mentioned are the total number of visits from clients done at the Municipal Traffic Department sub-section DLTC.

<b>Activity</b>	<b>Total</b>
Renewal of Driver's License	- 2676
Renewal of PrDP	- 2136
Application for Driving License	- 49
Application for Learners License	- 2978

DLTC was visited by 7839 clients for the financial year of July 2020 until June 2021

## **Vehicle Testing Station (VTS) Statistics for July 2020 until June 2021**

Number of roadworthy tests	- 1604
Number of roadworthy certificates issued	- 1271

## **Law Enforcement Statistics for July 2020 until June 2021**

Number of Summons issued	- 1524
Art 341 Notice issued	- 1842
J534	- 131

Total of 3497 Charges were laid for the financial year July 2020 until June 2021

## **Registration and Licensing Statistics for July 2020 until June 2021**

Number of transactions	- 12936	
Number of special permits issued	- 126	
Number of temporary permits issued	- 57	
Duplication registration certificate issued	- 272	
Application for roadworthy	- 1467	
Number of roadworthy certificates issued	- 1284	
	PRDP's issued	- 1848
		<i>T 3.20.2.1</i>

# Chapter 3

Employees: Police Officers					
Job Level	Year -1	Year 0			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy					
Other Police Officers					
0 - 3	6	8	6	2	25%
4 - 6	6	6	6		0%
7 - 9	0	0	0		#DIV/0!
10 - 12	26	28	26	2	7%
13 - 15	2	2	2		0%
16 - 18					#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
<b>Total</b>	<b>40</b>	<b>44</b>	<b>40</b>	<b>4</b>	<b>9%</b>

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

T 3.20.4

Financial Performance Year 0: Police					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	8 957 554.00	7629756	7629756	7 662 793.00	0%
Expenditure:					
Police Officers	13 826 729.00	15 261 000.00	14 884 183.00	14 766 169.00	
Other employees					
Repairs and Maintenance	574 942.00	646 596.00	646 596.00	616 783.00	-5%
Other	304 994.00	431 580.00	481 580.00	529 159.00	18%
<b>Total Operational Expenditure</b>	14 706 665.00	16 339 176.00	16 012 359.00	15 912 111.00	
<b>Net Operational Expenditure</b>					

# Chapter 3

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.20.5

Capital Expenditure Year 0: Police					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.20.6

# Chapter 3

## 3.21 FIRE

### INTRODUCTION TO FIRE SERVICES

The municipal Fire & rescue purpose is to enhance community safety, quality of life and confidence by minimising the impact of hazards and emergency incidents on the people, environment and economy of the town.

Ga-Segonyana Local Municipality is having 14 Council Wards (33 community (villages) areas) of which ad-hoc (07:30 – 16:30 - weekdays) Fire and Rescue Services are rendering to and also into cross borders of Joe Morolong Local Municipal jurisdiction. Two officials are on standby after hours (16:30 – 07:30), weekends and holidays to render these services whenever the call of duty arises. The municipality performs firefighting in respect of formal structures (brick buildings), informal structures (shacks), rubbish, vehicles, veld, electrical or any kind of related fires. The department also attends to Disaster Incidents, Vehicle Accidents, Hazardous Material Incidents and Rescue Services.

The staff component of the fire department is twenty (20) of which thirteen (13) are permanent and seven (07) are temporary employees.

The service is based on four pillars:

Firefighting & Rescue operations

Administration

Fire safety

Prevention and

Disaster Management

*T 3.21.1*

### Metropolitan Fire Service Data

# Chapter 3

	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	205	80	169	120
2	Total of other incidents attended in the year	9	5	5	9
3	Average turnout time - urban areas	30 minutes	30 minutes	15 minutes	30 minutes
4	Average turnout time - rural areas	1 hour	1 hour	55 minutes	1 hour
5	Fire fighters in post at year end	8	13	13	4
6	Total fire appliances at year end	1	1	1	1
7	Average number of appliance off the road during the year	3	1	3	2
					<i>T 3.21.2</i>

Concerning T3.21.2

Ga -Segonyana Local Municipality's Fire Department wishes to abide to the SANS 10090 of 2003. The municipal costed business plan that was submitted to MIG for funding a Disaster & Fire Structure is approved. The Fire Department is having only one operational fire truck for fire & rescue services.

*T 3.21.2.1*

# Chapter 3

Employees: Fire Services					
Tasks Level	Year -1	Year 0			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy					
Other Fire Officers					
0 - 3	6	4	6	3	75%
4 - 6	11	11	11	4	36%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	#DIV/0!
13 - 15	0	1	0	1	100%
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
<b>Total</b>	<b>20</b>	<b>19</b>	<b>20</b>	<b>8</b>	<b>42%</b>

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

T 3.21.4

Financial Performance Year 0: Fire Services					
					R'000
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	120	125	100	95	-32%
Expenditure:					
Fire fighters					
Other employees	125	244	250	248	2%
Repairs and Maintenance	50000	50000	0	50000	0%
Other	0	0	0	0	#DIV/0!
<b>Total Operational Expenditure</b>	<b>50125</b>	<b>50244</b>	<b>250</b>	<b>50248</b>	<b>0%</b>
<b>Net Operational Expenditure</b>	<b>50005</b>	<b>50119</b>	<b>150</b>	<b>50153</b>	<b>0%</b>

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

T 3.21.5

# Chapter 3

Financial Performance Year 0: Fire Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	120	125	100	95	-32%	
Expenditure:						
Fire fighters						
Other employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
<b>Total Operational Expenditure</b>	195	732	750	744	2%	
<b>Net Operational Expenditure</b>	75	607	650	649	6%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.21.5

Capital Expenditure Year 0: Fire Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
<b>Total All</b>	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T 3.21.6

## COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The municipal costed business plan that was submitted to MIG for funding is approved and this plan will be implemented over a three year municipal budget period, which is 2019/2020 (approved), 2020/2021 (implementation) and 2021/2022 (finalized/ handover).

T 3.21.7

# Chapter 3

## 3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

### INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

The disaster management function is part of the emergency services division and report to the Director Community Services.

Priorities of Disaster Risk Reduction and Management (DRRM)

1. Disaster prevention & Mitigation
2. Disaster preparedness
3. Disaster response
4. Rehabilitation and Recovery

Our Aim

1. Protection and preservation of life and relief warrant to disaster beneficiaries
2. Issuing of community information and community warnings detailing information that is timorously, relevant and tailored to assist our community members to make informed decisions about their safety.

The municipality has established a 24 hour call centre to curb the backlog of service delivery complaints of our community and to direct all complaints to a central point. Community members contact standby officials directly on their phones and sometimes they are not attending or responding immediately to the call/ incident. This centre also assist with service delivery queries and dispatch the relevant department to any complaints that is reported by our community that the municipality is serving. Emergency incidents/ Disaster calls are also reported to the call centre and this centre is dispatching the Disaster & Fire personnel to these incidents.

measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T 3.22.1

# Chapter 3

## SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Our municipal area was affected by severe heavy rainstorms during November 2020 until mid-March 2021 and damaged a lot of houses, business, cemeteries and limited the movement of people due to water logged streets and or premises.

About 369 reported households were affected by this severe heavy rainfalls and they are as follows:

1. Seven Miles/ Gantatelang = 159 households
2. Batlharos/ Nanana Section = 68
3. Magojaneng/ Tswelelopele = 50
4. Maruping = 39
5. Seoding = 30
6. Kagung = 23

An item about the severe destruction was presented to the municipal council on the 14 January 2021, to take a resolution on the disaster that has affected our municipal area and a disaster was declared by our council.

A costed business plan for emergency housing relief for the affected households were submitted to National Housing Human Settlement with all the relevant attachment as per directive and of which delegation from National Human Settlement came to verify the municipal submission.

National Human Settlement approved only 161 households/ beneficiaries for emergency housing for our municipality.

- 18 x House Fires
- 14 x Informal settlement fires (Shacks)
- 141 x Veld Fires
- 08 x Rubbish Fires
- 03 x Electrical related Fires
- 04 x Motor Vehicle Fires
- 01 x Truck Fire
- 01 x Tree Fires
- 01 x Tyre Fire
- 01 x Shop Fire
- 04 x Building Fires
- 01 x Container Fire
- 01 x Guesthouse Fire
- 01 x Thatch Roof Fire
- 09 x Motor Vehicle Accidents
- 01 x Fire belt
- 02 x Special Services

NB!!! The Fire & Disaster Management Officials has attended to **211** incidents for the financial year of July 2020 until June 2021

# Chapter 3

T 3.22.2

# Chapter 3

Financial Performance Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
<b>Total Operational Expenditure</b>	195	732	750	744	2%
<b>Net Operational Expenditure</b>	75	607	650	649	6%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.22.5					

Capital Expenditure Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					
T 3.22.6					

# Chapter 3

## COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

Awareness and Preparedness for Emergencies at Local/ District/ Province Level is a tool for bringing Disaster Stakeholders, Community Members, and Staff together to allow effective communication about risks and planning for emergency response.

It should be stressed that emergency planning, like most management challenges, is a process of continuous improvement. Comments on the emergency exercise will help Disaster Stakeholders continue improving service delivery to the community they serve and to build capacity amongst themselves.

The horrific consequences of disaster remain in the public memory for a long time. Given the size and scale of the industry and many of its operations, the number of major incidents is small, however, although most people would rather regard even one incident as being too many. It would be equally wrong to suggest that no progress has been made in the prevention, preparation for and management of disaster.

A fast and effective local response to an incident can be the most important factor in limiting injury to people as well as damage to property and environment. While incidents destroy community confidence, a well-informed, well-prepared community is better able to deal with the aftermath.

Annual events are held in Ga-Segonyana Local Municipal Jurisdiction and all events applications are submitted to SAPS, this is in accordance to the SARE Act (Safety at Sport and Recreational Events Act 2 of 2010) that all applications must be submitted to the Authorized person of SAPS. Events Safety Security planning are convened with all relevant stakeholders with the conveners to plan the safety of the events.

When meetings are convened, all application for the different events are categorized by SAPS Authorized member at the Province, because the categorization will guide the Event Safety Security Committee and convener what type of magnitude event are we planning and all the deployment of resources that must be availed to safe guard the attendees and artists.

T 3.22.7

# Chapter 3

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

### INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

**Delete Directive note once comment is completed** – Provide brief introductory comments.

T 3.24

# Chapter 3

## 3.25 FINANCIAL SERVICES

### INTRODUCTION FINANCIAL SERVICES

Even though the global pandemic affected our provision of basic services negatively, there were some successful strides made by the municipality with regard to debt collection. Some old debts were recovered in the reporting year. Though a lot of write offs were processed and approved by council due to job losses and many other factors, the debt book reduced drastically. The figures below were not split per service except for electricity.

T 3.25.1

Debt Recovery								R' 000
Details of the types of account raised and recovered	Year -1 201819		Year 0 201920			Year 1 202021		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %	
Property Rates				45 158 445,71	38 003 762,00	49 762 316,92	85%	
Electricity - B				108 310 332,00	133 878 506,00	112 931 244,03	129%	
Electricity - C								
Water - B				22 880 479,05		22 277 550,57		
Water - C								
Sanitation				13 825 960,51		13 433 717,08		
Refuse				8 942 684,76		9 343 196,02		
Other				7 611 740,64		5 130 472,77		

*B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.*

T 3.25.2

# Chapter 3

Financial Performance Year 0: Financial Services					
					R'000
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	64 226 662.00	69 737 748.00	63 340 742.00	69 791 866.00	0%
Expenditure:					
Employees	23 098 891.00	27 857 364.00	27 335 500.00	30 268 941.00	8%
Repairs and Maintenance	22 760 367.00	28 899 496.00	31 451 396.00	29 377 835.00	2%
Other	76 550 324.00	62 073 176.00	62 926 176.00	97 508 066.00	36%
<b>Total Operational Expenditure</b>	122 409 582.00	118 830 036.00	121 713 072.00	157 154 842.00	24%
<b>Net Operational Expenditure</b>					#DIV/0!
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.25.5

# Chapter 3

## 3.26 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

Explain the measures taken to improve performance and the major efficiencies achieved by HR service during the year.

Human Resources provide services in the areas of Recruitment, Selection and Placement, Health and Safety, Organizational Development, Skills Development and Training, Human Resources Administration and Labour Relations.

Considerable improvement is made in terms of leave management. However, the process of transforming the system to do leave electronically has been kick-started and the position of Senior Health and Safety was budgeted for to beef up the sub-unit. Managers and supervisors are making strides currently on the monitoring of staff and as it took long to sign leave on time. Cases of injuries on duty are submitted electronically, however, it is still a challenge in getting responses and acknowledgements within a reasonable time of at least a week. The Labour Department is still citing lack of staff as a contributing factor and the system is constantly dysfunctional. We are currently submitting some claim information manually when experiencing challenges. The position of Secondary was also budgeted for and will hopefully be implemented by the end of December 2022.

T 3.26.1

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

No	Title	Number	Category	Status
1	Manager: Human Resources	1	14	Full-Time
2	Labour Relations Specialist	1	14	Full-Time
3	Skills Development Facilitator (SDF)	1	13	Full-Time
4	Health and Safety Officer	1	11	Full-Time
5	Senior Human Resources Officer	1	10	Full-Time
6	Human Resources Officer	2	8	Full-Time
7	Senior Health and Safety Officer (Vacant )	1	13	Full-Time
8	Secondary SDF (Vacant)	1	10	Full-Time
	Total Number	9		

T 3.26.2

# Chapter 3

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	#DIV/0!
7 - 9	1	2	1	1	50%
10 - 12	1	1	1	0	0%
13 - 15	3	4	3	1	25%
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
<b>Total</b>	<b>5</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>29%</b>

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

Financial Performance Year 0: Human Resource Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	2 846 247.00	1 355 964.00	1 455 964.00	1 317 339.00	-3%	
Expenditure:						
Employees	1 273 245.00	6 036 684.00	5 952 184.00	8 693 230.00	31%	
Repairs and Maintenance	155 706.00	369 996.00	369 996.00	69 753.00	-430%	
Other	5 719 038.00	5 515 452.00	4 427 452.00	4 508 873.00	-22%	
<b>Total Operational Expenditure</b>	7 147 989.00	11 922 132.00	10 749 632.00	13 271 856.00	10%	
<b>Net Operational Expenditure</b>					#DIV/0!	

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*  
T 3.26.5

# Chapter 3

Capital Expenditure Year 0: Human Resource Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.26.6

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

**Delete Directive note once comment is completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T 3.26.7

# Chapter 3

## 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

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

***Delete Directive note once comment is completed*** – Provide brief introductory comments. Set out priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by ICT service during the year.

T 3.27.1

### SERVICE STATISTICS FOR ICT SERVICES

T 3.27.2

# Chapter 3

# Chapter 3

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	#DIV/0!
7 - 9	1	1	1	0	0%
10 - 12	2	2	2	0	0%
13 - 15	1	2	1	1	50%
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
<b>Total</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>20%</b>

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

Financial Performance Year 0: ICT Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
<b>Total Operational Expenditure</b>	<b>195</b>	<b>732</b>	<b>750</b>	<b>744</b>	<b>2%</b>	
<b>Net Operational Expenditure</b>	<b>75</b>	<b>607</b>	<b>650</b>	<b>649</b>	<b>6%</b>	

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*  
T 3.27.5

# Chapter 3

Capital Expenditure Year 0: ICT Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.27.6	

## COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

**Delete Directive note once comment is completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T3.27.7

# Chapter 3

## 3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

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

### INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

***Delete Directive note once comment is completed*** – Provide brief introductory comments. Set out priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by Property, legal, risk management and procurement services during the year.

T3.28.1

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

T 3.28.2



# Chapter 3

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	#DIV/0!
7 - 9	1	2	1	1	50%
10 - 12	3	3	3	0	0%
13 - 15	4	4	4	0	0%
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	8	9	8	1	11%

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

T 3.28.4

Financial Performance Year 0: Property; Legal; Risk Management and Procurement Services					R'000
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.28.5



# Chapter 4

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

### INTRODUCTION

The Organizational Development process and filling of positions had been going fairly well in that positions that became vacant had been filled within six (6) months of becoming vacant. There had been some delays in completing other positions due to budget constraints; however, critical positions had been filled to ensure that there is delivery of services especially in core services departments like Infrastructure and Community Services.

To date the two positions of Directors: Corporate and Community Services had not been filled. However, a shortlist was made for both positions. It is anticipated that a position of Director: Corporate Services shall be filled by the beginning of July 2019 as the interviews had already been conducted.

*T 4.0.1*

# Chapter 4

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	26,485	26,485	23,572	23,572	%
Waste Water (Sanitation)	8,541	8,541	8,285	8,285	%
Electricity	12,355	12,355	10,254	10,254	%
Waste Management	14,232	14,232	13,235	13,235	%
Housing	6,542	6,542	5,496	5,496	%
Waste Water (Stormwater Drainage)	5,643	5,643	5,530	5,530	%
Roads	5,643	5,643	5,530	5,530	%
Transport	5,322	5,322	4,470	4,470	%
Planning	1,254	1,254	1,003	1,003	%
Local Economic Development	2,516	2,516	2,063	2,063	%
Planning (Strategic & Regulatory)	12,546	12,546	10,413	10,413	%
Local Economic Development	2,355	2,355	2,190	2,190	%
Community & Social Services	4,565	4,565	3,698	3,698	%
Environmental Protection	5,649	5,649	4,971	4,971	%
Health	5,649	5,649	4,971	4,971	%
Security and Safety	5,649	5,649	4,971	4,971	%
Sport and Recreation	5,649	5,649	4,971	4,971	%
Corporate Policy Offices and Other	5,649	5,649	4,971	4,971	%
<b>Totals</b>	<b>136,240</b>	<b>136,240</b>	<b>120,592</b>	<b>120,592</b>	<b>–</b>
<i>Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee service schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.</i>					T 4.1.1

# Chapter 4

Vacancy Rate: Year 0			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
CFO	1	1	100.00
Other S57 Managers (excluding Finance Posts)	10	1	10.00
Other S57 Managers (Finance posts)	3	1	33.33
Police officers	12	3	25.00
Fire fighters	20	3	15.00
Senior management Levels 13-15 (excluding Finance Posts)	25	5	20.00
Senior management Levels 13-15 (Finance posts)	6	2	33.33
Highly skilled supervision: levels 9-12 (excluding Finance posts)	35	8	22.86
Highly skilled supervision: levels 9-12 (Finance posts)	8	1	12.50
<b>Total</b>	<b>121</b>	<b>25</b>	<b>20.66</b>

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.

T 4.1.2

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

\* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year

T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

T 4.1.4

# Chapter 4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

*Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.*

***Policies are reviewed annually and performance management system implemented at the first three levels of Management (ie. Municipal Manager, Directors and Line Managers. Collective Agreements are adhered to on a regular basis and amendments made whenever there are changes to be implemented.***

T 4.2.0

CONFIDENTIAL

# Chapter 4

## 4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	N/A		Use provisions of EEA
2	Attraction and Retention			Approved 2012
3	Code of Conduct for employees	N/A		Schedule 2 of MSA
4	Delegations, Authorisation & Responsibility			Reviewed 2015
5	Disciplinary Code and Procedures			Collective Agreement 01/02/2018
6	Essential Services			Negotiations on going parties have not yet reached agreement.
7	Employee Assistance / Wellness			Approved 30/03/2016
8	Employment Equity			Use provisions of EEA
9	Exit Management	N/A		
10	Grievance Procedures			Collective Agreement 01/02/2018
11	HIV/Aids	N/A		
12	Human Resource and Development			Approved 29/03/2018
13	Information Technology			Reviewed 30/08/2019
14	Job Evaluation			Approved 30/06/2015
15	Leave			Reviewed 30/06/2019
16	Occupational Health and Safety			Reviewed 29/06/2017
17	Official Housing	N/A		Main Collective Agreement
18	Official Journeys			Reviewed annually with Budget
19	Official transport to attend Funerals	N/A		
20	Official Working Hours and Overtime			Reviewed 11/06/2020
21	Organisational Rights	N/A		Main collective agreement
22	Payroll Deductions	N/A		BCEA provisions
23	Performance Management and Development			Reviewed 30/06/2019
24	Recruitment, Selection and Appointments			Reviewed 30/06/2019
25	Remuneration Scales and Allowances			Collective Agreement
26	Resettlement	N/A		
27	Sexual Harassment			Reviewed 30/03/2016
28	Skills Development (Training and Development Policy)			Reviewed 30/03/2021
29	Smoking			Reviewed 30/03/2016

# Chapter 4

30	Special Skills	N/A		
31	Work Organisation	N/A		
32	Uniforms and Protective Clothing			Approved 30/08/2020
33	Other:			
<i>Use name of local policies if different from above and at any other HR policies not listed.</i>				

T 4.2.1

## COMMENT ON WORKFORCE POLICY DEVELOPMENT:

*Policies are reviewed annually as reflected in the template and any legislative changes are made as and when applicable. Some changes of review were made on the Finance policies to make an alignment with the budget in line with the MFMA requirements. All policies are presented to Local Labour Forum and Councillors before submitted to Council for approval.*

T 4.2.1.1

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	60	5	8%	12	60
Temporary total disablement					
Permanent disablement					
Fatal					
<b>Total</b>	<b>60</b>	<b>5</b>	<b>8%</b>	<b>12</b>	<b>60</b>

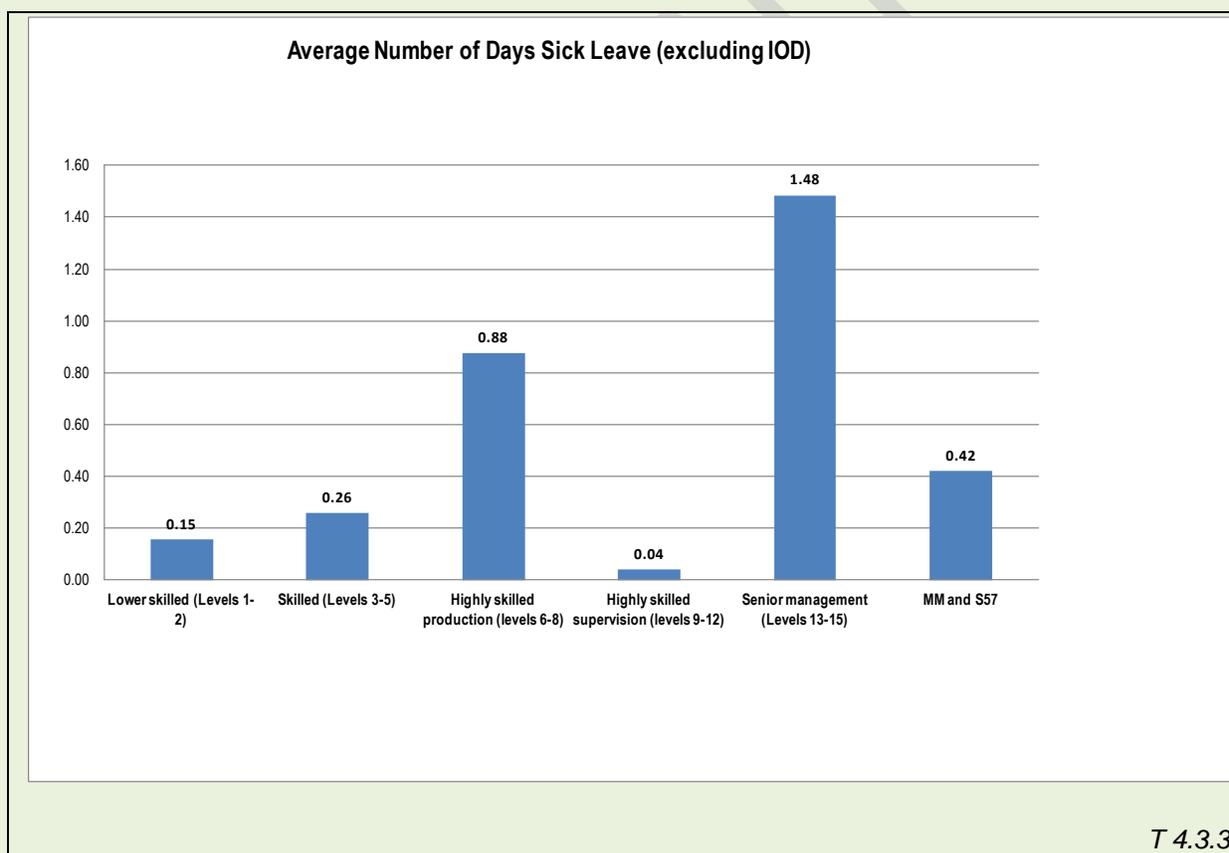
T 4.3.1

# Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	24	90%	10	30	0.15	30
Skilled (Levels 3-5)	40			22	0.26	
Highly skilled production (levels 6-8)	136			58	0.88	
Highly skilled supervision (levels 9-12)	6	95%	2	26	0.04	31
Senior management (Levels 13-15)	230			11	1.48	
MM and S57	65			8	0.42	
<b>Total</b>	<b>501</b>	<b>93%</b>	<b>12</b>	<b>155</b>	<b>3.23</b>	<b>61</b>

\* - Number of employees in post at the beginning of the year  
 \*Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T 4.3.2







# Chapter 4

## 4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	20	9		45%
	Male	30	12		
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male				
<b>Total</b>		50	21		
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
<p><i>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i></p>					T 4.4.1

### COMMENT ON PERFORMANCE REWARDS:

*The performance rewards by gender is not yet implemented at this stage under the year in review*

T 4.4.1.1

# Chapter 4

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

*Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.*

*Capacity building is done through short courses solicited by departments on a need basis and also following the legislative requirements by Local Government Seta by developing Workplace Skills Plans and implementation thereof. Further thereto, employees are assisted through the Study Aid Policy to enrol with various academic institutions to pursue relevant careers related to their work.*

T 4.5.0

CONFIDENTIAL

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0
MM and s57	Female		5							0	1			1
	Male		5							1	2		1	2
Councillors, senior officials and managers	Female		2							3	3		3	3
	Male		3							4	4		4	4
Technicians and associate professionals*	Female		4							2	2		2	2
	Male		8							8	9		8	9
Professionals	Female		8							6	6		6	6
	Male		6							2	2		2	2
Sub total	Female		19							11	12		11	12
	Male		22							15	17		15	17
Total		0	82	0	0	0	0	0	0	52	58	0	52	58

\*Registered with professional Associate Body e.g CA (SA) T 4.5.1

# Chapter 5

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting officer	0	0	0	0	0	0
Chief financial officer	0	0	0	0	0	0
Senior managers	0	0	0	0	0	0
Any other financial officials	0	0	0	0	0	0
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	0	0	0	1	1	1
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>

\* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T 4.5.2

Skills Development Expenditure										R'000	
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1								
			Learnerships		Skills programmes & other short courses		Other forms of training		Total		
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female							10	20	10	20
	Male							20	25	20	25
Legislators, senior officials and managers	Female										
	Male										
Professionals	Female										
	Male										
Technicians and associate professionals	Female										
	Male										
Clerks	Female										
	Male										
Service and sales workers	Female										
	Male										
Plant and machine operators and assemblers	Female										
	Male										
Elementary occupations	Female										
	Male										
Sub total	Female							10	20	10	20
	Male							20	25	20	25
<b>Total</b>		0	0	0	0	0	0	30	45	30	45

\*% and \*R value of municipal salaries (original budget) allocated for workplace skills plan. T4.5.3

# Chapter 5

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### CHAPTER 5 – FINANCIAL PERFORMANCE

#### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

**Delete Directive note once comment is completed** - Please explain how your municipality sought to contain inflationary pressures during the financial year. Take the 5 most expensive consultancy arrangements in year 0 and explain the costs, the reasons for the engagements and the results. Include such other introductory remarks as you wish.

T 5.0.1

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.*

**Delete Directive note once comment is completed** - This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

T 5.1.0

# Chapter 5

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Year 0											Year -1			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Financial Performance</b>															
Property rates			-			-									
Service charges			-			-									
Investment revenue			-			-									
Transfers recognised - operational			-			-									
Other own revenue			-			-									
<b>Total Revenue (excluding capital transfers and contributions)</b>															
Employee costs			-			-									
Remuneration of councillors			-			-									
Debt impairment			-			-									
Depreciation & asset impairment			-			-									
Finance charges			-			-									
Materials and bulk purchases			-			-									
Transfers and grants			-			-									
Other expenditure			-			-									
<b>Total Expenditure</b>															
<b>Surplus/(Deficit)</b>															
Transfers recognised - capital			-			-									
Contributions recognised - capital & contributed assets			-			-									
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>															
Share of surplus/ (deficit) of associate			-			-									
<b>Surplus/(Deficit) for the year</b>															
<b>Capital expenditure &amp; funds sources</b>															
<b>Capital expenditure</b>															
Transfers recognised - capital			-			-									
Public contributions & donations			-			-									
Borrowing			-			-									
Internally generated funds			-			-									
<b>Total sources of capital funds</b>															
<b>Cash flows</b>															
Net cash from (used) operating			-			-									
Net cash from (used) investing			-			-									
Net cash from (used) financing			-			-									
<b>Cash/cash equivalents at the year end</b>															

T 5.1.1

Financial Performance of Operational Services							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<b>Operating Cost</b>							
Water	26,485	23,572	28,075	23,042	-2.30%	-21.84%	
Waste Water (Sanitation)	8,541	8,285	9,054	8,456	2.02%	-7.07%	
Electricity	12,355	10,254	12,478	13,219	22.43%	5.61%	
Waste Management	14,232	13,235	13,662	12,097	-9.41%	-12.94%	
Housing	6,542	5,496	5,954	6,346	13.40%	6.19%	
Component A: sub-total	68,155	60,842	69,222	63,161	3.67%	-9.60%	
Waste Water (Stormwater Drainage)	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Roads	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Transport	5,322	4,470	5,747	4,630	3.45%	-24.14%	
Component B: sub-total	16,607	8,455	8,624	9,554	11.50%	9.73%	
Planning	1,254	1,003	1,191	1,354	25.93%	12.04%	
Local Economic Development	2,516	2,063	2,264	2,340	11.83%	3.23%	
Component B: sub-total	3,769	3,066	3,455	3,693	17.00%	6.46%	
Planning (Strategic & Regulatory)	12,546	10,413	11,793	11,542	9.78%	-2.17%	
Local Economic Development	2,355	2,190	2,425	2,402	8.82%	-0.98%	
Component C: sub-total	14,900	12,603	14,218	13,944	9.62%	-1.97%	
Community & Social Services	4,565	3,698	4,337	4,291	13.83%	-1.06%	
Environmental Protection	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Health	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Security and Safety	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Sport and Recreation	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Corporate Policy Offices and Other	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Component D: sub-total	32,808	28,552	35,122	29,145	2.04%	-20.51%	
<b>Total Expenditure</b>	<b>136,240</b>	<b>113,518</b>	<b>130,642</b>	<b>119,497</b>	<b>5.00%</b>	<b>-9.33%</b>	
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2	

COMMENT ON FINANCIAL PERFORMANCE:

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

T5.1.3

# Chapter 7(new)

## 5.2 GRANTS

Grant Performance							R' 000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>33,977</b>	–	–	<b>24,756</b>			
Equitable share	21,565			17,303			
Municipal Systems Improvement	4,524			2,182			
Department of Water Affairs	6,665			4,283			
Levy replacement	1,222			988			
Other transfers/grants [insert description]							
<b>Provincial Government:</b>	<b>18,925</b>	–	–	<b>5,994</b>			
Health subsidy	8,645			3,786			
Housing	4,865			1,502			
Ambulance subsidy	846			219			
Sports and Recreation	4,568			489			
Other transfers/grants [insert description]							
<b>District Municipality:</b>	–	–	–	–			
[insert description]							
<b>Other grant providers:</b>	–	–	–	–			
[insert description]							
<b>Total Operating Transfers and Grants</b>	<b>52,902</b>	–	–	<b>30,751</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

# Chapter 7(new)

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

Asset management is a systematic process of deploying, operating, maintaining, upgrading, and disposing of assets cost-effectively. Effective management of infrastructure assets and other assets is central to the municipality providing an acceptable standard of services to the community. Infrastructure impacts on the quality of the living environment and opportunities to prosper. Not only is there a requirement to be effective, but the manner in which the municipality discharges its responsibilities as a public entity is also important.

The Municipal Manager as the Accounting Officer is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets. The Municipality has adopted the Asset Management Policy as stated in MFMA Section 63. This policy is compliant to all applicable GRAP standards and it guides the daily handling and management of the municipal assets.

T 5.3.1

### TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0

Asset 1				
Name	Water Service Operating Subsidy			
Description	Refurbishment of portable water supply			
Asset Type	Property, plant and Equipment			
Key Staff Involved	PMU			
Staff Responsibilities	Ensure project is completed timeously and within budgeted cost			
	Year -3	Year -2	Year -1	Year 0
Asset Value				15 865
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	Asset management policy			
Asset 2				
Name	Upgrading of internal water supply to Kuruman			
Description				
Asset Type	Water Infrastructure (PPE)			
Key Staff Involved	PMU			
Staff Responsibilities	Ensure project is completed timeously and within budgeted cost			
	Year -3	Year -2	Year -1	Year 0
Asset Value				

# Chapter 7(new)

				141 585
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	Asset management policy			
<b>Asset 3</b>				
Name	Construction of fire station			
Description	Construction of fire station			
Asset Type	PPE			
Key Staff Involved	PMU			
Staff Responsibilities	Ensure project is completed timeously and within budgeted cost			
	Year -3	Year -2	Year -1	Year 0
Asset Value				34 990
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset	Asset management policy			
				T 5.3.2

## COMMENT ON ASSET MANAGEMENT:

**Delete Directive note once comment is completed** – With reference to the three projects approved in the year, set out above, describe how these projects were evaluated from a cost and revenue perspective, including Municipal tax and tariff implications (See MFMA section 19 (2) (a) & (b) and MSA section 74 (2) (d), (e) & (i)). Ensure that these projects are maintained on files that are readily accessible for audit inspection. Financial data regarding asset management may be sourced from **MBRR Table A9**

T 5.3.3

Q2

**Repair and Maintenance Expenditure: Year 0**

# Chapter 7(new)

	R' 000			
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	20220	36968	26891	-33%
				<i>T 5.3.4</i>

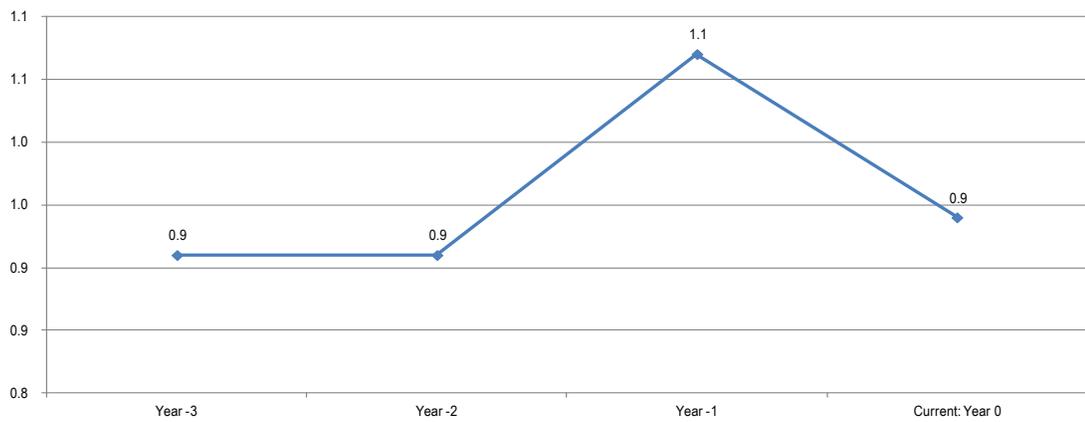
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## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

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# Chapter 7(new)

## Liquidity Ratio

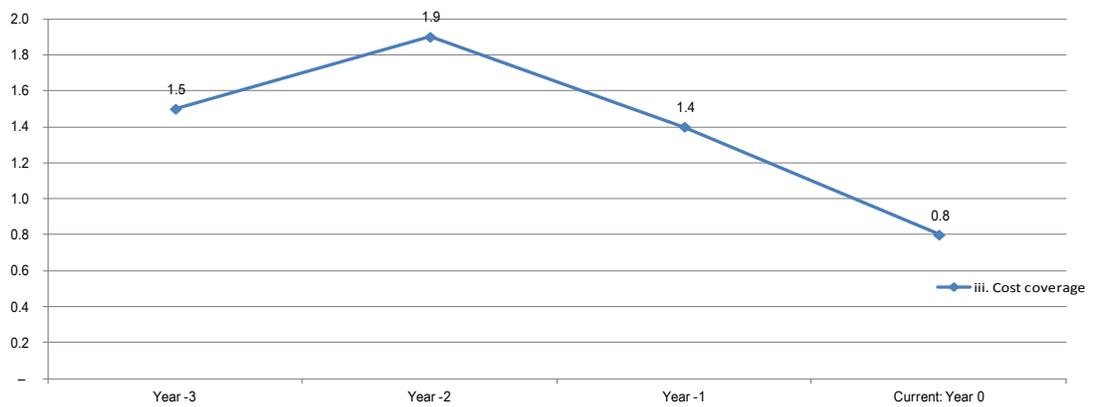


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year ) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

T 5.4.1

## Cost Coverage



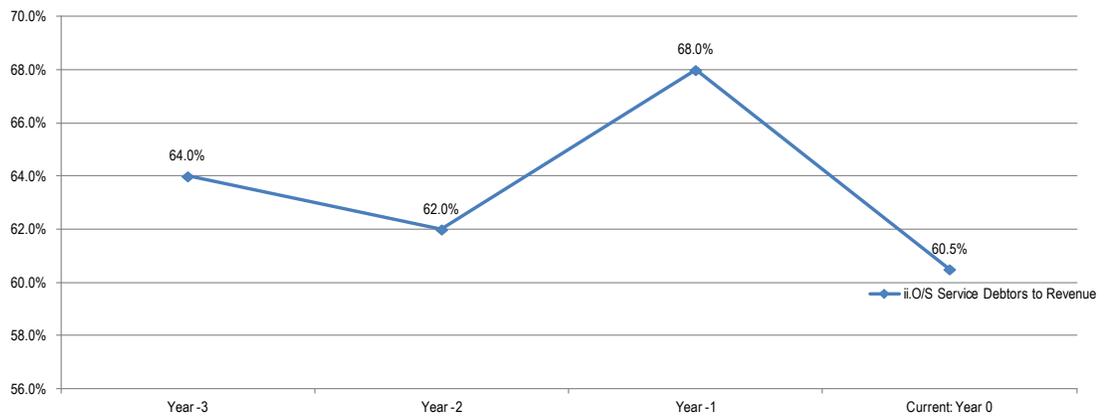
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

# Chapter 7(new)

## Total Outstanding Service Debtors

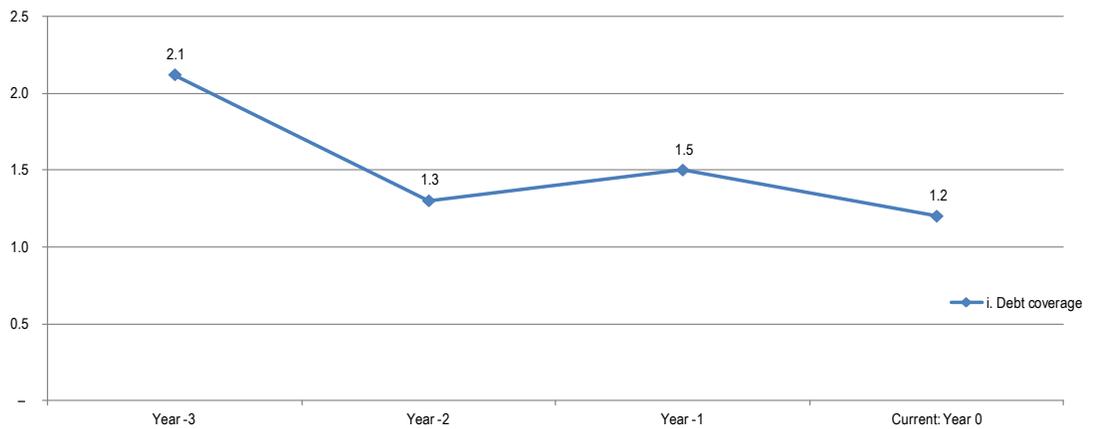


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

Data used from MBRR SA8

T 5.4.3

## Debt Coverage



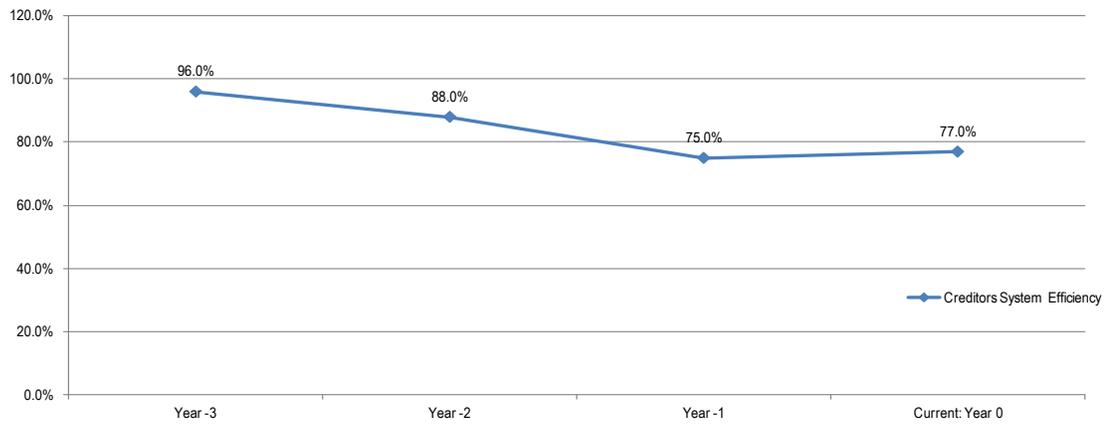
Debt Coverage – The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

# Chapter 7(new)

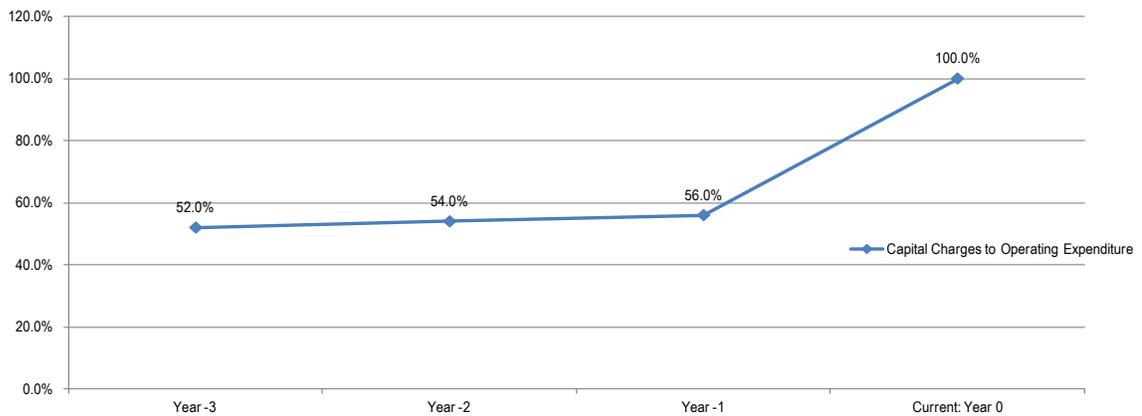
## Creditors System Efficiency



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases  
Data used from MBRR SA8

T 5.4.5

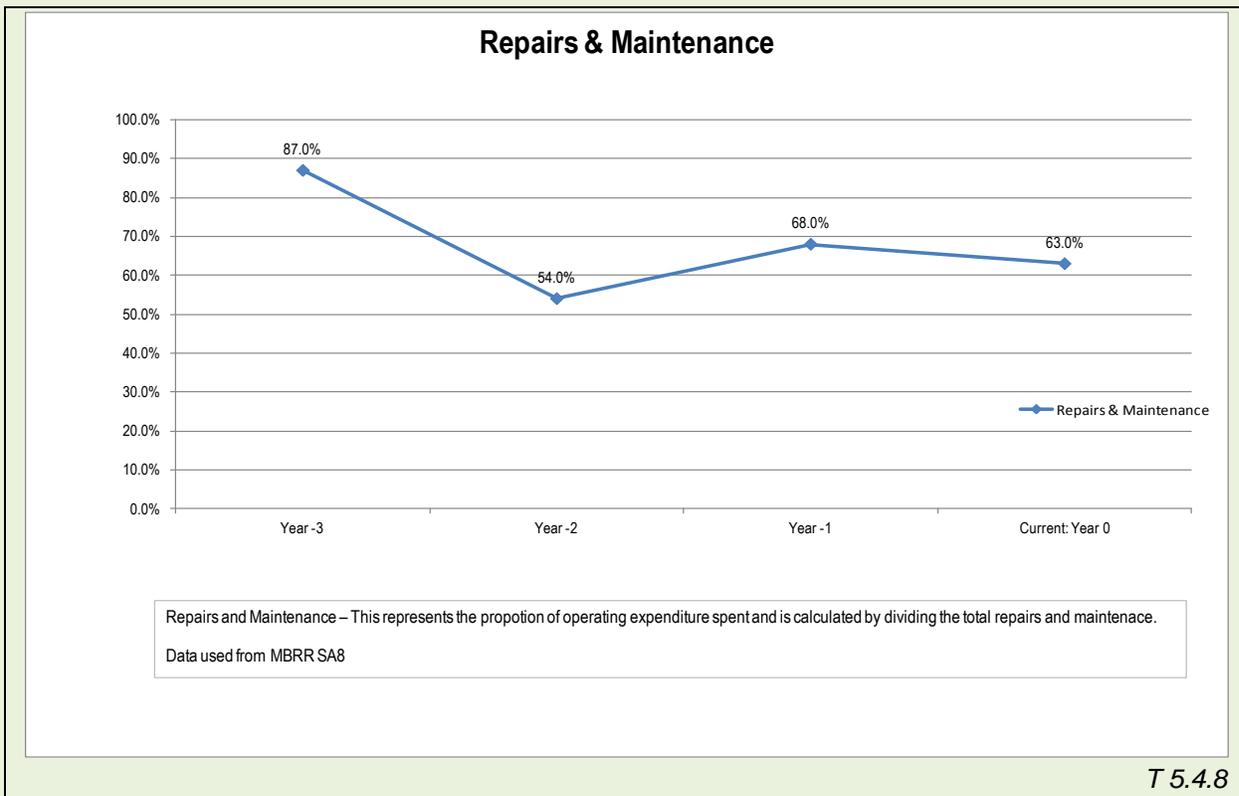
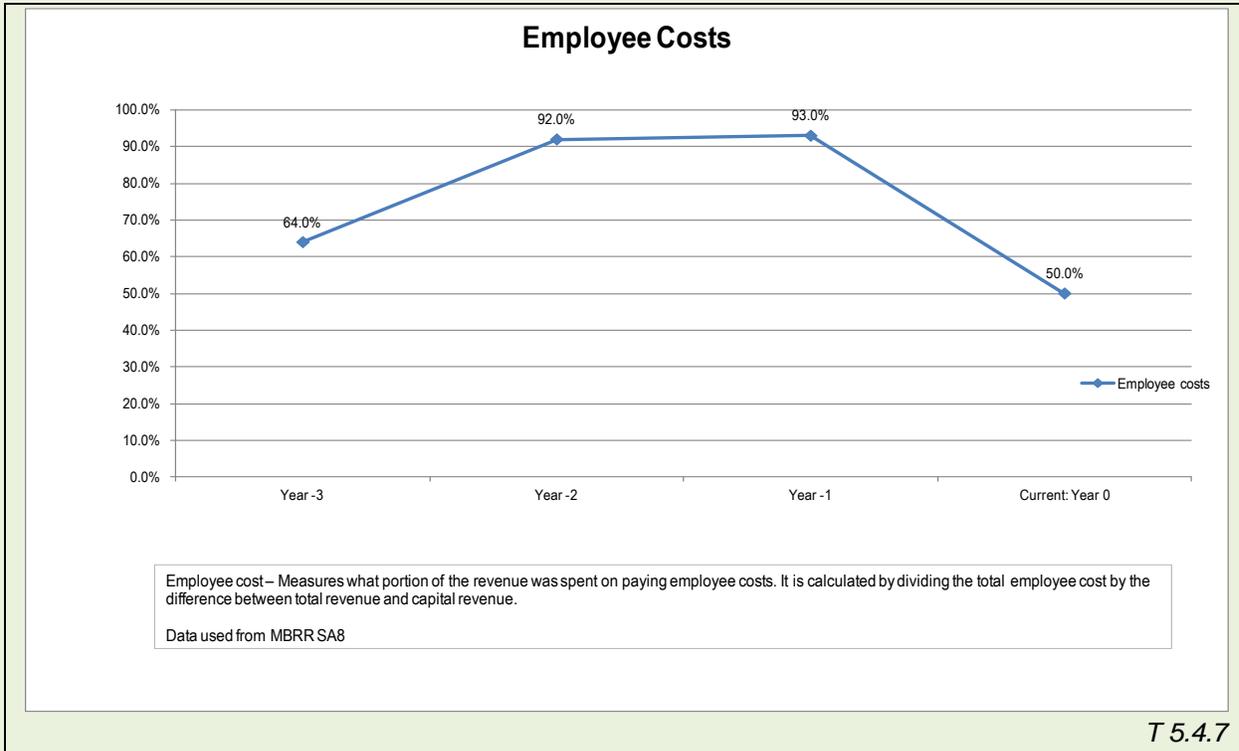
## Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.  
Data used from MBRR SA8

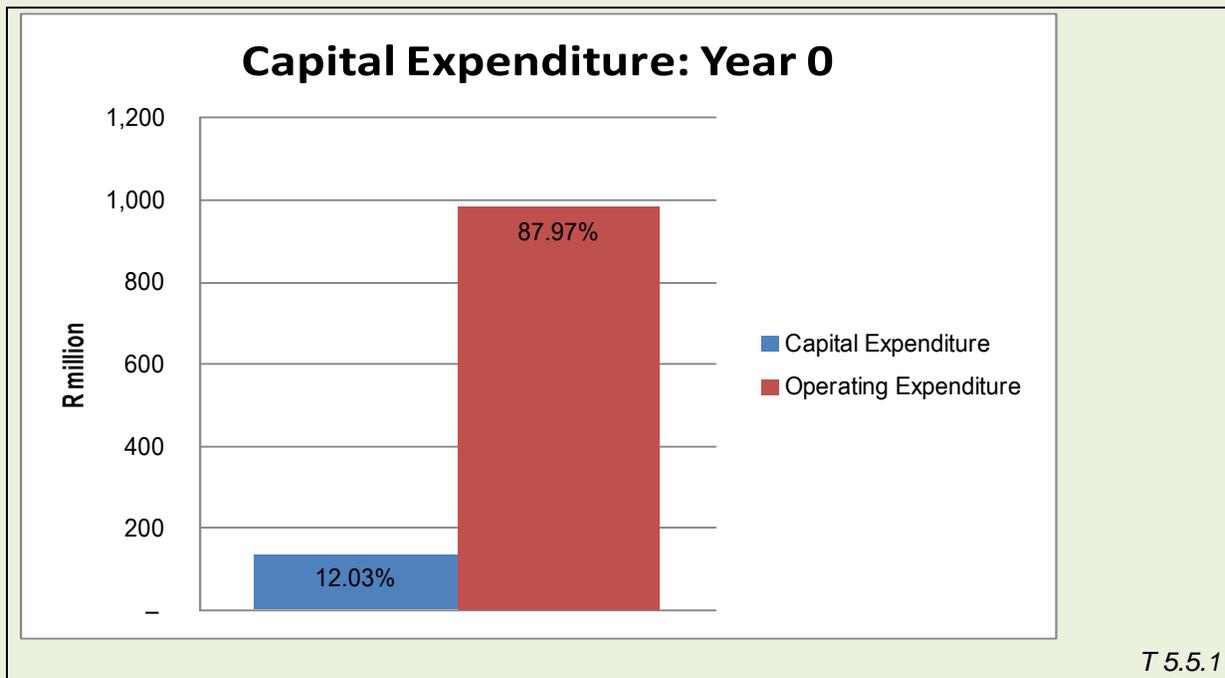
T 5.4.6

# Chapter 7(new)



## 5.5 CAPITAL EXPENDITURE

# Chapter 7(new)



## 5.6 SOURCES OF FINANCE

# Chapter 7(new)

Capital Expenditure - Funding Sources: Year -1 to Year 0							
R' 000							
Details	Year -1	Year 0					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External loans	3542	5500	5520	5511	0.36%	0.20%	
Public contributions and donations	248	300	390	421	30.00%	40.33%	
Grants and subsidies	3451	3700	3700	3856	0.00%	4.22%	
Other	2451	4500	4600	4565	2.22%	1.44%	
<b>Total</b>	<b>9692</b>	<b>14000</b>	<b>14210</b>	<b>14353</b>	<b>32.59%</b>	<b>46.19%</b>	
<i>Percentage of finance</i>							
External loans	36.5%	39.3%	38.8%	38.4%	1.1%	0.4%	
Public contributions and donations	2.6%	2.1%	2.7%	2.9%	92.1%	87.3%	
Grants and subsidies	35.6%	26.4%	26.0%	26.9%	0.0%	9.1%	
Other	25.3%	32.1%	32.4%	31.8%	6.8%	3.1%	
<b>Capital expenditure</b>							
Water and sanitation	1845	4300	4250	4256	-1.16%	-1.02%	
Electricity	1562	2400	2480	2453	3.33%	2.21%	
Housing	1243	2700	2800	2685	3.70%	-0.56%	
Roads and storm water	1352	1500	1400	1486	-6.67%	-0.93%	
Other	3690	3500	3450	3473	-1.43%	-0.77%	
<b>Total</b>	<b>9692</b>	<b>14400</b>	<b>14380</b>	<b>14353</b>	<b>-2.22%</b>	<b>-1.08%</b>	
<i>Percentage of expenditure</i>							
Water and sanitation	19.0%	29.9%	29.6%	29.7%	52.4%	95.2%	
Electricity	16.1%	16.7%	17.2%	17.1%	-150.1%	-205.4%	
Housing	12.8%	18.8%	19.5%	18.7%	-166.8%	51.7%	
Roads and storm water	13.9%	10.4%	9.7%	10.4%	300.2%	86.8%	
Other	38.1%	24.3%	24.0%	24.2%	64.3%	71.7%	
							T 5.6.1

# Chapter 7(new)

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjusted Variance (%)
Water Service Operating Subsidy (WSOS)	15 686	0	16 394	-5%	
Maruping / Batlharos bulk Water Supply phase 3 - Ward 8,910,14	13 503	0	13 620	-1%	
Upgrading of 5 km gravel internal road to paved road in Batlharos Nanana Section	8 353	0	8 353	0%	
Construction of Fire Station and emergency disaster management facilities	10 735	0	9 914	8%	
Upgrading of 1.8km gravel internal road to paved road in Kagung/Hardward	11 279	0	11 278	0%	
<i>* Projects with the highest capital expenditure in Year 0</i>					
<b>Name of Project - A</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - B</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - C</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - D</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - E</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					

# Chapter 7(new)

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Name of Project	26,000	26,500	25,700	1%	-2%
B - Name of Project	19,500	19,750	19,900	-2%	-1%
C - Name of Project	15,700	15,700	15,500	1%	0%
D - Name of Project	12,000	11,800	11,700	3%	2%
E - Name of Project	11,500	11,000	11,250	2%	4%
* Projects with the highest capital expenditure in Year 0					
<b>Name of Project - A</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - B</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - C</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - D</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - E</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
T 5.7.1					

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

# Chapter 7(new)

Municipal Infrastructure Grant (MIG)* Expenditure Year 0 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
<b>Infrastructure - Road transport</b>				%	%	
<i>Roads, Pavements &amp; Bridges</i>	30327469	955000	29372469	57%	0,01%	
<i>Storm water</i>				%	%	
<b>Infrastructure - Electricity</b>				%	%	
<i>Generation</i>				%	%	
<i>Transmission &amp; Reticulation</i>				%	%	
<i>Street Lighting</i>				%	%	
<b>Infrastructure - Water</b>				%	%	
<i>Dams &amp; Reservoirs</i>				%	%	
<i>Water purification</i>				%	%	
<i>Reticulation</i>				%	%	
<b>Infrastructure - Sanitation</b>	11361297	0	11361297	22%	22%	
<i>Reticulation</i>				%	%	
<i>Sewerage purification</i>				%	%	
<b>Infrastructure - Other</b>				%	%	
<i>Waste Management</i>				%	%	
<i>Transportation</i>				%	%	
<i>Gas</i>				%	%	
<b>Other Specify:</b>				%	%	
Community Hall	7559248	1500000	6059248	14%	11%	
Sportsground	10545000	7545000	3000000	20%	0,06%	
				%	%	
<b>Total</b>				%	%	

# Chapter 7(new)

*\* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

T 5.8.3

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

# Chapter 7(new)

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

T 5.9

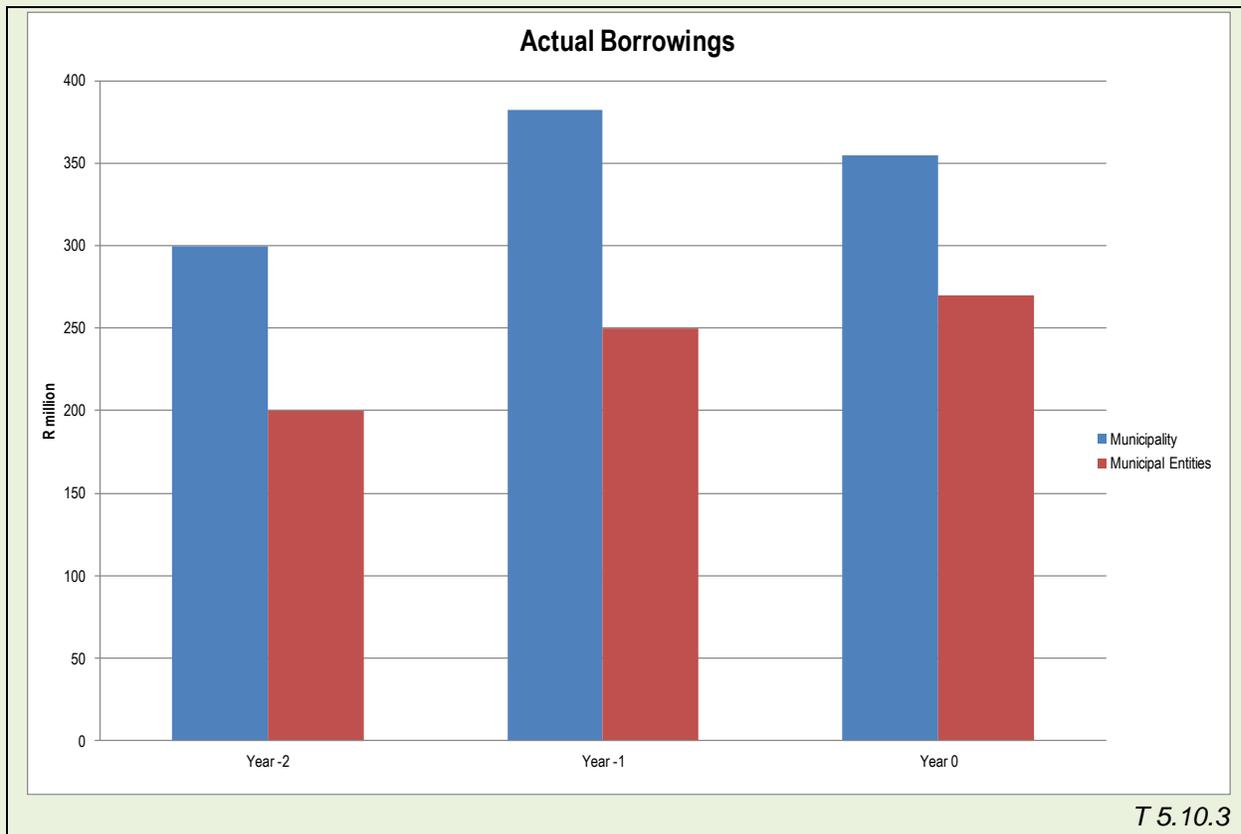
# Chapter 7(new)

## 5.9 CASH FLOW

<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>241</b> <b>225</b>	<b>270</b> <b>385</b>	<b>185</b> <b>350</b>	<b>214</b> <b>863</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE				–
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables		19	22	
Decrease (increase) in non-current investments		401	401	
<b>Payments</b>				
Capital assets	(175	(131	(177	(178
	169)	489)	157)	250)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(175</b> <b>169)</b>	<b>(112</b> <b>088)</b>	<b>(154</b> <b>756)</b>	<b>(178</b> <b>250)</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	(7		(3	(5
	337)	–	500)	416)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(7</b> <b>337)</b>	<b>–</b>	<b>(3</b> <b>500)</b>	<b>(5</b> <b>416)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>58</b> <b>719</b>	<b>158</b> <b>296</b>	<b>27</b> <b>094</b>	<b>31</b> <b>196</b>
Cash/cash equivalents at the year begin:	<b>551</b>	<b>000</b>	<b>949</b>	<b>270</b>
Cash/cash equivalents at the year end:	<b>59</b> <b>270</b>	<b>176</b> <b>296</b>	<b>86</b> <b>043</b>	<b>90</b> <b>466</b>
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

# Chapter 7(new)

## 5.10 BORROWING AND INVESTMENTS



# Chapter 7(new)

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

### COMPONENT D: OTHER FINANCIAL MATTERS

## 5.12 SUPPLY CHAIN MANAGEMENT

### SUPPLY CHAIN MANAGEMENT

**Delete Directive note once comment is completed** - Provide a brief narrative that describes the progress made by your municipality in developing and implementing policies and practices in compliance with the guidelines set out in SCM Regulations 2005. State the number of Supply Chain officials that have reached the prescribed levels required for their positions (See MFMA Competency Regulation Guidelines) and state the number of prescribed officials that are yet to reach the necessary competency levels; and set out any remarks made in the previous Auditor-General's report or the report for year 0 concerning the quality of Supply Chain Management and detail the remedial action taken. Note comments made in Chapter 2, under section 2.8.

T 5.12.1

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

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

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

T 6.0.1

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

### 6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance: Year -1	
<b>Audit Report Status*:</b>	
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
<i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
	T 6.1.1

Auditor-General Report on Service Delivery Performance: Year -1	
<b>Audit Report Status:</b>	
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
	T 6.1.2

# Chapter 6

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 0

Auditor-General Report on Financial Performance Year 0*	
Status of audit report:	
Non-Compliance Issues	Remedial Action Taken
<p>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</p>	
	T 6.2.1

Auditor-General Report on Service Delivery Performance: Year 0*	
Status of audit report**:	
Non-Compliance Issues	Remedial Action Taken
<p>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0</p> <p>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</p>	
	T 6.2.2

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0

**Delete Directive note once comment is completed** - Attach report. T 6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0:

**Delete Directive note once comment is completed** - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on year 0 if it provides useful context. T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated T 6.2.5

# GLOSSARY

## GLOSSARY

<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>	<b>Key</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.

# GLOSSARY

<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <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: <i>a) one of the main segments into which a budget of a municipality is divided</i>

# GLOSSARY

*for the appropriation of money for the different departments or functional areas of the municipality; and  
b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

# APPENDICES

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# APPENDICES

Capital Programme by Project: Year 0					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Water</b>					
"Project A"	82	85	92	8%	11%
"Project B"	82	85	92	8%	11%
"Project C"	85	90	95	5%	11%
<b>Sanitation/Sewerage</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Electricity</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Housing</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Refuse removal</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Stormwater</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Economic development</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Sports, Arts &amp; Culture</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Environment</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Health</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Safety and Security</b>					
"Project A"	82	85	92	8%	11%

R' 000

# APPENDICES

Key Performance Area: Institutional Development and Organisational Development							Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence	
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken				
Municipal Capacity and Infrastructure Development	To integrate management system in order to provide consolidated and accurate information	Corporate Services	KPI 1 Number of fraud and corruption prevention awareness campaign conducted by 30 June 2021	Output	Number	2	1		1		0	fraud and corruption prevention awareness campaign was supposed to be conducted by SALGA at the district.	None	Operational	Operations	Public notice, agenda, minutes and attendance register/visual invitation	
			KPI 2 Litigation cases attended to expressed as a % of total number of litigations submitted by 30 June 2021	Output	%	80%	80%	80%	80%	80%	80%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	R3 000 000.00	R 3 203 259.08	Summary reports
			KPI 3 Signed Contracts/Service Level Agreements (SLA) expressed as % of the total number of service providers appointed by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	List of all service providers, appointment letters and signed contracts/SLA's
			KPI 4 Signed lease agreements expressed as a% of number of tenants by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	List of tenants and signed lease agreements

# APPENDICES

Key Performance Area: Institutional Development and Organisational Development							Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken			
Municipal Capacity and Infrastructure Development	To integrate management system in order to provide consolidated and accurate information	Corporate Services	KPI 5 Number of by-laws public awareness campaigns conducted by 31 March 2021	Output	Number	1			1		1	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Advertisement/public notice, agenda, attendance register, and copies of by-laws
	To ensure that the socio-needs of employees are met		KPI 6 Number of employee wellness campaigns conducted by 30 June 2021	Output	Number	2		1		1	1	No employee wellness was conducted for during Q2 due to covid 19 restrictions.	Employee wellness to be conducted during the next financial year	R 115 00,00	R 2,623.13	Notices, invitations, programme and attendance registers
			KPI 7 Number of employment equity reports submitted to the Department of labour by the 15 <sup>th</sup> of January 2021	Output	Number	1			1		1	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Employment Equity Report and acknowledgement letter from Department of Labour
Key Performance Area: Institutional Development and Organisational Development							Quarterly Targets							Annual Budget		Portfolio of Evidence

# APPENDICES

Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken			
Municipal Capacity and Infrastructure Development	To ensure labour peace and productivity by maintaining continuous engagements with staff or organised labour	Corporate Services	KPI 8 Number of works skills plan developed and submitted to LGSETA by 30 April 2021	Output	Number	1				1	1	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Work Skills Plan Report and acknowledgement letter from LGSETA
			KPI 9 Number of employees trained by 30 June 2021	Output	Number	100	25	25	25	25	2	Traning did not take place due to low staff morale and covid related issues.	None	R200 000,00	R 536 068.50	List of trainees, programme/agenda, attendance register, and training reports
			KPI 10 Number of LLF meetings held by 30 June 2021	Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Agenda, minutes and attendance registers
Key Performance Area: Institutional Development and Organisational Development						Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence	
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken			

# APPENDICES

Municipal Capacity and Infrastructure Development	To ensure labour peace and productivity by maintaining continuous engagements with staff or organised labour	Corporate Services	KPI 11 Grievance cases attended to within 30 days expressed as % of grievance cases received by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Grievance forms, attendance registers
			KPI 12 Disciplinary cases finalised within 90 days expressed as a % of total disciplinary cases received by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Disciplinary case report
	KPI 13 Number of Occupational Health and Safety Trainings/Sessions conducted by 30 June 2021		Output	Number	2	1		1		1		No Occupational health and safety trainings/session conducted for Q4 due to the employees strike and Covid 19 restrictions.	Occupational health and safety trainings/session to be conducted during the next financial year.	Operational	Operational	Programmes and attendance registers

# APPENDICES

Key Performance Area: Institutional Development and Organisational Development							Quarterly Targets							Annual Budget	Portfolio of Evidence		
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken				
Municipal Capacity and Infrastructure Development	Adherence to the skills development Act and related regulations at all times	Corporate Services	KPI 14 Section 54A Manager, Section 56 Manager, and Finance officials sent to training for minimum competency level expressed as a % of the total number of Section 54A, Section 56 Manager and Finance officials employed by 30 June 2021	Output	%	50%				50%	0%	None	None	R100 000,00	R0	Proof of enrolment or results.	
	To support the flow and access of information and develop and maintain ICT infrastructure		KPI 15 ICT queries/Incidents attended to within 16 working hours expressed as a % of total number of requests received by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	ICT queries/incident register and support tickets
			KPI 16 ICT queries/Incidents resolved within 72 working hours expressed as a % of total number of incidents/quires attended to by 30 June 2021	Output	%	90%	90%	90%	90%	90%	90%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	ICT queries/incident register and Support tickets

# APPENDICES

Key Performance Area: Institutional Development and Organisational Development							Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken			
Municipal Capacity and Infrastructure Development	To support the flow and access of information and develop and maintain ICT infrastructure	Corporate Services	KPI 17 Number of ICT security breaches that occurred by 30 June 2021	Output	Number	0	0	0	0	4	4	Active accounts which have not been used for more than a year lead to security breaches.	Unauthorised users to be removed from the system.	Operational	Operational	External and internal incident report
			KPI 18 Number of documents uploaded on the Municipal website by 30 June 2021	Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Screenshots of uploads and submission register
	KPI 19 Number of records storage inspections conducted by registry by 30 June 2021		Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Inspection report and checklist	
	KPI 20 Number of records management trainings conducted by 30 June 2021		Output	Number	2			1	1	1	No records management trainings conducted for Q4 due to the employees strike and Covid 19 level 4 restrictions.	Records management trainings to be conducted during the next financial year.	Operational	Operational	Programme, notices and attendance registers	

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	Dissemination of information to the community and stakeholders on daily issues that affect the community on the grounds and when needed		KPI 21 Number of newsletters developed by 30 June 2021	Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	R80 000,00	R 43 507,63	Copy of newsletter and distribution register
Key Performance Area: Institutional Development and Organisational Development							Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken			
Create a conducive environment for prosperous investment	To create a platform for economic growth opportunities	Corporate Services	KPI 22 Number of businesses inspected for compliance by 30 June 2021	Output	Number	160	40	40	40	40	123	Minimal work was accounted for in the last Quarter of the FY 2020/21 due to covid-19	Meetings to be held with EHP's at the district and also with immigration for a way forward.	Operational	Operational	Inspection register

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and job creation through continuous promotion of Ga-Segonyana as an ideal investment destination	KPI 23 Number of SMMEs trainings/session held by 30 June 2021	Output	Number	4	1	1	1	1	3	Community outreach programmes were quiet limited due to the surge in the covid - 19 cases such it was difficult to successfully plan and collaborate with other stakeholders in the delivery of the activities , work areas, without appreciating late cancelations and postponement	Plan for the supplementary means in the form of virtual engagements and also encourage stakeholders to migrate into these engagements as it would also require their participation in ensuring successful service delivery.	Operational	Operational	Invitation, programmes and attendance register
	KPI 24 Number of tourism awareness campaigns conducted by 30 June 2021	Output	Number	8	2	2	2	2	7	Community outreach programmes were quiet limited due to the surge in the covid - 19 cases such it was difficult to successfully plan and collaborate with other stakeholders in the delivery of the activities, work areas, without appreciating late cancelations and postponement	Plan for the supplementary means in the form of virtual engagements and also encourage stakeholders to migrate into these engagements as it would also require their participation in ensuring successful service delivery.	Operational	Operational	Invitation, programmes and attendance register

Key Performance Area: Good Governance and Public Participation

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Foster Participative Cohesion and Collaboration	HIV/AIDS and other communicable diseases	Corporate Services	KPI 25 Number of Mayor's special projects held by 30 June 2021	Output	Number	28	7	7	7	7	24	Due to the covid regulation limited projects were held conducted.	Project to be held as scheduled next financial year.	R 524 500.00	R 243 378.42	Programmes and attendance register and reports
	Continuously allow communities to make inputs on service delivery issues through ward committees		KPI 26 Number of meetings held per ward committee by 30 June 2021	Output	Number	56	14	14	14	14	20	Due to the covid regulation limited meetings was conducted.	Ward committee to conduct meetings as per targets set.	Operational	Operational	Minutes and attendance register
Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Actual budget spent	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken		Actual budget spent	Portfolio of Evidence
Develop and maintain infrastructural community services	To continuously comply to national building act and	Infrastructure Services	KPI 27 % of building completion certificates issued within 30 days by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Inspection request form and building completion certificates

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	regulations		KPI 28 Notices served expressed as a % of contraventions reported by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Contravention report register and notices served
	Provision of basic level of services to households		KPI 29 Households provided with electricity connections expressed as a % of applications received by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	R 2 500 000,00	R 199 297,54	Report on electricity connections
	To upgrade 35.85k main gravel roads to paved standard by 2022		KPI 30 Number of km of newly surfaced/paved roads completed by 30 June 2021	Output	Number	1.8km				1.8km	1.8km	Not applicable – Target is achieved	Not applicable – Target is achieved	R 11 747 319,64	R 11 747 250,60	Completion certificates, last payment certificate and GPS coordinates
Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken			

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Develop and maintain infrastructure community services	To promote infrastructure development	Infrastructure Services	KPI 31 Building plans assessed within 30 days expressed as a % of total applications received by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Building plans, building plans application register and proof of assessment
	To supply at least basic water services to all households in the municipal area by 2022		KPI 32 Expenditure on Construction of Batharos community hall expressed as a % of the MIG allocated budget by 30 June 2021	Output	%	100%				26.1%	26.1%	Community protest and lots of rain which leads to floods delayed the commencement of the projects.	The project to be done the next financial year.	R10 922 226,00	R 2 845 855,18	Progress report, last payment certificate and GPS coordinates
			KPI 33 Number of water sources to be refurbished and completed by 30 June 2021	Output	Number	5				5	5	Not applicable – Target is achieved	Not applicable – Target is achieved	R15 686 622,00	R 20 509 628,66	Completion certificate, last payment certificate and GPS coordinates
			KPI 34 Number of km of Potable water and 20 prepaid water stand pipelines laid by 30 June 2021	Output	Km	6.5km				6.5km	6.5km	Not applicable – Target is achieved	Not applicable – Target is achieved	R13 503 235,95	R 17 573 694,38	Completion certificate, last payment certificate and GPS coordinates

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Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence	
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken				
Develop and maintain infrastructural community services	To supply at least basic water services to all households in the municipal area by 2022	Infrastructure Services	KPI 35 Households provided with full water borne sewer expressed as a % of the total number of applications received by 30 June 2021	Output	%	100%	100%	100%	100%	100%	0%	No connections were made for the period under review as no request were received from the community.	The connection is only done upon request from the community.	R 11 047 039	R 4 423,65	Report on water borne application	
			KPI 36 Households provided with new water yard connection by the municipality expressed as a % of applications received by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	R7 500 000,00	R 15 613,63	Report on new water connections
			KPI 37 Number of households provided with new water yard connection done by Sedibeng Water by 30 June 2021	output	Number	1					1	0	The supplier (Lesira Teg), was unable to supply spares for all pre-paid yard connections and communal standpipes.	The municipality will engage with the supplier	Operational	Operational	Report on water yard connections done by Sedibeng Water

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Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken	Annual Budget	Actual budget spent	Portfolio of Evidence
			<b>KPI 38</b> Average blue drop water quality standard achieved (at least 70%) by 30 June 2021	Output	%	70%	70%	70%	70%	70%	70%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Copies of lab reports
Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets									
Develop and maintain infrastructural community services	To supply at least basic water services to all households in the municipal area by 2022	Infrastructure Services	<b>KPI 39</b> Number of electrical connections to be done in Wrenchville, Bankhara Bodulong and Promise Land by 30 June 2021	Output	Number	1700				1700	1700	Not applicable – Target is achieved	Not applicable – Target is achieved	R34 000 000.00	R 40 044 095.51	PCS file provided by contractor: Stand no., ID numbers, meter numbers and beneficiaries names
			<b>KPI 40</b> Expenditure on Construction of fire Station spent expressed as a % of the MIG allocated budget by 30 June 2021	Output	%	100%				100%	52%	Heavy Rain fall lead to the project to be started late.	More spending to be done on the next financial year.	R19 088 385.02	R 9 914 117.39	Progress Reports and proof of payment certificate (Multi-year)

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Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken	Annual Budget	Actual budget spent	Portfolio of Evidence
			KPI 41 Number of refurbishment of ablution facilities at (taxi rank, Kospot) and construction of new ablution at Traffic department by 30 June 2021	Output	Number	1				1	1	Not applicable – Target is achieved	Not applicable – Target is achieved	R4 156 387,00	R4 156 387,00	Monthly progress report and completion certificate
Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets									
Develop and maintain infrastructural community services	To create platform for economic growth opportunities and job creation through continuous promotion of Ga-Segonyana as investment destination	Infrastructure Services	KPI 42 Number of EPWP Jobs created by 30 June 2021	Output	Number	278				278	292	Not applicable – Target is achieved	Not applicable – Target is achieved	R1 580 000,00	R 1 460 439,96	Copies of employment contracts
			KPI 43 Report on number of in-situ houses constructed by the Department of COGHSTA by 30 June 2021	Output	Number	1				1	1	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Report on in-situ housing provided by COGHSTA

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Create a conducive environment for prosperous business investment	To ensure and inspect the implementations of by-laws		KPI 44 Number of audits on outdoor advertising conducted by 30 June 2021	Output	Number	1					1	0	The report could not be obtained from the supplier due to contract issues.	To ensure that the contract is active prior to requesting the information from the supplier.	Operational	Operational	Outdoor advertising audit report
Develop and maintain infrastructure and community services	To continuously ensure that vehicles are road worthy and regulate vehicle and driver's licenses in an efficient and professional manner	Community Services	KPI 45 Learners licences test conducted expressed as a total % of appointments made by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	95%	Not all applicants wrote the test due to absenteeism.	To encourage all applicants to adhere to the scheduled appointments.	Operational	Operational	Enatis report
Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets								Annual Budget	Actual budget spent	Portfolio of Evidence
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken				

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Develop and maintain infrastructural and community services	To continuously ensure that vehicles are road worthy and regulate vehicle and driver's licenses in an efficient and professional manner	Community Services	KPI 46 Drivers licenses test conducted expressed as a total % of appointments made by 30 June 2021	Output	%	100%	100%	100%	100%	100%	85%	K53 testing road on a bad condition	Refurbishment of roads.	Operational	Operational	Enatis report
	To continuously provide professional security services		KPI 47 Number of security reports submitted by 30 June 2021	Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Submission register and security Report
	Continuously maintain and upgrade parks and open areas to acceptable environmental standard		KPI 48 Number of parks maintained by 30 June 2021	Output	Number	20	5	5	5	5	20	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Maintenance registers, weekly/monthly schedule and reports

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Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken	Operational	Operational	Incident report
	To establish fully functional disaster centre by 2020		KPI 49 Number of emergency incidents attended to within an hour expressed as a % of incidents reported by 30 June 2021	Output	%	100%	100%	100%	100%	100%	87%	Incidents not achieved with in an hour resulted from the team attending another call.	Reasons to be indicated within the incident form for incidents not attended within an hour on the next financial year.	Operational	Operational	Incident report
Key Performance Area: Basic Services Delivery And Infrastructure Development						Quarterly Targets								Annual Budget	Actual budget spent	Portfolio of Evidence
Develop and maintain infrastructural and community services	To establish fully functional disaster centre by 2020	Community Services	KPI 50 Business premises inspections conducted expressed as a % of request received (hazardous premises and fire safety) by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Inspection request register and the inspection report.
	To continuously ensure that vehicles are road worthy		KPI 51 Roadworthy tests conducted expressed as a total % of appointments made by 30 June 2021	Output	%	100%	100%	100%	100%	100%	100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational

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Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken	Annual Budget	Actual budget spent	Portfolio of Evidence
	and regulate vehicle and driver's licenses in an efficient and professional manner		KPI 52 Number of road blocks conducted by 30 June 2021	Output	Number	8	2	2	2	2	12	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Stop and approach register and road block schedule
Key Performance Area: Basic Services Delivery And Infrastructure Development							Quarterly Targets									

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Develop and main infrastructural and community services	To provide weekly kerbside waste removal service to residential, schools, industrial and commercial sites ( 3 times a week ) in Kuruman town, Wrenchville and Mothibistad	Community Services	KPI 53 Number of households provided with door-to-door waste collection by 30 June 2021	Output	Number	4600	4600	4600	4600	8476	8476	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Drivers log registers, control levy sheets and weekly schedules.
	To continuously provide camping space and amenities as well as resort and leisure facilities that are in good condition		KPI 54 Revenue generated on guests from Caravan Park by 30 June 2021	Output	Revenue	R1 000 000,00				R1 000 000,00	R1 584 540,00	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Financial report of revenue generated and proof of payment
	KPI 55 Number of reports on visitors and revenue generated from 1st eye by 30 June 2021		Output	Revenue	R60 000,00				R60 000,00	52 088,43	Less visitors where received due to covid 19 restriction.	No corrective measures as the matter is beyond our control.	Operational	Operational	Financial report of revenue generated and proof of payment	
Key Performance Area: Financial Viability And Accountability						Quarterly Targets						Annual Budget	Actual budget spent	Portfolio of Evidence		

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Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken					
Enhance revenue and financial management	To promote Financial Viability and accountability	BTO	KPI 56 Number of indigents registered by 30 June 2021	Output	Number	3500				3500	1458	The community is not coming forth for the applications.	To encourage the community to register for indigency during the community consultation.	Operational	Operational	Indigent register		
			KPI 57 Unauthorised expenditure expressed as a % of total expenditure by 30 June 2021	Output	%	8%					8%	8%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Unauthorised expenditure register and section 52(d) reports	
			KPI 58 Irregular expenditure expressed as a % of total expenditure on new procurement by 30 June 2021	Output	%	20%						20%	20%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Irregular expenditure register and section 52(d) reports
			KPI 59 Fruitless expenditure expressed as a % of total expenditure by 30 June 2021	Output	%	2%						2%	2%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Fruitless expenditure register and section 52(d) reports
			KPI 60 % of rates clearance certificates issued within 10 days of customer applications by 30 June 2021	Output	%	100%						100%	100%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Customer application forms and clearance certificates

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Key Performance Area: Financial Viability And Accountability							Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence	
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken				
Enhance revenue and financial management	To promote Financial Viability and accountability	BTO	KPI 61 Net debtors' days by 30 June 2021	Output	Days	60	60	60	60	60	60 Days	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Debtors age analysis, Revenue/Billing Report and Write off reports if applicable. (circular 71 ratios)	
	To compile a funded and realistic budget annually for approved by Council by the end of May each year.		KPI 62 2020/2021 Adjusted budget submitted to Council for approval by 28 February 2021	Output	Date	2020/2021 Adjusted budget submitted to council			28-Feb-21			26-Feb	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Approved adjusted budget and council resolution
			KPI 63 2021/2022 draft budget tabled to council by 31 March 2021	Output	Date	2021/22 Draft budget tabled to council by 31 March 2021			31-Mar-21			30-Mar-21	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Draft Budget and Council Resolution

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			<b>KPI 64</b> 2021/2022 budget tabled to council for approval by the 31 May 2021	Output	Date	2021/2022 Budget tabled to council by 31 May 2021					31-May-21	31-May-21	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Budget and Council Resolution
	To promote Financial Viability and accountability		<b>KPI 65</b> Number of performance and budget reports submitted to council by 30 June 2021	Output	Date	4	1	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Section 52 (d) reports and council resolution
<b>Key Performance Area: Financial Viability And Accountability</b>							<b>Quarterly Targets</b>								<b>Annual Budget</b>	<b>Actual budget spent</b>	<b>Portfolio of Evidence</b>
<b>Strategic Goals</b>	<b>Objectives</b>	<b>Directorate</b>	<b>Key Performance Indicators</b>	<b>KPI Type</b>	<b>Unit of Measurement</b>	<b>Annual Target</b>	<b>1st Quarter</b>	<b>2nd Quarter</b>	<b>3rd Quarter</b>	<b>4th Quarter</b>	<b>Actual Annual Target Achieved</b>	<b>Reason for non-achievement</b>	<b>Corrective measures to be taken</b>				

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Enhance revenue and financial management	To promote Financial Viability and accountability	BTO	KPI 66 Number of section 71 reports submitted within 10 working days after month end by 30 June 2021	Output	Number	12	3	3	3	3	12	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Section 71 reports, proof of submission to the Mayor and provincial treasury and acknowledgement of receipts from the Mayor	
			KPI 67 Annual Financial Statements submitted to the Auditor General by 31 October 2020	Output	Date	AFS submitted to AG by 31 October 2020		31-Oct-20				31-Oct-20	Not applicable – Target is achieved	Not applicable – Target is achieved	R6 000 000,00	R 5 985 844,80	Copy of the AFS and acknowledgement letter
			KPI 68 Quarterly reports on Municipal Property Rates Act submitted to council by 30 June 2021	Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Report and council resolution	
Key Performance Area: Financial Viability And Accountability						Quarterly Targets						Annual Budget	Actual budget spent	Portfolio of Evidence			

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Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken				
Enhance revenue and financial management	To promote Financial Viability and accountability	BTO	KPI 69 Receipts from debtors expressed as a % of total revenue for the period from 1 July 2020 to 30 June 2021	Output	%	90%	90%	90%	90%	90%	90%	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	List of debtors' receipts, Revenue Report Control levy summary	
			KPI 70 Number of supplementary valuations conducted by 30 June 2021	Output	Number	1					1	1	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Supplementary valuations roll
			KPI 71 Cash/trade creditors coverage ratio by 30 June 2021	Output	Ratio	01:01	01:01	01:01	01:01	01:01	01:01	01:01	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Bank Statement, creditors listing/age analysis
			KPI 72 Net creditors' days by 30 June 2021	Output	Days	30	30	30	30	30	30	30 days	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Creditors age analysis, Proof of payment, cashbook and date stamp on Invoice.
Key Performance Area: Good Governance and Public Participation							Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence	

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Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken			
Foster Participative Cohesion and Collaboration	To annually develop /review a credible IDP that is aligned to regional, provincial and national priorities and that addresses the needs of the community that we serve	Office of the Municipal Manager	KPI 73 Draft IDP tabled to council by 31 March 2021	Output	Date	Draft IDP tabled to council by 31 March 2021			31-Mar-21		31-Mar-21	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Draft IDP and Council Resolution
			KPI 74 Final IDP submitted and approved by council by 31 May 2021	Output	Date	Final IDP submitted to council by 31 May 2021				31-May-21	31-May-21	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Approved IDP and council resolution
			KPI 75 Number of IDP Representative forum meetings held by 30 June 2021	Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Agenda, minutes and attendance register
			KPI 76 Number of IDP steering committee meetings held by 30 June 2021	Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Agenda, minutes and attendance register

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Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken	Annual Budget	Actual budget spent	Portfolio of Evidence
			KPI 77 Number of Wards represented at IDP/budget community participation meetings by 30 June 2021	Output	Number	14 wards				14 wards	14	IDP/participation community was conducted Via Kurara FM due to covid 19 restriction.	Not applicable – Target is achieved	R106 368,00	R 12 660,00	Public notice, agenda, minutes and attendance register/visual invitation
Key Performance Area: Good Governance and Public Participation							Quarterly Targets									
Foster Participative Cohesion and Collaboration	Improve risk management processes by ensuring that all identified risks are mitigated	Office of the Municipal Manager	KPI 78 Number of Audit, Risk and Performance Committee reports submitted to council by 30 June 2021	Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Audit, Risk and Performance Committee reports and council minutes
			KPI 79 Number of Internal Audit reports submitted to the Audit, Risk and Performance Committee by 30 June 2021	Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Minutes of Audit, Risk and Performance Committee, agenda and attendance register

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To plan, monitor, report and evaluate performance of the municipality and employees within required timeframes	KPI 80	Number of Audit, Risk and Performance Committee meetings held by 30 June 2021	Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Agenda, attendance register/visual invitation and minutes.	
	KPI 81	Section 46 MSA report submitted to AGSA by 31 October 2020	Output	Date	31-Oct-20			31-Oct-20		31-Oct-20	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Section 46 report and acknowledgement letter from AGSA	
	KPI 82	Progress reports on the implementation of Audit Action Plan submitted to Council by 30 June 2021	Output	Number	2			1	1	1	The action plan was on drafted during Q4 as the AG was still on site	No corrective measures.	Operational	Operational	Audit Action Plan	
Key Performance Area: Good Governance and Public Participation							Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken	Annual Budget	Actual budget spent	Portfolio of Evidence

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Foster Participative Cohesion and Collaboration	To plan, monitor, report and evaluate performance of the municipality and employees within required timeframes	Office of the Municipal Manager	KPI 83 2021-2022 Service Delivery Budget and Implementation Plan (SDBIP) approved by the Mayor by 28 June 2021	Output	Date	2021-2022 Service Delivery Budget and Implementation Plan (SDBIP) approved by the Mayor by 28 June 2021				28-Jun-21	26-Feb-28	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Copy of an approved SDBIP signed by the Mayor and proof of submission	
			KPI 84 Number of 2021-2022 performance agreements signed by the Directors/ Accounting Officer/ Mayor and by the 30 June 2021	Output	Number	5					5	5	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Copies of signed Performance Agreements
			KPI 85 Section 72 report compiled and submitted to the National and Provisional Treasury and COGHSTA by 25 January 2021	Output	Date	Section 72 report compiled and submitted to the National and Provisional Treasury and COGHSTA by 25 January 2021			25-Jan-21			25-Jan-21	25-Jan-21	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational

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Key Performance Area: Good Governance and Public Participation							Quarterly Targets							Annual Budget	Actual budget spent	Portfolio of Evidence
Strategic Goals	Objectives	Directorate	Key Performance Indicators	KPI Type	Unit of Measurement	Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Actual Annual Target Achieved	Reason for non-achievement	Corrective measures to be taken			
Foster Participative Cohesion and Collaboration	To plan, monitor, report and evaluate performance of the municipality and employees within required timeframes	Office of the Municipal Manager	KPI 86 Mid-Year performance review session conducted and submitted to COGHSTA by 31 January 2021	Output	Date	Mid-Year performance review session conducted and submitted to COGHSTA by 31 January 2021			25-Jan-21		25-Jan-21	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Minutes, attendance register and proof of submission
			KPI 87 Number of performance evaluation of the accounting officer and senior management for 2019-2020 by 30 June 2021	Output	Number	1			1		0	The AGSA still on site	Assessments scheduled for next financial year.	Operational	Operational	Agenda, attendance register, minutes and assessment report.
			KPI 88 IDP/PMS/Budget process plan approved by 31st August 2020	Output	Number	1	1				1	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Approved IDP/PMS/Budget process plan and council resolution

# APPENDICES

			<b>KPI 89</b> Number of strategic risk assessments/reviews conducted by 30 June 2021	Output	Number	4	1	1	1	1	4	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	4 strategic risk assessment reports and attendance register
			<b>KPI 90</b> Final Annual Report submitted to council by 31 May 2021	Output	Date	Final Annual report submitted to council 31 May 2021.				31-May-21	31-May-21	Not applicable – Target is achieved	Not applicable – Target is achieved	Operational	Operational	Annual Report and council resolution

# APPENDICES

# VOLUME II

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

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**OPINION**

1. I have audited the financial statements of the Ga-Segonyana Local Municipality set out on pages X to X, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ga-Segonyana Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with 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, 2020 (Act No. 4 of 2020) (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 my 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.

**MATERIAL UNCERTAINTY RELATING TO GOING CONCERN**

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. As disclosed in note 41 to the financial statements, which indicates that the municipality is not able to settle short-term liabilities as they become due, various impairments and losses and the impact of the Covid - 19 pandemic on the municipality. As stated in note 41, these events or conditions, along with other matters as set forth in note 41, indicate that a material uncertainty exists that may

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

cast significant doubt on the municipality's ability to continue as a going concern.

## EMPHASIS OF MATTERS

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

### MATERIAL LOSSES - ELECTRICITY

9. As disclosed in note 45 to the financial statements, material electricity losses to the amount of R13 846 389 (2020: R9 253 915) was incurred which represents 21,83% (2020: 14,38%) of total bulk electricity purchased.

### MATERIAL LOSSES - WATER

10. As disclosed in note 45 to the financial statements, material water losses to the amount of R33 144 921 (2020: R22 856 119) was incurred which represents 69% (2020: 68%) of water purchased.

### MATERIAL IMPAIRMENTS – RECEIVABLES FROM EXCHANGE TRANSACTIONS

11. As disclosed in note 6 of the financial statements, the municipality reported a material impairment of R45 395 094 (2020: R33 383 770) as a result of a debt impairment of receivables from exchange transactions, due to non-collection of outstanding balances owned to the municipality.

### MATERIAL IMPAIRMENTS – RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

12. As disclosed in note 4 of the financial statements, the municipality reported a material impairment of R15 807 920 (2020: R14 244 211) as a result of a debt impairment of receivables from non-exchange transactions, due to non-collection of outstanding balances owned to the municipality.

### MATERIAL LOSSES – PROPERTY, PLANT AND EQUIPMENT

13. As disclosed in note 9 of the financial statements, the municipality reported material losses under disposals of R18 409 888 (2020: R13 402 258) on property, plant and equipment due to assets that were written off.

### MATERIAL IMPAIRMENTS – PROPERTY, PLANT AND EQUIPMENT

14. As disclosed in note 9 of the financial statements, the municipality reported a material impairment of R8 847 786 on property, plant and equipment, due to assets that reached the end of its useful life.

### UNDERSPENDING OF VOTES

15. As disclosed in note 42 to the financial statements, the municipality materially underspent the operating expenditure budget for community and social services by R12 561 627 (Vote 3) and the capital expenditure budget for public safety by R9 009 251 (Vote 5) on acquisition of property, plant and equipment.

### RESTATEMENT OF CORRESPONDING FIGURES

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

16. As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2021.

## EVENTS AFTER THE REPORTING DATE

17. I draw attention to note 51 in the financial statements, which deals with subsequent event relating to a municipal investment building that burnt down with a carry value of R5 260 000 at the reporting date. The estimate of the effects on performance and cash flows could not be determined.

## OTHER MATTER

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

## UNAUDITED DISCLOSURE NOTES

19. 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

20. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

21. 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

22. 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.

23. A further description of my responsibilities for the audit of the financial statements is included in the

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

annexure to this auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

### INTRODUCTION AND SCOPE

24. 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 the selected development priority presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

25. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

26. 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 2021:

Development priority	Pages in the annual performance report
<i>Key Performance Area 3 - Basic service delivery and infrastructure development</i>	X-X

27. 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.

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

- Key Performance Area 3 - Basic service delivery and infrastructure development

### OTHER MATTERS

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

29. I draw attention to the matters below.

## ACHIEVEMENT OF PLANNED TARGETS

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

## ADJUSTMENT OF MATERIAL MISSTATEMENTS

31. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Key Performance Area 3 - Basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

### INTRODUCTION AND SCOPE

32. 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.

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

### ANNUAL FINANCIAL STATEMENTS

34. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

### EXPENDITURE MANAGEMENT

35. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value of R18 864 640, as disclosed in note 44, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the irregular expenditure was caused by the contravention of the supply chain management requirements.

36. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R67 810 223, as disclosed in note 42 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by over spending on the approved budget.

### STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

37. The performance management system and related controls were inadequate as it did not describe

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

how the performance measurement, review, reporting and improvement processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

### OTHER INFORMATION

38. 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.
39. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
40. 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.
41. 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

42. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
43. The municipality did not have sufficient monitoring controls, exercise oversight responsibility and did not implement effective human resource management to ensure adherence to the internal policies and procedures at a programme level and for purposes of taking corrective action. This is evident from material corrections made to the financial statements and non-compliance with relevant laws and regulations that were identified during the audit process.
44. Management failed to monitor and review the performance information to ensure the achievement of the fair presentation and this resulted in material corrections on the performance report.
45. Leadership does not act on a timeous basis to internal audit's recommendations or reports thereby impacting their effectiveness as an assurance provider to the leadership of the municipality.

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## MATERIAL IRREGULARITIES

46. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

## MATERIAL IRREGULAR IDENTIFIED DURING THE YEAR

### ESKOM ACCOUNTS NOT PAID WITHIN 30 DAYS

47. Eskom invoices received during the period 1 April 2019 to 29 March 2020, for bulk electricity were not all not paid within the prescribed 30 day period, in contravention of section 65(2)(e) of the MFMA. The non-compliance resulted in a financial loss in the form of interest of R2 906 968 being levied and paid to the supplier on the outstanding balances.
48. The accounting officer was notified of the material irregularity on 7 June 2021. The accounting officer instituted an investigation into the matter and the investigation was completed on 5 July 2021. The outcome of the investigation stated that officials could not be held responsible for the non-compliance that occurred and the financial loss suffered by the municipality, and therefore no disciplinary steps need to be taken in accordance with the policies of the municipality. This was due to unfunded annual budgets, low collection rates and the municipality being in financial distress.
49. The debt to Eskom related to a period between 1 August 2013 and 5 October 2017. The municipality entered into a payment arrangement with Eskom on 6 October 2017. The municipality adhered to the payment arrangement and therefore reduced the interest payable on the account. The Eskom account was paid off in September 2020. The municipality reduced and stopped the losses and I have concluded that appropriate actions are being taken to address the material irregularity. I will follow up during my next audit that the preventative measures in place stopped any further losses and therefore ensured that the material irregularity does not re-occur.

Kimberley

30 November 2021



# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## 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 Ga-Segonyana Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

transactions and events in a manner that achieves fair presentation

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



## GA-SEGONYANA LOCAL MUNICIPALITY

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### General Information

#### Mayoral committee

Mayor

Masegela N.G

Councillors

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Meyers T.E. (Speaker)

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Assegaai G.C.

Modise E.B

(Deceased- January 2021)

Dispi N.G

Eiman B.A.

Galeboe M.P.

Kanjeruba K.F.

Leserwane B.E

Madikiza Selepe K.B. (EXCO)

Makoke L.N.

Makwati K.R.

Mathibe O.D.

Mntuyedwa G.N.

Moagi L. (MPAC Chair)

Disang M.F

(Discharged - 30 November 2020)

Mpata D.T

Moseki L.C.

Van der Westhuizen A.W.P

Nelson L.R.

Ngesi N.G.

Nels K.A.

Reetsang M.G.

Thupaemang N.G.

Tshetshemeserogwe I.

Chweu K.H

Gaetsewe B.E

Lesley S.K

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# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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(Appointed -1 December 2020)

Ncayivutshwa T.R

(Appointed - 3 May 2021)

**Chief Financial Officer (CFO)** K Noke

**Accounting officer** M. Tsatsimpe

**Registered office** Corner Voortrekker and School Street  
Kuruman

**Business address** Corner Voortrekker and School Street  
Kuruman

**Postal address** Private Bag X1522  
Kuruman  
8460

## General Information

**Bankers** First National Bank

**Auditors** Auditor General (South Africa)

**Jurisdiction** The Ga-segonyana Local Municipality includes the following areas:

Kuruman, Bankhara, Mothibistad, Magojaneng, Obama Hill,

Ditshoswaneng, Mpoteng, Seoding, Mokalamosesane, Gamopedi,

Ncweng, Galotolo, Pietbos, Sloja, Lokaleng, Geelboom, Sedibeng,

Batlharos, Gasehubane, Garuele, Gasebolao, Maruping, Vergenoeg,

Kagung, Lohatlha, Seven Miles, Thamonyanche, Wrenchville, Promise

Land and Thuli Madonsela.

**Relevant Legislation** Constitution of the Republic of South Africa (Act No. 108 of 1996)

Municipal Finance Management Act (Act 56 of 2003)

Division of Revenue Act

The Income Tax Act (Act No. 58 of 1962)

Value Added Tax Act (Act No. 117 of 1998)

Municipal Structures Act (Act No. 32 of 2000)

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# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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Water Service Act (Act No.108 of 1997)

Housing Act (Act No. 107 of 1997)

Municipal Property Rates Act (Act No. 6 of 2004)

Electricity Act (Act No. 41 of 1987)

Skills Development Levies Act (Act No. 9 of 1999)

Employment Equity Act (Act No. 55 of 1998)

Unemployment Insurance Act (Act No. 30 of 1966)

Basic Conditions of Employment Act (Act No. 75 of 1997)

Municipal System Amendment Act (Act No. 7 of 2011)

Municipal Planning and Performance Management Regulations

Municipal Supply Chain Management Regulations

Municipal Collective Agreements

Municipal Budget and Reporting Regulations

MFMA Circulars and Regulations

**Attorneys** Mogaswa Attorneys

Peyper Attorneys

Sifumba Attorneys

Modiboa Attorneys

Koikanyang Attorneys

Motshabi Attorneys

## Index

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

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Audit Committee Report	5
Statement of Financial Position	6
Statement of Financial Performance	7
Statement of Changes in Net Assets	8

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# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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Statement of Comparison of Budget and Actual Amounts	10 - 13
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## Abbreviations

DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Accounting Officer's Responsibilities and Approval

---

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, he is satisfied that the municipality has adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 6 to 94, which have been prepared on the going concern basis were approved by the Accounting Officer on 31 August 2021 .

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**M. Tsatsimpe**

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

**Municipal Manager**

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## **Audit Committee Report**

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We are pleased to present our report for the year ending 30 June 2021.

### **Audit committee members and attendance**

The audit committee consists of the members listed here under and should meet at least 4 times per annum as per its approved terms of reference. During the current year 6 meetings were held.

<b>Name of member</b>	<b>Number of meetings attended</b>
R. Tshimomola (Chairperson)	6
F. Buys	5
M. Mashati	4

### **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 its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The committee has performed the following key responsibilities:

- Adopted the audit and risk management charter and proposed approved to council;
- Reconfirm the appropriateness of the internal audit charter and methodology;
- Recommended the risk management strategy and policy to council, due to the slow implementation thereof alternative mechanisms were followed by the internal audit manager and a risk register was considered and recommended for approval to council;
- Approved the internal audit plan for the financial year and monitored to the implementation of the plan;
- Evaluated the findings raised by internal and external audit and made recommendations on addressing those matters;
- Performed a review of financial information submitted to the committee and commented specifically on concerns raised based on year-to-date information and accuracy of projections;
- Requested management to reporting on pending litigation, possible contingent liabilities and significant risks;
- Requested management to address the perceived lack of discipline and called specific officials to account for the progress on the audit action plan;
- Liaised with the Auditor-General on matters relating to communication with those charged with governance.

### **The effectiveness of internal control**

The following issues are highlighted by the Audit and Performance Committee as points of concern:

- Insufficient preventative control measures and ineffective monitoring of controls.

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

- Non adherence to policies and procedures.
- Repeat internal audit findings (performance management and MFMA Compliance audit).
- Repeat external audit findings
- No consequence management and ineffective oversight structures

### 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 entity 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: \_\_\_\_\_

### Statement of Financial Position as at 30 June 2021

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		2021	2020
			Restated*
	Note(s)	R	R
<b>Assets</b>			
Inventories	3	66 779 464	82 514 924
Receivables from non-exchange transactions	4	22 042 599	19 609 479
VAT	5	6 270 980	4 151 647
Receivables from exchange transactions	6	57 531 406	52 906 301
Cash and cash equivalents	7	90 466 140	59 270 087
		<b>243 090 589</b>	<b>218 452 438</b>
<b>Non-Current Assets</b>			

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## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Investment property	8	18 229 634	18 229 634
Property, plant and equipment	9	1 585 815 208	1 492 356 201
Intangible assets	10	722 012	284 613
<b>Current Assets</b>			
Heritage assets	11		
<b>Total Assets</b>		<b>1 849 513 085</b>	<b>1 730 978 528</b>

2 181 862 2 103 672

739 380 2 202 988

70 064 798 60 597 085

5 310 255 4 814 761

1 452 000 1 683 000

31 595 764 35 632 576

**111 344 059 107 034 082**

8 355 780 10 537 615

664 938 1 404 317

34 131 000 28 111 000

24 173 786 18 808 913

**67 325 504 58 861 845**

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Liabilities

		<u>178 669 563</u>
<b>Current Liabilities</b>		<b><u>1 670 843 522 1</u></b>
Other financial liabilities	12	
Finance lease obligation	13	
Payables from exchange transactions	14	
Consumer deposits	15	
Employee benefit obligation	16	
Unspent conditional grants and receipts	17	
<b>Non-Current Liabilities</b>		
Other financial liabilities	12	
Finance lease obligation	13	
Employee benefit obligation	16	
Provisions	18	
<b>Total Liabilities</b>		
<b>Net Assets</b>		
Accumulated surplus		1 670 843 522 1 565 082 601

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Financial Performance

		2021	2020
			Restated*
	Note(s)	R	R
<b>REVENUE</b>			
<b>Revenue from exchange transactions</b>			
Sale of stands		7 209 208	2 378 515
Service charges	20	158 153 269	157 669 317
Rental of facilities	21	2 012 071	2 351 079
Interest on outstanding receivables	23	3 848 481	4 837 950
Licences and permits		3 351 478	3 244 356
Other revenue	24	4 566 061	3 873 512
Interest on investments	25	3 864 834	3 707 754
<b>Total revenue from exchange transactions</b>		<b>183 005 402</b>	<b>178 062 483</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
	26		45 094
Property rates		49 763 478	777
Interest on outstanding receivables	23	1 667 363	3 145 398
<b>Transfer revenue</b>			
			385 548
Grants and subsidies realised	27	389 557 952	478
Fines, penalties and forfeits	22	3 417 910	4 845 325

\* See Note 49

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

<b>Total revenue from non-exchange transactions</b>	19	<b>444 406 703</b>	<b>438 633</b>
<b>Total revenue</b>			<b>978</b>
		<b>627 412 105</b>	<b>616 696</b>
			<b>461</b>
<b>EXPENDITURE</b>			
Employee related costs	28	(151 395 151)	(130 928 705)
Remuneration of councillors	29	(9 842 705)	(9 860 821)
Depreciation, amortisation and impairment loss	30	(65 944 055)	(63 263 625)
Finance costs	31	(10 462 752)	(9 438 769)
Debtors impairment	32	(13 822 992)	(7 664 726)
Bad debts written-off	33	(1 469 365)	(2 699 281)
Bulk purchases	34	(125 634 275)	(113 208 832)
Cost of land sold	3	(15 105 401)	(2 591 600)
General expenses	35		
<b>Total expenditure</b>			
<b>Operating surplus</b>		<b>126 773 800</b>	<b>188 612</b>
			<b>992</b>
Gains/(Loss) on disposal of assets	9	(18 409 890)	(4 939 617)
Fair value adjustments	52	-	136 000
Actuarial gains/(losses)	16	(2 603 000)	6 552 491
Gain (loss) on impairment		-	129 187
		<b>(21 012 890)</b>	<b>1 878 061</b>
<b>SURPLUS FOR THE YEAR</b>		<del><b>105 760 910</b></del>	<del><b>190 491 053</b></del>

\* See Note 49

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
	R	R
Opening balance as previously reported	1 324 851 322	324 851
Adjustments	49 740 226	22
Correction of error 01/07/2019	<b>1 374 591 548 1</b>	
<b>Balance at 01 July 2019</b>	190 491 053	190 491 053
Surplus for the year ended 30 June 2020	190 491 053	
Total changes	1 506 379 471 1	
Opening balance as previously reported	58 703 141	
Prior year adjustments	<b>1 565 082 612 1</b>	
<b>Restated* Balance at 01 July 2020 as restated*</b>	105 760 910	105 760 910
Changes in net assets	105 760 910	
Surplus for the year ended 30 June 2021	<b>1 670 843 522 1</b>	
Total changes		
<b>Balance at 30 June 2021</b>		
Note(s)		

\* See Note 49

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Cash Flow Statement

		2021	2020
			Restated*
	Note(s)	R	R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services		211 638 737	211 012 046
Grants		385 521 140	377 516 448
Interest on investments		3 864 834	3 707 754
		601 024 711	592 236 248
<b>Payments</b>			
Suppliers			(213 436 464)
Employee Costs		(156 488 752)	(130 928 705)
Finance costs		(2 269 879)	(6 542 857)
<b>Net cash flows from operating activities</b>		(387 271 687)	(350 908 026)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	36	213 753 024	241 328 222
			(175 027 549)
Purchase of intangible assets	10	(832 760)	(244 717)

\* See Note 49

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

<b>Net cash flows from investing activities</b>	<b>(178 250 349)</b>	<b>(175 272 266)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Movement in other financial liabilities	(2 103 645)	(3 404 996)
Finance lease payments	(2 202 987)	(3 931 930)
<b>Net cash flows from financing activities</b>	<b>(4 306 632)</b>	<b>(7 336 926)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>31 196 053</b>	<b>58 719 030</b>
Cash and cash equivalents at the beginning of the year	59 270 087	551 057
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>90 466 140</b>	<b>59 270 087</b>

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\* See Note 49

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual Amounts

### Budget on Actual Basis

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

### STATEMENT OF FINANCIAL PERFORMANCE

#### REVENUE

##### Revenue from exchange transactions

Sale of stands	6 000 000	-	<b>6 000 000</b>	7 209 208	<b>1 209 208</b>	1
Service charges	170 870 536	-	<b>170 870 536</b>	158 153 269	<b>(12 717 267)</b>	
Rental of facilities	2 090 844	(40 000)	<b>2 050 844</b>	2 012 071	<b>(38 773)</b>	
Interest on outstanding receivables	7 343 004	(440 000)	<b>6 903 004</b>	3 848 481	<b>(3 054 523)</b>	2
Licences and permits	3 317 436	15 000	<b>3 332 436</b>	3 351 478	<b>19 042</b>	
Other revenue	2 404 127	125 010	<b>2 529 137</b>	4 566 061	<b>2 036 924</b>	4
Interest on investments	3 356 796	-	<b>3 356 796</b>	3 864 834	<b>508 038</b>	5

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Statement of Comparison of Budget and Actual Amounts

	195 382 743	(339 990)	195 042 753	183 005 402	(12 037 351)	
	49 853 477	(1 491 353)	<b>48 362 124</b>	49 763 478	<b>1 401 354</b>	6
	-	-	-	1 667 363	<b>1 667 363</b>	3
	312 940 032	99 871 145	<b>412 811 177</b>	389 557 952	<b>(23 253 225)</b>	7
	3 154 668	(85 000)	<b>3 069 668</b>	3 417 910	<b>348 242</b>	
	<b>365 948 177</b>	<b>98 294 792</b>	<b>464 242 969</b>	<b>444 406 703</b>	<b>(19 836 266)</b>	
	<b>561 330 920</b>	<b>97 954 802</b>	<b>659 285 722</b>	<b>627 412 105</b>	<b>(31 873 617)</b>	
	(156 254 196)	9 515 042	<b>(146 739 154)</b>	(151 395 151)	<b>(4 655 997)</b>	8
	(10 456 416)	(86 856)	<b>(10 543 272)</b>	(9 842 705)	<b>700 567</b>	9
	(42 959 400)	-	<b>(42 959 400)</b>	(65 944 055)	<b>(22 984 655)</b>	10
	(6 065 184)	4 214 000	<b>(1 851 184)</b>	(10 462 752)	<b>(8 611 568)</b>	11
	(24 548 712)	9 548 712	<b>(15 000 000)</b>	(13 822 992)	<b>1 177 008</b>	12
	-	-	-	(1 469 365)	<b>(1 469 365)</b>	
	(117 876 084)	929 318	<b>(116 946 766)</b>	(125 634 275)	<b>(8 687 509)</b>	13
	-	-	-	(15 105 401)	<b>(15 105 401)</b>	13
	(120 412 764)	(43 416 735)	<b>(163 829 499)</b>	(73 695 608)	<b>90 133 891</b>	14
	<b>(478 572 756)</b>	<b>(19 296 519) 304)</b>	<b>(497 869 275)</b>	<b>(467 372)</b>	<b>30 496 971</b>	

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Statement of Comparison of Budget and Actual Amounts

Total revenue from exchange transactions	82 758 164	78 658 283	161 416 447	160 039 801	933 367 962	
Revenue from non-exchange transactions	-	-	-	(18 409 890)	(18 409 890)	15
	-	-	-	(2 603 000)	(2 603 000)	17
<b>PROPERTY RATES INTEREST ON OUTSTANDING RECEIVABLES</b>	-	-	-	(21 012 890)	(21 012 890)	
	82 758 164	78 658 283	161 416 447	139 026 911	(22 389 536)	

Grants and subsidies realised

#### FINES, PENALTIES AND FORFEITS

#### TOTAL REVENUE FROM NONEXCHANGE TRANSACTIONS

**Total revenue**

#### EXPENDITURE

Employee related costs

#### REMUNERATION OF COUNCILLORS

Depreciation and amortisation

Finance costs

Debt Impairment

Bad debts written-off

Bulk purchases

Contracted services

General expenses

**Total expenditure**

**Operating surplus**

#### GAIN/(LOSS) ON DISPOSAL OF ASSETS

Actuarial gains/losses

**SURPLUS FOR THE YEAR**

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual Amounts

<b>Budget on Accrual Basis</b>						
	<b>Approved budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual amounts on comparable basis</b>	<b>Difference between final budget and actual</b>	<b>Reference</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Inventories	43 839 487	26 795 576	<b>70 635 063</b>	66 779 464	<b>(3 855 599)</b>	16
Receivables from non-exchange transactions	17 091 713	(14 591 713)	<b>2 500 000</b>	22 042 599	<b>19 542 599</b>	17
Receivables from exchange transactions	74 900 442	28 478 292	<b>103 378 734</b>	57 531 406	<b>(45 847 328)</b>	18
VAT	-	-	-	6 270 980	<b>6 270 980</b>	19
Cash and cash equivalents	34 107 000	48 497 940	<b>82 604 940</b>	90 466 140	<b>7 861 200</b>	21
<b>Non-Current Assets</b>	<b>169 938 642</b>	<b>89 180 095</b>	<b>259 118 737</b>	<b>243 090 589</b>	<b>(16 028 148)</b>	
Investment property	33 491 300	(12 942 459)	<b>20 548 841</b>	18 229 634	<b>(2 319 207)</b>	22
Property, plant and equipment	1 456 227 773	44 449 981	<b>1 500 677 754</b>	1 585 815 208	<b>85 137 454</b>	23
Intangible assets	245 925	38 688	<b>284 613</b>	722 012	<b>437 399</b>	24
Heritage assets	1 655 642	-	<b>1 655 642</b>	1 655 642	-	
Long term receivables		22 400 850	<b>22 400 850</b>	-	<b>(22 400 850)</b>	25

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Statement of Comparison of Budget and Actual Amounts

<b>Total Assets</b>	-	53 947 060	1 545 567 700	1 606 422	60 854 796	
<b>Liabilities</b>	1 491 620 640		496			
<b>Current Liabilities</b>	1 661 559 282	143 127 155 085	1 804 686 437	1 849 513	44 826 648	
Other financial liabilities						
	2 861 000	639 000	3 500 000	2 181 862	(1 318 138)	26
Finance lease obligation	-	-	-	739 380	739 380	27
Payables from exchange transactions	78 026 158	(33 220 568)	44 805 590	70 064 793	25 259 203	28
Consumer deposits	4 713 557	722 326	5 435 883	5 310 255	(125 628)	29
Employee benefit obligation	-	-	-	1 452 000	1 452 000	
Unspent conditional grants and receipts	-	-	-	31 595 764	31 595 764	30
Provisions	1 541 243	209 077	1 750 320	-	(1 750 320)	31
<b>Non-Current Liabilities</b>	87 141 958	(31 650 165)	55 491 793	111 344 054	55 852 261	
Other financial liabilities	3 543 367	4 898 565	8 441 932	8 355 780	(86 152)	26
Finance lease obligation	-	-	-	664 938	664 938	27
Employee benefit obligation	-	-	-	34 131 000	34 131 000	
Provisions	66 131 400	(21 088 284)	45 043 116	24 173 786	(20 869 330)	31
<b>Total Liabilities</b>	69 674 767	(16 189 719)	53 485 048	67 325 504	13 840 456	
<b>Net Assets</b>						
<b>Net Assets</b>	156 816 725	(47 839 884)	108 976 841	178 669 558	69 692 717	
<b>Reserves</b>						
Accumulated surplus	1 504 742 557	190 967 039 527	1 695 709 596	1 670 843	(24 866 069)	
	1 501 242 259	194 467 386 531	1 695 709 645	1 670 843	(24 866 114)	

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Statement of Comparison of Budget and Actual Amounts

Approved Adjustments Final Budget Actual Difference Reference budget  
amounts on between final

comparable  
and basis actual

R R R R R

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### Sale of stands

- 1) The variance is due to stands that was bought in 2019/20 and the transfers were only done in the 2020/21 financial year.

### Interest on outstanding receivables

- 2) A lower interest of R5 086 639 was recognised due to debtors write - off that took place during the financial period and decreased the overall debtors balance

### Other Revenue

- 3) Variance is as a result of expected benefit investing for Employees obligation that was not budgeted for Interest on Investments

4) Actual revenue was higher than the budget due to high bank balance as the spending was affected by the lockdown. This has resulted in higher interest being accrued. Grants and Subsidies

- 5) Actual Grants were higher than budgeted grants due to additional funding that was granted to the Municipality

### Fines and Penalties

- 6) Variance is due to more fines issued in the 2020/21 financial year

### Depreciation and amortisation

- 7) Variance is due to increase in assets during the year which was not provided for in the budget.

### Finance costs

- 8) Variance is due to interest on landfill site and Interest on Employee Obligation that was not budgeted for General Expenditure

- 9) General Expenditure variance is due to cost containment measures put in place as well as lockdown implemented by government to curb covid-19. This resulted in lesser spending.

### Gains/(loss) on disposal of assets

## **Ga Segonyana Local Municipality**

Annual Financial Statements for the year ended 30 June 2021

### **Statement of Comparison of Budget and Actual Amounts**

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

Actuarial gains/(losses)

11) Actuarial gains or losses were not budgeted for.

Receivables from exchange transactions

12) The trade receivable are less than budgeted amounts due to the increase in the actual write- offs made during the financialyear.

Cash and cash equivalents

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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### Statement of Comparison of Budget and Actual Amounts

Approved Adjustments Final Budget Actual Difference Reference budget  
amounts on between final

			comparable and basis	budget actual
R	R	R	R	R

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13) The cash and cash equivalents of the municipality increased due to under spending as a result of lockdown to curb covid19

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

Intangible assets

15) Intangible assets are lower than the budget due amortisation not taken into account on the budget.

Other Financial liabilities

16) This balance is composed of loans from DBSA and the municipality managed to repay part of the loan in the 2019/20 financial year..

30) The actual value for investment properties was lesser than budgeted due to properties which were transferred from investment property to inventory at year end.

31) The municipality did recognise more license and permits than anticipated due to improved collections by the traffic department.

32) Gains/(loss) on impairment determined at year end as such the Municipality did not budget it.

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### 1. Presentation of Annual Financial Statements

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

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

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

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

These accounting policies are consistent with the previous period, except for the changes set out in note Changes in accounting policy.

#### 1.1 Presentation currency

These Annual Financial Statements are presented in South African Rand, which is the functional currency of the municipality. All figures are rounded off to the nearest Rand.

#### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.3 Significant judgements and sources of estimation uncertainty

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

##### 1.3.1 Trade receivables and allowance for doubtful debts

The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. On debtors, an impairment loss is recognised in surplus and deficit when there is

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

objective evidence that the debtors are impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

#### 1.3.2 Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

#### 1.3.3 Fair value estimation

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values

#### 1.3.4 Impairment testing

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

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply demand and interest.

#### 1.3.5 Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in the notes to the Annual Financial Statements.

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation.

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

determined by the judgment of the municipality, supplemented by experience of similar transactions and, in some, cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. This unavoidable cost resulting from the contract is the amount of the provision to be recognised.

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

#### 1.3.6 Useful lives of assets

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

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

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### 1.3.7 Post retirement benefits

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

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in the Notes to the Annual Financial Statements.

The municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements.

#### 1.3.8 Effective interest rate

Where interest rates are not specified in the transactions handled by the municipality, particularly with respect to finance leases the municipality used the prime interest rate to discount future cash flows.

#### 1.3.9 Allowance for doubtful debts

##### Timing of Assessment

The municipality will assess at the end of each reporting date whether there is objective evidence that a receivable account or group of receivable accounts is impaired.

##### Evidence of Impairment

The following accounts are specifically excluded from impairment testing:

- Receivable accounts with a combined credit balance at reporting date;
- Receivable accounts where the combined balance at reporting date is zero;
- Receivable accounts where the Municipality is the owner; and
- Receivable accounts that have no balance outstanding longer than 30 days at reporting date as these accounts are considered not to be past due.

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

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

- A receivables that have been placed under or applied for liquidation or sequestration;
- Where the last payment date by the customer was before 15<sup>th</sup> May of each year;
- Accounts handed over to debt collectors and/or power of attorney;
- All accounts indicated as in-active accounts on the system;
- When a formal arrangement is made on arrears debt;
- When accounts have been formally presented to Council for write off; and
- All accounts with balances outstanding 31 days and longer as these accounts are considered to be past due **Calculation and Recognition of Impairment Loss**

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

### Individually Significant Receivables

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

For sundry receivables management will assess on an annual basis which accounts are considered to be individually material. These accounts will be assessed individually for evidence of impairment. **Risk Categories**

All receivables are categorised into one of three risk categories. These categories are:

- High risk category;
- Medium risk category; and
- Low risk category.

The allocation of receivables into the different risk categories are reviewed annually.

Consumer receivables

The following receivables are specifically identified as being high risk due to their nature:

- Approved indigents;
- Tenant accounts; and  Non-active accounts

The following receivables are specifically identified as being low risk receivables due to their nature and past payment history:

- Government receivables, excluding government schools

# Ga Segonyana Local Municipality

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## Accounting Policies

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

Approved indigents	Remainder of consumer receivable accounts	Government receivables, excluding gov schools
Tenant accounts	Remainder of consumer receivable accounts	Government receivables, excluding gov schools

The following receivables are specifically identified as being medium risk receivables due to their nature and past payment history:

- All accounts with prepaid electricity meters; and
- Government school receivables

The remainder of the consumer receivables are classified as medium risk receivables.

All other receivables are divided into the three risk categories based on management's knowledge of these receivables.

Summary of risk groups for consumer receivables

#### High Risk

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

The following receivables are specifically identified as being high risk due to their nature and past payment history:

- Motor vehicle accidents;
- Library books;
- Bursary costs/Study assistance;
- Closed accounts;
- Marked to be written off; and  Handed over accounts

The following receivables are specifically identified as being low risk receivables due to their nature and past payment history:



# Ga Segonyana Local Municipality

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## Accounting Policies

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

- Effectiveness of the debt collection processes;
- The vast rural area that the municipality covers and the rural population have high social problems;
- High unemployment rate in the municipal district.

Based on the above risk factors identified the risk free rate is adjusted with the following premium

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#### Risk category

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High risk	1.25%
Medium risk	0.75%
Low risk	0.25%

The risk factors and premium adjustment to the risk free rate are reviewed annually by management **Expected Repayment Term**

The total income from consumers for the reporting period include:

- Property tax;
- Refuse;
- Sewerage;
- Water;
- Electricity;
- Interest; and
- Less income foregone

#### Expected Future Cash Flows

The expected future cash flows are based on management's past experiences with the different receivable groups.

The expected future cash flows can be summarised as follows:

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Accounts with no payment received in the last No payment  
expected six months

Indigent receivables

Accounts marked as indigent do not expect any re-payment and is

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# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

therefore included at 100% in the allowance calculation

Inactive accounts	No payment expected
Accounts marked as bad debts	No payment expected
Accounts with balances only in current, 30 days and/or 60 days	Fully recoverable
High risk consumer receivables	Will be determined using the following: <ul style="list-style-type: none"><li>-Geographical area</li><li>-Category (Business, household, etc)</li><li>-Payment history</li><li>-Any other factors applicable (e.g. debtors handed over)</li></ul>
Medium risk consumer receivables	Will be determined using the following: <ul style="list-style-type: none"><li>-Geographical area</li><li>-Category (Business, household, etc)</li><li>-Payment history</li><li>-Any other factors applicable (e.g. debtors handed over)</li></ul>
Low risk consumer receivables	Will be determined using the following: <ul style="list-style-type: none"><li>-Geographical area</li><li>-Category (Business, household, etc)</li><li>-Payment history</li><li>-Any other factors applicable (e.g. debtors handed over)</li></ul>
High risk sundry receivables	Will be determined using the following: <ul style="list-style-type: none"><li>-Geographical area</li><li>-Category (Business, household, etc)</li><li>-Payment history</li><li>-Any other factors applicable (e.g. debtors handed over)</li></ul>

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

Medium risk sundry receivables	Will be determined using the following: <ul style="list-style-type: none"><li>-Geographical area</li><li>-Category (Business, household, etc)</li><li>-Payment history</li><li>-Any other factors applicable (e.g. debtors handed over)</li></ul>
Low risk sundry receivables	Will be determined using the following: <ul style="list-style-type: none"><li>-Geographical area</li><li>-Category (Business, household, etc)</li><li>-Payment history</li><li>-Any other factors applicable (e.g. debtors handed over)</li></ul>

All payments received in July after the reporting date are added to the above calculated expected further cash flows before impairment is calculated

### Present Value of Expected Future Cash Flows

The future expected cash flows will be discounted using the present value (PV) formula.

### 1.4 Investment property

#### 1.4.1 Initial Recognition

Investment property is property (land or buildings) held to earn rentals or for capital appreciation or both, rather than for:

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

Owner-occupied property is property held for use in the production or supply of goods or services, or for administrative purposes.

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

### 1.4 Investment property (continued)

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

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

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

#### 1.4.2 Subsequent Measurement

Subsequent to initial measurement investment property is measured at fair value in line with the asset management policy of the municipality on the municipal property rates Act cycle.

The fair value of investment property reflects market conditions at the reporting date.

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

The nature or type of properties classified as held for strategic purposes are as follows:

#### 1.4.3 Derecognition

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

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

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

### 1.5 Property, plant and equipment

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

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

- it is probable that future economic benefits or service potential associated with the item will flow to the 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.

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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### Accounting Policies

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.

#### 1.5 Property, plant and equipment (continued)

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

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

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

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

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#### Infinity

Furniture and fixtures	Straight line	3-15 years
Infrastructure		
- Sewer pump station	Straight line	15-60 years
- Solid waste disposal	Straight line	3-9 years
- Electricity network	Straight line	3-20 years
- LV network	Straight line	10-50 years
- Distribution network	Straight line	2- 30 years
- Bridges	Straight line	30-80 years
- Bulk supply	Straight line	50-100

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# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

		years
- MV network	Straight line	15-60 years
- Road structures	Straight line	5-55 years
- Airport structures	Straight line	20-60 years
- Collection and reticulation network	Straight line	50 years
- Borehole	Straight line	3-100 years
- Distribution reticulation network	Straight line	5-60 years
- Storage	Straight line	10-15 years
- Stormwater	Straight line	10-60 years
- Road traffic management	Straight line	10-40 years
- Waste water treatment	Straight line	15-60 years
- Water network	Straight line	20 years
- Water pipes	Straight line	20 years
- Water pump	Straight line	5-100 years
- Water storage	Straight line	3-20 years
Community Assets		
- Buildings	Straight line	100 years
Other property, plant and equipment		
- Furniture and equipment	Straight line	5-10 years
- Motor vehicles	Straight line	5-15 years
- Office equipment	Straight line	3-10 years
- Plant equipment	Straight line	4-15 years
- Computer equipment	Straight line	1-5 years
Landfill site	Straight line	17 years

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life, residual value and depreciation method of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

### 1.5 Property, plant and equipment (continued)

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

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

### 1.6 Site restoration and dismantling cost

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

If the related asset is measured using the cost model:

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

If the related asset is measured using the revaluation model:

- (a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that: a decrease in the liability (subject to (b)) is credited to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit an increase in the liability is recognised in surplus or deficit, except that it is debited to the revaluation

surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

# Ga Segonyana Local Municipality

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## Accounting Policies

- (b) in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and
- (c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit or net assets under (a). If a revaluation is necessary, all assets of that class are revalued. **1.7 Intangible assets**

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

### 1.7 Intangible assets (continued)

Computer  
software

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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 an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

### 1.8 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

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# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

Class of heritage assets means a grouping of heritage assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the Annual Financial Statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

### 1.8.1 Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably. **1.8.2 Initial measurement**

Heritage assets are measured at cost.

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

### 1.8.3 Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost.

### 1.8.4 Impairment

The municipality assess its heritage assets at each reporting date to determine whether there is an indication of impairment. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

## 1.9 Financial instruments

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

Financial instruments are recognised when the municipality becomes a party to contractual provision of the instruments.

Financial instruments are initially recognised at amortised cost.

### 1.9 Financial instruments (continued)

Financial Instruments are categorised according to their nature as either financial instruments at fair value, held at amortised cost, or held at cost. The classification depends on the nature and terms of the financial instrument for which the financial instruments were obtained / incurred and takes place at initial recognition.

#### 1.9.11 Cash and Cash Equivalents

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

Cash and cash equivalents comprise cash on hand, demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at cost.

### 1.10 Statutory receivables

#### Identification

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

#### Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

#### Initial measurement

The entity initially measures statutory receivables at their transaction amount.

#### Subsequent measurement

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

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

#### Accrued interest

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

# Ga Segonyana Local Municipality

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## Accounting Policies

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

### Other charges

#### 1.10 Statutory receivables (continued)

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

### Impairment losses

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

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

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

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

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

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

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

### Derecognition

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

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

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

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

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

### 1.11 Tax

#### VAT

The municipality pays Value Added Tax (VAT) to South African Revenue Service on a payment basis in accordance with section 15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991), however the municipality accounts for VAT on an accrual basis.

### 1.12 Leases

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

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

#### 1.11.1 Finance leases - lessee

##### Initial recognition

Finance leases are recognised as assets and liabilities in the Statement of Financial Position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

##### Subsequent measurement

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

Any contingent rents are expensed in the period in which they are incurred.

### 1.13 Inventories

#### 1.12.1 Initial recognition

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

#### 1.12.2 Subsequent measurement

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

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

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

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

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

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

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

#### 1.12.3 Derecognition

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.14 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

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

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

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

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

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

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

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

Useful life is either:

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

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cashgenerating assets, are as follows: **1.13.1 Identification**

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

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

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

### 1.13.2 Value in use

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

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

## 1.14 Impairment of cash-generating assets (continued)

### 1.13.3 Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

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

### 1.13.4 Composition of estimates of future cash flows

Estimates of future cash flows include:

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

Estimates of future cash flows exclude:

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

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

### 1.15 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

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

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

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

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

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

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

# Ga Segonyana Local Municipality

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## Accounting Policies

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

Useful life is either:

### 1.15 Impairment of non-cash-generating assets (continued)

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

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cashgenerating assets, are as follows: **1.14.1 Identification**

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period. **1.14.2 Value in use**

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

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

### 1.14.3 Depreciated replacement cost approach

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

The replacement cost and reproduction cost of an asset is determined on an "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 oversized or overcapacity asset. Oversized 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.

### 1.14.4 Restoration cost approach

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## Accounting Policies

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

### 1.14.5 Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

## 1.15 Impairment of non-cash-generating assets (continued)

### 1.14.6 Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (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.

## 1.16 Employee benefits

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

### 1.15.1 Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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## Accounting Policies

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

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

### 1.15.2 Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which a municipality pays fixed contributions into a separate 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 municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

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

## 1.17 Provisions and contingencies

### 1.16.1 Initial Recognition

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 reflects current market assessments of the time value of money and the risks specific to the liability.

### 1.16.2 Subsequent measurement

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

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## Accounting Policies

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 deficits.

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

### 1.18 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

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

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

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

#### 1.17.1 Measurement

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

#### 1.17.2 Sale of goods (stands and licences and permits)

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.

### 1.18 Revenue from exchange transactions (continued)

#### 1.17.3 Rendering of services

Rendering of services includes the following service charges: refuse removal, electricity, water and sewerage. 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;

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## Accounting Policies

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The municipality recognises prepaid electricity revenue on a prepaid basis as it is difficult for the municipality to determine the amount consumed as at year end for prepaid meters.

### 1.17.4 Interest

Revenue arising from the use by others of the municipality's assets yielding interest 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 revenue is recognised on a time proportion basis.

### 1.17.5 Rental of facilities

Rental of facilities and equipment revenue arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

### 1.17.6 Other Income

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

## 1.19 Revenue from non-exchange transactions

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

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

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

The municipality's main source of revenue from non-exchange transactions income include property rates, government grants and subsidies, public contributions, donations, fines and penalties.

### 1.19 Revenue from non-exchange transactions (continued)

#### 1.18.1 Recognition

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Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

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 nonexchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

### 1.18.2 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.

### 1.18.3 Property Rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

### 1.18.4 Government grants, Public contributions and donations

Transfer revenue include government grants, subsidies, public contributions, donations, fines, penalties and forfeits. Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. Apart from services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

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

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

### 1.18.5 Fines

Fines are economic benefits or service potential received or receivable by municipality, as determined by a court of other law enforcement body, as a consequence of the breach of laws or regulations. Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

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

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## Accounting Policies

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

### 1.18.6 Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

### 1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are

incurred. **1.21 Comparative figures**

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

current year. **1.22 Unauthorised expenditure**

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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.

### 1.23 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.24 Irregular expenditure

(a) this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or (c) any provincial legislation providing for procurement procedures in that provincial government.

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

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Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

contravention of the economic municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programmed/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

### 1.25 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

### 1.25 Segment information (continued)

- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

### Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit,

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Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

### 1.26 Budget information

Municipality is subject to budgetary limits in the form of an approved and an adjustment budget which is given effect through council.

General purpose financial reporting by the municipality provides information on whether resources were obtained and used in accordance with the approved budget.

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

The approved budget covers the fiscal period from 2020/07/01 to 2020/03/31.

The annual financial statements and the approved budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Comparative information is not required.

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

### 1.27 Related parties

Related parties and related party transactions Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

### 1.28 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the Annual 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)

-those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date). There were no significant post balance sheet events that affected the Annual Financial Statements as at 30 June 2020.

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Accounting Policies

### 1.29 Expenditure

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

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

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

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

Generally, expenses are accounted for on an accrual basis at fair value. Under the accrual basis of accounting expenses are recognised when incurred usually when goods are received or services are consumed. This may not be when the goods or services are actually paid for. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction.

Major expenses include:

- Write downs of inventory and decreases in fair values of financial instruments classified as held at fair value.
- Losses on the disposal of non-current assets are reported separately from expenses in the Statement of Financial Performance.
- Repairs and maintenance - inclusive of repairs and maintenance to buildings, infrastructure assets, motor vehicles and sports and recreational facilities;
- Bulk purchases - expenditure on the procurement of bulk electricity;
- Contracted services – included are debt collection costs, data cleansing costs, service level agreement costs, property valuation roll and asset register verification costs, software support costs and security services costs.
- Transfers and grants which relate to expenditure pertaining to free basic services; and
- General expenses which constitute several expense items which are not individually significant.
- Employee cost - relating to cost associated with employee contracts.
- Depreciation - Cost associated with the amortisation of property, plant and equipment..

### 1.30 Fines provision methodology

1) Obtain issued fines (Unadjusted issued fines) for the past 3 to 5 years.

a) Adjust the fines by the below adjustments:

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### Accounting Policies

- b) Reduce the fines by the amount of fines withdrawn/cancelled.
- c) Also reduce the fines by amounts reduced.
- 2) Increase the fines by amounts increased for unpaid fines.
- 3) Obtain the final total of amounts of a) to c) above.
- 4) Adjust the issued fines by a) to c) above to get final collectible issued fines.
- 5) Calculate the percentage discount rate of collectible issued fines as a percentage of unadjusted issued fines in 1) above
- 6) Calculate average discount rate for the number of years the data was obtained e.g. if 3 years, calculate average over 3 years and if 5 years calculate average over 5 years.

#### 1.30 Fines provision methodology

**(continued)** 7) The provision is calculated as

follows:

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

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## Notes to the Annual Financial Statements

### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<input type="checkbox"/> <input type="checkbox"/> Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2020	Unlikely there will be a material impact
<input type="checkbox"/> Guideline: Guideline on Accounting for Landfill Sites	01 April 2020	Unlikely there will be a material impact

### 3. Inventories

Other inventories held for sale (land)	63 371 783	78 477 183
Consumable stores	3 342 879	4 010 170
Water	64 802	48 562

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### Notes to the Annual Financial Statements

Inventories (write-downs)	66 779 464	82 535 915
	-	(20 991)
<b>3.1 Other Inventory held for sale (land)</b>	<b>66 779 464</b>	<b>82 514 924</b>
Opening balance Disposals		
<b>Closing Balance</b>		
<b>Inventory pledged as security</b>	78 477 183	81 068 783
No inventory was pledged as security.	(15 105 400)	(2 591 600)
<b>4. Receivables from non-exchange transactions</b>	<b>63 371 783</b>	<b>78 477 183</b>
Fines		
Consumer debtors - Rates		
Included in receivables from non-exchange transactions are balances owing from property rates as follows:		
	9 490 109	6 549 505
	12 552 490	13 059 974
	<b>22 042 599</b>	<b>19 609 479</b>
Current (0 - 30 days)	142 148	215 169
31 - 60 days	1 846 436	892 861
61 - 90 days	1 574 834	730 463
91 - 120 days	1 423 849	645 159
121 - 365 days	10 020 117	3 626 136
> 365 days	13 353 026	21 194 397

## Ga Segonyana Local Municipality

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### Notes to the Annual Financial Statements

Less: Allowance for impairment

	28 360 410	27 304 185
		(14 244 211)
	(15 807 920)	211
	<b>2021</b>	<b>2020</b>
	<b>R</b>	<b>R</b>

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

Net balance	12 552 490	13 059 974
<b>Fines</b>		
Gross fines	10 362 634	7 174 071
Impairment	(872 525)	(624 566)
	<b>9 490 109</b>	<b>6 549 505</b>

#### Credit quality of receivables from non-exchange transactions

The credit quality of receivables from non-exchange transactions that are past due but not impaired have been assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Based on the assessment conducted by the municipality, the quality of these debtors is considered to be satisfactory.

#### 5. Value Added Tax

VAT	6 270 980	4 151 647
Amounts outstanding from SARS at year end		6 919 762
VAT on accrual basis	4 871 809	(2 768 115)
	1 399 171	115
	<b>6 270 980</b>	<b>4 151 647</b>

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

	2021	2020
	R	R
<b>6. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Electricity	36 714 422	18 937 556
Water	9 938 243	9 789 676
Sewerage	17 782 617	16 685 889
Refuse	8 640 887	9 980 775
Sundry debtors	29 850 331	30 896 175
<b>Less: Allowance for impairment</b>	<b>102 926 500</b>	<b>86 290 071</b>
Less: Allowance for impairment		(33 383 770)
<b>Net balance</b>	<b>(45 395 094)</b>	<b>770</b>
<b>Included in above is Sundry receivables from exchange transactions</b>		
Rental	<b>57 531 406</b>	<b>52 906 301</b>
		7 008 862
Accrued Income	17 718 025	23 613 328
Staff Recovery	281 744	273 985
Land sales	4 446 000	-
	<b>29 850 330</b>	<b>30 896 175</b>
<b>Rental</b>	<b>Accrued</b>	<b>Staff Recovery</b>
	<b>Income</b>	

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### Net balance

#### Sundry Receivable Ageing 2021

				<b>29 850 330</b>	<b>30 896 175</b>
				<b>Land Sale</b>	<b>Total</b>
Current (0 -30 days)	246 976	20 130	13 688	-	280 794
31 - 60 days	103 589	1 596	3 632	-	108 817
61 - 90 days	101 888	26 926	3 189	-	132 003
91 - 120 days	94 654	87 380	3 177	-	185 211
121 - 365 days	1 544 053	52 297	21 048	-	1 617 398
> 365 days	5 313 401	17 529 696	237 010	4 446 000	27 526 107
<b>Sundry Receivable Ageing 2020</b>	<b>7 404 561</b>	<b>17 718 025</b>	<b>281 744</b>	<b>4 446 000</b>	<b>29 850 330</b>

	<b>Rental</b>	<b>Accrued Income</b>	<b>Staff Recovery</b>	<b>Land Sale</b>	<b>Total</b>
Current (0 -30 days)	1 240 461	1 839	95 954	-	1 338 254
31 - 60 days	106 187	1 202	8 695	-	116 084
61 - 90 days	102 714	1 195	3 662	-	107 571
91 - 120 days	102 794	1 208	3 320	-	107 322
121 - 365 days	525 391	3 122 303	5 654	-	3 653 348
> 365 days	4 931 315	20 485 581	156 700	-	25 573 596
	<b>7 008 862</b>	<b>23 613 328</b>	<b>273 985</b>	<b>-</b>	<b>30 896 175</b>

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

	2021	2020
	R	R
<b>6. Receivables from exchange transactions (continued)</b>		
<b>Electricity</b>		
Current (0 -30 days)	5 336 488	5 254 771
31 - 60 days	1 851 801	1 225 752
61 - 90 days	1 470 246	1 287 763
91 - 120 days	1 277 885	1 160 233
121 - 365 days	10 755 993	7 741 639
> 365 days	16 022 009	2 267 389
	<b>36 714 422</b>	<b>18 937 547</b>
<b>Water</b>		
Current (0 -30 days)		2 229 073
31 - 60 days	1 890 499	881 732
61 - 90 days	845 849	720 577
91 - 120 days	682 849	537 429
121 - 365 days	650 282	2 903 774
> 365 days	2 874 622	2 517 091
	<b>9 938 243</b>	<b>9 789 676</b>

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### Sewerage

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Current (0 -30 days)	1 213 111	1 410 146
31 - 60 days	751 601	883 960
61 - 90 days	685 247	826 057
91 - 120 days	670 715	773 056
121 - 365 days	3 688 502	4 846 606
> 365 days	10 773 441	7 946 064
<b>Refuse</b>	<b>17 782 617</b>	<b>16 685 889</b>

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Current (0 -30 days)	699 750	967 250
31 - 60 days	438 872	537 647
61 - 90 days	390 366	474 494
91 - 120 days	408 307	440 112
121 - 365 days	2 083 044	2 648 941
> 365 days	4 620 548	4 912 331
<b>Sundry debtors</b>	<b>8 640 887</b>	<b>9 980 775</b>

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Current (0 -30 days)	1 312 685	1 338 636
31 - 60 days	62 899	116 461
61 - 90 days	8 770	107 940
91 - 120 days	185 211	107 690
121 - 365 days	1 210 351	3 656 154

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## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

> 365 days	26 903 792	25 569 294
<b>Reconciliation of allowance for impairment</b>	<b>29 683 708</b>	<b>30 896 175</b>
Balance at beginning of the year		(27 525 (33 383 770) 619)
Contributions to allowance	(12 011 324)	(5 858 151)
	<b>(45 395 094)</b>	<b>(33 383 770)</b>

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

##### Credit quality of consumer debtors

The credit quality of receivables from exchange transactions that are past due but not impaired have been assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Based on the assessment conducted by the municipality, the quality of these debtors is considered to be satisfactory. **7. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	3 400	33 030
Other cash and cash equivalents	90 462 740	59 237 057
	<b>90 466 140</b>	<b>59 270 087</b>

The entity had the following bank accounts-

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
FNB CHEQUE ACC - 62649722883	18 567 378	1 068 873	259 466	18 557 833	1 068 273	259 466
FNB CHEQUE ACC - 62652542632	170 602	(11 911)	161	234 947	84 744	161

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

FNB 7 DAY CALL ACC - 74690806392	60 225 856	40 035 293	156 699	60 225 857	40 035 293	156 699
FNB CALL ACCOUNT- 62671219048	11 444 103	18 048 747	128 681	11 444 103	18 048 747	128 681
<b>Total</b>	<b>90 407 939</b>	<b>59 141 002</b>	<b>545 007</b>	<b>90 462 740</b>	<b>59 237 057</b>	<b>545 007</b>

#### 8. Investment property

	2021		2020	
	Cost / Valuation	Carrying value	Cost / Valuation	Carrying value
Investment property				
<b>Reconciliation of investment property - 2021</b>	18 229 634	-	18 229 634	-
			<b>Opening balance</b>	<b>Total</b>
Investment property			18 229 634	18 229 634

#### Reconciliation of investment property - 2020

	Opening	Additions	Disposals	Fair value Total balance adjustments
Investment property	28 100 000	9 289 634	(19 296 000)	136 000
				18 229 634

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

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### 8. Investment property (continued)

##### Details of valuation

Investment property is reviewed by a professional valuer once every 4 years in line with the statutory requirements of the Municipal Property Rates Act (Chapter 6 of 2004). The last external valuation was done by an independent professional valuer on 1 July 2018. The valuation which conforms to international valuation standards is arrived at by reference to market evidence of transaction prices for similar properties.

The revaluation of investment property was performed by TT Property Consultants (BENJAMIN NARE MAKGAKGA PROFESSIONAL ASSOCIATED VALUER -Pr.No.6996/0).

#### 9. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land						
Buildings	12 918 100	-	12 918 100	12 918 100	-	12 918 100
Plant and machinery	218 382 404	(87 377 753)	131 004 651	217 025 937	(86 273 981)	130 751 956
Furniture and fixtures	4 049 685	(2 761 453)	1 288 232	4 054 959	(2 610 150)	1 444 809
Motor vehicles	9 233 730	(6 886 222)	2 347 508	10 033 548	(7 461 011)	2 572 537
Office equipment	17 237 745	(9 479 235)	7 758 510	24 624 963	(18 731 894)	5 893 069
Infrastructure	7 596 177	(5 261 504)	2 334 673	8 615 595	(4 940 787)	3 674 808
<b>Total</b>	<b>2 211 309 390</b>	<b>(703 225 056)</b>	<b>1 428 163 534</b>	<b>2 067 424 371</b>	<b>(732 323 449)</b>	<b>1 335 100 922</b>
	<b>2 480 807 231</b>	<b>(894 992 023)</b>	<b>1 585 815 208</b>	<b>2 344 697 473</b>	<b>(852 341 272)</b>	<b>1 492 356 201</b>

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

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

##### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	12 918 100	-	-	-	-	-	12 918 100
Buildings	130 751 956	17 296 161	(11 968 461)	-	(4 950 696)	(124 309)	131 004 651
Plant and machinery	1 444 809	169 286	(39 441)	-	(281 758)	(4 664)	1 288 232
Furniture and fixtures	2 572 537	688 709	(119 330)	-	(789 755)	(4 653)	2 347 508
Motor vehicles	5 893 069	3 475 819	-	-	(1 610 378)	-	7 758 510
Office equipment	3 674 808	136 867	(76 860)	-	(1 394 724)	(5 418)	2 334 673
Infrastructure	1 335 100 922	155 650 747	(6 205 796)	-	(47 673 597)	(8 708 742)	1 428 163 534
<b>Reconciliation of property, plant and equipment - 2020</b>	<b>1 492 356 201</b>	<b>177 417 589</b>	<b>(18 409 888)</b>	<b>-</b>	<b>(56 700 908)</b>	<b>(8 847 786)</b>	<b>1 585 815 208</b>

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	19 962 100	-	(7 044 000)	-	-	12 918 100
Buildings	129 384 037	7 881 287	(1 594 233)	(4 919 135)	-	130 751 956
Plant and machinery	1 340 228	378 109	(3 614)	(265 382)	(4 532)	1 444 809
Furniture and fixtures	2 291 429	943 584	(24 624)	(701 808)	63 956	2 572 537
Motor vehicles	6 770 545	3 621 395	(339)	(4 502 811)	4 279	5 893 069
Office equipment	2 336 324	2 840 845	(91 263)	(1 411 722)	624	3 674 808
Infrastructure	1 221 010 754	170 081 699	(4 644 185)	(51 347 346)	-	1 335 100 922
	<b>1 383 095 417</b>	<b>185 746 919</b>	<b>(13 402 258)</b>	<b>(63 148 204)</b>	<b>64 327</b>	<b>1 492 356 201</b>
<b>Assets subject to finance lease (Net carrying amount)</b>						
Furniture and fixtures	2 228 639	2 981 968				
Office Equipment	2 701 836	1 484 098				

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Motor vehicles

- 4 063 810

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**8 529 876**

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

	2021	2020
	R	R
<b>9. Property, plant and equipment (continued)</b>		
<b>Additions Reconciliation</b>		
<b>Property, plant and equipment additions on is split into the following;</b>		
Property plant and equipment procured through cash received by the Municipality	139 445 022	134 689 194
Property plant and equipment procured through mining donations	37 972 567	49 583 813
	<b>177 417 589</b>	<b>184 273 007</b>
<b>Property, plant and equipment in the process of being constructed or developed</b>		
<b>Cumulative expenditure recognised in the carrying value of property, plant and equipment</b>		
Infrastructure	124 574 967	244 264 570
Community	12 759 973	8 360 317
	<b>137 334 940</b>	<b>252 624 887</b>
<b>Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected</b>		
RBIG	-	114 509 355
Delay due to delivery of material which were damaged and signing of the happy letters due to unavailability of some of the beneficiaries, Miscalcula by Consultant in including their fees on the Construction cost, as a result number of units increased from 380- 496	-	114 509 355
<b>Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)</b>		
	<b>Included within</b>	
	<b>Infrastructure</b>	<b>-</b>

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### Reconciliation of Work-in-Progress 2021

		<b>Included within</b>	
		<b>Community</b>	<b>Total</b>
Opening balance	244 264 570	8 360 317	252 624 887
Additions/capital expenditure	161 437 778	11 509 130	172 946 908
Transferred to completed items		-	(104 056 848)
<b>Reconciliation of Work-in-Progress 2020</b>	<b>(104 056 848)</b>	<b>19 869 447</b>	<b>321 514 947</b>
	<b>301 645 500</b>		<b>947</b>

	<b>Included within</b>	<b>Included within</b>	
	<b>Infrastructure</b>	<b>Community</b>	<b>Total</b>
Opening balance	96 131 576	9 954 550	106 086 126
Additions/capital expenditure	175 453 698	915 055	176 368 753
Transferred to completed items	(21 948 705)	(7 881 287)	(29 829 992)
	<b>249 636 569</b>	<b>2 988 318</b>	<b>252 624 887</b>

**2021**                      **2020**

**R**                                      **R**

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

##### Expenditure incurred to repair and maintain property, plant and equipment

<b>Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance</b> Buildings	165 702	171 075
Plant and Equipment	4 990 998	87 256

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Motor Vehicles	-	958 745
Office Equipment	-	452 325
Infrastructure	-	1 325 458
	<b>5 156 700</b>	<b>2 994 859</b>

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

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

2021

2020

R

R

#### 10. Intangible assets

2021

2020

#### Reconciliation of intangible assets - 2021

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

#### Reconciliation of intangible assets - 2020

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	245 925	244 717	(26 281)	(179 748)	284 613

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Computer software

Cost / Valuation	Accumulated value amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated value amortisation and accumulated impairment	Carrying value
1 634 574	(912 562)	722 012	1 156 244	(871 631)	284 613

#### 11. Heritage assets

	2021			2020		
	Cost / Valuation	Accumulated value impairment	Carrying losses	Cost / Valuation	Accumulated value impairment	Carrying losses
Mayoral chain						
The Eye	5 462	-	5 462	5 462	-	5 462
<b>Total</b>	1 650 180	-	1 650 180	1 650 180	-	1 650 180
<b>Reconciliation of heritage assets 2021</b>	<b>1 655 642</b>	<b>-</b>	<b>1 655 642</b>	<b>1 655 642</b>	<b>-</b>	<b>1 655 642</b>

	Opening balance	Total
Mayoral chain	5 462	5 462
The Eye	1 650 180	1 650 180

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements Reconciliation of heritage assets 2020

Mayoral chain

The Eye

	<b>1 655 642</b>	<b>1 655 642</b>
	<b>Opening balance</b>	<b>Total</b>
	5 462	5 462
	1 650 180	1 650 180
	<b>1 655 642</b>	<b>1 655 642</b>

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

**12. Other financial liabilities** 10 537 642 12 641 287

**At amortised cost**

DBSA Bank loan

The Borrower shall cede to the DBSA, security in the form of a cession over its income stream, covering the installments outstanding, plus interest and collection charges outstanding, at any time during the term of the loan

The borrower hereby agrees to create and deposit at a recognised commercial bank, an amount equal to two installments over a period of one year of the respective loan period. This amount is to be ceded to the DBSA as security for the loan

10 537 615

8 355 780

**Non-current liabilities** At amortised cost

**Current liabilities**

At amortised cost

2 103 672

2 181 862

As at 30 June 2021, the Municipality had the following concessionary loans from DBSA:

Contract number	Loan number	Start date	Planned end date	Loan term (Years)	Loan Amount	Nominal Value June 2021	Interest rate per annum
61000632	102568/2	2007/11/19	2027/12/31	20	3 512 071	1 574 386	5,00 %
61000505	102274/2	2006/03/01	2026/02/28	20	12 109 500	5 076 336	8,46 %
61000357	101738/2	2005/03/24	2025/06/30	20	7 183 596	2 605 133	9,34 %
61003307	13891/201	2001/12/20	2023/06/30	20	3 849 273	96 232	10,75 %

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

61000038                                      100234/1      2003/08/07    2024/12/31                      20                      4 341 243    1 185 553                      11,50 %

Contract number: 102568/2

- Grace period: 3.25 year

Contract number: 102274/2

- Grace period: 4 years

Contract number: 101738/2

- Grace period: 5 years

Contract number: 13891/201

Grace period: 8.5 years

Contact number: 100234/1

- Grace period: 6.5 years

#### Maturity analysis

At 30 June 2021	Less than 1 year	Between 1 years and 2 years	Between 2 and 5 years	Over 5 years
DBSA Bank loan	2 181 862	8 091 444	264 335	-
At 30 June 2020	Less than 1 year	Between 1 years and 2 years	Between 2 and 5 years	Over 5 years
DBSA Bank loan	2 103 672	2 181 861	8 355 752	-

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.

### Notes to the Annual Financial Statements

#### 12. Other financial liabilities (continued)

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

#### 13. Finance lease obligation

##### Minimum lease payments due

- within one year	1 078 380	2 925 896
- in second to fifth year inclusive	770 650	1 849 030
	1 849 030	4 774 926
less: future finance charges	(444 712)	(1 167)

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

<b>Present value of minimum lease payments</b>		621)
	<b>1 404 318</b>	<b>3 607 305</b>
<b>Present value of minimum lease payments due - within one year</b>		
	739 380	2 202 988
- in second to fifth year inclusive	664 938	1 404 317
	<b>1 404 318</b>	<b>3 607 305</b>
Non-current liabilities		
	664 938	1 404 317
Current liabilities	739 380	2 202 988
	<b>1 404 318</b>	<b>3 607 305</b>

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

Leases relating to motor vehicles expired in August 2020. Finance leases existing as at 30 June relates to photocopiers.

The average lease term was 2-5 years and the average effective borrowing rate was 7% (2020: 7%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

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

#### 14. Payables from exchange transactions

Trade payables	17 328 160	19 005 827
Accruals	1 506 583	455 393
Unallocated deposits	1 892 301	752 769
Retention monies	15 405 571	14 293 544
Sale of stands - (pending transfer)	6 945 617	7 309 587

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Sundry payables	222 835	134 178
Debtors with credit balances	7 554 124	4 185 284
Employee costs accrual	532 298	180 800
Group life Insurance	4 902 164	4 058 498
Leave pay	9 870 134	7 207 485
	<b>70 064 798</b>	<b>60 597 085</b>
		4 073
	4 790 877	242
	519 378	741 519
	<b>5 310 255</b>	<b>4 814 761</b>
Bonus	3 905 011	3 013 720

#### 15. Consumer deposits

Service accounts

Housing rental

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

**2021**                      **2020**

**R**

**R**

#### 16. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

##### Carrying value

Present value of the defined benefit obligation-wholly unfunded	(28 407 000)	(23 763 000)
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## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Present value of the defined benefit obligation wholly unfunded	(7 176 000)	(6 031 000)
Non-current liabilities	<b>(35 583 000)</b>	<b>(29 794 000)</b>
		(28 111 000)
	(34 131 000)	
Current liabilities	(1 452 000)	(1 683 000)
	<b>(35 583 000)</b>	<b>(29 794 000)</b>

The Municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the medical aid fund, with which the municipality is associated, a member is entitled to continued as a member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-employment benefits are provided to these employees.

The most recent actuarial valuation of plan assets and the present value of the defined obligation were carried out at 30 June 2021 by Mr. C Weiss. Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

#### Long service award

The members of the long service award are made up as follows:

Eligible employees at the beginning of the financial year	316	307
New Entries	35	32
Exits	(6)	(23)
	<b>345</b>	<b>316</b>

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

Opening balance		5 550
	6 031 000	717
Total annual expenditure	610 000	719 463
Acturial loss/(gains)	535 000	(239 180)
<b>The amounts recognised in the Statement of Financial Performance are as follows:</b>	<b>7 176 000</b>	<b>6 031 000</b>

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

**follows:** Current service cost

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	717 000	691 632
Interest cost	431 000	439 162
Actuarial (gains) losses	535 000	(239 180)
Expected vesting of benefits	(538 000)	(411 331)
	<b>1 145 000</b>	<b>480 283</b>

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

Assumptions used at the reporting date:

Discount rate	9,35%	7,48 %
General earnings inflation rate	5,81 %	4,07 %
Net Discount	3,35 %	3,28 %
Average retirement age	62	62
Pre-retirement mortality	SA85-90	SA85-90

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## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### 16. Employee benefit obligations (continued)

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

A discount rate of 9.35% per annum has been used. This yield was obtained by calculating the duration of the liability and then taking the yield from the yield index-linked yield is 3.85%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2021. The duration of the total liability was estimated to be 9.75 years curve at that duration using an iterative process (because the yield depends on the duration, which in turn depends on the liability). The corresponding liability-weighted index-linked yield is 3.85%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2021. The duration of the total liability was estimated to be 9.75 years.

#### Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

<u>Assumption</u>	<u>Change</u>	<u>Liability</u>	<u>%</u>
			<u>Change</u>
Central assumptions		7 176 000	
General earnings inflation rate	+1%	7 629 000	6%
	-1%	6 765 000	6%
Discount rate	+1%	6 754 000	6%
	-1%	7 648 000	7%
Average retirement age	+2%	7 667 000	7%
	-2%	6 516 000	9%
Withdrawal rates	x2	5 621 000	22%
	x0.5	8 247 000	15%

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

Assumption	Change	Current-	Interest	Total	% Change
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## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

		<b>Svc. Cost</b>	<b>Cost</b>		
<b>Central assumptions</b>		894,000	654,000	1,548,000	
<b>General earnings</b>	+1%	963,000	696,000	1,659,000	7%
<b>inflation rate</b>	-1%	833,000	615,000	1,448,000	-6%
<b>Discount rate</b>	+1%	840,000	680,000	1,520,000	-2%
	-1%	956,000	623,000	1,579,000	2%
<b>Average retirement age</b>	+2 yrs	945,000	699,000	1,644,000	6%
	-2 yrs	821,000	593,000	1,414,000	-9%
<b>Withdrawal rates</b>	x2	653,000	508,000	1,161,000	-25%
	x0.5	1,069,000	754,000	1,823,000	18%

#### Sensitivity Analysis on Current-Service and Interest Costs for year ending 30/06/2021

<b>Assumption</b>	<b>Change</b>	<b>Current- Svc. Cost</b>	<b>Interest Cost</b>	<b>Total</b>	<b>% Change</b>
<b>16.Employee benefit obligations (continued)</b>					
<b>Central assumptions</b>		717,000	431,000	1,148,000	
<b>General earnings</b>	+1%	774,000	462,000	1,236,000	8%
<b>inflation rate</b>	-1%	667,000	404,000	1,071,000	-7%
<b>Discount rate</b>	+1%	671,000	457,000	1,128,000	-2%
	-1%	769,000	401,000	1,170,000	2%
<b>Average retirement age</b>	+2 yrs	760,000	463,000	1,223,000	7%
	-2 yrs	659,000	391,000	1,050,000	-9%
<b>Withdrawal rates</b>	x2	516,000	329,000	845,000	-26%

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

x0.5      862,000      503,000      1,365,000      19%

The history of experienced adjustments is as follows:

	2021	2020	2019	2018	2017
	R	R	R	R	R
Defined benefit obligation	7 176 000	6 031 000	5 550 717	4 862 913	4 353 215
Surplus (deficit)	(7 176 000)	(6 031 000)	(5 550 717)	(4 862 913)	(4 353 215)
Experience adjustments on plan liabilities	621 000	55 820	300 806	193 943	76 211

### Impact of COVID 19

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this stage. There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effect treatments and/or vaccines will have.

The sensitivities in Table 7.1 (and 7.3) above may be used to understand the potential impacts on the liability (and expenses) of, for example, an increase in the expected general earnings inflation rate, or an increase in the discount rate, or an increase in the withdrawal rates.

Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

### Post employment medical aid subsidy

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

In-Service (employee) members	225	190
In-service (employee) non-members	120	126
Continuation (retiree and widow) members	24	26
	<b>369</b>	<b>342</b>

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

Opening balance	23 746
	23 763 000
	202

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Contributions by plan participants	4 644 000	16 798
	<b>28 407 000</b>	<b>23 763 000</b>
<b>The amounts recognised in the Statement of Financial Performance are as follows:</b>		

	2021	2020
	R	R
<b>16. Employee benefit obligations (continued)</b>		
Current service cost	1 324 000	1 478 611
Interest cost	2 397 000	2 494 640
Actuarial (gains) losses	2 068 000	(6 313 311)
Settlement	(1 145 000)	(1 129 912)
	<b>4 644 000</b>	<b>(3 469 972)</b>

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

Assumptions used at the reporting date:

Discount rates used	10,09 %	10,33 %
Health care cost inflation rate	6,81 %	6,40 %
Net-of-health-care-cost-inflation discount rate	3,07 %	3,69 %
Maximum subsidy inflation rate	4,73 %	4,43 %
Net-of-maximum-subsidy-inflation discount rate	5,12 %	5,65 %
Average retirement age	62	62
Mortality during employment	SA 85-90 90	SA 85-
Proportion with a spouse dependant at retirement	60,00 %	60,00 %

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Continuation of membership at retirement	75,00 %	75,00 %
Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy at retirement	15,00 %	15,00 %
	-	-

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

A discount rate of 10.09% per annum has been used. The corresponding index-linked yield at this term is 4.06%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2021.

These rates were calculated by using a liability-weighted average of the yields for the three components of the liability. Each component's fixed-interest and index-linked yields were taken from the respective bond yield curves at that component's duration, using an iterative process (because the yields depend on the liability, which in turn depends on the yields).

#### **Health Care Cost Inflation Rate:**

This assumption is required to reflect estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs (for example, due to technological advances or changes in utilization patterns). Any assumption regarding future medical scheme contribution increases is therefore subjective.

A health care cost inflation rate of 6.81% has been assumed. This is 1.50% in excess of expected CPI inflation over the expected term of the liability, namely 5.31%. A larger differential would be unsustainable, eventually forcing members to less expensive options. This implies a net discount rate of 3.07% which derives from  $((1+10.09\%)/(1+6.81\%))-1$ .

The expected inflation assumption of 5.31% was obtained from the differential between market yields on index-linked bonds consistent with the estimated term of the liabilities (4.06%) and those of fixed interest bonds (10.09%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). This was therefore determined as follows:  $((1+10.09\%-0.50\%)/(1+4.06\%))-1$ .

The next contribution increase was assumed to occur with effect from 1 January 2022.

#### **Sensitivity analysis**

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

##### **Sensitivity Analysis on the Accrued Liability (R Millions)**

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### 16. Employee benefit obligations (continued)

Assumption	Change	Eligible Continuation		Total	%
		Employees	Members		
<b>Central assumptions</b>		16.562	11.845	28.407	
<b>Health care inflation rate</b>	+1%	18.148	12.315	30.463	7%
	-1%	14.476	11.258	25.734	-9%
<b>Discount rate</b>	+1%	13.840	10.931	24.771	-13%
	-1%	20.071	12.909	32.980	16%
<b>Post-employment mortality</b>	+1 yr	16.161	11.464	27.625	-3%
	-1 yr	16.954	12.225	29.179	3%
<b>Average retirement age</b>	-1 yr	18.313	11.845	30.158	6%
<b>Membership continuation</b>	-10%	14.489	11.845	26.334	-7%

#### Sensitivity Analysis on Current-Service and Interest Costs for year ending 30/06/2021

Assumption	Change	Current-	Interest	Total	%
		Svc. Cost	Cost		
<b>Central assumptions</b>		1,324,000	2,397,000	3,721,000	
<b>Health care inflation rate</b>	+1%	1,477,000	2,591,000	4,068,000	9%
	-1%	1,133,000	2,160,000	3,293,000	-12%
<b>Discount rate</b>	+1%	1,109,000	2,306,000	3,415,000	-8%
	-1%	1,604,000	2,496,000	4,100,000	10%
<b>Post-employment mort.</b>	-1 yr	1,355,000	2,462,000	3,817,000	3%

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

<b>Average retirement age</b>	-1 yr	1,429,000	2,536,000	3,965,000	7%
<b>16.Employee benefit obligations (continued)</b>					
<b>Membership continuation</b>	-10%	1,077,000	2,135,000	3,212,000	-14%

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

<b>Assumption</b>	<b>Change</b>	<b>Current- Svc. Cost</b>	<b>Interest Cost</b>	<b>Total</b>	<b>% Change</b>
<b>Central assumptions</b>		1,705,000	2,814,000	4,519,000	
<b>Health care inflation rate</b>	+1%	1,875,000	3,021,000	4,896,000	8%
	-1%	1,473,000	2,544,000	4,017,000	-11%
<b>Discount rate</b>	+1%	1,412,000	2,689,000	4,101,000	-9%
	-1%	2,085,000	2,950,000	5,035,000	11%
<b>Post-employment mortality</b>	+1 yr	1,665,000	2,735,000	4,400,000	-3%
	-1 yr	1,745,000	2,891,000	4,636,000	3%
<b>Average retirement age</b>	-1 yr	1,917,000	2,990,000	4,907,000	9%
<b>Membership continuation</b>	-10%	1,494,000	2,604,000	4,098,000	-9%

The history of experienced adjustments is as follows:

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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### **Notes to the Annual Financial Statements**

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Defined benefit obligation	28 407 000	23 763 000	27 233 000	22 108 000	20 471 000
Surplus (deficit)	(28 407 000)	(23 763 000)	(27 233 000)	(22 108 000)	(20 471 000)
Experience adjustments on plan liabilities	28 400	1 188 000	679 000	604 000	418 000

#### **Impact of COVID-19**

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this stage. There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effect treatments and/or vaccines will have.

The sensitivities in Table 7.1 (and 7.3) above may be used to understand the potential impacts on the liability (and expenses) of, for example, an increase in the expected health care cost inflation rate, or an increase in the discount rate, or a reduction in expected longevity (" +1 yr" in the tables).

Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

#### **17. Unspent conditional grants and receipts**

**Unspent conditional grants and receipts comprises of:**

##### **Unspent conditional grants and receipts**

Municipal Infrastructure Grant	10 397 696	3 841 664
Finance Management Grant	703 812	-
EPWP Grant	287 618	168 058
INEP Grant	190 769	726 181
Covid-19 Additional Equitable Share	20 015 869	-
Water Services Infrastructure Grant	-	30 896 673

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

<b>31 595 764</b>	<b>35 632</b>
	<b>576</b>

#### 18. Provisions

##### Reconciliation of provisions - 2021

Provision for rehabilitation of landfill sites	Opening Balance	Change in discount factor	Total
<b>Reconciliation of provisions - 2020</b>	18 808 913	5 364 873	24 173 786

Provision for rehabilitation of landfill sites

The municipality has an obligation to rehabilitate the landfill sites of Ga Segonyana.

The environmental rehabilitation provision represents the estimated costs to rehabilitate and close existing waste landfill sites. The provision is recognised at the present value of the expenditure expected to settle the obligation.

The municipality has an obligation to rehabilitate the landfill sites of Ga Segonyana.	Opening Balance	Reversed during the year	Total
	18 846 803	(37 890)	18 808 913

The valuation of the landfill site provision was done by EMS Advisory (Pty) Ltd, a company which specialises in infrastructure maintenance and environmental consultancy services to municipalities and the professional valuator on the project was Aiden Bowers PrEng, with extensive experience and expertise relevant for this type of work.

The future value of the rehabilitation of landfill sites obligation was calculated by inflating the non-current cost to an estimated future cost which is then discounted to present value. Interest rate used is 8.30%.

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

Because of the time value of money, provisions relating to cash outflows that arise soon after the reporting date are more onerous than those where cash outflows of the same amount arise later. Provisions are therefore discounted, where the effect is material settle the obligation.

#### 18. Provisions (continued)

The discount rate (or rates) shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. The discount rate(s) shall not reflect risks for which future cash flow estimates have been adjusted.

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Notes to the Annual Financial Statements

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### 18. Provisions (continued)

#### Key assumptions

Total Site Area	61 826 m <sup>2</sup>	
Area of waste body to be rehabilitated in future (waste footprint) (m <sup>2</sup> )	46 055 m <sup>2</sup>	
Estimated site closure date	2028	
Assumed site start date	1994	
Assumed total site life	36 years	
Remaining site life (as at 01 July 2018) (years)	approximately 8 years	
Estimated annual airspace consumption (m <sup>3</sup> )	6861	
Estimated total airspace (m <sup>3</sup> )	186 420	
The applicable discount rate (which is the rate specifically associated with the risk of the cash flow being discounted) relevant cash flows in 2018	9,36% (based on Government Bond yield rate of 9.26% and an Adjustment for risk of 1.25%)	
Estimated airspace remaining (m <sup>3</sup> )	59 055	
Airspace consumed to date		68 %

### 19. Revenue

Sale of stands	7 209 208	2 378 515
Service charges	158 153 269	157 669 317
Rental of facilities	2 012 071	2 351 079
Interest received on outstanding receivables	3 848 481	4 837 950
Licences and permits	3 351 478	3 244 356
Other revenue	4 566 061	3 873 512
Interest investment	3 864 834	3 707 754
Property rates	49 763 478	45 094 777

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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### **Notes to the Annual Financial Statements**

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Interest on outstanding receivable	1 667 363	3 145 398
Government grants & subsidies	389 557 952	385 548 478
Fines, penalties and forfeits	3 417 910	4 845 325

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

	627 412 105	616 696 461
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b> Sale of stands		
Service charges	7 209 208	2 378 515
Rental of facilities	158 153 269	157 669
Interest on outstanding receivables		317
Licences and permits	2 012 071	2 351 079
Other revenue	3 848 481	4 837 950
Interest on investments	3 351 478	3 244 356
	4 566 061	3 873 512
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>	3 864 834	3 707 754
<b>Taxation revenue</b>	<b>183 005 402</b>	<b>178 062 483</b>
Property rates		
Interest on outstanding receivables		45 094
<b>Transfer revenue</b>	49 763 478	777
Government grants & subsidies	1 667 363	3 145 398
Fines, Penalties and Forfeits		385 548
	389 557 952	478
	3 417 910	4 845 325
	<b>444 406 703</b>	<b>438 633 978</b>

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

	2021	2020
	R	R
<b>20. Service charges</b>		
Sewer levied	13 433 717	13 825 960
Sale of electricity	113 097 210	112 020 193
Sale of water	22 279 146	22 880 479
Refuse removal	9 343 196	8 942 685
	<b>158 153 269</b>	<b>157 669 317</b>
<b>21. Rental of facilities</b>		
<b>Premises</b>		
Premises	632 912	1 861 344
<b>Facilities and equipment</b>		
Rental of facilities	1 379 159	489 735
	<b>2 012 071</b>	<b>2 351 079</b>
<b>22. Fines, Penalties and Forfeits</b>		
Disconnection fees	7 494	103 457
Illegal Connections Fines	54 892	4 000
Pound Fees Fines	22 270	15 858
Traffic fines	3 333 254	4 722 010
	<b>3 417 910</b>	<b>4 845 325</b>
<b>23. Interest on outstanding receivables</b>		
Interest revenue from non exchange transactions	1 667 363	3 145 398
Interest revenue from exchange transactions	3 848 481	4 837 950

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

**5 515 844      7 983 348**

**2021                      2020**

**R                              R**

### 24. Other revenue

Administration and handling fees	44 079	12 490
Arbor City Awards Competition	-	50 000
Breakages and Losses Recovered	1 066	1 040
Collection Charges	1 944	999
Incidental Cash Surpluses	952	2 210
Skills Development Levy Refund	95 026	220 037
Staff Recoveries	422 310	384 968
Insurance Claims	123 691	397 297
Application Fees for Land Usage	140 189	115 420
Building Plan Approval	770 739	636 995
Cemetery and Burial	113 257	36 303
Clearance Certificates	103 008	170 595
Encroachment Fees	8 050	9 419
Entrance Fees	54 865	73 640
Fire Services	-	8 775
Advertisements	67 848	69 867
Connection/Reconnection	257 853	152 600
Movement in Employee Benefit obligation	1 683 000	1 541 243
Facilities	991	17 172
Payroll refunds	-	63 668

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Photocopies and Faxes	16	5 620
Publications:Tender Documents	36 522	5 957
Sanitation Charges	-	36 089
Interest received SARS	-	37 797
Trading	21 935	8 812
Valuation Services	20 195	14 000
Reversal of impairment	879 909	-
	<b>4 847 445</b>	<b>4 073 013</b>
<b>25. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	<b>3 864 834</b>	<b>3 707 754</b>
<b>26. Property rates</b>		
<b>Rates levied</b>		
Property rates levied	51 239 557	46 470 415
Less: Income foregone	(1 476 079)	(1 375 638)
	<b>49 763 478</b>	<b>45 094 777</b>
<b>27. Government grants and subsidies realised</b>		
<b>Operating grants</b>		
Equitable share	174 760 000	159 726 000
Library Grant	1 015 969	1 621 000
Municipal Disaster Relief Grant	-	179 000
Finance Management Grant (FMG)	2 296 188	2 680 000
Expanded Public Works Program Grant (EPWP)	1 460 440	1 105 942
Private Mining Companies Grant	-	25 000
	<b>179 532 597</b>	<b>165 336 942</b>

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

2021

2020

### Capital grants

Municipal Infrastructure Grant (MIG)	45 747 968	49 460 336
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### Equitable Share

In terms of section 227 of the Constitution, this grant is used to enable the municipality to provide basic services and perform functions allocated to it. The Equitable Share Grant also provides funding to the municipality to deliver free basic services to poor households and to subsidise costs of administration and other core services of the municipality. The grant is realised in full upon receipt.

### Municipal Infrastructure Grant

Balance unspent at beginning of year	3 841 664	Current-year receipts	52 304 000	53 302 000
Conditions met - transferred to revenue			(45 747 968)	(49 460 336)
			<del>10 397 696</del>	<del>3 841 664</del>

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

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

	R	R
<b>27. Government grants and subsidies realised</b>		
<b>(continued)</b> Covid-19 Additional Equitable Share	10 814 131	-
Integrated National Electrification Programme (INEP)	44 520 412	48 022 042
Water Services Infrastructure Grant (WSIG)	70 970 278	79 064 552
Public Contributions	37 972 566	43 664 606
	<b>210 025 355</b>	<b>220 211 536</b>
<b>Conditional and Unconditional</b>		
Included in above are the following grants and subsidies received and or spent:	<b>389 557 952</b>	<b>385 548 478</b>
Conditional grants received		
		198 822
	165 161 073	478
Unconditional grants received	209 257 320	159 726 000
	<b>374 418 393</b>	<b>358 548 478</b>

The grant is mainly used to fund infrastructure related projects (mainly as part of the service delivery). Capitalised projects funded by this grant are included in property, plant and equipment whilst the unspent portion of the grant is included in current liabilities.

#### Library Grant

Current-year receipts	-	1 621 000
Conditions met - transferred to revenue	-	(1 621 000)

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

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

#### Finance Management Grant (FMG)

Current-year receipts

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	-	-
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Conditions met - transferred to revenue

3 000 000	2 680 000
(2 296 188)	(2 680 000)

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<b>703 812</b>	<b>-</b>
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The purpose of the grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

	2021	2020
	R	R
<b>27. Government grants and subsidies realised (continued)</b>		
<b>Expanded Public Works Program (EPWP)</b>		
Balance unspent at beginning of year	168 058	-
Current-year receipts	1 580 000	1 274 000
Conditions met - transferred to revenue	(1 460 440)	(1 105 942)
	<b>287 618</b>	<b>168 058</b>

The purpose of the grant is to incentives municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas, in compliance with EPWP guidelines.

#### Integrated National Electrification Programme

Balance unspent at beginning of year	726 181	-
Opening balance for the overspent - prior year	-	(8 811 777)
Current-year receipts	43 985 000	57 560 000
Conditions met - transferred to revenue	(44 520 412)	(48 022 042)
	<b>190 769</b>	<b>726 181</b>

The purpose of this grant is to provide capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure.

#### Covid-19 Additional Equitable Share

Current-year receipts	30 830 000	-
Conditions met - transferred to revenue	(10 814 131)	-

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

**20 015 869** -

### Notes to the Annual Financial Statements Water Services Infrastructure Grant (WSIG)

Balance unspent at beginning of year	30 896 673	-
Overspent	73 605	(38 775)
Current-year receipts	40 000 000	110 000 000
Conditions met - transferred to revenue	(70 970 278)	(79 064 552)
The purpose of the grant is to facilitate the planning, acceleration and implementation of various projects that will ensure availability of water to the community.	-	<b>30 896 673</b>

**2021**                      **2020**

**R**                                      **R**

#### 28. Employee related costs

Basic	98 006 752	84 058 767
Bonus - 13th Cheque	6 325 941	4 543 570
Medical aid - company contributions	9 962 632	6 875 178
UIF	675 523	649 807
Leave pay	2 947 065	2 577 826
Employee benefit obligations	1 766 922	4 034 607
Defined contribution plans	13 373 112	11 473 653
Travel, motor car, accommodation, subsistence and other allowances	3 340 575	3 619 730
Overtime payments	4 869 530	5 174 580
Long-service awards	281 475	156 950
Acting Allowance	491 387	573 595
Transport allowance	447 379	233 558
Housing benefits and allowances	3 931 087	3 507 075

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Bonus Provision	1 212 191	103 553
Industrial Council Contributions	40 709	36 536
Standby Allowance	1 041 411	876 541
Telephone Allowance	568 457	482 044
Group Insurance	2 113 003	1 951 135
	<b>151 395 151</b>	<b>130 928 705</b>
<b>Remuneration of Municipal Manager: M Tsatsimpe</b>		
Annual remuneration		
	1 345 498	1 246 974
Travel allowance	181 146	177 445
Contributions to UIF	1 813	1 785
Performance bonus	166 688	99 249
Cellphone allowance	43 176	42 294
Other contributions	97 065	108 292
	<b>1 835 386</b>	<b>1 676 039</b>
	<b>2021</b>	<b>2020</b>
	<b>R</b>	<b>R</b>

#### 28. Employee related costs (continued)

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

Annual Remuneration	954 457	946 290
Travel Allowance	154 200	88 550
Performance Bonus	60 501	18 877
Contributions UIF	1 813	1 785
Cellphone allowance	30 840	30 210
Other Contributions	70 527	80 551

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### Remuneration of Chief Financial Officer : Kagiso Noke

Annual remuneration	<b>1 272 338</b>	<b>1 166 263</b>
		972
	1 048 379	068
Travel allowance	195 032	191 048
Contributions to UIF	1 813	1 785
Performance bonus	136 130	84 676
Cellphone allowance	30 840	30 210
Other contributions	88 973	91 009

<b>1 501 167</b>	<b>1 370 796</b>
------------------	------------------

#### Remuneration of Acting Chief Financial Officer : Desiree

**Pelele** Acting allowance

#### Remuneration of the Director: Technical Services/Infrastructure - Mr BM

##### Kgosieng

Acting allowance	94 836	-
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#### Remuneration of the Director: Community Services - F.K Baloyi

Annual Remuneration	876 681	611 910
Cellphone Allowance	30 840	20 210
Contributions to UIF	1 813	1 190
Other contributions	22 730	36 852
Travel allowance	194 827	-
Performance bonus	44 710	-

<b>1 171 601</b>	<b>670 162</b>
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Ms F K Baloyi was appointed on 1 November 2019.

#### Remuneration of Acting Director: Community Services - M Moetsi

Acting allowance	-	185 456
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## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Ms G M Moetsi acted from July 2019 to September 2019.

#### Remuneration of Acting Director: Community Services - M Keetile

Acting Allowance

- 61 819

Mr M Keetile acted from 1 October 2019 to 31 October 2019.

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2021	2020
R	R

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#### 28. Employee related costs (continued)

##### Remuneration of Acting Director: Corporate Support Services - MM Gaselebelwa

Acting allowance

37 938 -

Mr MM Gaselebelwa acted from 1 April 2021 to 30 April 2021.

##### Remuneration of the Director: Technical Services - H Smit

Annual Remuneration

1 099 197 1 018 108

Travel Allowance

98 352 145 008

Performance Bonus

124 269 84 676

Contributions to UIF

1 813 1 785

Cellphone allowance

30 490 30 210

Other contributions

79 342 87 536

Leave payout on termination

223 844 -

**1 657 307 1 367 323**

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##### Remuneration of Acting Chief Financial Officer - T Jarvis

Acting Allowance

##### Remuneration of Acting Director: Infrastructure Services: Mrs G Monchwe

37 100 -

Acting Allowance

44 766 -

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## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### 29. Remuneration of councillors

Mayor	905 259	860 859
Councillors	8 204 358	8 266 874
Speaker	733 088	733 088
	<b>9 842 705</b>	<b>9 860 821</b>

#### In-kind benefits

The Mayor and Speaker are both full-time councillors of the municipality. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor and Speaker each have the use of separate Council owned vehicles and are provided with a driver for official duties.

#### 30. Depreciation, amortisation and impairment loss

Buildings	5 075 005	4 919 135
Plant and machinery	286 422	269 914
Furniture and fixtures	794 408	765 764
Motor vehicles	1 610 379	4 507 090
Office equipment	1 400 142	1 412 346
Infrastructure	56 382 338	51 347 346
Intangible assets	<u>395 361</u>	<u>179 748</u>
	<b>65 944 055</b>	<b>63 401 343</b>

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total costs of the item has been depreciated separately.

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<b>2021</b>	<b>2020</b>
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## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

	R	R
<b>31. Finance costs</b>		
Employee benefit obligations	2 828 000	2 933 802
Interest on provision for rehabilitation of land	5 364 873	(37 890)
Non-current borrowings	1 032 842	1 228 026
Trade and other payables	127 723	2 220 684
Finance leases	1 109 314	3 094 147
	<b>10 462 752</b>	<b>9 438 769</b>
<b>32. Debt impairment - Gain/(loss)</b>		
Contributions to debt impairment		7 664
	<b>13 822 992</b>	<b>726</b>
<p>Contribution to debt impairment relates to receivables where financial difficulties of the debtor and default or delinquency in payments or all long debt outstanding are considered indicators to determine that debtors are provided for impairment. When an under recovery occurs during the financial year an additional contribution for impairment is made at year end.</p>		
<b>33. Debtors write-off</b>		
Other debtors written-off	1 469 365	2 699 281
<b>34. Bulk purchases</b>		
Electricity	99 409 275	88 208 832
Water	26 225 000	25 000 000

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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**125 634 275 113 208**  
**832**

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The municipality appointed Sedibeng to administer the production of water. Water bulk purchases are included in general expenses due to the nature of the municipality's contract with Sedibeng.

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	<b>2021</b>	<b>2020</b>
	<b>R</b>	<b>R</b>
<hr/>		
<b>35. General expenses</b>		
Advertising	152 694	77 826
Auditors remuneration	8 715 705	6 432 241
Bank charges	922 074	803 837
Cleaning	1 099 083	25 393
Computer expenses	427 372	2 721 580
Consulting and professional fees	30 848 884	27 377 534
Consumables	15 351 580	8 769 500
Water levies	-	13 444
Entertainment	464 861	232 517
Operating leases	5 011 191	2 356 340
Hire	135 523	235 795
Insurance	8 392 428	6 933 149
Remuneration to Ward Committees	1 449 000	1 451 000
Indigent Relief	3 412 244	971 524

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## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Skills development	1 239 022	737 764
Fuel and oil	2 913 765	1 689 551
Postage and courier	469 034	38 576
Printing and stationery	536 532	424 114
Protective clothing	2 628	957 300
Repairs and maintenance	5 961 514	171 075
Security (Guarding of municipal property)	7 977 342	7 330 448
Subscriptions, Licencing and membership fees	4 496 660	1 614 275
Telephone and fax	118 692	87 500
Staff Training	592 141	404 654
Travelling & Subsistance	953 019	1 875 431
Vip Toilets ( Sanitation)	-	7 754 846
Electricity	1 551 875	3 292 797
Landfill site maintenance costs	2 847 826	2 608 696
Traffic Services	372 327	329 114
Sundry expenses	546 593	709 289
	<b>106 961 609</b>	<b>88 427 110</b>
	<b>2021</b>	<b>2020</b>
	<b>R</b>	<b>R</b>

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

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#### 36. Cash generated from operations

Surplus	105 760 910	190 491 053
<b>Adjustments for:</b>		
Depreciation and amortisation	65 944 055	63 263 625
Loss/(Gain) on disposal of assets	18 409 890	4 939 617
Fair value adjustments	-	(136 000)
Finance costs - Employee benefit	5 789 000	2 933 802
Impairment reversals	-	(129 187)
Debt impairment	13 822 992	7 664 726
Bad debts written off	1 469 365	634 575
Movements in provisions	5 364 873	(37 890)
Other non cash adjustments	-	3 674 129
Actuarial gains	-	(6 552 491)
Opening balance adjustment	-	(2 154 429)
<b>Changes in working capital:</b>		(18 508)
Inventories	15 735 460	137
Trade & Other Receivables from exchange and non exchange transactions	(22 350 582)	(13 678 777)
VAT	(2 119 333)	27 463 873
Conditional grant overspent	-	8 850 553
Payables from exchange transactions	9 467 712	(62 866 168)
Unspent conditional grants and receipts	(4 036 812)	37 951 783
Consumer deposits	495 494	513 254

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Employee Benefits obligation	-	(2 989 689)
<b>37. Commitments</b>	<b>213 753 024</b>	<b>241 328 222</b>
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
□ Property, plant and equipment		39 228
<b>Total capital commitments</b>	<b>14 629 008</b>	<b>163</b>
Already contracted for but not provided for		39 228
<b>Total commitments</b>	<b>14 629 008</b>	<b>163</b>
<b>Total commitments</b>		39 228
Authorised capital expenditure	<b>14 629 008</b>	<b>163</b>

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

### 38. Contingent Liabilities

The municipality had the litigation cases that could result in the following contingent liabilities being payable as at year end:

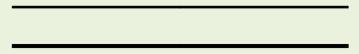
	70 000	-
Motor vehicle accident due to a pothole	-	400 000
Claim against the municipality FOR AN INCORRECT CAUSE OF ACTION. Claiming that municipality had not paid them whereas contract has ended. Case 359 Magistrate Court Claim for R70 644.75 Regional Court Case: RC 032020 for R317 575.50 The applicant has applied for withdrawal of the matter on both cases. Municipality also notified the court that it will apply for the cost of the application.	-	3 200 000

The contractor was awarded work on a project that was divided into three phases.They were appointed to work on phase one only but they are claiming work for the other two phases.

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements



# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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### 39. Related parties

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#### Relationships

Accounting Officer with significant influence

Refer to note 28

Members of key management with significant influence

Refer to note 28

Councillors with significant influence and control

Refer to note General information and  
councillors 29

#### Key management and council interest in other companies

Councillor N.G Thupaemang

Bafumahadi khumo Enterprise and Projects -  
Director

Mmeotshwara Thipa Ka Ha Bogaleng Primary

Cooperative Limited - Director Ditswammung  
Mineral Resources Consortium Director Mseko  
Enterprise and Projects

Councillor G.C Assegai

Bomme-sejo Services and Supply Co-operative

Limited - Director Gadikgadi - Director Self-  
Propelled

Trading and Projects - Director

Councillor E.B Modise

Bomme-sejo Services and Supply Co-operative  
Limited

Chief Financial Officer: Kagiso Noke

KAYN Projects - Director

Councillor: G.N Mntuyedwa

Masakeng A Dipodi Primary Co-operative  
Limited

Director

TOLT Business Enterprise

Sekhutlong Holdings

Councillor: K.B Madikiza

Batlaharos Sound Hire - Director Tlotlanang  
Catering Director Bomme-Sejo Services and  
Supply Cooperative Limited - Director By Fire  
Business

Enterprise

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

	Obitseng Trading
Councillor: G.N Masegela	Boka Resources - Director 22Tone Live Media Group
	AM Tlou Holdings, Kuru Cross Resources, Neo Ya
	Resegofetse Properties, Dimenerale Mining
Councillor: O.D Mathibe	Nomisa Enterprise - Director
Councillor: M.P Galeboe	PKS Trading - Director Phoggie N Segoo Trading Enterprise
Councillor: M.G Reetsang	Oneway Maruping Recycling Project Primary Cooperative Limited
	Letlotlo Lame Trading and Projects
	Tsoga Moreetsi Trading and Projects
Councillor: Moagi	1974 Celesti Trading and Projects
Councillor: I Tshetshemeserogwe	Tshetshemeserogwe 17 Enterprise
Municipal Manager: MM Tsatsimpe	Director at Chitahvi Holdings Kurara FM Radio Station
Councillor: A Van Der Westhuisen	Director-Acsb Reaction and PI services
Councillor: K.A Nels	Director-T O L T Business Enterprise
	Director-Masakeng A Dipodi Primary Co-operative Limited
Director Community Services: FK Baloyi	LA Coup Trading Enterprises
	Mpho Ya Basadi Supplier & Projects
	Palesa Tsa Cuba Lodge & Guest House
	Bomme Tshenolo Projects & suppliers
	Kgalagadi Women in Mining production drilling & projects
	BFMS Mining and Drilling Solutions
	SHE Sanitation Solutions

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Tsantsabane Youth Maths & Science Academy

Councillor: L.N Makoke

Phitlhelelo Driving School Black Blazer Building  
Construction and Projects

Councillor :MF Disang

Director at MMA- Mpelelele Ngwana Daycare  
Director - Disangkitso Entreprise

### 39. Related parties (continued)

Councillor :NG Ngesi

Director- One way Maruping Recycling Project  
primary Co-operative Limited

Director- Letlotlo Lame Trading and Projects

Director-Tsogang Moreetsi Trading and  
Projects

Director-Joyful Attempt Construction and  
Production

Director-Bokone Minning Primary Co-operative  
Limited

Director-Nkavutha Transport Services and  
projects

Director-Mpho ya Basadi Suppliers and  
Projects

Director-Bangeko Construction and projects

Director-Gamotinye Investment Holding

Director-Ditukus Projects

Director-Abotype

Director-Tulasign

Director-Abotrim

Director-Ladospace

Director-Batlharo le Batlhaping Minning  
Solutions

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Director-NC Women Mining Projects

Director-Retsogile Mining Resources

Councillor SK Lesley

S K Lesley General Trading

Close family members of key management or council

RM Meyers

G Nels

O Nels

G Sibi

KV Makoke

D Baepi

KM Modise

SP Disipi

## Notes to the Annual Financial Statements

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**2021**                      **2020**

**R**

**R**

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### 39. Related parties (continued)

#### Related party transactions

##### Salaries paid to related parties of councillors

R.M. Meyers (Wife to Councillor T.E. Meyers)	432 521	396 290
G.Nels( Son to Councillor K. Nels)	658 484	490 233
O. Nels(Son to Councillor K. Nels)	661 612	490 371

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

G. Sibi (Daughter to Councillor N.G Thupaemang)	453 788	419 659
K.V. Makoke (Brother to Councillor L.N. Makoke)	389 666	458 342
D. Baepi (Brother to Councillor L.C. Moseki)	540 951	503 467
K.M. Modise (Daughter to Councillor B.E. Modise)	299 223	276 925
S.P Disipi(Wife to N.G Disipi)	387 654	270 942

### Related party transactions

#### Related party transactions - Councillors

	2021
	Transactions for the year
Councillor :NG Ngesi     MABENAKI JR PROJECTS JV	2 630 435

The municipality supply municipal services and rates and taxes to councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager that is deemed related parties. These municipal services and rates and taxes are supplied on terms and conditions within the normal operating parameters established by that municipalities entity's legal mandate, and is not more or less favourable than to the general public.

### Remuneration of council and key management

#### Councillors/Mayoral committee members

Refer to note "Remuneration of councilors" 29

#### Key management

\*Refer to note "Employee related costs" 28

#### Councillors arrear accounts

Refer to note "Additional disclosure in terms of Municipal Finance Management Act" 45

## 40. Risk management

### Financial risk management

#### 40. Risk management (continued)

#### Liquidity risk

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

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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

<b>At 30 June 2021</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Trade and other payables	69 365 733	-	-	-
Finance lease obligation	739 380	611 547	-	-
Other financial liabilities	2 186 412	8 351 230	-	-
Consumer deposits	5 669 875	-	-	-
Employee benefit obligation	1 683 000	-	-	-
Unspent conditional grants and receipts	14 183 837	-	-	-
	-	-	-	-

<b>At 30 June 2020</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Trade and other payables	63 520 768	-	-	-
Finance lease obligation	2 202 988	1 404 317	-	-
Other financial liabilities	2 103 672	10 537 615	-	-
Consumer deposits	5 226 811	-	-	-
Employee benefit obligation	1 683 000	28 111 000	-	-
Unspent conditional grants and receipts	35 632 576	-	-	-

### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and accounts receivable. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to these customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the group of customers, taking into account their financial position, past experience and other factors

Credit risk arises from cash deposits, cash equivalents, and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

<b>Financial instrument</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
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## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Receivables from exchange transactions	57 531 406	52 906 301
Receivables from non-exchange transactions	22 042 599	19 609 479
Cash and cash equivalents	90 466 140	59 270 087

### Market risk

#### Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

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

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Notes to the Annual Financial Statements

### 41. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the municipality will continue to receive grants from National and Provincial Governments as well as continue to levy rates and charge for services provided to consumers. The proceeds are presumed to be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The following indicators have a negative outlook on the going concern of the municipality:

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:

-Material electricity losses to the amount of R13 846 389 (2020: R9 253 915) was incurred which represents 21,83% (2020: 14,38%) of total bulk electricity purchased.

-Material water losses to the amount of R33 144 921 (2020: R22 856 119) was incurred which represents 69% (2020: 68%) of water purchased.

-Material impairment of R45 395 094 (2020: R33 383 770) as a result of a debt impairment of receivables from exchange transactions, due to non-collection of outstanding balances owned to the municipality.

-Material impairment of R15 807 920 (2020: R14 244 211) as a result of a debt impairment of receivables from non-exchange transactions, due to non-collection of outstanding balances owned to the municipality.

-Material losses under disposals of R18 409 888 on property, plant and equipment due to assets that were written off.

-Material impairment of R8 847 786 on property, plant and equipment, due to assets that reached it's useful lives.

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

	2020/21	2021/22	2022/23
Finance Management Grant (FMG)	3 000 000	3 200 000	3 300 000
Expanded Public Works Program (EPWP)	1 580 000	-	-
Municipal Infrastructure Grant (MIG)	52 954 000	57 449 000	60 738 000
Integrated National Electrification Grant	40 751 000	15 000 000	10 000 000

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Notes to the Annual Financial Statements

Water Services infrastructure (WSIG)	40 000 000	45 000 000	50 000 000
Library grant	1 797 000	-	-
Equitable Share	174 760 000	191 857 000	208 236 000
	<b>314 842 000</b>	<b>312 506 000</b>	<b>332 274 000</b>

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

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 21 days of 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) was also 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.

### 42. Unauthorised expenditure

Opening Unauthorised expenditure	21 355 929	178 074 976
Current year	67 810 223	24 243 389
Written-off	(21 355 929)	(180 962 436)
	<b>67 810 223</b>	<b>21 355 929</b>

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## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### 42.Unauthorised expenditure (continued)

##### Reconciliation of operating and capital expenditure versus actual

Operating expenditure budget

Vote Description	Adjusted Budget	Actual spent GL amount by vote	Variance	Budget vs actual Unauthorised
Expenditure by Vote				
Vote 1 - EXECUTIVE & COUNCIL	16 268 156,00	14 777 861,00	(1 490 295,00)	-
Vote 2 - FINANCE AND ADMINISTRATION	189 266 671,00	223 416 435,00	34 149 764,00	34 149 764,00
Vote 3 - COMMUNITY AND SOCIAL SERVICES	25 152 012,00	12 590 385,00	(12 561 627,00)	-
Vote 4 - SPORTS & RECREATION	10 362 880,00	8 560 990,00	(1 801 890,00)	-
Vote 5 - PUBLIC SAFETY	19 806 739,00	20 204 288,00	397 549,00	397 549,00
Vote 6 - PLANNING AND DEVELOPMENT	43 186 629,00	47 806 484,00	4 619 855,00	4 619 855,00
Vote 7 - ROAD TRANSPORT	11 456 308,00	9 904 908,00	(1 551 400,00)	-
Vote 8 - ENVIRONMENTAL PROTECTION	217 740,00	184 651,00	(33 089,00)	-
Vote 9 - ENERGY SOURCES	111 231 400,00	118 664 899,00	7 433 499,00	7 433 499,00
Vote 10 - WATER MANAGEMENT	43 228 716,00	39 182 340,00	(4 046 376,00)	-
Vote 11 - WASTE WATER MANAGEMENT	9 023 160,00	4 966 403,00	(4 056 757,00)	-
Vote 12 - WASTE MANAGEMENT	18 661 388,00	21 391 551,00	2 730 163,00	2 730 163,00
Vote 13 - OTHER	6 476,00	-	(6 476,00)	-
Total Expenditure by Vote	497 868 275,00	521 651 195,00	23 782 920,00	49 330 830,00

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Capital expenditure budget Vote Description	Adjusted Budget	Actual spent GL amount by vote	Variance	Budget vs actual Unauthorised
Single-year expenditure to be adjusted				
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION	3 107 000,00	7 753,00	(3 099 247,00)	-
Vote 3 - COMMUNITY AND SOCIAL SERVICES	11 272 227,00	9 163 105,00	(2 109 122,00)	-
Vote 4 - SPORTS & RECREATION	1 068 788,00	982 395,00	(86 393,00)	-
Vote 5 - PUBLIC SAFETY	19 088 385,00	10 079 134,00	(9 009 251,00)	-
Vote 6 - PLANNING AND DEVELOPMENT	-	-	-	-
Vote 7 - ROAD TRANSPORT	18 967 851,00	23 463 841,00	4 495 990,00	4 495 990,00
Vote 8 - ENVIRONMENTAL PROTECTION	-	-	-	-
Vote 9 - ENERGY SOURCES	49 305 393,00	47 373 764,00	(1 931 629,00)	-
Vote 10 - WATER MANAGEMENT	71 473 723,00	81 181 476,00	9 707 753,00	9 707 753,00
Vote 11 - WASTE WATER MANAGEMENT	-	4 275 650,00	4 275 650,00	4 275 650,00
Vote 12 - WASTE MANAGEMENT	-	-	-	-
Capital single-year expenditure sub-total	174 283 367,00	178 250 351,00	3 966 984,00	18 479 393,00
Total Unauthorised				67 810 223,00

#### 43. Fruitless and wasteful expenditure

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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### Notes to the Annual Financial Statements

Opening balance	150 693	2 425 250
Fruitless and wasteful expenditure	-	2 220 660
Current year AGSA adjustment	-	150 690
Written off -current year	-	(4 645 924)
Written off- prior year	(150 693)	

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The fruitless and wasteful expenditure relates to interest charged on overdue accounts.

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

	2021	2020
	R	R
<b>44. Irregular expenditure</b>		
Opening balance	3 249 015	61 447 144
Add: Irregular Expenditure - current year	18 864 640	54 797 672
Add: Irregular Expenditure - current year identified during the audit	-	1 511 878
Less: Write-off	(2 469 833)	
	<b>19 643 822</b>	<u>14 507 679)</u> <b>3 249 015</b>
<b>Analysis of irregular expenditure - Current year</b>		
Bid Adjudication Committee not compliant with regulations	11 378 198	49 843 881
SCM Regulation 32 Appointment	4 687 417	4 599 178
Court nullified appointment of the Department of Transport	-	100 014
Declaration of Interest (MBD4) not made	-	26 375
Unit rates	2 799 025	254 599
Suppliers who were not tax compliant at the date of order	-	29 181
Award not made to the lowest price quotation as per SCM Policy	-	15 585
Bid did not specify the minimum threshold for local production and content	-	1 440 737
<b>Details of irregular expenditures under assessment (not included in the main note)</b>	<b>18 864 640</b>	<b>56 309</b> <b>550</b>

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

	-	
The regulation of the use of panels (work allocation within the panel)	23 802 589	4 690 760
Exceeding contract value	5 972 043	-
MBD4	16 042	-
	<b>29 790 674</b>	<b>4 690 760</b>

The expenditure above was incurred through a panel appointment system. At the time of reporting it was not clear if these may be regarded as irregular expenditure or not as the process for listing of the panel was through a competitive bidding process. Management has requested guidelines from National Treasury and Provincial Treasury, however, at the time of reporting no feedback was received by the municipality. A formal dispute was logged with National Treasury for interpretation and clarity.

Further instances of Irregular Expenditure that might have resulted from non-compliance with SCM processes are under investigation to determine the full extent of the amount.

The irregular expenditure figures in the note are inclusive of VAT.

### Notes to the Annual Financial Statements

#### 45. Additional disclosure in terms of Municipal Finance Management Act

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

30 June 2021	Lost units	Tariff	Value
Unaccounted electricity losses	14 575 146	0,95	13 846 389
30 June 2020	Lost units	Tariff	Value
Unaccounted electricity losses	9 740 963	0,95	9 253 915
Volume in KWH/year	30 June 2021	30 June 2020	
System Input Volume	81 329 689	77 493 944	

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Billed Consumption	66 754 543	67 752 981
Distribution Loss	14 575 146	9 740 963
Percentage Distribution Loss (%)	21,83%	14.38%

<b>30 June 2021</b>	Lost units	Tarriff	Value
Unaccounted for water losses	4 076 866	8,13	33 144 921

<b>30 June 2020</b>	Lost units	Tarrif	Value
Unaccounted for water losses	5 416 142	4.22	22 856 119

<b>Volume in Kl/year</b>	30 June 2021	30 June 2020
System Input Volume	5 884 075	5 796 468
Billed Consumption	1 807 209	1 861 251
Distribution Loss	4 076 866	4 051 060
% Distribution loss	69%	68.00%

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

### **SDL**

Opening balance	180 800	-
Current year subscription / fee	1 039 037	941 115
Amount paid - current year	(1 419 823)	(760 315)

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### PAYE and UIF

Current year subscription / fee Amount paid - current year

**(199 986) 180 800**

20 859 716 18 315  
829

(20 859 716) (18 315  
829)

### Pension and Medical Aid Deductions

Current year subscription / fee

Amount paid - current year

- -

### 45. Additional disclosure in terms of Municipal Finance Management Act (continued)

21 294 742 18 348  
831

### Councillors' arrear consumer accounts

(21 294 742) (18 348  
831)

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2021:

30 June 2021

**Outstanding less than 90 days** **Outstanding more than 90 days** **Total**  
**R R R**

	R	R	R
N.G Masegela	7 115	10 895	18 010
G.C. Assegaai	231	6 100	6 331
D.T Mpata	620	19 607	20 227
A.W.P Van der Westhuizen	4 301	10 332	14 633
L.R. Nelson	298	575	873
K.A. Nels	1 673	25 708	27 381
N.G.Thupaemang	566	555	1 121

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021  
30 June 2020

	14 804	73 772	88 576
	<b>Outstanding less than 90 days</b>	<b>Outstanding more than 90 days</b>	<b>Total R</b>
	R	R	
D.T Mpata			
E.B Modise	434	18 135	18 569
N.G. Masengela	2	78	80
G.N. Mntuyedwa	26 310	465	26 775
G.C Assegai	-	12	12
B.A. Eiman	119	5 380	5 499
L.R Nelson	2 095	604	2 699
N.G Thupaemang	613	701	1 314
K.A Nels	85	3 023	3 108
AWP Van Der Westhuizen	2 471	25 688	28 159
Key management and Councillors receive and pay for services on the same terms and conditions as other rate payers and residents.	6 906	19 746	26 652
	<b>39 035</b>	<b>73 832</b>	<b>112 867</b>
<b>46. Auditors' remuneration</b>			
External Audit		5 721 484	4 877 253
Internal Audit		2 994 221	1 554 988
		<b>8 715 705</b>	<b>6 432 241</b>

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 47. Financial instruments disclosure

#### Categories of financial instruments

2021

#### Financial assets

	At fair value	At amortised cost	At cost	Total
Receivables from exchange transactions	-	57 531 406	-	57 531 406
Cash and cash equivalents	-	-	90 466 140	90 466 140

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 48. Deviations (continued)

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-	57 531 406	90 466 140	147 997 546
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At fair value	At amortised cost	At cost	Total
-	10 537 642	-	10 537 642
-	70 064 798	-	70 064 798
-	1 404 318	-	1 404 318
-	5 310 255	-	5 310 255
-	<b>87 317 013</b>	-	<b>87 317 013</b>

---

At fair value	At amortised cost	At cost	Total
-	40 624 158	-	40 624 158
-	-	59 270 087	59 270 087
-	<b>40 624 158</b>	<b>59 270 087</b>	<b>99 894 245</b>

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At fair value	At amortised cost	At cost	Total
-	12 641 287	-	12 641 287

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# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Notes to the Annual Financial Statements

### 48. Deviations (continued)

#### Financial liabilities

	-	63 520 768	-	63 520 768
Other financial liabilities	-	3 607 305	-	3 607 305
Payables from exchange transactions	-	4 814 761	-	4 814 761
Finance lease liability Consumer deposits	-	<b>84 584 121</b>	-	<b>84 584 121</b>

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### 2020

#### Financial assets

Receivables from exchange transactions Cash and cash equivalents

#### Financial liabilities

Other financial liabilities

Payables from exchange transactions

Finance lease liability Consumer deposits

### Credit quality of other assets that are neither past due nor impaired

The municipality evaluates the credit risk of all its customers on an on-going basis taking into account the financial position, past payment history and also considers the municipality's internal control systems on debt collection and credit risk management.

### Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council. The

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Notes to the Annual Financial Statements

### 48. Deviations (continued)

expenses incurred as listed hereunder have been approved by the Accounting Officer and have noted by Council. Furthermore, management did

not note any material non-compliance with the Municipal Finance Management Act.

<b>Reason</b>	<b>Month</b>	<b>Supplier</b>
Sole Supplier: Only Mercedes Benz can do services on the vehicle without compromising its warranty and guarantee, and without compromising the life of the car. No three quotations can be sourced as the dealer has to diagnose the car on what needs to be changed/ replaced and do the normal service.	16 July 2020	John WilliamsBloemfontein
No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.	17 July 2020	Prodiba
No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.	23 July 2020	Prodiba
No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.	28 July 2020	Prodiba
Strip and Quote The service provider, (being the initial provider who supplied and installed the stair lift) was requested to determine the faults that caused the stair lift not to function. The service provider had to detect the faults on the lift and thereafter fix them	29 July 2020	Omogolo Consulting CC
No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.	30 July 2020	Prodiba

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### 48. Deviations (continued)

Sole Supplier: Only Mercedes Benz can do services on the vehicle without compromising its warranty and guarantee, and without compromising the life of the car. No three quotations can be sourced as the dealer has to diagnose the car on what needs to be changed/ replaced and do the normal service.

11 August 2020 John WilliamsBloemfontein

No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.

28 August 2020 Prodiba

Sole Supplier: The supplier has the sole rights to the machine. They are the manufacturers of the machines, and they are the only one permitted to service the machine.

07 September 2020 Workshop Electronics

Sole Supplier (Only Mercedes Benz Dealerships) The car has to be taken in for car services/ routine maintenance, where it can only be serviced at the Mercedes Benz

08 September 2020 Gariep Motors

Dealership. It must be noted that the service plan on the car has lapsed and every time the car is serviced, the municipality pays per service.

No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.

17 September 2020 Prodiba

No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.

23 September 2020 Prodiba

Car diagnosis at John Williams - Bloemfontein. Only a Mercedes Benz outlet can provide a diagnosis on the car as the car make is from the dealer.

08 October 2020 John WilliamsBloemfontein

**Amount Description**

110 089 Car Service and Maintenance

16 590 Driving Licenses

Card Issues

10 191 Driving Licenses

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Notes to the Annual Financial Statements

### 48. Deviations (continued)

Card Issues

10 112 Driving Licenses

Card Issues

38 500 Maintenance and Service of Stairs Lift

24 885 Driving Licenses

Card Issues

3 175 Car Service and Maintenance

31 679 Driving Licenses

Card Issues

45 238 Calibration Machine

Service

11 733 Car Service and Maintenance

18 012 Driving Licenses

Card Issues

16 353 Driving Licenses

Card Issues

15 699 Car Services

Sole Provider The municipality received a donation in a form of a compactor truck. This truck came without a service and maintenance plan. The made of the truck is Isuzu. Only Isuzu manufacturer/ agent can provide the maintenance and service plan without losing the vehicle warranty, hence only one quotation is sourced from the service provider

No other service provider can be utilised as the PRODIBA 13 is appointed by the National Department of Roads.

# Ga Segonyana Local Municipality

Annual Financial Statements for  
the year ended 30 June 2021

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## Notes to the Annual Financial Statements

### 48. Deviations (continued)

Strip and Quote

20

The money counting machines used by the cashiers are not functional. At this stage we cannot detect the faults. Page Automation supplied the municipality with these machines, and as a result it is economic and sensible to enlist their services to find any fault that might need fixing. It is impractical to source quotations from other service providers as the supplier has to strip down the machines and find faults.

The prices as quoted are for the call out mainly. Possibility is upon fixing the machines, prices might go up

No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.

22

Strip and Quote

23

The money counting machines used by the cashiers are not functional. At this stage we cannot detect the faults. Page Automation supplied the municipality with these machines, and as a result it is economic and sensible to enlist their services to find any fault that might need fixing. It is impractical to source quotations from other service providers as the supplier has to strip down the machines and find faults. The prices as quoted are for the call out mainly. Possibility is upon fixing the machines, prices might go up

No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.

29

No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.

19

20

# Ga Segonyana Local Municipality

Annual Financial Statements for  
the year ended 30 June 2021

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## Notes to the Annual Financial Statements

### 48. Deviations (continued)

#### Emergency

On the 04th November 2020, Kuruman experienced a storm.

In the process it destroyed a power line at Moffat Mission. This left the residence of that particular part of the town without electricity on the day. On the 05th November

2020, the services of Bright Point (Pty) Ltd was requested to provide the municipality with the services to fix the power line. This not only provided a blackout to the residents but it posed danger to the citizens as the cables were lying down on the floor.

#### Emergency / Strip and Quote

On the weekend of the 20th November 2020, the pump station (boreholes) situated in Mothibistad experienced electrical shots, where pumps and other electrical appliances were damaged. As a result, the residents of the affected area are without water since Saturday (21/11/2020). The service provider was requested to repair the pump, where he needs to strip the pump, find the fault and fix it thereafter. It is therefore impractical to source three quotations or follow regulation 18 procurement processes

15 December 2020 Motus Group

51 246 Purchase  
Service  
and  
Maintenance  
Plan

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 48. Deviations (continued)

Emergency	15 December 2020	HT Pelatona	194 994 Repairs to Sewerage Pumps
<p>During December 2019, sewerage pump station was vandalised and a contractor was requested to fix the pumps on an emergency basis. Attached hereto please find the deviation request from the Director – Technical services, who requested the service provider to provide service at the time.</p>			
No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.	18 December 2020	Prodiba	37 051 Driving Licenses Card Issues
Strip and Quote	18 December 2020	Omogolo Consulting	34 150 Stair Lift Services/ Maintenance
<p>The service provider, (being the initial provider who supplied and installed the stair lift) was requested to determine the faults that caused the stir lift not to function. The service provider had to detect the faults on the lift and thereafter fix them</p>			
Sole Provider - Only Mercedes Benz can maintain and service the car. It was a mileage service done on intervals.  CRF 957 NC	22 January 2021	JOHN WILLIAMS BLOEMFONT EIN	13 168 Supply of Coffin
Sole Provider. The municipality received a donation in a form of a Skip Loader (FX SERIES FYH 33-360 TIP). This truck came without a service and maintenance plan. The made of the truck is Isuzu. Only Isuzu manufacturer/ agent can provide the maintenance and service plan without losing the vehicle warranty, hence only one quotation is sourced from the service provider	08 January 2021	Motus Group	47 535 Maintenance and Services
Emergency: During thje lockdown as aresult of the pandemic caused by covid 19 the Municipality experienced somne damages to its sewerage as at Cilliers street.	14 December 2020	HT Pelatona	251 169 Fixing Sewerage blockage
No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.	21 January 2021	Prodiba	25 833 Driving Licenses

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### 48. Deviations (continued)

			Card Issues
Sole Provider - Only Mercedes Benz can maintain and service the car. It was a mileage service done on intervals.	26 February 2021	Gariep Motors	43 696 Vehicle Maintenance & Services
CLF 286 NC & CRF 959 NC.			
Strip and Quote: The service provider had to strip the pump and diagnose the fault and thereafter fix the fault.	12 February 2021	Newgen Pumps and Valves	51 591 Strip & Quote - Boreholes
No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.	21 February 2021	Prodiba	31 363 Driving Licenses Card Issues
No other service provider can be utilised as the PRODIBA is appointed by the National Department of Roads.	25 March 2021	Prodiba	25 596 Driving Licenses Card Issues
Strip and Quote: The service provider had to strip the pumps and diagnose the fault and thereafter fix the fault.Pump 2.2kw FluidPump 7.5kw Robot x 2	04 March 2021	Newgen Pumps and Valves	101 756 Strip & Quote - Boreholes
Strip and Quote: The service provider stripped the wipe machine to diagnose the fault, and thereafter fixed the machine.	15 March 2021	Acorn Projects 51 (Pty) Ltd	3 030 Strip & Quote - Wipe Machine
Strip and Quote: The service provider has strip the machine, diagnose the problem and fix the problem thereafter. It is impossible to request the different suppliers to provide quotations as the works cannot be predetermined	11 May 2021	Workshop Electronics	20 957 Testing Machine Calibration
Car Service and Maintenance The car can only be taken to the dealer for service and maintenance. At the time of the service and maintenance, the works to be executed cannot be pre-determined, hence no Reg 18 cannot be followed.	12 May 2021	John Williams - Bloemfontein	53 186 Car Services & Maintenance

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### 48. Deviations (continued)

Strip & Quote: The service provider has strip the machine, diagnose the problem and fix the problem thereafter. It is impossible to request the different suppliers to provide quotations as the works cannot be pre-determined.	23 June 2021	Workshop Electronics	25 960 Testing Machine Calibration
Strip & Quote : The service provider has strip the pumps, diagnose the problem and fix the problem thereafter. It is impossible to request the different suppliers to provide quotations as the works cannot be predetermined. Different pumps were diagnosed.	24 June 2021	Newgen Pumps & Valves (Pty) Ltd	305 681 Strip and Quote Water and Sewer Pumps
Strip & Quote: The service provider has strip the aircons (corporate services department) diagnose the problem and fix the problem thereafter. It is impossible to request the different suppliers to provide quotations as the works cannot be pre-determined.	29 June 2021	L P Refrigration	12 650 Strip and Quote - Airconditions
Strip & Quote: The service provider has strip the aircons (corporate services department) diagnose the problem and fix the problem thereafter. It is impossible to request the different suppliers to provide quotations as the works cannot be pre-determined.	29 June 2021	Prodiba	53 246 Driving Licenses Card Issues
			<b>1 923 451</b>

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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## Notes to the Annual Financial Statements

48. Deviations (continued)

49. Prior period errors

		Previously	Adjustment	Re-	Restated	Re-
	Note(s)	R	R	reported	classification	classification
				R	R	R
<b>Assets</b>						
<b>Current Assets</b>						
Inventories	3	75 258 924	7 256 000	-	82 514 924	[3]
Receivables from non-exchange transactions	4	20 325 641	(716 162)	-	19 609 479	[2]
Receivables from exchange transactions	6	52 977 683	(71 382)	-	52 906 301	[2]
VAT	5	3 248 938	902 709	-	4 151 647	[1]
Cash and cash equivalents	7	59 270 087	-	-	59 270 087	

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 48. Deviations (continued)

	<b>211 081 273</b>	<b>7 371 165</b>	<b>- 218 452 438</b>
	18 229 634	-	- 18 229 634
	1 443 786 809	48 569 392	- 1 492 356 201
	284 613	-	- 284 613
		-	- 1 655 642
	<u>1 655 642</u>	<b>48 569 392</b>	<b>- 1 512 526 090</b>
	<b>1 463 956 698</b>		
	<b>1 675 037 971</b>	<b>55 940 557</b>	<b>- 1 730 978 528</b>
	2 103 672	-	- 2 103 672
	2 202 988	-	- 2 202 988
	62 947 608	(2 350 523)	- 60 597 085
	5 226 811	(412 050)	- 4 814 761
	1 683 000	-	- 1 683 000
	35 632 576	-	- 35 632 576
	<b>109 796 655</b>	<b>(2 762 573)</b>	<b>- 107 034 082</b>
	10 537 615	-	- 10 537 615
	1 404 317	-	- 1 404 317
	28 111 000	-	- 28 111 000
	18 808 913	-	- 18 808 913
	<b>58 861 845</b>	<b>-</b>	<b>- 58 861 845</b>
		<b>(2 762 573)</b>	<b>- 165 895 927</b>

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 48. Deviations (continued)

#### Non-Current Assets

		168 658 500	58 703 130	- 1 565 082
Investment property	8	1 506 379 471		601
Property, plant and equipment		1 506 379 471	58 703 130 9[4]	- 1 565 082 601
Intangible assets	10			
Heritage assets	11			

#### Total Assets

#### Liabilities

##### Current Liabilities

Other financial liabilities 12 Finance lease obligation	13			
Payables from exchange transactions			14[3]	
Consumer deposits			15[7]	
Employee benefit obligation	16			
Unspent conditional grants and receipts	17			

##### Non-Current Liabilities

Other financial liabilities 12 Finance lease obligation	13	Employee benefit obligation	16
Provisions	18		

#### Total Liabilities

#### Net Assets

Accumulated surplus[6]



## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

									(130 928 705)
<b>Total revenue from exchange transactions</b>									- 705)
<b>Revenue from non-exchange transactions</b>									(9 860 821)
<b>Taxation revenue</b>									(63 263 625)
Property rates	26								-
Interest on outstanding receivables									(9 438 769)
<b>Transfer revenue</b>									(7 664 726)
Government grants & subsidies	27								(2 699 281)
Public contributions and donations									(113 208 832)
Fines, Penalties and Forfeits									(113 208 832)
<b>Total revenue from non-exchange transactions</b>									(2 591 600)
<b>Total revenue</b>	19								-
<b>Expenditure</b>									(88 427 110)
Employee related costs 28 Remuneration of councillors									(93 109 449)
29 Depreciation and amortisation	30								<b>8 372 446</b>
									<b>(436 455 915)</b>
Impairment loss									<b>179 650 087</b>
Finance costs	31								<b>8 962 905</b>
Debt Impairment 32[2] Bad debts written off[2]									- <b>188 612 992</b>
Bulk purchases	34								(4 939 617)
Cost of land sold									136 000
General Expenses									- 6 552 491
<b>Total expenditure</b>									<b>129 187</b>
<b>Operating surplus</b>									<b>35[9]</b>
Gains/(Loss) on disposal of assets									<b>1 878 061</b>
Fair value adjustments	52								<b>181 528 148</b>
<b>ACTUARIAL GAINS/LOSSES</b>	16								<b>8 962 905</b>
Gains/(Loss) on impairment									<b>- 190 491 053</b>

\* See Note 49

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Surplus for the year

	2021	2020	State ment of Financ ial Perfor mance
	R	Restated*	
Note(s)	R	R	
<b>49. Prior period errors (continued)</b>			
<b>Other</b>			
Related parties	2 054 683	1 251 546	3 306 229

[12]

- [1] Vat receivable increased by R902 709 due to vat output written off as a result of write off of long outstanding receivables approved by council. Furthermore the sale of stands was adjusted.
- [2] The council approved long outstanding debtors as at 30 June 2020 which resulted to decrease in receivables from exchange and non exchange transactions. The adjustment also resulted in increase in bad debts write off and increase in accumulated surplus.
- [3] Inventory increased by R7 256 000 due to an understatement in the prior year resulting in an increase in inventory and decrease in accumulated surplus, other income and payables by the same amount
- [4] Property plant and equipment increased by R55 109 091 due to recognition of Property, Plant and Equipment initially not in the recognised in the prior years.
- [5] Other income increased by R190 689 due to remapping of other votes to service charges and licences and permits.
- [6] Accumulated surplus increased by R 60 875 050 due to write off of long outstanding debtors. (bad debt write off was written off against accumulated surplus. The adjustment resulted in decrease in debtors balance. The debt impairment provision for such debtors was also reversed. The adjustment on Property plant and equipment also resulted in the change.
- [7] Customer deposits were adjusted by R412 050 as prior year amount was not reconciling the register.
- [8] Licences and permits was increased by R8 812 and service charges by were increased by R190 689 due to remapping.
- [9] General expenditure decreased by 2 090 739 due to prior year restatements processed.
- [11] Interest revenue from outstanding receivables increased by R371 606 due to interest accrued on outstanding debtor previously not recognised in prior years.
- [12] Management identified children of appointed councillors who are receiving salaries from the municipality resulting in adjustment on related parties.

The accounting policies on pages 14 to 38 and the notes on pages 39 to 94 form an integral part of the annual financial statements.

\* See Note 49

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### 50. Statutory receivables

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. The receivables within the scope of GRAP 108, effective for all periods started on or after 1 April 2019. .

The following are regarded as statutory receivables;

#### Statutory Receivable

Vat receivables	8 241 249	4 151 647
Receivables from non exchange transactions	22 042 599	19 609 479
	<b>30 283 848</b>	<b>23 761 126</b>

### 51. Events after the reporting date

The Transnet property (Municipal building) which form part of the investment property in the statement of financial statements was burnt down after the reporting date. The netbook value of the property is R5 260 000 at the reporting date. As such a result the value of investment property reported does not reflect the effect of the fire.

#### Statement of Financial Performance

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	2021	2020
		Restated*
Note(s)	R	R

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### 51. Events after the reporting date (continued)

-

The estimate of the effects of the fire could not be determined.

Furthermore there was local government elections held on 01 November 2021 and a new council (governance) will be appointed.

### 52. Fair value adjustments

Investment property (Fair value model)	-	136 000
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\* See Note 49

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### 53. Segment information General information

#### Identification of segments

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

#### Types of goods and/or services by segment

The Municipality has several departments/functional areas and accordingly the segments were aggregated for reporting purposes as set out below:

<b>Reportable segment</b>	<b>Goods and/or services</b>
Municipal governance and administration services	This segment consists of services such as executive services, support services to the executive and finance & administration services
Finance and administration	Provision of financial and administrative services to other segments of the municipality
Public Safety, Community and Social Services	Provision of public safety, an acceptable standard of Social Services, Emergency Services, Environmental and Health Services, Community Safety and Road Traffic Management
Sports and Recreation	Provision of advancement of participation in sport and recreation, Fast-tracking the revival of sport, Talent identification and optimization of talent, Empowerment programmes
Planning and Development	Provision of planning and development including policy and procedures. Co-ordination work relating to the preparation of the Annual Development Programme and its review
Road Transport	Construction and maintenance of roads and infrastructure owned by the municipality
Environmental Protection	This segment consists of environmental services such as planning & development, environmental protection and roads & storm water
Energy Sources	This segment consists of all services for energy

\* See Note 49

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

supply to the community

Trading Services

This segment consists of all services for the management of waste water, water, refuse, electricity, in the municipal area.

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\* See Note 49

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### 53. Segment information (continued)

##### Segment surplus or deficit

2021

	Executive and Finance and Public Safety, Council	Administratio n	Community and Social Services	Sports and Recreation	Planning and Development	Road Transport	Environmental Protection	Energy Sources	Trading Services	Total
<b>Revenue</b>										
<b>Revenue from nonexchange transactions</b>	-	-	-	-	-	-	-	-	-	-
Property rates	-	49 763 478	-	-	-	-	-	-	-	49 763 478
Interest on outstanding receivables	-	1 628 503	-	38 860	-	-	-	-	-	1 667 363
Grants and subsidies realised	6 990 996	14 896 200	28 197 429	2 582 403	8 660 448	23 324 794	500 004	136 232 017	168 173 661	389 557 952
Fines, penalties and forfeits	-	7 494	3 333 254	-	-	-	22 270	54 892	-	3 417 910
<b>Revenue from exchange transactions</b>	-	-	-	-	-	-	-	-	-	-
Sale of stands	-	-	-	-	7 209 208	-	-	-	-	7 209 208

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Service charges	-	-	-	-	-	-	-	113 097 210	45 056 059	158 153 269
Rental of facilities	-	307 376	21 757	1 377 767	305 171	-	-	-	-	2 012 071
Interest on outstanding receivables	-	3 848 481	-	-	-	-	-	-	-	3 848 481
Licences and permits	-	-	3 329 543	-	21 935	-	-	-	-	3 351 478
Other revenue	-	3 422 064	114 248	54 865	973 957	-	-	927	-	4 566 061
	<b>6 990 996</b>	<b>77 738 430</b>	<b>34 996 231</b>	<b>4 053 895</b>	<b>17 170 719</b>	<b>23 324 794</b>	<b>522 274</b>	<b>249 385 046</b>	<b>213 229 720</b>	<b>627 412 105</b>
										<b>627 412 105</b>
Interest on investments	-	3 864 834	-	-	-	-	-	-	-	3 864 834

#### Total segment revenue

#### Entity's revenue

Restated\*

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

	Executive and Council	Finance and Administration Community and Social Services	Public Safety, Recreation and Services	Sports and Recreation	Planning and Development	Road Transport	Environmental Protection	Energy Sources	Trading Services	Total
<b>53. Segment information (continued)</b>										
<b>Expenditure</b>										
Employee related costs	(3 375 486)	(58 065 729)	(30 704 991)	(8 415 840)	(17 516 281)	(6 507 173)	(171 253)	(6 823 720)	(19 814 678)	151
Remuneration of councillors	(9 842 705)	-	-	-	-	-	-	-	-	(9 842 705)
Depreciation, amortisation and impairment loss	-	(65 944 055)	-	-	-	-	-	-	-	(65 944 055)
Finance costs	-	(3 937 781)	(25 068)	(42 381)	(162 103)	(152 160)	(251)	(457 272)	(5 685 736)	(10 462 752)
Debt impairment	-	(13 774 273)	-	-	-	-	-	-	(48 719)	(13 822 992)
Bad debts written off	-	(640 423)	-	-	-	-	-	(828 942)	-	(1 469 365)
Bulk purchases	-	-	-	-	-	-	-	(99 409 275)	(26 225 000)	(125 634 275)
Consumables Land cost	-	-	-	-	(15 105 401)	-	-	-	-	(15 105 401)

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

										401)
General expenses	(1 559 669)	(72 568 019)	(2 249 415)	(244 716)	(2 873 930)	(3 245 575)	(13 148)	(10 812 533)	(13 394 604)	(106 961 609)
Gains/(Loss) on disposal of assets	-	(18 409 890)	-	-	-	-	-	-	-	(18 409 890)
Fair value adjustments	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses)	-	(2 603 000)	-	-	-	-	-	-	-	(2 603 000)
Gain (loss) on impairment	-	-	-	-	-	-	-	-	-	-
<b>Total segment expenditure</b>	<b>(14 777 860)</b>	<b>-</b>	<b>(32 979 474)</b>	<b>(8 702 937)</b>	<b>(35 657 715)</b>	<b>(9 904 908)</b>	<b>(184 652)</b>	<b>-</b>	<b>(65 168 737)</b>	<b>-</b>
		235 943 170)						118 331 742)		(521 651 195)
<b>Total segmental surplus/(deficit)</b>										<b>105 760 910</b>

### 53. Segment information (continued)

2020

	Executive and Finance and Public Safety, Council	Administration and Social Services	Community and Social Services	Sports and Recreation	Planning and Development	Road Transport	Environmental Protection	Energy Sources	Trading Services	Total
Revenue										
Revenue from	-	-	-	-	-	-	-	-	-	-

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

#### nonexchange transactions

Property rates	-	45 094 777	-	-	-	-	-	-	-	45 094 777
Interest on outstanding receivables	-	2 997 427	-	-	-	-	-	28 939	119 032	3 145 398
Grants and subsidies realised	6 851 000	13 980 000	5 501 504	7 498 712	8 075 547	31 643 060	300 000	95 702 834	215 995 821	385 548 478
Fines, penalties and forfeits	-	103 457	4 722 010	-	-	-	15 858	4 000	-	4 845 325
<b>Revenue from exchange transactions</b>	-	-	-	-	-	-	-	-	-	-
Sale of stands	-	-	-	-	2 378 515	-	-	-	-	2 378 515
Service charges	-	-	-	-	-	-	-	112 011 218	45 658 099	157 669 317
Rental of facilities	-	1 011 770	34 119	447 292	857 898	-	-	-	-	2 351 079
Interest on outstanding receivables	-	4 837 950	-	-	-	-	-	-	-	4 837 950
Licences and permits	-	-	3 234 504	-	8 812	-	-	1 040	-	3 244 356
Other revenue	-	2 836 256	124 087	81 469	831 700	-	-	-	-	3 873 512
Interest on investments	-	3 707 754	-	-	-	-	-	-	-	3 707 754

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

<b>Total segment revenue</b>	<b>6 851 000</b>	<b>74 569 391</b>	<b>13 616 224</b>	<b>8 027 473</b>	<b>12 152 472</b>	<b>31 643 060</b>	<b>315 858</b>	<b>207 748 031</b>	<b>261 772 952</b>	<b>616 696 461</b>
<b>Entity's revenue</b>										<b>616 696 461</b>
										<b>616 696 461</b>

Restated\*

	<b>Executive and Council</b>	<b>Finance and Administration Community and Social Services</b>	<b>Public Safety, Sports and Recreation</b>	<b>Planning and Development</b>	<b>Road Transport</b>	<b>Environmental Protection</b>	<b>Energy Sources</b>	<b>Trading Services</b>	<b>Total</b>	
<b>53.Segment information (continued)</b>										
<b>Expenditure</b>										
Employee related costs	(2 452 838)	(49 586 191)	(26 010 630)	(8 260 736)	(15 096 305)	(6 357 393)	(162 615)	(5 275 023)	(17 726 974)705	(130 928)
Remuneration of councillors	(9 860 821)	-	-	-	-	-	-	-	-	(9 860 821)
Depreciation, amortisation and impairment loss	-	(63 263 625)	-	-	-	-	-	-	-	(63 263 625)
Finance costs	-	(6 095 025)	-	-	(217 614)	(179 872)	(606)	(2 632 436)	(313 216)	(9 438 769)
Debtors impairment	-	-	-	-	-	-	-	(3 412 630)	(4 252 096)	(7 664 726)

## Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

### Notes to the Annual Financial Statements

Bad debts written-off	-	(2 699 281)	-	-	-	-	-	-	-	(2 699 281)
Bulk purchases	-	-	-	-	-	-	-	(88 208 832)	(25 000 000)	(113 208 832)
Cost of land sold	-	-	-	-	(2 591 600)	-	-	-	-	(2 591 600)
General expenses	(1 703 991)	(63 191 314)	(1 869 219)	(290 575)	(2 639 988)	(959 931)	(32 781)	(7 179 782)	(10 559 529)	(88 427 110)
Gains/(Loss) on disposal of assets	-	(4 939 617)	-	-	-	-	-	-	-	(4 939 617)
Fair value adjustments	-	136 000	-	-	-	-	-	-	-	136 000
Actuarial gains/(losses)	-	6 552 491	-	-	-	-	-	-	-	6 552 491
Gain (loss) on impairment	-	-	-	-	-	-	-	-	-	-
<b>Total segment expenditure</b>	<b>(14 017 650)</b>	<u>129 187</u>	<b>(27 879 849)</b>	<b>(8 551 311)</b>	<b>(20 545 507)</b>	<b>(7 497 196)</b>	<b>(196 002)</b>	<u>-</u>	<b>(57 851 815)</b>	<u>129 187</u>
<b>Total segmental surplus/(deficit)</b>		<b>182 957 375)</b>						<b>106 708 703)</b>		<b>(426 205 408)</b>
										<b>190 491 053</b>

### Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised

## **Ga Segonyana Local Municipality**

Annual Financial Statements for the year ended 30 June 2021

### **Notes to the Annual Financial Statements**

by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

# Ga Segonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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### 53. Segment information (continued)

#### Information about geographical areas

Although the Municipality operates in a number of geographical areas (i.e. wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

#### Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes to the structure of its internal organisation in a manner that caused

# **Ga Segonyana Local Municipality**

Annual Financial Statements for the year ended 30 June 2021

## **Notes to the Annual Financial Statements**

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thecomposition of its reportable segments to change from the prior year.

# **Ga Segonyana Local Municipality**

Annual Financial Statements for the year ended 30 June 2021

## **Notes to the Annual Financial Statements**

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