



GREATER LETABA MUNICIPALITY

ANNUAL REPORT 2019/20



TABLE OF CONTENTS

CHAPTER 1: MAYOR’S FOREWORD AND EXECUTIVE SUMMARY 7

1.1.	Mayor’s Foreword	8
1.2.	Municipal Manager ‘s Foreword	10
1.3.	Municipal Overview.....	13
1.3.1.	A short description of the municipality	14
1.3.2.	Social Analysis	15
1.3.3.	Population and Household Size.....	15
1.3.4.	Age and Gender Profile	15
1.3.5	People with Disability and types of disability	15
1.3.6.	Education Profile.....	16
1.3.7.	Employment Profile.....	17
1.3.8.	Infrastructure Analysis	18
1.4.	Executive Summary	21
1.5.	Other Municipal Context	23
1.6.	Achievements	24
1.7	Challenges	25

CHAPTER 2: GOVERNANCE

2.1	Introduction	27
2.2	Governance Structures.....	27
2.2.1	Political Structure.....	27
2.2.2	Municipal Committees.....	30
2.3	Administrative Governance Structure.	33

2.4	Intergovernmental Relations	37
2.5	Public Accountability and Participation	37
2.6.	Corporate Governance	39
2.6.1	Risk Management.....	39
2.6.2.	Anti-Corruption and Fraud	41
2.6.3.	Supply Chain Management.....	42
2.6.4.	By-Laws.....	42
2.6.5.	Website.....	42
2.7.	Governance Highlights	43

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1.	Introduction.....	47
3.2.	Performance Highlights	47
3.3	Annual Performance Report (Section 46- Municipal Systems Act).....	48
3.4.	Service Delivery Backlog as at 30 June 2019.....	49

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1.	Introduction.....	51
4.2.	Managing Municipal workforce levels	51
4.3.	Staff Establishment	52
4.4.	Employment Equity.....	52
4.5.	Capacitating the Municipal Workforce	54.
	Performance Management System	56
4.7.	Municipal Workforce Expenditure	62

4.8.	Organisational Development Performance Highlights	62
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CHAPTER 5: FINANCIAL PERFORMANCE

5.1.	Introduction.....	64
5.2.	Statement of Financial performance	64
5.3	Greater Letaba Municipality Financial Performance Analysis.....	67
5.4.	Audited Financial Performance	65

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

6.1.	Introduction.....	68
6.2.	Report of the Auditor-General for 2019/20.....	69

TABLES

<i>Table 1.1: Population distribution in terms of Gender and Age Group.....</i>	15
<i>Table 1.2: Disability by type.....</i>	16
<i>Table 1.3:Levels of education in Greater Letaba and Mopani District.....</i>	16
<i>Table 2.1: Municipal Committees.....</i>	30
<i>Table 2.2:MPAC Committee.....</i>	31
<i>Table 2.3:Statistical Report on attendance of meetings.....</i>	32
<i>Table 2.4: Statistical Report on attendance of Audit Committee meetings.....</i>	33
<i>Table 2.5: Major risks identified during risk assessment workshop.....</i>	40
<i>Table 3.1:Service Delivery Backlog.....</i>	49
<i>Table 4.1:Total Staff Establishment.....</i>	52
<i>Table 4.2: Workforce Profile per occupational category.....</i>	53
<i>Table 4.3:Remuneration Packages-2019/20.....</i>	62
<i>Table 5.1:Operating ratios.....</i>	64

<i>Table 5.2 Financial Overview</i>	64
<i>Table 5.3:Capital Expenditure</i>	65

FIGURES

Figure 1.1: Population distribution in terms of gender.....	15
Figure 1.3: Employment per gender of household.....	17

APPENDICES

Appendix A. Councillors, Committee allocation and council attendance
Appendix B. Committees and Committee purposes
Appendix C. Third tier administrative structure
Appendix D. Functions of municipality/ entity
Appendix E. Ward reporting
Appendix F. Ward information
Appendix G. Recommendations of the municipal audit committee 2019/20
Appendix H. Long term contracts and public private partnerships
Appendix I. Municipal service provider performance schedule
Appendix J. Disclosures of financial interests
Appendix K. Revenue collection performance by vote and by source
Appendix L. Conditional grants received: excluding MIG
Appendix M. Capital expenditure- new & upgrade/renewal programme
Appendix N. Capital programme by project 2019/20
Appendix O. Capital programme by project by ward
Appendix P. Service connection backlogs at schools and clinics
Appendix Q. Service backlogs experienced by the community
Appendix R. Declaration of loans and grants made by the municipality
Appendix S. Declarations of returns not made in due time under S71

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1. MAYOR'S FOREWORD



The financial year 2019/20 marks the beginning of the fourth year since the election of this administration. The year was approached with a high level of optimism because it draws us closer to the completion of tasks mandated to this administration. However, reality has not been so kind. As a country we have attacked by an invisible enemy which bears its origin from outside our borders and caused unbearable conditions. Covid 19 disturbed our normal operations and has caused devastation to our stability as a country. This invisible enemy continues to be with us and affects even our implementation of projects destined at transforming the lives of our people. We thus hope that with the roll out of vaccination processes, the economy will be opened and our people receive the necessary services ushering in a new chapter post the pandemic. The time to pause and reflect on the successes and challenges of our service delivery mandate has arrived. It is an honour and privilege to present the Annual Report of Greater Letaba Municipality for the 2019/20 financial year to community and all its stakeholders. This report is published in terms of the Municipal Finance Management Act No 56 Of 2003; it is a culmination of decisions which were taken by the Council for the year under review.

The Local Government: Municipal Finance Management Act 56 of 2003 requires municipalities to prepare an annual report for each financial year. The 2019/20 municipal financial year commenced on the 1st July 2019 and ended on the 30th June 2020. It is fundamental to indicate that transparency is one of the trademarks of democratic South Africa and Greater Letaba Local Municipality is no exception. As we consistently report every year, the Annual Report has outlined the state of the municipality. It also unveils the activities undertaken to achieve the predetermined objectives as set out in the Integrated Development Plan, against the approved budget. It has also touched on key issues which the Auditor-General has highlighted for ratification in the Auditor-General South Africa (AGSA) report for 2019/20 financial year where the municipality received Unqualified Audit Opinion.

The Annual Report aims at enhancing governance, transparency and promoting accountability. It is a means of ensuring on-going planning, monitoring and evaluation which begins with the formulation and annual review of the IDP.

In line with section 152 of the constitution, the Annual Report looks on the period under review, measures the performance of the municipality in various areas and presents an opportunity to citizens and stakeholders to assess the progress of the municipality. The municipality works in collaboration with governments departments and other entities to provide the desired services to the communities of Greater Letaba Municipality.

In conclusion, I would like to express my sincere gratitude to all Councillors, Officials, the entire community of Greater Letaba and all stakeholders for their dedication, support and co-operation, which enabled the institution to record all service delivery progress in the year under review. Citizens and stakeholders are thus invited to study the Annual Report in order to give inputs and feedback that comes in an informed manner. This will strengthen our ability to deliver services as we forge ahead.

CLLR MATLOU M.P
MAYOR

1.2. MUNICIPAL MANAGER'S FOREWORD

All municipalities are legislatively expected to report annually on their activities and decisions taken by both municipal councils and management. This allows all local government stakeholders and the South African public at large to be properly informed about the affairs of local government, which is in line with the dictates of the Constitution of the Republic of South Africa, 1996.

Greater Letaba Municipality strives to undertake developmentally oriented planning as enshrined in the Constitution and section 23 of the Municipal Systems Act, No.32 of 2000. Guidelines and regulatory frameworks have been developed to enable municipalities to adopt a result-based approach to manage service delivery. Different mechanisms were employed to monitor and assess the achievement of general key indicators, performance targets that are consistent with development priorities, objectives and strategies as set out in the IDP. It is therefore imperative to reflect on improvements made to service delivery performance and achievements, challenges which will subsequently determine the corrective actions to be embarked upon to enhance service delivery in the 2019/20 financial year.

i) Basic Service Delivery

In fulfilling the constitutional mandate, it was imperative that the municipality align services to the IDP indicators and council priorities. The municipal strategic objectives were reviewed in such a way that they are in line with the IDP analysis phase. Proposed programmes, projects and IDP Key Performance Indicators are in line with the municipal strategic objectives as outlined in the table of strategic guidelines of the IDP document.

ii) Municipal Transformation & Institutional Development

The municipality operated with a total of five (5) functional departments, namely, Technical Services, Development and Town Planning, Community Services, Corporate Services as well as Budget and Treasury Office. The staff establishment was amended and adopted with the IDP and the budget. Out of a total of 321 posts that are in the approved staff establishment, 262 posts were filled in the financial year 2019/20. Training interventions identified were implemented and the progress made is indicated in the report.

iii) Local Economic Development

Growing the economy is government's utmost priority. The municipality contributed to growing the economy by creating 1124 job opportunities within the municipal area through Community Work Programme and internal projects.

iv) **Municipal Financial Viability**

The municipality updates its valuation roll on a regular basis in line with the Municipal Property Rates Act. The bid committees for the 2019/20 financial were functional which resulted in projects appointed in time, this resulted in 100% expenditure on MIG, FMG and EPWP.

v) **Governance structures**

All governance structures, namely, Council, EXCO, Section 80 and MPAC, Audit, Ethics Committee and Ward committees were fully functional. The Municipality had a functional Audit Committee for 2019/20 Financial year. Though the Risk Management Committee was not functional, risk assessment was conducted and culminated in the development of the risk register. The IDP Representative Forum was fully functional and meetings were held as planned. Various mandatory structures such as Local Labour Forum (LLF), Training Committee, Occupational Health and Safety (OHS) Committee, and Employment Equity Committee were established and functional.

Key Challenges for the 2019/20 financial year

Despite the achievements alluded above, there were challenges cutting across the key performance areas that had impacted on improved service delivery. The challenges amongst others include the following:

- The municipality has not achieved some of the Service Delivery Budget Implementation Plan (SDBIP) planned targets.
- Performance Management System (PMS) was not cascaded to lower levels of the workforce.
- The outbreak of Covid 19 pandemic in the third quarter of the financial year under review had a devastating effect on the implementation of municipal programmes, including public participation.

The municipality performs functions that are outlined in its IDP. The IDP and the budget with pertinent policies were adopted and implemented. Performance Management System for section 54 and 56 managers is in place. Challenges that were encountered in carrying out municipal functions through implementation of the IDP and SDBIP will be depicted in the report. The municipality fulfilled its obligation of preparing Annual Financial Statements (AFS) and the audit was conducted which resulted in an unqualified audit opinion.

While the revenue base of the municipality didn't improve drastically, the implementation of split-metering to enhance collection was completed in Mokgoba and Modjadjiskloof, the introduction of the property rates and review of the relevant policies has made some improvements as a reliable source of income. The municipality is counted among the municipalities that are financially stable in the district and the province. The municipality through the management team and all employees properly strive to promote the principles of efficiency, effectiveness and economy. The municipality was able to account to other spheres of government on grants allocated to the municipality during the financial year.

The municipality was rated as functional and one of the top 10 in the province in terms of Back to Basics programme. The municipality received all its allocations but didn't manage to collect own generated revenue as projected hence the downward budget adjustment in February 2020. The municipality received unqualified audit opinion in both financial and performance information.

Section 54 and 56 managers' positions are filled with well qualified personnel. Audit Committee for 2019/20 financial year was functional. The Institution continued to fill in critical positions with human capital to ensure that the municipality achieve its objectives. All essential committees that are key in terms of achieving institutional goals are in place. Institutional policies and strategies were reviewed.

DR INNOCENT SIROVHA
MUNICIPAL MANAGER

1.3. MUNICIPAL OVERVIEW

Greater Letaba Municipality is composed of the following hubs: Sekgopo, Sekgosese, Mokwakwaila, Ga-Kgapane and Modjadjiskloof, where the main Office is situated. The Municipality's main economic focus for turning around the local economy is through tourism (baobab tree, Modjadji dynasty and Nature reserve), agriculture, forestry and agro-processing industries.

Community consultation as championed by the Speaker's Office, Cllr. M.D Makhananisa and Mayor's Office, Cllr. M.P. Matlou is at the heart of good governance in the Municipality to enhance community participation and informed decision making. As a result, the 2019/20 financial year has seen Greater Letaba Municipality expanding its service delivery in terms of infrastructure development through paving of gravel roads, construction of community hall and sport complex, and erection of high mast lights and electrification in rural areas and spent 100% on MIG, EPWP and FMG.

Greater Letaba Municipality continued with its mandate to increase creation of jobs to its local community through EPWP projects as outlined in the report. During the IDP/Budget process our community has again given the municipality a mandate to continue to implement projects in line with Government priorities, hence infrastructure development was again outlined as the main priority of the municipality. The municipality appointed a Municipal Manager and Directors for all directorates to ensure service delivery continue effectively.

The Municipality's sewerage system in Modjadjiskloof has been upgraded to waterborne from septic tanks. The main challenge faced by the municipality in many of its settlements is insufficient portable drinking water.

1.3.1 A short description of the municipality

Greater Letaba Municipality (GLM) is in the north-eastern part of the Limpopo Province in the jurisdiction area of Mopani District Municipality. Greater Letaba Municipality shares borders with Greater Tzaneen Municipality in the south, Greater Giyani Municipality in the east, Molemole Municipality in the west and Collins Chabane Municipality in the north.

Greater Letaba Municipal area is one of the smaller municipal areas in terms of land area, and characterized by contrasts such as varied topography, population densities (low in the south, relatively dense in the north-east), prolific vegetates in the south (timber) and sparse in the north (bushveld). Although aquatic resources within the boundaries of the Municipality are scarce, the proximity of natural resources (tourist's attractions, intensive

economic activity, nature reserves and vast arable land) to the borders of the municipality creates an opportunity for capitalization.

The “gates” to the municipal area are considered to be Sekgopo in the west and Modjadjiskloof in the south. The land area of Greater Letaba Municipality extends over approximately 1891km². Greater Letaba Municipality incorporates the proclaimed towns of Modjadjiskloof, and Ga-Kgapane, situated in the extreme south of the municipal area, and Senwamokgope towards the north-west of the area of jurisdiction. There are also 132 rural villages within the municipal area. 45 paving projects were implemented since 2013/14 financial year inclusive of the following projects which were done in the 2019/20 viz; Modjadji Ivory phase 2 (0.8Km) and Moshakga Street paving (2.2Km).

1.3.1 Social Analysis

The socio-economic analysis will focus on the population size, age and gender profiles as well as the educational levels of the population. Information on the Socio-economic status of Greater Letaba Municipality was mainly gathered from census conducted by STATSSA in 2011 and 2016. Much of the municipal population is indigents.

1.3.2 Population and Household Size

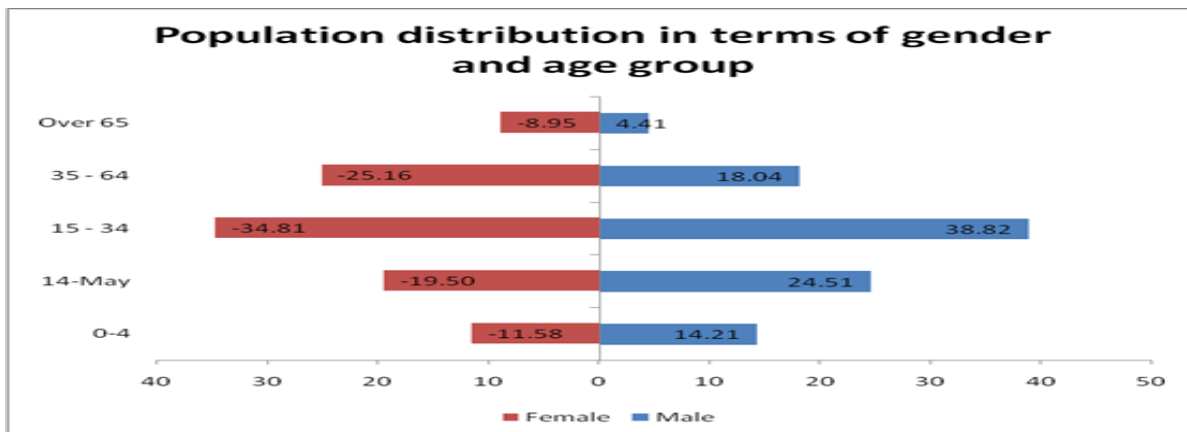
Table 1.1: Population distribution in terms of Gender and Age Group

Population		Households	
Census 2011	Census 2016	Census 2011	Census 2016
212 701	218 030	58 262	67 067

1.3.3 Age and Gender Profile

The population of Greater Letaba Municipality is very young with 39.3% of the people younger than 35 years of age. From the Pyramid below, it is evident that, in the age group 15-34 the percentage of males is high as compared to females. While in the age group 35-64 there is high percentage of females than males.

Figure 1.1: Population distribution in terms of gender and age group



Source: Census 2011

1.3.5 People with Disability and types of disability

Greater Letaba Municipality has 3993 people with disability.

Table 1.2 Disability by type

Types of disability			Total
Sight	345	134	479
Hearing	392	102	494
Communication	421	143	564
Physical	729	567	1296
Intellectual	1	32	33
Emotional	493	432	925
Multiple	145	57	202

1.3.6 Educational Profile

Education level: About 28, 5 % of the population in Greater Letaba Municipality has no educational background.

Table 1.3: Levels of education in Greater Letaba and Mopani District

LEVEL OF EDUCATION	GREATER LETABA	%	MOPANI	%
Grade 1/sub A (completed or in process)	7627	5.6	31711	5.4
Grade 7/standard 5	15877	11.7	64097	10.9
Grade 11/standard 9/form 4/NTC II	15919	11.8	68420	11.7
Attained grade 12; out of class but not completed grade 12	6419	4.7	30580	5.2
Grade 12/Std 10/NTC III (without university exemption)	10159	7.5	52920	9.0
Grade 12/Std 10 (with university exemption)	754	0.6	10195	1.7
Certificate with less than grade 12	1430	1.1	10497	1.8
Diploma with less than grade 12	1562	1.2	7780	1.3
Certificate with grade 12	952	0.7	6448	1.1
Diploma with grade 12	2777	2.1	13095	2.2
Bachelor's degree	1479	1.1	6879	1.1
BTech	78	0.1	999	0.2
Post graduate diploma	317	0.2	2431	0.4
Honour's degree	459	0.3	2043	0.3
Higher degree (masters/PhD)	72	0.1	1127	0.2
No schooling	38459	28.5	146863	25.1
Out of scope (children under 5 years of age)	28068	20.8	113316	19.4
Unspecified	2334	1.7	8115	1.4
Institutions	494	0.4	8476	1.5
Total	135165	100	585991	100

Source: 2011, STATSSA.

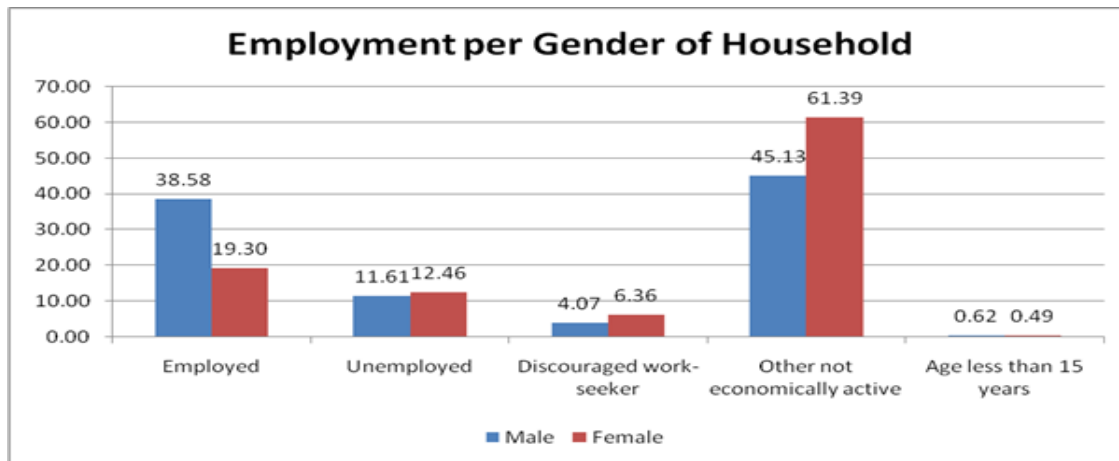
The percentage of illiteracy is estimated at 28,5%, which shows a decline in the level of illiteracy by 17,3%. The progress thereof is satisfactory; the level of illiteracy is still worrying since it impacts on the employability of the population. The number of existing schools in the municipality is inadequate some of them being in poor conditions.

1.3.7 Employment Profile

The graph below presents the employed population of Greater Letaba according to gender of households. The statistics on the graph below shows that 9719 of male people are employed as compared to small number of 6383 of female people. And the STATSSA also depict number of youths employed and number of disabilities

employed, female people, unemployed, discouraged work-seeker and economically inactive are mostly affected as indicated on the chart below.

Figure 1.3: Employment per gender of household



Source: Census 2011

1.3.7.1 Employment and Unemployment Rate

The percentage of people employed by formal sector is high and constitute 63.78 % followed by informal sector with 23.95 %. The Pie chart also indicates that private households contribute 9.26 % of employment.

1.3.8 . INFRASTRUCTURE ANALYSIS

1.3.8.1 . Multipurpose Community Centres

There are two multipurpose centres at Mokwakwaila and Soetfontein. These multipurpose centres play a critical role in ensuring that information regarding government activities is made accessible to the community. Key basic services by government and parastatals are provided to communities through the centres.

1.3.8.2 Community facilities

Greater Letaba Municipality has eight (8) libraries within its area of jurisdiction. Library contributes significantly to the education of the Greater Letaba population. The Modjadjiskloof library, Soetfontein library, Maphalle and Ga-Kgapane libraries are currently operational. The libraries in Mokwakwaila, Sekgopo, Senwamokgope, and Shotong are completed and currently in the process of resourcing. Rotterdam Library designs are completed.

There are ten (10) sports facilities around Greater Letaba Municipality's area of jurisdiction targeting to benefit the community thus promote social cohesion. The areas where these social amenities are located is at Sekgopo, Kgapane, Lebaka, Rotterdam, Thakgalane, Senwamokgope, Shaamiriri, Mamanyoha, Mokwakwaila and Madumeleng. Five (5) of these sports facilities are still under construction using a multi-year implementation approach with prospects for completion by June 2020 i.e. (Kgapane, Rotterdam and Mamanyoha Sport Stadia) and by June 2022 respectively i.e. (Thakgalane and Madumeleng Sport Stadia).

The municipality has registered a significant and immense progress in as far as addressing backlog levels in this area of sports facilities development.

1.3.8.3 . Water

The general state of water supply within the municipal area is not up to standard and therefore requires urgent intervention to improve the situation. The municipality often experiences unfortunate situation whereby communities are obliged to utilise contaminated water collected from natural sources like rivers and springs for domestic use. Cases of Bilharzias diseases have been reported in areas like Lemondokop as a result of contaminated water being used by desperate community members. It is imperative that additional water supply resources be provided and also that the existing resources be extended and refurbished with the assistance of the Mopani District Municipality (MDM) which is the Water Services Authority (WSA) in the area. GLM is the Water Services Provider (WSP) according to the agreement signed with MDM.

Free Basic Water

The threshold for provision of Free Basic Water is a maximum of six (6) kilolitres per household per month. Indigent households which reside in the proclaimed towns do not pay for the first 6kl of water as reflected in their service accounts. There is a total of 132 villages which receive unmetered free water supply, which is presumed to be above the FBW threshold. In areas where there are deficiencies in water availability, water supply is supplemented by water tankers at no cost to the recipients.

- **Free Basic Electricity**

The maximum allowable consumption for Free Basic Electrification is 60kw per household per month. The municipality receives applications for its licensed area. All qualifying beneficiaries are currently receiving a free allocation of 60kw per month. ESKOM administers applications and collection of FBE in areas under their licenced distribution area.

- **Free Basic Waste**

The municipality allocates a collection of free basic waste of at least once a week to qualifying indigent households located in proclaimed areas.

- **Street Lighting**

The municipality has a strategic intention of locating streetlights or high mast lights in areas which are at entry to the municipal area or / and affected adversely by crime. Areas which are provincial, district and local growth points, areas which have economic activities especially even after sunset are also targeted for lighting. A total of one hundred and fifty-nine (167) high mast lights were erected from 2009/2010 until 2019/20 financial years benefiting all the wards. A vast increase in street lighting assets requires the municipality to adjust the budget for related operations and maintenance accordingly.

1.3.8.4. Transport Infrastructure

- **Road Networks and Backlogs**

Transportation infrastructure makes a major contribution to the facilitation of economic activities. A major progress has been made in improving the condition of the roads in the municipality. The municipality has a total of 1228.8 km road network.

- **Public transport**

Greater Letaba municipality public transport is accessible to communities; some villages take less than 10 minutes' walk to access public transport. Whereas some takes more than 10 minutes to access public transport which is above service norm and standards.

1.3.8.5 Access to Health Care

STATSSA indicates that, within the Greater Letaba Municipal area, 42% of communities reside within 20 km of a hospital, 4% of communities reside within 10 km of a Health Centre and 91% of communities live within 5 km of a clinic. Apart from the very low Health Centre statistic, Greater Letaba compares favourably with other local municipalities in the Mopani District. The distance norm to rate accessibility does not take into consideration other restrictive factors, such as bad state of roads, and therefore health facilities are in all probability less accessible to communities than reflected by the Department of Health criteria.

1.3.8.6 Heritage Sites

Greater Letaba Municipality has a number of heritage sites:

- ❖ *Modjadji Cycad forest
- ❖ *Rain Queen White House
- ❖ *Lebjene Ruins

There is a need in Greater Letaba Municipality to promote Khelobedu language and popularize heritage sites such as Manokwe cave that is still under construction and other attractions which are found within the Greater Letaba Municipality.

1.3.8.7 Thusong Service Centers

Municipality has one Thusong Centre which is currently operational. The Centre is located at Mokwakwaila. There is a need to upgrade the Soetfontein Rural Development Agency facility in Sekgosese to a Thusong Centre. The establishment of this Centre will empower the poor and disadvantaged through access to information, services and resources from governmental organizations, parastatals and business.

1.4 Executive Summary

- **Vision**

Greater Letaba Municipality's vision is

“To be the leading municipality in the delivery of quality services for the promotion of socio-economic development”

- **Mission**

To ensure an effective, efficient and economically viable municipality through: Promotion of accountable, transparent and consultative and co-operative governance; promotion of local economic development and poverty alleviation; strengthening cooperative governance; provision of sustainable and affordable services and ensuring a compliant, safe and healthy environment.

- **Values of Greater Letaba Municipality**

The values of Greater Letaba Municipality

- Teamwork
- Commitment

- Integrity
- Value for money
- Consultation
- Transparency
- Accountability
- Courtesy
- Innovation

Greater Letaba municipality derives its existence from the objects of local government as entailed in section 152(1) of the Constitution of the Republic of South Africa:

- To provide democratic and accountable government for local communities.
- To ensure the provision of services to communities in a sustainable manner.
- To promote social and economic development.
- To promote a safe and healthy environment.
- Encouraging involvement of communities and community organizations in the matters of local government.

In the process of delivering services to the community, the municipality follows the Five Years Strategic Agenda as adopted by national government, namely;

- *Municipal Transformation and Organisational Development*
- *Basic Service Delivery and Infrastructural Development*
- *Local Economic Development*
- *Financial Viability and Management*
- *Good Governance and Public Participation*

In addition to the Five Years Strategic Agenda, the municipality operates within the framework of the following municipal strategic priorities:

- Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.
- Massive program to build economic and social infrastructure.
- Comprehensive rural development strategy linked to land and agrarian reform and food.
- Security.
- Strengthening the skills and human resource base.
- Improve the health profile of all our people.
- Intensify the fight against crime and corruption.

- Build cohesive, caring and sustainable communities.

In its vision statement, the municipality asserts to be the leading municipality in the delivery of quality services for the promotion of socio-economic development. The municipality provide core services geared to uplifting the social and economic standards of the communities by actualizing its mission and values.

1.5 Other Municipal Context

The dawn of democracy which was ushered by the establishment of municipal councils as dictated by chapter 7 of the Constitution of Republic of South Africa, came with its own challenges that affected the municipality and residents of Greater Letaba Municipality, however the aim of the administrative restructuring was to ensure a smooth transformation with minimum circumstances hampering service delivery to its residents.

- ***The Integrated Development Plan***

In compliance with Section 34 of the Municipal Systems Act (Act No.32 of 2000) read in conjunction with Chapter 2 of the Local Government: Municipal Planning and Performance Management Regulations, no. R 796/2001, the Greater Letaba Municipality has developed an Integrated Development Plan which is revised annually, accompanied by organisational review and Performance Management System review.

The IDP is the municipality's strategic planning document which guides and informs all planning and development within the municipality and a tool that enables the municipality to work towards achieving development goals as outlined in the constitution. The IDP informs and is integrally linked and co-ordinated with the municipality's budgeting and performance management process.

The Municipality's long-term vision details the development priorities and cross cutting issues which contribute towards achieving the vision, strategies, programmes and projects; which are linked to a detailed budget and are all contained in the IDP. The Municipality has developed its objectives, strategies, projects and programmes in terms of IDP themes. They are:

- *Provision of Infrastructure and Services*
- *Creation of liveable towns and rural areas.*
- *Local Economic Development*
- *Community empowerment & redistribution.*

The Greater Letaba Municipality's IDP community consultation processes were extensive during the 2019/20 financial year. Due to Covid-19 restrictions, public participation was done on various media platforms such as Radio interactive interviews, Facebook and WhatsApp.

1.6. Achievements

- The Electricity Master Plan has been developed and is functional.
- The municipality has invested in the infrastructure development in areas such as street paving at Ditshoshing, Ntata, Mmaphakhathi, Las Vegas, Sekgopo-Moshate and sport complexes at Mamanyoha, Madumeleng and Ga-Kgapane storm water to name a few.
- The transfer stations in Senwamokgope and Ga-Kgapane are fully functional.
- The rate of service delivery was accelerated by procurement of plant and equipment such as Graders, Tipper Trucks and TLB.
- The Grants allocated to the Municipality were spent as follows
 - **MIG: 100%**
 - **FMG :100%**
 - **EPWP: 100%**
 - **INEP: 100%**
- The Municipality received an **Unqualified Audit** opinion for 2019/20 financial year on both Annual Financial Statements and Predetermined Objectives (Performance information).
- The municipality received an additional **R13 million** as a result of outstanding performance.

1.7 CHALLENGES

- Not all the projects were implemented as planned in the SDBIP as a result of under collection of expected revenue.
- Not all by-laws were reviewed.
- Outbreak of Covid 19

CHAPTER 2
GOVERNANCE

Alliance had 2 PR councillors and LIRA party had 1 each PR Councillor. The total number of councillors for Greater Letaba was 60.

Municipality's Political Structure 2019/20



**Honourable Mayor
Cllr Matlou M.P**



**SPEAKER
Cllr M.D MAKHANANISA**



**CHIEFWHIP
Cllr MAMPEULE P.J**

EXECUTIVE COMMITTEE MEMBERS



Cllr Selowa G
Head Health & Social services



Cllr MP Masela
**Head Economic Development,
Housing & Spatial Planning**



Cllr Maeko Nkwana
**Head Corporate Services &
Shared Services**



Cllr ND Modiba
Head Finance



Cllr TJ Rababalela
Head Water services



Cllr RP Mosila
Head Infrastructure



Cllr Mathaba E
**Head Agricultural &
Environment**



Cllr Rasetsoke S
**Head Sports, Recreation,
Arts & Culture**



Cllr Maenetsa M.B
**Head Public Transport
& Roads**

The Executive Committee which is the principal committee of council is chaired by the Mayor, receive reports from different portfolio committees of the council which are forwarded to council with recommendations if they cannot dispose the matter in terms of delegated powers. The Chief Whip plays his whipping role during party caucus. Traditional Leaders participate in council in line with the provisions of Section 81 of the Municipal Structure's Act.

2.2.2 Municipal Committees

Section 160 (c) of the constitution stipulates that, "a municipal council may elect an executive committee and other committees, subject to national legislation." Section 79 and 80 of the Municipal Structures Act No. 32 of 2000 gave effect, to this provision by establishing the following committees with each committee headed by full time Councillors and chaired by chairpersons.

Table 2.1: Municipal Committees

PORTFOLIO COMMITTEE	HEAD	CHAIRPERSON	COMMITTEE MEMBERS
Corporate and Shared Services	Cllr. Maeko-Nkwana M.M	Cllr. Lebeko N.F	Cllr. Baloyi R.G Cllr. Hlapane M.F Cllr. Motsinoni R
Finance	Cllr. Modiba N. D	Cllr. Ngobeni B. E	Cllr. Matlou M.P Cllr. Mosila M.R Cllr. Masela M.P Cllr. Maeko-Nkwana M.M Cllr. Selowa M.G Cllr. Rababalela T.J Cllr. Modiba N.D Cllr. Rasetsoke S.M Cllr. Mathaba M.M Cllr. Maenetsa M.B
Infrastructure	Cllr Mosila M. R	Cllr Malatjie S. S	Cllr. Makomene M.P Cllr. Masedi M.E Cllr. Mangoro M.V Cllr. Nkuna V
Economic Development, Housing & Spatial planning	Cllr. Masela M. P	Cllr. Mankgeru M.M	Cllr. Rampedi M.V Cllr. Mabeba M.M Cllr. Mohale MJ Cllr. Rampyapedi S.B Cllr. Selomo M.M Cllr Modjadji G.H

Agriculture and Environment.	Cllr. Mathaba M. E	Cllr. Ngobeni M. P	Cllr. Rahlaga R Cllr. Ralepatana P.P Cllr. Maluleke Z.T Cllr. Ndobela M.E.C
Community Services	Cllr. Selowa M.G	Cllr. Lebepe M.A	Cllr. Kgatla M.S Cllr. Hlungwane S.J Cllr. Mohale S.L Cllr. Raphokwane D
Public Transport and Roads	Cllr. Maenetja M.B	Cllr. Kgapane T.J	Cllr. Masedi M.E Cllr. Seshoka N.L Cllr. Senyolo T.J Cllr. Rasetsoke M.C
Water and Sanitation Services	Cllr. Rababalela T.J	Cllr. Selowa N	Cllr. Selamolela S Cllr. Ndobela M.C Cllr. Selomo M.M
Sports Arts and Culture	Cllr. Rasetsoke S.M	Cllr. Ramaano K.E	Cllr. Rabothata D.G Cllr. Ramalobela M.L Cllr. Ramabela M.E Cllr. Ramaselele D.D

All committees are constituted by all councillors representing different Political Parties, Officials and Traditional Leaders. Section 80 committees are established as and when required as outlined in the Act. The committees operate under the auspices of council and are delegated certain powers and duties to execute.

2.2.3. Municipal Public Accounts Committee (MPAC)

Greater Letaba Municipality has established Municipal Public Accounts Committee in line with the National Guidelines and the stipulations in Section 79 of the Municipal Structures Act No.117 of 1998 and the committee comprises of the following members:

Table 2.2: MPAC Committee

Name	Gender
Councillor Manyama M.I	Male: Chairperson
Cllr Maake M.R	Female
Cllr Moshole S	Male
Cllr Monaiwa M.P	Male
Cllr Monyela K.B	Female
Cllr Ralefatane M.E	Female
Cllr Selema P.W(Late)	Male

Cllr Mathedimosa M	Female
Cllr Mohale P.J	Female
Cllr Ramoba M	Male

2.2.3 Rules and Ethics Committee

The Rules and Ethics Committee reports to the Speaker of Council (Cllr MD Makhananisa). The committee ensures compliance with the Code of Conduct as set out in Schedule 1 of the Local Government: Municipal Systems Act 32 of 2000 as amended. The Code requires that a Municipal Council may establish a special committee to investigate and make a finding on any alleged breach of the Code and make appropriate recommendations to the Municipal Council. The Municipality established Rules and Ethics Committee in 2019 and developed terms of reference for approval by Council. The Committee has attended induction and reviewed the council Rules of Order for approval by Council.

The Rules and Ethics Committee consist of:

Name of the Committee Member	Capacity
Cllr. Selamolela S	Chairperson
Cllr. Mathaba M.E.	Member
Cllr. Rasetsoke M.C.	Member
Cllr. Kgatla M.S.	Member
Cllr. Hlapane M.F.	Member

2.2.4 Disciplinary Board

The municipality has established a Financial Misconduct Disciplinary Board in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 read with section 21(1)(a) and (b) of the Municipal Systems Act, 2000 (Act 32 of 200). The draft reporting procedure and terms of reference are developed for approval by council.

The Financial Misconduct Disciplinary Board consist of:

Name of the Committee Member	Designation	Capacity
Makgale MM	Chairperson of the Audit Committee	Chairperson
Mokhufi E	Assistant Director: Internal Audit	Member
Chuene K.R	Assistant Director: Legal Services	Member

Chauke MM	Municipal Manager: Giyani Local Municipality	Member
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2.2.5 Municipal Council

Council is a structure that is vested with executive and legislative authority. Council is chaired by the Speaker who must among other functions ensures that council meetings are conducted in line with council rules and orders and those they meet quarterly. The Council of Greater Letaba Municipality is stable. 4 Ordinary meetings were held as legislated and five (5) special councils' meetings held for 2019/20 financial year.

Table 2.3: Statistical report on attendance of Meetings.

COMMITTEE / STRUCTURE	MEETINGS SCHEDULED	MEETINGS HELD	STATUS
Council	4	9 (4 Ord & 5 Spec)	Target Exceeded
EXCO	4	10 (4 Ord & 6 Spec)	Target Exceeded
Corporate & Shared Services	12	09 meetings held	Below Target
Infrastructure	12	08 meetings held	Below Target
Local Economic Development	12	09 meetings held	Below Target
Public Transport and Roads	12	05 meetings held	Below Target
Health and Social Services	12	03 meetings held	Below Target
Environment & Agriculture	12	07 meetings held	Below Target
Sports, Arts and Culture	12	05 meetings held	Below Target
Water Services	12	04 meetings held	Below Target
Finance	12	09 meetings held	Below Target
Audit Committee	4	08 meetings held)	Target Exceeded
MPAC	12	13 meetings held	Target Exceeded

2.2.6 Portfolio Committees functionality

The Portfolio Committee system which was established in terms of S79 of the Local Government: Municipal Structures Act, No.117 of 1998, supports the Greater Letaba Municipality Council. Each Portfolio Committee meets once a month. Their core function is to look at specific issues that relate to each Portfolio, research issues

and find necessary facts before those issues could be discussed by Councillors who sit in each of the Portfolio committees. The Committee deliberates on issues and make recommendations to EXCO and Council, for the latter to take the final decisions.

2.2.7 Audit Committee functionality

The Audit Committee consists of independent external members listed below. The committee is required to meet at least 4 times per annum as per the Audit Committee Charter. The municipality appointed its own audit committee members in accordance with the Municipal Finance Management Act no 56 of 2003 Section 166(2).

The functions of the committee among others include the following:

- To advise the Council on all matters related to compliance and effective governance.
- To review the Annual Financial Statements.
- To respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by the internal audit.
- To compile reports to Council.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the plans of the internal audit function and ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- To provide support to the internal audit function

All 4 ordinary meetings and 3 special audit committee to consider the Annual Financial Statements and Auditor General report were held. The Audit Committee submitted t (02) reports to Council in 2019/20.

Names	Designation	Number of meetings held	Number of Meetings Attended	Number of Apologies rendered
Makgale MM	Audit Committee (chairperson)	7	7	0
Mrs Mojapelo	Audit Committee member	7	7	0
Mr. Sebola T	Audit Committee member	7	7	0
Mrs Mudau FT	Audit Committee member	7	6	1
Mr. Raphalani R	Audit Committee member	7	6	1

Table 2.4: Statistical report on the attendance of Audit Committee meetings

2.3. Administrative Governance Structure

Section 160 1 (d) of the constitution stipulates that, “A Municipal Council may employ personnel that are necessary for the effective performance of its function.” To give effect to this provision, council has appointed a Municipal Manager who is the head of administration and also as the accounting officer for the municipality as outlined in Section 82 of the Municipal Structures Act.

The Accounting Officer of Municipality during in 2019/20 was Dr Innocent Sirovha. Council further appointed managers who directly account to the Municipal Manager in consultation with the Municipal Manager in line with the provision of Section 56 of the Municipal System’s Act No. 32 of 2000. The administrative structure of the municipality has been reviewed and adopted by council on the 30th of May 2019 as required by Section 66 of the Municipal Systems Act. Greater Letaba Municipality has five (5) departments. Each department and the office of the Municipal Manager have specific functions that they perform to give effect to Council’s mandate as enshrined in Section 152 of the Constitution of the Republic of South Africa.

The municipality has an approved 2019/20 IDP that informs the Budget and SDBIP. All Managers and the Municipal Manager have duly signed employment contracts and performance agreements in the financial year 2019/20. The management team’s mission is to oversee, coordinate and manage the transformation and strategic agenda of the municipality as well as facilitation of the transformation process by providing strategic advice and support for the Mayor, Speaker, Council committees, EXCO and Municipal Council.

The municipal’s head office is in Modjadjiskloof, 44 Botha Street, Civic Centre. To ensure accessibility of services to the public, there are three sub-offices which are located at Ga-Kgapane, Mokwakwaila and Senwamokgope.

The following individuals were members of the municipality ‘s top management:

POSITION	NAME
Municipal Manager	Dr Sirovha KI
Chief Financial Officer	Mrs Mathabatha T.M
Director: Corporate Services	Dr Letsoalo MB

Director: Community Services	Dr Mokoena MD
Director Technical Services	Mr Malungana ME
Director: Development & Town Planning	Mr Sewape MO

MUNICIPALITY'S ADMINISTRATIVE STRUCTURE 2019/20



Dr Sirovha KI
Municipal Manager



Mr Malungana ME
Director Technical
Services



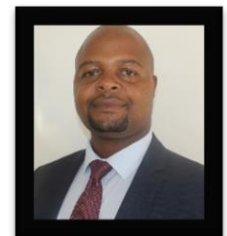
Dr Letsoalo MB
Director: Corporate
Services



Mrs Mathabatha T.M
Chief Financial Officer



Dr Mokoena MD
Director: Community
Services



Mr Sewape MO
Director Development
& Town Planning

The Greater Letaba Municipality administration has been organized into five (5) directorates. The management team's mission is to oversee, coordinate and manage the transformation and strategic agenda of the municipality as well as facilitate the transformation process by providing strategic advice and project support to the Mayor, Speaker and Municipal Manager thereby ensuring that there is political and administrative unity. Each directorate including the Municipal Manager's office, contain a set of operational divisions.

As part of the Institutional transformation and in an endeavour to strengthen and build an efficient administration, alternate delivery mechanisms are reviewed in order to ensure improved services to communities. In order to enhance operational efficiency, an organisational structure review was undertaken and adopted by Council.

- **The Municipal Manager's Office**

The overall purpose of the office is to provide strategic administrative support to the council. The municipality has five directorates which account to the Municipal Manager as the head of administration as stipulated in Section 55 of the Municipal Systems Act, no 32 of 2000. The Municipal Manager's Office renders the following functions:

- *Risk and internal audit.*
- *Performance Management System.*
- *Communication and events.*
- *Disaster services.*
- *Infrastructure development and planning.*
- *Community services and social development.*
- *Corporate services.*
- *Budget and treasury*

2.4. Intergovernmental Relations

Intergovernmental Relations issues are handled by the Mayor's Office which is responsible for developing, promoting and implementing all the international, national and local citizenship relationships to maintain a positive profile of Greater Letaba, nationally and internationally.

2.5. Public Accountability and Participation

- **Communication**

Local Government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments, all impose an obligation on Local Government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all. The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the above-mentioned legislation for them to exercise their right in this respect. The municipality is committed to the principle of Batho Pele.

Good customer care is of fundamental importance to the municipality. The municipality has a Communication Strategy which links the people to the municipality's programme for the year. Below is a communication checklist of the compliance to the communication requirements:

COMMUNICATION ACTIVITY	YES/NO
Communication Unit	Yes
Communication strategy	Yes
Communication policy	Yes
Language policy	Yes
Whistle Blowing Policy	Yes
Customer Satisfaction Survey	No
Functional Complaints Management system	Yes
No. of Newsletters issued in 2019/20	0
No. of public participations held as per Section 16 of the Municipal Systems Act	2
No. of Imbizos held	03
No. of newspaper articles/notices published	40

3. Ward Committees

The municipal council has established 30 functional Ward committees in line with Section 73 of the Municipal Structures Act. The term of office corresponds with the term stipulated in section 24 of the Local Government Laws Amendment Act No. 19 of 2008. The committees are chaired by ward councillors and have powers and functions to make recommendations on any matter affecting their ward to all structures of council through the ward councillors as specified in Section 74 of the Act. Ward committees give effect to public participation as outlined in chapter 4 of the Municipal Systems Act by assisting Ward councillors in mobilizing, organizing consultative meetings and activities, disseminating information and encouraging participation from residents in the ward. Ward committees have a budget to cater for their out of pocket expenditure. Ward committee are required as per the plan to submit monthly reports to office of the speaker.

In addition to ward committees, the SDBIP were made public. The SDBIP contained projected financial and service delivery Indicators and deliverables. Members of the public were invited to participate in the Oversight process related to the Annual Report. In order to promote public accountability and participation, members of the public were invited to attend all meetings of the Council meetings. These were held prior to developing the draft

budget in order to provide feedback to the community the implementation of projects in the current financial year and to stimulate the needs of the community in order to provide input for the new financial year.

3.3. Corporate Governance

The municipality has functioned in accordance with the political, statutory and other relationships between its political structures, political office bearers and administration and its community. It has exercised its authority within the constitutional system of co-operative government envisaged in section 41 of the Constitution. The administration is governed by the democratic values and principles embodied in section 195(1) of the Constitution. It has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. It sought to achieve the integrated, sustainable and equitable social and economic development of its area. These functions are listed in Chapter 5 of the Local Government: Municipal Structures Act, 1998, as amended, (“the Structures Act”).

3.3.1. Risk Management

Risk management forms part of management’s core responsibilities and it is an integral part of the internal processes of the municipality. When properly executed risk management provides reasonable assurance, that the municipality will be successful in achieving its goals and objectives. MFMA S62 (i)(c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

The municipality is aware of the impact of risk on service delivery; as such it has developed extensive risk mitigating measures for both strategic and operational risks that have been identified. The King III report on corporate governance has identified risk governance as one of the cornerstones that if successfully implemented, can create and sustain stakeholder value. The following are risks that the municipality have identified during the 2019/20 financial year.

Table 2.5: Major risk identified during risk assessment workshop.

No	Strategic Objective	Risk Description	Mitigation Action	Risk Owner
1	Sustainable financial institution	Lack of revenue generation	<ul style="list-style-type: none"> •Develop and implement revenue generation mechanisms on properties owned by the municipality. • Service the acquired land •Implementation of revenue enhancement strategy 	<ul style="list-style-type: none"> •Development and Town Planning •Budget and Treasury Office
2	Sustainable financial institution	Inability to collect debt	<ul style="list-style-type: none"> •Implementation of credit control policy •Hand over collection of debts to private collection agencies • Improve accuracy of the billing system. •Resume negotiations with Department of Public Works to obtain ownership of land at Mokgoba •Establish an awareness campaign to promote property registration. 	<ul style="list-style-type: none"> •Budget and Treasury Office •Budget and Treasury Office •Development and Town Planning •Development and Town Planning
3	Access to sustainable basic services and Improved quality of life	Poor infrastructure maintenance	<ul style="list-style-type: none"> •Development of infrastructure maintenance plan •Prioritization of infrastructure maintenance funding during budget planning 	<ul style="list-style-type: none"> •Technical Services • Municipal Manager
4	Integrated sustainable Human settlement	Land invasion	<ul style="list-style-type: none"> •Development of land invasion strategy • Provision of serviced land • Filling of vacancies (Land use management unit) 	<ul style="list-style-type: none"> •Development and Town Planning •Development and Town Planning

No	Strategic Objective	Risk Description	Mitigation Action	Risk Owner
5	Improved Local economy	Regulatory entry barriers and lack of confidence for new investors.	<ul style="list-style-type: none"> •Establishment of task team including relevant stakeholders •Development and implementation LED strategy •Development of a formal record keeping system 	<ul style="list-style-type: none"> •Development and Town Planning
6	Improved governance and organization excellence	Fraud, theft and corruption	<ul style="list-style-type: none"> • Disclosure of interest <p>Declaration and recusals in formal/official meetings where business decisions are taken.</p> <ul style="list-style-type: none"> • Pre-employment screenings • Implementation of fraud prevention plan 	<ul style="list-style-type: none"> •Corporate Services
7	Improved Human Resource	Inadequate performance management	<ul style="list-style-type: none"> •Incremental cascading of PMS to lower levels •Conduct an objective specific skills and qualifications audit •Appointment of a Skills Development Committee 	<ul style="list-style-type: none"> •Municipal Manager's Office •Corporate Services
8	Improved Human Resource	Reliance on consultants	<ul style="list-style-type: none"> • Re-engineering organizational structure • Develop and implement staff performance management system. • Improve the management of contracts 	<ul style="list-style-type: none"> • Corporate Services •Municipal Managers Office
9	Improved governance and	Cyber attacks	<ul style="list-style-type: none"> • ICT Software System to monitor, ICT environment. 	

No	Strategic Objective	Risk Description	Mitigation Action	Risk Owner
	organization excellence		<ul style="list-style-type: none"> • Setup soft system policies to cab abuse of ICT Systems and information permissions. • Traffic monitoring and analysis Software for hardware and Cyber resilience software for email (mime cast) • Invest in IT security and applying the latest security patches and apply more software system policies for strict controls. • Updated Anti-Virus programs, and email anti-virus programs (mime cast) to also include tables and cell phones programs. • Security awareness training for employees 	<ul style="list-style-type: none"> • Corporate Services
10	Aged infrastructure	Aged ICT infrastructure	<ul style="list-style-type: none"> • Replacing all outdated hardware 	<ul style="list-style-type: none"> • Corporate Services

3.3.2. Anti-Corruption and Fraud

The municipality has an approved Anti-fraud and corruption policy in place to deal with matters relating to fraud and corruption within the municipality. In addition, the Labour Relations and Whistle blowing policies were implemented.

3.3.3. Supply chain Management

The municipality's Supply Chain Management (SCM) unit is a support function for all directorates within the municipality to ensure provision of efficient, transparent, fair, equitable and cost-effective procurement services hence assisting them to implement their service delivery priorities. In terms of the MFMA SCM regulations, the

SCM unit is established to implement the SCM policy adopted by council. It has operated under the direct supervision of the Chief Financial Officer. The supply chain management policies were adopted by Council and published on the website.

3.3.4. By-laws

The Municipal Systems Act of 2000, Section 11 (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. During the financial year 2019/20 the municipality did not gazette any new by-laws.

3.3.5. Website

The municipal website (www.greaterletaba.gov.za) is an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies. The website is maintained by State Information Technology Agency (SITA).

The municipality s website is functional and operational.

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

Table

DESCRIPTION OF INFORMATION AND/OR DOCUMENT	YES/NO
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Annual and adjustments budgets and all budget-related documents / reports	Yes
All current budget-related policies	Yes
The annual report (2019/20 published	Yes

All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2019/20)	Yes
All service level agreements 2019/20	No
All long-term borrowing contracts (2019/20)	N/A
All supply chain management contracts above a prescribed value of R200 000 for 2019/20	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2019/20	No
Public-private partnership agreements referred to in section 120 made in 2019/20	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2019/20	Yes
Integrated Development Plan (IDP) 2019/20	Yes
Service Delivery Budget Implementation Plan (SDBIP) 2019/20	Yes

3.4. Governance Highlights

- MPAC was able to hold one (1) public hearing on Annual Performance Report, a strategic retreat session, regular project visits, and meetings with the Management Team.
- The municipality managed to support emerging farmers through training and providing them with financial assistance.
- Establishment and induction of the municipal **Rules and Ethics Committee**.
- Establishment of **Disciplinary Board**
- Capacitating of Councillors, Officials, and Interns on Municipal Finance Management competency programme.

Contact Person: Ramahala T		Phone no: 0726688131		Email address: Thulir@glm.gov.za		
Description	"A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))"	"B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))"	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	n/a	1	1	1	1
Chief financial officer	1	n/a	1	0	1	1
Senior managers	0	n/a	0	0	0	0
Any other financial officials	1	n/a	1	1	n/a	1
Supply Chain Management Officials						
Heads of supply chain management units	0	n/a	0	0	n/a	0
Others						
Other officials and Councillors	21	n/a	21	21	n/a	21
Finance Interns	10	n/a	10	0	n/a	n/a
TOTAL	34	n/a	34	23	2	24
Comments: Greater Letaba Municipality also managed to capacitate Councillors on Municipal Financial Management Programme in 2019/2020 Financial year.						

CHAPTER 3

**SERVICE DELIVERY
PERFORMANCE**

3.1: Introduction

This chapter focuses on service delivery on a service by service basis. It considers municipal performance derived from IDP objectives, translated into the SDBIP and presents data on community needs and resource deployment. A brief narrative of all the services provided by the municipality and the performance highlights for the year is also highlighted.

The Annual Performance Report (APR) is a legislative requirement prescribed by section 46(1) and (2) of the Municipal Systems Act (MSA), 32 of 2000. The municipality has complied with legislation by submitting its APR to the Auditor General, Cooperative Governance Human Settlement Traditional Affairs and National and Provincial Treasury by the 31 of August 2019. The APR, amongst other documents, form part of the consolidated Annual Report of the Municipality which must be submitted to Council by the end of January on an annual basis. The analysis of the APR is aimed at evaluating the quality of the actual results delivered by programmes in the attainment of the Municipality's strategic objectives. Prior to the analysis of APR, the Audit Findings regarding performance should be taken into consideration; this would give a greater understanding to any shortfalls identified, especially the non-achievement of targets.

3.2. Performance Highlights

The municipality has almost achieved 78% of planned targets and this resulted in some projects rolled over to the 2019/20 financial year.

OVERALL ORGANISATIONAL PERFORMANCE	
Municipal Transformation and Organisational Development	74%
Basic Service Delivery	73%
Local Economic Development	86%
Municipal Financial Management Viability	69%
Good Governance and Public Participation	94%
OVERALL ORGANISATIONAL PERFORMANCE	78%

The 22% under performance was due to low revenue collection (consumers not paying for services) and FBS budget not fully spent due to illegal connections. Audit committee resolutions not fully implemented. Based on the above assessment, it is therefore recommended that the municipality should come up with strategies to enhance revenue and those consumers not qualifying for paying of municipal services to apply for indigent relief.

ANNUAL PERFORMANCE REPORT SECTION 46

SERVICE DELIVERY PERFORMANCE SUMMARY FOR 2019/20 ANNUAL PERFORMANCE REPORT

The table and graph below illustrate service delivery performance of Greater Letaba Municipality against the National Key Performance Areas (NKPAs)				
KPA's Performance Indicators	No. of Applicable Indicators	No. of targets achieved	No. of targets not achieved	% Target achieved
Municipal Transformation and Organisational Development	21	16	5	76%
Basic Service Delivery	7	5	2	71%
Local Economic Development	4	3	1	75%
Municipal Finance Management Viability	23	16	7	70%
Good Governance and Public Participation	14	13	1	93%
		Overall% 77%		
KPA's Projects	No. of Applicable Indicators	No. of targets achieved	No. of targets not achieved	% Target achieved
Municipal Transformation and Organisational Development	6	4	2	67%
Basic Service Delivery	34	20	14	59%
Local Economic Development	4	4	0	100%
Municipal Finance Management Viability	3	2	1	67%
Good Governance and Public Participation	2	2	0	100%
		Overall% 79%		
KPA's Performance Indicators and Projects	No. of Applicable Indicators & projects	No. of targets achieved	No. of targets not achieved	% Target achieved
Municipal Transformation and Organisational Development	27	20	7	74%
Basic Service Delivery	41	25	16	73%
Local Economic Development	8	7	1	86%
Municipal Finance Management Viability	26	18	8	69%
Good Governance and Public Participation	16	15	1	94%
		Overall% 78%		
<p>The 22% under performance was due to low revenue collection (consumers not paying for services) and FBS budget not fully spent due illegal connection. Audit committee resolutions not fully implemented. Based on the above assessment, it is therefore recommended that the municipality should come up with strategies to enhance revenue and those consumers not qualifying for paying of municipal services to apply for indigent relief.</p>				

Strategic Objective	Municipal Programme	Measurable Objectives	Performance Indicator title	Baseline / Status	Annual Target (30/06/2019)	Budget 2019/20	Annual Actual Performance	Remarks	Challenges	Corrective Measures	Responsible Person	Evidence requires
Improved Governance and Organisational Excellence	Human Resource Management	To ensure that the reviewed organizational structure is approved by council by 31 May 2020	Council approve the Organisation al structure	30-May-19	Council Approved Organizational structure by 31 May 2020	Operational	Council Approved Organizational structure by 26th June 2020	Target achieved	None	None	Director Corps	Council Approved Organizational structure, Council Resolution
Improved Governance and Organisational Excellence	Human Resource Management	Reducing the vacancy rate within the financial year	# of vacant positions filled	positions filled	36 positions filled by 30 May 2020	Operational	36 Positions filled	Target achieved	None	None	Director Corps	Appointment letters
Integrated Sustainable Development	IDP	Approval of the IDP/Budget/PMS process plan by 31 July 2019	Council approve IDP/Budget/ PMS Process Plan	29-Jul-18	Approval of 2019/20 IDP/Budget/PMS Process Plan by 31 July 2019	Operational	2019/20 IDP/Budget/PMS Process Plan approved by 31 July 2019	Target achieved	None	None	Director PLAN	Council Approved IDP/ Budget/ PMS Process plan, Council Resolution
Integrated Sustainable Development	IDP	Approval of the Draft 2020/21 IDP by 31 March 2020 & final IDP by 31 May 2020	Council approve IDP within financial year	30-Mar-19	Approval of Draft IDP by Council by 30 June 2020	Operational	2020/21 IDP approved on the 15th May 2020	Target achieved	None	None	Director PLAN	Council approved Draft & Final IDP resolution, Council Resolution
Improved Governance and Organisational Excellence	PMS	To ensure that SDBIP is finalised by 30 June 2020	Mayor Approve SDBIP within 28 days after adoption of the Budget and IDP	30-Jun-19	Approval of final 2020/21 SDBIP by the Mayor within 28 days after adoption of the Budget and IDP by 30 June 2020	Operational	2020/21 final SDBIP approved by the Mayor within 28 days after adoption of the Budget and IDP by 30 June 2020	Target achieved	None	None	Municipal Manager	Signed SDBIP by the Mayor
Improved Governance and Organisational Excellence	PMS	To ensure quarterly reporting and compliance within the financial year	# of Quarterly performance reports compiled	4	4	Operational	4	Target achieved	None	None	Municipal Manager	Council approved Quarterly reports
Improved Governance and Organisational Excellence	PMS	To ensure that S54 & 56 Managers sign the performance agreements within 30 days after adoption of the final SDBIP.	Signed Performance Agreements by all S54A & 56 Managers	29-Jul-18	Performance Agreements signed by Sec 54 & 56 Managers by 31 July 2019	Operational	Performance Agreements signed by Sec 54 & 56 Managers by 31 July 2019	Target achieved	None	None	Municipal Manager	Signed Performance Agreements for Sec54 & 56 Managers
Improved Governance and Organisational Excellence	PMS	To ensure quarterly assessments for S54 & 56 Managers is conducted within 30 days after the end of the quarter.	# of performance assessments conducted for Sec 54A & 56 Managers	1	12	Operational	0	Target not Achieved	Postponed due to unavailability of panel members	Assessments rescheduled for 1st quarter of 2020/21 financial year	Municipal Manager	Performance Assessments report
Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance within the financial year	Submit Annual Institutional Performance report to CoGHSTA, Provincial Treasury and National Treasury by 30 August each year	30-Aug-18	Submission of 2018/19 Annual Institutional Performance Report by 30 August 2019	Operational	Submission of 2018/19 Annual Institutional Performance Report by 30 August 2019	Target achieved	None	None	Municipal Manager	Dated proof of submission to CoGHSTA, Provincial and National Treasury

Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance within the financial year	Submit Mid-Year report to CoGHSTA, Provincial and National Treasury by 25 January each year	25-Jan-19	Submission of 2019/20 Mid-year report to CoGHSTA, Provincial Treasury and National Treasury by 25 January 2020	Operational	2019/20 Mid year report submitted to CoGHSTA, Provincial Treasury & National Treasury on the 25 January 2020	Target achieved	None	None	Municipal Manager	Dated proof of submission to CoGHSTA, Provincial and National Treasury
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Strategic Objective	Municipal Programme	Measurable Objectives	Performance Indicator title	Baseline / Status	Annual Target (30/06/2019)	Budget 2019/20	Annual Actual Performance	Remarks	Challenges	Corrective Measures	Responsible Person	Evidence requires
Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance	Table Annual Report in Council by 31 January each year	31-01-2019	Tabling of 2018/19 Annual report in Council by 31 January 2020	Operational	2018/19 Annual report tabled to Council on the 30 January 2020	Target achieved	None	None	Municipal Manager	Council approved Annual report, Council resolution
Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance within the financial year	Table Oversight report on the Annual Report in Council by 31 March each year	2019/03/31	Tabling of 2018/19 Oversight report on the Annual Report in Council by 31 March 2020	Operational	2018/19 Oversight report on Annual report tabled on the 22nd July 2020	Target not achieved	Public Hearing due on the 27 March 2020 was affected by announcement of Lockdown on the 23rd March 2020	The Public hearing was postponed to be conducted at a later date i.e. 30th June 2020	Municipal Manager	Council approved Oversight report on the Annual report, Council resolution
Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance within the financial year	Publish Oversight report in the Media (Media print / Website) within 7 days of adoption	07-Apr-19	Publishing of the 2018/19 Oversight report in the Newspaper & Website within 7 days of adoption by 07 April 2020	Operational	2018/19 Oversight report was published on the website on the 31st July 2020	Target not achieved	None	None	Municipal Manager	Council approved Annual report, Council resolution
Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance within the financial year	The Mayor approve SDBIP within 28 days within financial year	31-Mar-19	Approval of the reviewed 2019/20 SDBIP in Council by 31 March 2020	Operational	2019/20 Reviewed SDBIP approved on the 31st March 2019	Target achieved	None	None	Municipal Manager	Reviewed 2019/20 SDBIP, Council resolution
Improved Governance and Organisational Excellence	Legal Services	To improve efficiency and effectiveness of municipal administration within the financial year	% Signed Service Level Agreements within 30 days after the appointment of Service Providers	100% of SLA developed	100%	Operational	100%	Target achieved	None	None	Director Corp	Dated signed Service Level Agreements
Improved Governance and Organisational Excellence	Internal Audit	To conduct quarterly assessment on municipal performance within the financial year	# of performance audit reports compiled and issued to the Accounting Officer	4	4	Operational	4	Target achieved	None	None	Municipal Manager	Performance Audit report tabled, Council resolution, report signed off by the MM
Improved Governance and Organisational Excellence	Internal Audit	Functionality of Audit within the financial year	Develop Audit action plan for current financial year	31-Jan-19	Development of 2018/19 Audit Action plan by 31 January 2020	Operational	2018/19 AG Action Plan developed and approved by council on the 31 January 2020	Target achieved	None	None	Municipal Manager	Council approved audit action plan, Council resolution
Improved Governance and Organisational Excellence	Internal Audit	Functionality of Audit within the financial year	Develop Internal Audit plan for current financial year	30-Jun-19	Development of 2018/19 Internal Audit plan by 30 June 2020	Operational	Internal Audit plan approved by Audit Committee on 30 June 2020	Target achieved	None	None	Municipal Manager	Approved Internal Audit Plan
Improved Governance and Organisational Excellence	Internal Audit	To attain Clean Audit by ensuring compliance to all governance; financial management and reporting requirements by 30 June	% of internal audit issues resolved	64% Internal issues resolved	100% internal audit issues resolved (# of Internal Audit issues resolved / # of issues raised) by June 2020	Operational	67% (10/15 Internal audit issues resolved)	Target not achieved	33% of unresolved issues are ongoing	Issues will be resolved in 2020/21 financial year's 1st Quarter	Municipal Manager	Resolved IA register/plan, POE submitted
Improved Governance and Organisational Excellence	Internal Audit	To attain Clean Audit by ensuring compliance to all governance; financial management and reporting requirements by 30 June	% of AG issues resolved	47% AG issues resolved	100% AG issues resolved by 30 June 2020	Operational	81% (30/34 AG audit issues resolved)	Target not achieved	Other issues to be resolved during finalisation of AFS	Outstanding issues will be resolved in the preparation of the AFS	Municipal Manager	Resolved AG issues and POE's submitted

Improved Governance and Organisational Excellence	Risk management	To ensure effective implementation of riskmitigations actions 30 June	% of Risk issues resolved	64% Risk issues resolved	100% Risk issues resolved by 30 June2020	Operational	Only 49% (18/37 of risk issues resolved)	Target not achieved	51% of unresolved issues are ongoing	Issues will be resolved in 2020/21 financial year's 1st Quarter	Municipal Manager	Resolved Risk issues and POE submitted
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Strategic Objective	Municipal Programme	Measurable Objectives	Performance Indicator title	Baseline / Status	Annual Target (30/06/2019)	Budget 2019/20	Annual Actual Performance	Remarks	Challenges	Corrective Measures	Responsible Person	Evidence requires
Integrated and Sustainable Human Settlement	Spatial Planning	To ensure that land use applications are processed within 90 days of receipt.	% of land use applications processed	71% applications processed	100%	Operational	100% 82/82 land use applications processed	Target Achieved	None	None	Director PLAN	Dated register recording land use applications & Land use applications
Access to Sustainable Basic Services	Waste management	Provision of waste removal within the financial year	# of HH with access to refuse removal	4 579 HH accessed refuse removal once a week	4 579	Operational	4 579	Target Achieved	None	None	Director COMM	Rooster/ waste management reports
Access to Sustainable Basic Services	Electricity	To ensure provision of electricity services	# of HH with access to electricity	56905 HH accessed electricity	57 013	Operational	4199	Target not achieved	Not all hard copies/listing data were captured due to national lockdown (Covid-19)	Hard copies/listing data will be captured in the 2021/22 Financial year	Director TECH	Electricity/ Financereports
Improved Governance and Organisational Excellence	Legal	To monitor the review of by laws and policies within a financial year	# of By laws reviewed within the financial year	2	28 policies and 5 of By laws reviewed by 30 June 2020	Operational	28 Policies Reviewed	Target Achieved	None	None		Council approved policies and By-laws (Council Resolution)
Improved Governance and Organisational Excellence	Legal	To monitor the review of by laws and policies within a financial year	# of by laws promulgated within the financial year	2	5 of By laws promulgated/ by laws due for promulgation by 30 June 2020	Operational	By-laws vetted awaiting vetting by CoGHSTA	Target not achieved	Delay in vetting of by-laws	Engagement is at CoGHSTA level	Municipal Manager	By laws promulgated
Access to Sustainable Basic Services	Electricity	To ensure reduction of electricity losses within a financial year	% of electricity losses reduced	48	21 % of electricity losses reduced : # of electricity lost / % of electricity supplied	Operational	06% of electricity losses incurred	Target Achieved	None	None	CFO	Electricity/ Financereports

Head Office	Access to Sustainable Basic Services	Infrastructure	To monitor the development and MIG implementation plan within a financial year	Development of MIG implementation Plan	Date	30-Jul-18	Approved MIG Implementation Plan by 30 June 2018	Operational	Approved MIG Implementation Plan	Target Achieved	None	None	Director TECH	Approved MIG Implementation Plan Council Resolution
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Strategic Objective	Municipal Programme	Measurable Objectives	Performance Indicator title	Baseline / Status	Annual Target (30/06/2019)	Budget 2019/20	Annual Actual Performance	Remarks	Challenges	Corrective Measures	Responsible Person	Evidence requires
Improved Governance and Organisational Excellence	Improved local economy	To ensure Promotion of local economy within the financial year	# of jobs created through municipal funded Capital Projects	1127 jobs created	600	Operational	766	Target Achieved	None	None	Director TECH	Proof for SMME s supported
Improved Governance and Organisational Excellence	Improved local economy	To ensure Promotion of local economy within the financial year	# of SMME supported through Sypply Chain Management	215 SMME s supported	120	Operational	216	Target Achieved	None	None		Proof for SMME s supported
Integrated Sustainable Development	Improved local economy	To ensure Promotion of local economy within the financial year	# of EPWP reports compiled and submitted to Council	12 EPWP reports generated	12	Operational	12	Target Achieved	None	None	Director TECH	EPWP reports
Integrated Sustainable Development	Improved local economy	To ensure Coordination of Agriculture forums within the financial year	# of Agriculture Forums coordinated	4 Agriculture forums coordinated	4	Operational	3	Target not Achieved	The forum affected by lockdown	The forum scheduled for 1st quarter for financial year 2020/21	Director PLAN	Agenda, Minutes & Attendance register

Strategic Objective	Municipal Programme	Measurable Objectives	Performance Indicator title	KPI Unit of measure	Baseline / Status	Annual Target (30/06/2019)	Budget 2019/20	Annual Actual Performance	Remarks	Challenges	Corrective Measures	Responsible Person	Evidence required
Sustainable Financial Institution	Revenue	To ensure improvement in revenue collection within the financial year	% of revenue collected within the financial yer	Percentage (Revenue billed for the year)	82%	95%	Operational	48,62% revenue collected	Target not achieved	Consumers not paying for services & indigent consumers not making applications	Enforce implementation of credit control policy	CFO	Financial reports
Sustainable Financial Institution	Revenue	To monitor debt collections within financial year	% in debts collected within the financial year	Percentage (Debtors)	New	100% in debt collected (# of debt collected/	Operational	8,76% debts collected	Target not achieved	Consumers not paying for services	Resuscitate services of appointed Debt Collector to resume its responsibilities	CFO	Financial reports
Sustainable Financial Institution	Revenue	To monitor the implementation of municipal services within a financial year	# of data cleansing performed (Meter services) within the financial year	Number	1 data cleansing	4	Operational	4	Target achieved	None	None	CFO	Financial reports
Sustainable Financial Institution	Expenditure Management	Provision of free basic services within the financial year	# of HH receiving free basic services within the financial year	Number	2265	1500	Operational	350	Target not achieved	None applications for free basic services	The Council to conduct public campaigns for free basic services registrations		Updated Indigent register
Sustainable Financial Institution	Budget and Reporting	To ensure that quartely financial statements are prepared within 14 days after the end of each quarter.	# of quarterly financial statements submitted to Provincial Treasury	Number	4	4	Operational	4	Target achieved	None	None	CFO	Dated proof of submission Financial Statements
Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Council approved Budget within the financial year	Date	30-May-19	Approval of Draft 2020/21 Budget by Council on 30 June 2020	Operational	Approval of Final 2020/21 Budget by Council on 26 June 2020	Target achieved	None	None	CFO	Council approved Draft Budget, Council Resolution

	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Council approved Budget policies	Date	21 policies approved	Approval of 21 budget related policies by Council on 31 March 2020	Operational	21 budget related policies approved by Council on 30 March 2020	Target achieved	None	None	CFO	Council Approved Budget related policies, Council Resolution
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Council approved Adjustment budget by 28 February each year	Date	28-Feb-19	Approval of 2019/20 Adjustment budget in Council by 28 February 2020	Operational	2019/20 Adjustment budget approved in Council by 28 February 2020	Target achieved	None	None	CFO	Council approved adjustment budget, Council Resolution
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Submit Unaudited annual financial statements by 31 August each year	Date	31-Aug-18	Submission of Unaudited Financial Statements by 31 August 2019	Operational	Unaudited Financial Statements submitted by 31 August 2019	Target achieved	None	None	CFO	Dated proof of submission of Unaudited AFS
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	# of Sec 32 Register developed and updated	Number	12	12 Sec 32 register developed and updated by 30 June 2019.	Operational	12	Target achieved	None	None	CFO	Dated proof of Sec 32 register
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Council approved Finance by-laws within the financial year	Date	Not approved	Approval of 4 Finance by-laws by 31 May 2020.	Operational	By-laws reviewed	Target not achieved	By-laws were not reviewed in time	To be approved in 1st quarter of 2020-21 fy	CFO	Council approved finance by-laws, Council Resolution
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	# of Finance compliance report submitted to Treasuries & CoGHSTA	Number	12	12 Finance compliance report submitted	Operational	12	Target achieved	None	None	CFO	Financial reports
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Submit monthly Sec 71 reports to Provincial treasury within 10 working days	Date	Sec 71 reports submitted to Provincial Treasury within 10 working days	Submission of monthly Sec 71 reports to Provincial treasury within 10 working days by 30 June 2020	Operational	Within 10 working days	Target achieved	None	None	CFO	Dated proof of submission

	Sustainable Financial Institution	Supply Chain Management	To Improve financial viability within the financial year	Appoint Supply Chain Committees	Date	SCM structures appointed by 30 June 2019	Appointment of Supply Chain Structures (Bid Specifications, Bid Evaluation and Bid Adjudication Committees) by 31 July 2019	Operational	Supply Chain Structures appointed (Bid Specifications, Bid Evaluation and Bid Adjudication Committees) by 31 July 2019	Target achieved	None	None	Municipal Manager	Appointment Letters
	Sustainable Financial Institution	Supply Chain Management	To ensure payment of service providers within 30 days of the submission of invoices.	% invoices paid within 30 days of receipt from the service providers	Percentage	Payment of invoices within 30 days of receipt from the service provider	Payment of invoices within 30 days of receipt from the service provider	Operational	Invoices paid within 30 days of receipt from the service provider	Target achieved	None	None	CFO	Dated proof of payment
	Sustainable Financial Institution	Assets Management	To ensure compliance with legislation within the financial year	# Assets verifications conducted in line with GRAP standards	Number	2	2	Operational	2	Target achieved	None	None	CFO	Quarterly Assets verification reports
	Sustainable Financial Institution	MIG	To effectively manage the financial affairs of the municipality within the financial year	% of PMU Management budget spent as approved by Council within the financial year	Percentage (Budget spent/Budget d)	New	100% R 3 513 047,15 PMU Management Budget spent	Capital	100% R 3 513 047,15 PMU Management Budget spent	Target achieved	None	None	TECH	Financial reports
	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% capital budget spent as approved by Council within the financial year	Percentage	100%	100% R 151 554 220 Capital Budget spent	Capital	75,54% R 115 181 207,20 Capital Budget spent	Target not achieved	Capital budget not spent due to non-appointment of service providers in time and contractors put on hold by lockdown	None	CFO	Financial reports
	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% Operational and maintenance budget spent as approved by Council within the financial year	Percentage	New	100% R 402 534 443,36 Operational Budget spent	Operational	95,79% R 386 433 554,74 Operational Budget spent	Target not achieved	Maintenance budget not spent due to Lockdown	None	CFO	Financial reports

	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% MIG budget spent as approved by Council within the financial year	Percentage	100%	100% R 54 094 952,85 MIG expenditure	Capital	100% R 54 094 952,85 MIG expenditure	Target achieved	None	None	TECH	Financial reports
	Expenditure Management	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% INEP Budget spent as approved by Council within financial year	Percentage	0%	R 0 INEP expenditure (Budget not allocated)	Capital	R 0 INEP expenditure (Budget not allocated)	N/A (Budget not Allocated)	N/A (budget not allocated)	N/A (Budget not allocated and project will be re-prioritised in the next financial year)	TECH	Financial reports
	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% FMG budget spent as approved by Council within the financial year	Percentage	100% FMG expenditure	100% R 2 145 000 FMG expenditure	Operational	100% R 2 145 000 FMG Expenditure spent	Target achieved	None	None	CFO	Financial reports
	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% EPWP budget spent as approved by Council within the financial year	Percentage	100%	100% R 2 026 013,95 EPWP expenditure	Operational	100% R 2 026 013,95 EPWP expenditure spent	Target achieved	None	None	TECH	Financial reports
	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% FBS budget spent as approved by Council within the financial year	Percentage	102%	100% R 1 159 517 FBS expenditure	Operational	21,42% R 243 498,57 FBS expenditure spent	Target not achieved	None applications fro free basic services	The Council to conduct public campaigns for free basic services registrations	CFO	Financial reports

Vote Nr	Strategic Objective	Programmes	Measurable Objectives	Performance Indicator title	KPI Unit of measure	Baseline	Annual Target (30/06/2019)	Budget 2019/20	Annual Actual Performance	Remarks	Challenges	Corrective Measures	Responsible Person	Evidence required
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KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KEY PERFORMANCE INDICATORS

OUTCOME 9 (OUTPUT 5: DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE MODEL, OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY)

	Improved Governance and Organisational Excellence	Council	To ensure functionality of Council committee within the financial year.	# of Council Meetings held within the financial year	Number	12 Council meetings held	4	Operational	9	Target achieved	None	None	Director Corp	Agenda, Minutes & attendance register
	Improved Governance and Organisational Excellence	Council	To ensure functionality of EXCO committee within the financial year.	# of EXCO meetings held within the financial year	Number	12 EXCO meetings held	4	Operational	10	Target achieved	None	None	Director Corp	Agenda, Minutes & attendance register
	Improved Governance and Organisational Excellence	Committees	To ensure functionality of Council committee within the financial year.	# of Ward Committee reports submitted to Office of the Speaker	Number	348 Ward Committee reports submitted	360	Operational	360	Target achieved	None	None	Manager (Mayors Office)	Agenda, Minutes & attendance register
	Improved Governance and Organisational Excellence	Committees	To ensure functionality of Council within the financial year	# of MPAC meetings held within the financial year	Number	14 MPAC meetings held	12	Operational	16	Target achieved	None	None		Agenda, Minutes & attendance register
	Improved Governance and Organisational Excellence	Human Resource management	To ensure functionality of Council within the financial year	# of LLF meetings held within the financial year	Number	13 LLF meetings held	12	Operational	12	Target achieved	None	None	Director Corp	Agenda, Minutes & attendance register
	Improved Governance and Organisational Excellence	Labour Relations	To ensure functionality of Municipality within the financial year	% in implementation of LLF resolutions within the financial year	Percentage (# of resolutions taken/ # of resolutions implemented).	100%	100%	Operational	100%	Target achieved	None	None	Director Corp	Updated Resolutions register
	Improved Governance and Organisational Excellence	Public Participation	To ensure public involvement in the IDP review	# of IDP/Budget/ PMS REP Forum meetings held within the financial year	Number	5 IDP/Budget/ PMS REP Forum meetings held	5	Operational	5	Target achieved	None	None	Director PLAN	Agenda & Attendance register
	Improved Governance and Organisational Excellence	Public Participation	To ensure public involvement in the IDP review within a financial year	# of IDP/Budget/ PMS Steering Committee meetings within the financial year	Number	5 IDP/Budget/ PMS Steering Committee meetings held	5	Operational	3	Target not achieved	Employees were not reporting from 26 March 2020- 30 June 2020 due to national lockdown	Improve coordination of meetings in 2020-21	Director PLAN	Agenda & Attendance register

	Improved Governance and Organisational Excellence	Public Participation	To promote accountability within the municipality	% of complaints resolved	Percentage (# of resolutions taken/ # of resolutions implemented).	100%	100% of complaints resolved(# of complaints received / # of complaints attended)	Operational	100%	Target achieved	None	None	Director Corps	Updated Complaints Management Register
	Improved Governance and Organisational Excellence	Public Participation	To ensure public involvement in Mayoral Imbizo 's within a financial year (Issues of imbizo programme include Water, roads, poverty alleviation initiatives, health facilities, electricity, housing, education programmes, agricultural initiatives and economy boosting initiatives.	# of quarterly Community feedback meetings held within a financial	Number	4 Mayoral Imbizo held	4	Operational	4	Target achieved	None	None	Manager (Mayors Office)	Agenda & Attendance register
	Improved Governance and Organisational Excellence	Committees	To ensure functionality of Audit committee within a financial year	# of Audit Committee meetings held within the financial year	Number (Accumulative)	6 Audit Committee meetings held	4	Operational	4	Target achieved	None	None	Municipal Manager	Agenda, Minutes & Attendance register
	Improved Governance and Organisational Excellence	Committees	To ensure functionality of Audit committee within a financial year	% of Audit and Performance Audit Committees resolutions implemented within the financial year	Percentage	New	100% of Audit and Performance Audit Committee resolutions implemented	Operational	78% (18/23 audit committee resolutions resolved)	Target not achieved	Employees were not reporting from 26 March 2020- 30 June 2020 due to national lockdown	In progress	Municipal Manager	Audit Committee resolutions register
	Improved Governance and Organisational Excellence	Risk	To ensure functionality of Risk committee within the financial year.	Council approved Fraud and Anti Corruption strategy	Number	Fraud & Anti Corruption Strategy not reviewed	Approved Fraud and Anti Corruption strategy	Operational	Fraud and Anti Corruption strategy approved	Target achieved	None	None	Municipal Manager	Approved Fraud and Anti Corruption strategy
	Improved Governance and Organisational Excellence	Legal	To monitor response in terms of the fraud and corruption cases registered	# of Fraud and Corruption cases investigated	Number(# of cases registered / # of cases investigated within a financial year	New	# of Fraud and Corruption cases investigated : # of cases registered / # of cases investigated yearly	Operational	No Fraud & Corruption cases reported	Target achieved	N/A	N/A	Director Corps	Updated Fraud and Corruption case register

MUNICIPAL TRANSFORMATION AND DEVELOPMENT

Strategic Objective	Programme	Projects	Project Name	Start Date	Completion date	Project Owner	Source of funding	Original Budget	Movement	Adjusted Budget	Baseline/Status	Annual Target (30 June 2020)	Annual Performance	Remarks	Challenges	Corrective Measures	Evidence required
Improved Governance and Organisational Excellence	Information Technology	To purchase POE switches replacement by 30 June 2020	Supply & delivery of POE switches replacement	2019/07/01	2020/06/30	Director Corps	GLM	450 000	190 000	260 000	New Project	POE switches replacement purchased & delivered	POE switches replacement purchased & delivered	Target achieved	None	None	Payment Certificate and delivery note/GRN
Improved Governance and Organisational Excellence	Information Technology	To purchase 15* Laptop replacement by 30 June 2019	Supply & delivery of 15* Laptops replacement	2019/07/01	2020/06/30	Director Corps	GLM	350 000	300 000	50 000	New Project	15* Laptops replacement purchased & delivered	15* Laptops replacement purchased & delivered	Target achieved	None	None	Payment Certificate and delivery note/GRN
Improved Governance and Organisational Excellence	Information Technology	To purchase of 01* Desktop PC replacement by 30 June 2020	Supply & delivery of 01* Desktop PC replacement	2019/07/01	2020/06/30	Director Corps	GLM	250 000	235 000	15 000	Desktops	01* Desktop PC replacement purchased & delivered	01* Desktop PC replacement purchased & delivered	Target achieved	None	None	Payment Certificate and delivery note/GRN
Improved Governance and Organisational Excellence	Information Technology	To purchase 60* Laptops by 30 June 2020	Supply & delivery of 60* Laptops	2020/03/01	2020/06/30	Director Corps	GLM	1 000 000	0	1 000 000	New Project	Appointment of the Service provider	Specification for the project finalised	Target not achieved	The service provider could not be appointed due to staff not reporting to work from 26 March 2020	To be appointed in the next financial year	Payment Certificate and delivery note/GRN
Improved Governance and Organisational Excellence	Property Services	To purchase 03* Bakkies-Sub offices by 30 June 2020	Supply & delivery of 03* Bakkies-Sub Offices	2019/07/01	2020/06/30	Director Corps	GLM	900 000	0	900 000	New Project	03* Bakkies-Sub offices purchased & delivered	03* Bakkies-Sub offices purchased & delivered	Target achieved	None	None	Payment Certificate and delivery note/GRN
Improved Governance and Organisational Excellence	Property Services	To purchase and install air conditioners (Kgapane old sub office (facilities) & Modjadjiskloof registering authority by 30 June 2020	Supply and install air conditioners (Kgapane old sub office (facilities) & Modjadjiskloof registering authority	2019/07/01	2020/06/30	Director Community Services	GLM	100 000	0	100 000	New Project	air conditioners (Kgapane old sub office (facilities) & Modjadjiskloof registering authority supplied & installed	Advertised	Target not achieved	The service provider could not be appointed due to staff not reporting to work from 26 March 2020	To be procured in 2020/21 financial year's 1st quarter	Delivery note/GRN and Payment Certificate

BASIC SERVICE DELIVERY																	
Strategic Objective	Programme	Projects description	Project Name	Start Date	Completion date	Project Owner	Source of funding	Original Budget	Movement	Adjusted Budget	Baseline/Status	Annual Target (30 June 2020)	Annual Actual Performance	Remarks	Challenges	Corrective Measures	Evidence required
Access to Sustainable Basic Services	Libraries & Achieves	To purchase of 3* water dispenser by 30 June 2020	Supply and delivery of 3* water dispenser	2019/07/01	2020/06/30	Director Comm	GLM	3 000	0	3 000	New Project	*3 water dispenser procured & delivered	Requisition completed	Target not achieved	None	None	Delivery note/GRN and Payment Certificates
Access to Sustainable Basic Services	Community Halls & Facilities	To Construct a community hall at Ward 5 by 30 June 2020	Construction of Ward 5 Community Hall (Planning)	2019/07/01	2020/06/30	Director Tech	GLM	1 500 000	0	1 500 000	Ward 5 Community Hall Planning	Site hand-over to commence with project implementation	Site hand-over complete and project implementation at 10% physical progress	Target achieved	None	None	Appointment letter and site hand-over minutes
Access to Sustainable Basic Services	Community Facilities	To purchase & installation of aircons 12 BTU for Community halls by 30 June 2020	Supply & installation of aircons 12 BTU for Community halls	2019/07/01	2020/06/30	Director Comm	GLM	200 000	0	200 000	New Project	aircons 12 BTU for Community halls purchased & installed	Aircons 12 BTU for Community halls purchased & installed	Target achieved	None	None	Progress report and Completion certificates
Access to Sustainable Basic Services	Community Facilities	To purchase & installation of Gate Old sub office and stores by June 2020	Supply & installation of Gate (main office, pedestrian), Old sub office and stores	2019/07/01	2020/06/30	Director Comm	GLM	30 000	0	30 000	New Project	Appointment of Service provider and installation of Gate (Old sub office) supplied & installed	Service provider appointed and installation of Gate (Old sub office) supplied & installed	Target not achieved	None	None	Appointment letter and Delivery note
Access to Sustainable Basic Services	Disaster Management	To Purchase Fire Extinguishers by 30 June 2020	Supply & delivery of fire extinguishers	2019/07/01	2020/06/30	Director Comm	GLM	200 000	0	200 000	New Project	Fire extinguishers purchased and installed	Fire extinguishers purchased and installed	Target achieved	None	None	Delivery note/GRN and Payment Certificates
Access to Sustainable Basic Services	Sports & Recreation	To complete construction of Sports Complex in Mamanyowa by 30 June 2020	Construction of Mamanyoha Sports Complex	2019/07/01	2020/06/30	Director Tech	GLM	6 048 695	1 500 000	4 548 695	Designs completed	Mamanyoha Sports Complex completed/practical completion	Mamanyoha Sports Complex reached practical completion	Target achieved	None	None	Practical Completion certificate
Access to Sustainable Basic Services	Sports & Recreation	To complete construction of Sports Complex in Rotterdam by 30 June 2020	Construction of Rotterdam Sports Complex	2019/07/01	2020/06/30	Director Tech	GLM	5 742 629	1 000 000	4 742 629	Construction Phase 3	Practical completion of phase 3 of Rotterdam Sports Complex (Phase 3 of 4)	Physical progress at 96% for phase 3 of Rotterdam Sports Complex	Target not achieved	Project was put on hold due to national lockdown	Works placed on-hold amid Covid-19 Nation-wide Lockdown	Progress report and Practical completion certificate
Access to Sustainable Basic Services	Waste Management	To supply and delivery of 30* Skip Bins by 30 June 2020	Supply & delivery of 30* Skip Bins	2019/07/01	2020/06/30	Director Comm	GLM	400 000	0	400 000	30 Skip Bins	30 Skip bins purchased and delivered	Project specification finalised/advertised	Target not achieved	Evaluation could not be finalised due to closing of office from 26 March 2020	To be re-prioritised in 2020-21 budget process	Delivery note/GRN and Payment Certificates
Access to Sustainable Basic Services	Waste Management	To purchase 5 * Chain saws by 30 June 2020	Supply & delivery of 5* Chain saws	2019/07/01	2020/06/30	Director Comm	GLM	140 000	0	140 000	New Project	10* Chain saws purchased and delivered	Project specification finalised/advertised	Target not achieved	Evaluation could not be finalised due to closing of office from 26 March 2021	To be re-prioritised in 2020-21 budget process	Delivery note/GRN and Payment Certificates
Access to Sustainable Basic Services	Waste Management	To purchase 8* industrial lawn mower by 30 June 2020	Supply & delivery of 8* Industrial lawnmower	2019/07/01	2020/06/30	Director Comm	GLM	200 000	0	200 000	New Project	8* Industrial lawn mower purchased & delivered	Project specification finalised/advertised	Target not achieved	Evaluation could not be finalised due to closing of office from 26 March 2022	To be re-prioritised in 2020-21 budget process	Delivery note/GRN and Payment Certificates
Access to Sustainable Basic Services	Storm Water Management	To Construct Low Level Bridges by 30 June 2020	Construction of Low Level Bridges	2019/07/01	2020/06/30	Director Tech	GLM	1 773 892	0	1 773 892	New Project	Project Completion	5x Low-level bridges at an average physical progress of 55%	Target not achieved	Evaluation could not be finalised due to closing of office from 26	Works placed on-hold amid Covid-19 Nation-wide Lockdown	Appointment letters, Progress report and Completion Certificates

																March 2023		
Access to Sustainable Basic Services	Roads	To Fence Municipal Workshop by 30 June 2020	Fencing of Municipal workshop	2020/03/01	2020/06/30	Director Tech	GLM	700 000	0	700 000	New project	Project completion	Project completed	Target achieved	None	None	Appointment letter, Progress report & Completion Certificate	
Access to Sustainable Basic Services	Roads	To rehabilitate Modjadjiskloof streets-Phase 2 by 30 June 2020	Rehabilitation of Modjadjiskloof streets-Phase 2	2020/03/01	2020/06/30	Director Tech	GLM	3 000 000	0	3 000 000	Phase 1 Rehabilitation	Construction continues. Progress report at 30% physical progress	Construction continues. Progress report at 35% physical progress	Target achieved	None	None	Appointment letter & Progress report	
Access to Sustainable Basic Services	Roads	To complete construction of Moshakga streets paving by June 2020	Construction of Moshakga street paving	2019/07/01	2020/06/30	Director Tech	GLM	2 384 009	0	2 384 009	Phase 1 Rehabilitation	Project Completion	Project completed	Target achieved	None	None	Appointment letter, Progress report & Completion Certificate	
Access to Sustainable Basic Services	Roads	To Construct Mokwasele Cemetery by 30 June 2020	Construction of Mokwasele Cemetery paving	2019/07/01	2020/06/30	Director Tech	GLM	3 886 461	0	3 886 461	Designs completed	Project Completion	Project Completion	Target achieved	None	None	Appointment letter, Progress report & Completion Certificate	

12	Access to Sustainable Basic Services	Roads	To construct Itieleng Sekgosesestreet paving by 30 June 2020	Construction of Itieleng Sekgosesestreet paving	2019/07/01	2020/06/30	Director Tech	GLM	8 218 425	1 500 000	9 718 425	Designs completed	Construction continues. Progressreport at 70% physical progress	Construction Progress report at 70% physical progress	Target achieved.	None	None	Appointment letter & Progress report
14	Access to Sustainable Basic Services	Roads	To construct Lemondokop street paving by 30 June 2020	Construction of Lemondokop streetpaving	2019/07/01	2020/06/30	Director Tech	GLM	5 000 000	2 433 333	7 433 333	Designs completed	Construction continues. Progressreport at 50% physical progress	Progress report at 90% physical progress	Target achieved.	None	None	Appointment letter & Progress report
Head Office	Access to Sustainable Basic Services	Electricity	To Refurbish Doreen 11 KV line by 30 June 2020	Refurbishment of Doreen 11 KV line	2019/07/01	2020/06/30	Director Tech	GLM	2 000 000	0	2 000 000	New Project	Refurbishment of Doreen 11 KV line completed	LV network refurbished	Target archived	None	None	Appointment letter, Progress report & Completion Certificate
4	Access to Sustainable Basic Services	Electricity	To purchase Silent Mobile Generator 50 KVA with Trailer by 30 June 2020	Supply & delivery of Silent Mobile Generator 50 KVA with Trailer	2019/07/01	2020/06/30	Director Tech	GLM	350 000	0	350 000	New Project	Silent Mobile Generator 50 KVA with Trailer purchased	Silent Mobile Generator 50 KVA with Trailer purchased	Target achieved	None	None	Appointment letter and Delivery note/GRN
29	Access to Sustainable Basic Services	Electricity	To purchase replacement of aged Low voltage metere boxes in Modjadjiskloof by 30 June 2020	Supply & delivery of replacement of aged Low voltage metere boxes in Modjadjiskloof	2019/07/01	2020/06/30	Director Tech	GLM	650 000	0	650 000	New Project	Replacement of aged Low voltage metereboxes in Modjadjiskloof purchased & delivered	The project not procured	Target not achieved	Project affected by Lockdown	To be re-prioritised in 2020-21 budget process	Appointment letter and Delivery note/GRN
Head Office	Access to Sustainable Basic Services	Electricity	To purchase 200 KVA pole transformer by 30 June 2020	Supply & delivery of 200 KVA pole transformer	2019/07/01	2020/06/30	Director Tech	GLM	134 387	0	134 387	New Project	200 KVA pole transformer purchased	200 KVA pole transformer purchased	Target achieved	None	None	Proof of Purchase/GRN
Head Office	Access to Sustainable Basic Services	Electricity	To purchase Crane truck bucket by 30 June 2020	Supply & delivery of Crane truck bucket	2019/07/01	2020/06/30	Director Tech	GLM	50 000	0	50 000	New Project	Crane truck bucket purchased	Project advertised	Target not achieved	The project affected by lockdown	To be budgeted for in the next financial year	Proof of Purchase/GRN
29	Access to Sustainable Basic Services	Electricity	To Construct Municipal Building Metering Points (Workshop,Library, Kgapane & Senwamokgope) by 30 June 2020	Construction of Municipal Building Metering Points (Workshop,Library, Kgapane & Senwamokgope)	2019/07/01	2020/06/30	Director Tech	GLM	200 000	0	200 000	New Project	Construction completed/Project completion	Specification developed and notapproved	Target not achieved	The project affected by lockdown	To be re-prioritised in 2020-21 budget process	Appointment letter and Progress report
	Access to Sustainable Basic Services	Electricity	To Upgrade Electricity to NERSA Standards-NER Compilation	Upgrading of Electricity to NERSA Standards-NER Compilation	2019/07/01	2020/06/30	Director Tech	GLM	1 346 048	0	1 346 048	New Project	Develop Specifications andsubmit to SCM	Project completed	Target achieved.	None	None	Progress report
29	Access to Sustainable Basic Services	Electricity	To refurbish LV network by 30 June 2020	Refurbishment of LV network	2019/07/01	2020/06/30	Director Tech	GLM	2 800 000	0	2 800 000	New Project	Project completion	Project at 40% physical progress	Target not achieved	The project affected by lockdown	Works placed on-hold amid Covid-19 Nation-wide Lockdown	Appointment letter, Progress report & Completion Certificate
30	Access to Sustainable Basic Services	Electricity	To Re-routing of Christmas Rest HV line by 30 June 2021	Re-routing of Christmas Rest HVline	2019/07/01	2020/06/30	Director Tech	GLM	1 400 000	0	1 400 000	New Project	Project completion	Project completed	Target achieved.	None	None	Appointment letter, Progress report & Completion Certificate
	Access to Sustainable Basic Services	Electricity	To purchase 4x4 Electrical Bakkie by 30 June 2020	Supply & delivery of 4x4 Electrical	2019/07/01	2020/06/30	Director Tech	GLM	750 000	0	750 000	New Project	4x4 Electrical Bakkie purchased	The project affected by lockdown	Target not achieved	The project affected by lockdown	To be re-prioritised in 2020-21 budget	Proof of Purchase/GRN

	Services			Bakkie													process	
	Access to Sustainable Basic Services	Electricity	To purchase 16kva transformer by 30 June 2020	Supply & delivery of 16KVA Transformer	2019/07/01	2020/06/30	Director Tech	GLM	120 256	0	120 256	New Project	16KVA transformer purchased	16KVA transformer purchased	Target achieved.	None	None	Proof of Purchase/GRN
03 & 04	Access to Sustainable Basic Services	Sports & Recreation	To complete construction of Kgapane Stadium Phase 3 by 30 June 2020	Construction of Kgapane Stadium Phase 3 (Multi- year)	2019/07/01	2020/06/30	Director Tech	MIG	8 733 189	-6 876 633	1 856 556	Phase 3 construction	Construction continues. Progress report at 85% physical progress	Progress report at 87% physical progress	Target achieved.	None	None	Progress report
12	Access to Sustainable Basic Services	Sports & Recreation	To complete construction of sport complex in Thakgalane Ph2 by 30 June 2020	Construction of Thakgalane Sports Complex Ph2	2019/07/01	2020/06/30	Director Tech	MIG	10 000 000	-2 269 615	12 269 615	Phase 1 construction	Completion of Thakgalane Sport complex Ph2	Thakgalane Sports complex Ph2 completed	Target achieved.	None	None	Progress report and Completion Certificate
01, 06 & 07	Access to Sustainable Basic Services	Sports & Recreation	To construct Sport Complex in Madumeleng/Shotong-Phase 02 by 30 June 2020	Construction of Madumeleng/shotong Sports Complex Ph2 (Multi-Year)	2019/07/01	2020/06/30	Director Tech	GLM	9 508 998	764 826	8 744 172	Phase 1 construction	To construct Madumeleng Sports Complex Ph2 (multi-year)	Construction of Madumeleng Sportscomplex Ph2	Target achieved.	None	None	Progress report
26	Access to Sustainable Basic Services	Roads	To construct streets paving in Jokong by 30 June 2020	Construction of Jokong Street Paving (Multi-year)	2019/07/01	2020/06/30	Director Tech	MIG	9 928 315	3 800 000	13 728 315	Phase 1 Project Commencement	Completion of Jokong Street Paving Ph2	Project at 96% physical progress for Ph2	Target not achieved	The project affected by lockdown	In-progress	Progress report and Completion Certificate
4	Access to Sustainable Basic Services	Roads	To construct a street in Manningburg by 30 June 2020	Construction of Manningburg street paving (Multi-year)	2019/07/01	2020/06/30	Director Tech	MIG	6 000 000	-1 211 874	7 211 874	designs and construction	Completion of Manningburg Street Paving	Project at 50% physical progress	Target not achieved	The project affected by lockdown	Works placed on-hold amid Covid-19 Nation-wide Lockdown	Progress report and Completion Certificate

1	Access to Sustainable Basic Services	Roads	To Construct Rasewana and Lenokwe streets- Phase 01 by 30 June 2020	Construction of Rasewana and Lenokwe Streets paving (Multi-year)	2019/07/01	2020/06/30	Director Tech	MIG	10 257 098	660 000	10 917 098	designs	Project Completion Ph1	Project Completion Ph1	Target achieved	None	None	Appointment letter, Progress report & Completion Certificate
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2019/20 WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY /CAPITAL WORKS PLAN SUMMARY OF CAPITAL PROJECTS FOR THE YEAR																		
LOCAL ECONOMIC DEVELOPMENT																		
Region	Strategic Objective	Programme	Projects	Project Name	Start Date	Completion date	Project Owner	Source of funding	Original Budget	Movement	Adjusted Budget	Base/Status	Annual Target (30 June 2020)	Annual Actual Performance	Remarks	Challenges	Corrective Measures	Evidence Required
Head Office	Improved and Inclusive Local Economy	Local Economic Development	Review LED Strategy by 30 June 2019	Review of LED strategy	2019/07/01	2020/06/30	Director PLAN	GLIM	690 000	0	690 000	new projects	Draft LED Strategy submitted to the Municipality	Draft LED Strategy received by the municipality.	Target achieved	None	None	Council approved LED strategy, Payment certificate
Head Office	Integrated Sustainable Human Settlement	Spatial Development Framework	Down Establishment on Uitspan 172-LT by 30 June 2019	Down Establishment on Uitspan 172-LT	2019/07/01	2020/06/30	Director PLAN	GLIM	800 000	0	800 000	new projects	Print document/Printout report	Print document/Printout Report concluded	Target achieved	None	None	Council approved Spatial Development Framework, Payment Certificate
Head Office	Integrated Sustainable Human Settlement	Spatial Development Framework	Down Establishment at Meidigen 398-LT by 30 June 2019	Down Establishment Meidigen 398-LT	2019/07/01	2020/06/30	Director PLAN	GLIM	2 996 000	0	2 996 000	new projects	Print document/Printout report	Print document/Printout Report concluded	Target achieved	None	None	Council approved Spatial Development Framework, Payment Certificate
Head Office	Integrated Sustainable Human Settlement	Spatial Development Framework	Review of Spatial Development Framework by 30 June 2019	Review of Spatial Development Framework	2019/07/01	2020/06/30	Director PLAN	GLIM	7 950 000	0	7 950 000	new projects	Print document/Printout report	Print document/Printout Report concluded	Target achieved	None	None	Council approved Spatial Development Framework, Payment Certificate

2019/20 WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY /CAPITAL WORKS PLAN SUMMARY OF CAPITAL PROJECTS FOR THE YEAR

MUNICIPAL FINANCE VIABILITY

Region/Ward	Strategic Objective	Programme	Projects	Project Name	Start Date	Completion date	Project Owner	Source of funding	Original Budget	Movement	Adjusted Budget	Baseline Status	Annual Target(30 June 2020)	Annual Actual Performance	Remarks	Challenges	Corrective Measures
Head office	Improved Governance and Organisational Excellence	Budget & Treasury Office	To purchase 8*Cash boxes by 30 June 2020	Supply & delivery of 8*Cash boxes by 30 June 2020	2019/07/01	2020/06/30	CFO	GLM	11 600	0	11 600	New Project	8*Cash boxes purchased & delivered	8*Cash boxes purchased & delivered	Target achieved	None	None
Head office	Improved Governance and Organisational Excellence	Budget & Treasury Office	To supply & install security cameras by 30 June 2020	Supply & installation of security cameras	2019/07/01	2020/06/30	CFO	GLM	150 000	0	150 000	New Project	Security cameras supplied & installed	The project not procured	Target not achieved	The project is not procure due to delay in supply chain management process	To be procured in 1st quarter of 2020/21 financial year
Head office	Improved Governance and Organisational Excellence	Budget & Treasury Office	To purchase & tyre marking machine by 30 June 2020	Supply & delivery of battery & tyre marking machine	2019/07/01	2020/06/30	CFO	GLM	27 000	0	27 000	New Project	battery & tyre marking machine purchased & delivered	battery & tyre marking machine purchased & delivered	Target achieved	None	None

2019/20 WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY /CAPITAL WORKS PLAN SUMMARY OF CAPITAL PROJECTS FOR THE YEAR

Region/Ward	Strategic Objective	Programme	Projects	Project Name	Start Date	Completion date	Project Owner	Source of funding	Original Budget	movement	Adjusted Budget	Baseline Status	Annual Target (30 June 2020)	Annual Performance	Remarks	Challenges	Corrective Measures	Evidence required
Head office	Improved Governance and Organisational Excellence	Property Services	to purchase Council chamber recording system by 30 June 2020	Supply & delivery of Council Chamber Recording System	2019/07/01	2020/06/30	Director Corps	GLM	120 000	0	120 000	New Project	Council chamber recording system purchased and delivered	Council chamber recording system purchased and delivered	Target achieved	None	None	Payment Certificate and delivery note/GRN
Head office	Improved Governance and Organisational Excellence	Property Services	to purchase of 2* Bathopele tables by 30 June 2020	Supply & delivery of 2* Bathopele Tables	2019/07/01	2020/06/30	Director Corps	GLM	4 000	0	4 000	New Project	2* bathopele tables purchased and delivered	2* bathopele tables purchased and delivered	Target achieved	None	None	Payment Certificate and delivery note/GRN

LIST OF PROJECTS REMOVED DURING BUDGETB ADJUSTMENTS FOR 2019-20

2019/20 WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY /CAPITAL WORKS PLAN SUMMARY OF CAPITAL PROJECTS FOR THE YEAR																
BASIC SERVICE DELIVERY																
Region / Ward	Strategic Objective	Programme	Projects description	Project Name	Start Date	Completion date	Project Owner	Source of funding	Original Budget	Movement	Adjusted Budget	1st Q Target	2nd Q Target	3rd Q Target	4th Q Target	Evidence required
24	Access to Sustainable Basic Services	Roads	Planning & designs of Mmamogadi street paving by 30 June 2020	Planning & designs of Mmamogadi street paving	2019/07/01	2020/06/30	DirectorTech	GLM	50 000	50 000	0					The project removed during special budget adjustment due to financial constraint and project re-prioritisation
4	Access to Sustainable Basic Services	Roads	Planning & designs of Mapaana street paving by 30 June 2020	Planning & designs of Mapaana street paving	2019/07/01	2020/06/30	DirectorTech	GLM	50 000	50 000	0					The project removed during special budget adjustment due to financial constraint and project re-prioritisation
6	Access to Sustainable Basic Services	Roads	Planning & designs of Khethothone street paving by 30 June 2020	Planning & designs of Khethothone street paving	2019/07/01	2020/06/30	DirectorTech	GLM	50 000	50 000	0					The project removed during special budget adjustment due to financial constraint and project re-prioritisation
5	Access to Sustainable Basic Services	Roads	Planning & designs of ward 5 (Malematsa) street paving by 30 June 2020	Planning & designs of Ward 5 (Malematsa) street paving	2019/07/01	2020/06/30	DirectorTech	GLM	50 000	50 000	0					The project removed during special budget adjustment due to financial constraint and project re-prioritisation
9	Access to Sustainable Basic Services	Roads	Planning & designs of Ward 9 (Segkopo) streets paving by 30 June 2020	Planning & designs of Ward (Segkopo) street paving	2019/07/01	2020/06/30	DirectorTech	GLM	50 000	50 000	0					The project removed during special budget adjustment due to financial constraint and project re-prioritisation
13	Access to Sustainable Basic Services	Roads	Planning & designs of Ward 13 (Senwamogope) streets paving by 30 June 2020	Planning & designs of Ward 13 (Senwamogope) street paving	2019/07/01	2020/06/30	DirectorTech	GLM	50 000	50 000	0					The project removed during special budget adjustment due to financial constraint and project re-prioritisation
15	Access to Sustainable Basic Services	Roads	Planning & designs of Ward 15 (Phase 2) streets paving by 30 June 2020	Planning & designs of Ward 15 (Phase 2) streets paving	2019/07/01	2020/06/30	DirectorTech	GLM	50 000	50 000	0					The project removed during special budget adjustment due to financial constraint and project re-prioritisation
23	Access to Sustainable Basic Services	Roads	Planning & designs of Maupa street paving by 30 June 2020	Planning & designs of Maupa street paving	2019/07/01	2020/06/30	DirectorTech	GLM	50 000	50 000	0					The project removed during special budget adjustment due to financial constraint and project re-prioritisation
29	Access to Sustainable Basic Services	Roads	Planning & designs of Ramoadi street paving by 30 June 2020	Planning & designs of Ramoadi street paving	2019/07/01	2020/06/30	DirectorTech	GLM	50 000	50 000	0					The project removed during special budget adjustment due to financial constraint and project re-prioritisation

29	Access to Sustainable Basic Services	Roads	Planning & designs of Mokgoba street paving by 30 June 2021	Planning & designs of Mokgoba street paving	2019/07/01	2020/06/30	Director Tech	GLM	50 000	50 000	0	The project removed during special budget adjustment due to financial constraint and project re-prioritisation
16 & 18	Access to Sustainable Basic Services	Roads	Planning & designs of Sefhukhubje street paving by 30 June 2022	Planning & designs of Sefhukhubje street paving	2019/07/01	2020/06/30	Director Tech	GLM	233 333	233 333	0	The project removed during special budget adjustment due to financial constraint and project re-prioritisation
21	Access to Sustainable Basic Services	Roads	Planning & designs of Ramaroka street paving by 30 June 2023	Planning & designs of Sefhukhubje street paving	2019/07/01	2020/06/30	Director Tech	GLM	233 333	233 333	0	The project removed during special budget adjustment due to financial constraint and project re-prioritisation
19	Access to Sustainable Basic Services	Roads	Planning & designs of Mohlabaneng street paving by 30 June 2023	Planning & designs of Mohlabaneng street paving	2019/07/01	2020/06/30	Director Tech	GLM	233 333	233 333	0	The project removed during special budget adjustment due to financial constraint and project re-prioritisation
2	Access to Sustainable Basic Services	Roads	Planning & designs of Motsinoni street paving by 30 June 2024	Planning & designs of Motsinoni street paving	2019/07/01	2020/06/30	Director Tech	GLM	50 000	50 000	0	The project removed during special budget adjustment due to financial constraint and project re-prioritisation

PROJECTS: KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION

2019/20 WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY /CAPITAL WORKS PLAN SUMMARY OF CAPITAL PROJECTS PER FOR THE YEAR															
Region	Strategic Objective	Programme	Projects	Project Name	Start Date	Completion date	Project Owner	Source of funding	Original Budget	Adjusted Budget	Annual Target (30 June 2019)	Annual Actual Performance	Remarks	Challenges	Evidence required
Head office	Improved Governance and Organisational Excellence	Property Services	To purchase 4 Suggestion boxes by 30 June 2019	4 Suggestion boxes	2018/07/01	2019/06/30	Director Corps	GLM	15 000	15 000	4 Suggestion boxes purchased and delivered	4 Suggestion boxes purchased	Target Achieved	None	Payment Certificate and delivery note/GRN

3.5. Service Delivery Backlog as at June 2020

It is critical to comment on the progress in eliminating backlogs in service delivery for the key services for the key functions of water, electricity, sanitation, refuse removal and roads. In Greater Letaba Municipality these functions are located in the Technical Services and Community Services directorates.

Table 3.2: Service Delivery Backlog

Service	Households	Access	% Access	Backlog	% Backlog
Water	58 261	43 696	75%	14 565	25%
Sanitation		48 412	83%	9 849	17%
Electricity		57 737	96%	2 626	4%
Housing		55 443	95%	2 818	5%
Roads		487.2 km	40%	725.8km	60%
Waste (Proclaimed area)		4 654	8%	55 459	92%

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

- *Communications Policy*
- *Career Management and Retention Policy*
- *Ward Committees Policy*
- *HIV/AIDS Policy*
- *Smoking Policy*
- *Skills Development Policy*
- *Recruitment and Selection Policy*
- *Transport Control Policy*
- *Sexual Harassment Policy*
- *Cellular Phone Allowance Policy*
- *Contract of Employment Policy*
- *Labour Relations Policy*
- *Conditions of Service Policy*
- *Occupational Health and Safety Policy*
- *Telephone Management Policy*
- *Language Policy*
- *Anti-Fraud and Corruption Policy*
- *Employees Assistance Program Policy*
- *Protective Clothing and Allowance Policy*
- *Internship and Experiential Learning Policy.*
- *Subsistence Allowance Policy*
- *Car Allowance Policy*
- *Performance Management Policy*
- *Succession Planning Policy*
- *Discrimination Policy*
- *Overtime Policy*
- *Sports Policy*
- *ICT Policy Handbook*
- *Anti-Fraud and Corruption Policy*
- *Whistle Blowing Policy*

The policies indicated above are in place and need to be monitored and implemented as a measure of creating controls for effective and efficient implementation of services.

4.3. Staff Establishment

The municipality has 340 posts in terms of the approved organogram for 2019/20 financial year and had 262 posts filled as at 30 June 2020. It is worth indicating that the municipality had a vacancy rate of 20%. The vacancy rate is due to posts that were never filled, retirements, demise and resignations. Below are statistics of all employees per directorate including Interns.

Table 4.1: Total Staff Establishment as at 30 June 2020

Directorate	Approved Posts	Filled	Vacant
Municipal Manager's Office	40	36	04
Corporate Services	19	16	03
Budget and Treasury	38	34	04
Technical Services	101	83	18
Community Services	130	102	28
Development and Town Planning	12	12	0

Total	340	273	67
Interns	28		

4.4. Staff Turnover Rate

A high staff turnover rate may be costly to a municipality and can negatively affect productivity, service delivery and institutional memory. Below is a table that displays staff turnover rate within the municipality: The staff turnover rate for 2018/19 was 6.8% which is higher as compared to 2019/20 which is 4.9%. The municipality has appointed an Employee Health and Wellness Practitioner as a way of mitigating the increasing staff turnover rate.

4.5. Employment Equity

Table 4.2 below outline employment equity status of the municipality per occupational categories. The empowerment of the previously disadvantaged groups is relatively low with African females at 44% and 33% on Senior / Top management in 2019/20. The current challenge in this area is the representation of women in the entire municipal workforce. The overall percentage of females in the municipal workforce is 44% of which is 6% below the national target of 50% females representation. However, it is worth noting that the municipality has exceeded the 2% national target of people with disabilities. The municipality had a 2.3% representation of people with disabilities in the year **2019/2020**.

The Employment Equity Plan for the municipality must be taken into consideration when posts are filled and race classification, gender and disability status must be in line with the goal set for the specific occupational level in which the vacant post falls. The Employment Equity Report was drafted and submitted electronically to the Department of Labour in January 2019.

Table 4.2 Workforce profile per occupational category as at 30 June 2020.

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	1	0	0	0	0	0	0	0	1
Senior management	3	0	0	0	2	0	0	0	5

Professionally qualified and experienced specialists and mid-management	25	0	0	1	17	0	0	1	44
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	28	0	0	0	24	0	0	0	52
Semi-skilled and discretionary decision making	34	0	0	0	30	0	0	0	64
Unskilled and defined decision making	53	1	0	1	44	0	0	0	96
<i>TOTAL PERMANENT</i>	144	1	0	2	117	0	0	1	265
Temporary employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	144	1	0	2	117	0	0	1	265

4.5. Capacitating the municipal workforce

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

- **Skills Development Budget Allocation**

The table below indicates that a total amount of R759 424.00 was allocated to the Workplace Skills Plan and that 98% of the total amount was spent in 2019/20 financial year for training of employees and Councillors respectively.

Table 4.3: Budget allocated and spent for skills development

Year	Total Personnel Budget & councillors	Total Allocated for training	Total Spent for training	% Spent
2018/2019	R118 148 334.00	R759 424.00	R744 833.00	98%
2019/2020	R128 811 000.00	798 913.00	R1 201 756.00	100%

- **Skills Matrix**

The table below indicates the number of employees that received training (skills programs, short courses, etc.) in the year under review:

Table 4.3: Skills matrix

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Municipal Manager and Directors	04				01				05
Professionals and Legislators	05			01	06				12
Senior officials and managers	10				09			01	20
Clerks	18				27				45
Labourers	09			01	15				25
Interns	02				03				05
Councillors	30				48				78

The table below outlines the training interventions implemented and the numbers of learners per category:

NAME OF TRAINING PROGRAM	NUMBER OF COUNCILLORS TRAINED	NUMBER OF OFFICIALS TRAINED	NUMBER OF INTERNS TRAINED
Municipal Governance	18	-	-
MFMP	01	03	05
Project Management	04	09	-
Audit	-	02	-
First Aid for First Aiders	01	13	-
Customer Care Excellency	-	14	-
Records Management	-	03	-
Handling and Disposal of Waste	-	09	-
ORHVS	-	07	-

4.6. Performance Management System

This chapter outlines briefly how Greater Letaba Municipality managed its performance. Performance Management is a powerful tool that can be used to measure the performance of an organisation. It involves setting of desired strategic objectives, outcomes, indicators and targets, alignment of programmes, projects and processes directly to its individual components such section 57 managers as stipulated in the performance regulations of 2006.

In terms of Chapters 5 and 6 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), local government is required to:

- *Develop a performance management system.*
- *Set targets, monitor and review performance, based on indicators linked to the Integrated Development Plan (IDP).*
- *Publish an annual report on performance for the councillors, staff, the public and other spheres of government.*
- *Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.*
- *Conduct an internal audit on performance before tabling the report.*
- *Have the annual performance report audited by the Auditor-General.*
- *Involve the community in setting indicators and targets and reviewing municipal performance.*

Greater Letaba Municipality's performance management system aims at ensuring that all the departments within the municipality are working coherently to achieve optimum desired results. This is done by planning, reviewing, implementing, monitoring, measuring and reporting on its activities.

The development of Greater Letaba Municipality's Performance Management Framework was guided by different pieces of legislation which include amongst others the following: *Constitution of the Republic of South Africa, Chapter 7 of Act 108 (1996)*

- *White Paper on Local Government 1998*
- *Municipal Systems Act, 2000 (Act No. 32 of 2000)*
- *Municipal Finance Management Act, (Act No. 56 2003)*
- *Regulation 393 of 2009: Local Government Municipal Finance Management Act Municipal Budget and Reporting Regulation*
- *Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager (2006)*
- *Municipal Planning and Performance Management Regulations (2001)*
- *Batho Pele Principles*
- *Municipal Structures Act 1998 (ACT no 117 of 1998)*

Greater Letaba Municipality has adopted a balance scorecard methodology which is a strategic performance management tool. The balance scorecard is used to keep track of the execution of activities by staff within their control and monitor the consequences arising from these actions. The balance scorecard creates a clear link of activities across all levels of municipality. The main objective of the balanced scorecard is to achieve synergy across the Municipality, maximise internal business process efficiencies, and to maximise efficient allocation of financial and human resources. By using the balance scorecard Greater Letaba Municipality managed to come up with strategic objectives that were transformed into a strategic map which emphasizes the municipality's main strategic intent.

Community Perspective	<i>The municipality checks if it is achieving the needs of the community</i>
Financial Perspective	<i>The municipality checks if it is delivering services in an economic, efficient and effective manner</i>
Internal Processes Perspective	<i>The municipality checks if its business processes are assisting in achieving its desired goals</i>
Learning and Growth Perspective	<i>The municipality checks if it has good skills and knowledge to achieve the needs of the community</i>

Organisational performance and employee performance are related to each other and this starts from the planning phase. At an organisational level the Service Delivery and Budget Implementation Plan (SDBIP) was developed for the purpose of monitoring the overall organisational performance. The Performance Agreement of section 54 & 56 managers was derived directly from the SDBIP. The SDBIP yields a set of indicators and targets which became an undertaking of the municipality to account to the community.

- **Performance Management Tools**

This section outlines the performance management tools that Greater Letaba Municipality used to assess its performance.

- **Integrated Development Plan**

Greater Letaba Municipality has developed an Integrated Development Plan which was adopted by council. The performance management system is designed to monitor and evaluate the progress made in the implementation of the municipality's IDP objectives, taking into account the timeframe of projects

and budget. The IDP is the strategic document of the municipality that gives direction in terms of service delivery objectives. Performance objectives, indicators, outcomes and targets are derived from the IDP.

- **Performance Management Policy Framework**

Greater Letaba Municipality has developed and adopted a Performance Management Framework that serves as a guiding document in the implementation of performance management system within the institution.

- **Service Delivery and Budget Implementation Plan**

In terms of the Municipal Finance Management Act, Act No. 56 (2003) the municipality must develop the SDBIP taking into consideration the Integrated Development Plan and the Budget of the municipality. Greater Letaba Municipality developed the SDBIP which was approved by the Mayor. The SDBIP yields specific indicators and targets which are derived from the IDP. The SDBIP is a link between integrated development plan, performance management system and the budget. The SDBIP serves as a contract between Council and the community. It outlines the Council's objectives and outcomes to be undertaken by Council. Through the SDBIP Council commit itself to the community in terms of services to be rendered. Administration also commit to council on the services they will render to the community.

- **Performance Agreements and Performance Plans**

The Local Government Municipal Performance Regulations for Municipal Managers and managers directly accountable to Municipal Managers (R805, 2006) indicate that Section 57 managers must be appointed in terms of a written employment contract and a separate performance agreement. Regulations R805 regulate employment contracts, performance agreements including performance plans and job descriptions of Municipal Managers and managers directly accountable to Municipal Managers. Greater Letaba Municipality developed performance agreement that were duly signed.

The purpose of a performance management agreement is to:

- Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality.

- Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement.
 - Specify and plan for competency gaps as set out in a personal development plan (PDP), which forms an annexure to the performance agreement (a PDP for addressing developmental gaps which have been identified during the previous financial year and must form part of the annual revised performance agreement).
 - Monitor and measure performance against set targeted outputs.
 - Use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job.
 - In the event of outstanding performance, to appropriately reward the employee depending on the availability of resources.
 - Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.
- **Performance Calculators**

The 2001 Regulations Chapter 13 indicates that:

- (1) A municipality must, after consultation with the local community, develop and implement mechanisms, systems and processes for the monitoring, measurement and review of performance in respect of the key performance indicators and performance targets as set.
- (2) The mechanisms, systems and processes for monitoring in terms of sub regulation (1) must:
 - a) provide for reporting to the municipal council at least twice a year;
 - b) be designed in a manner that enables the municipality to detect early indications of under-performance; and
 - c) provides corrective measures where under-performance has been identified.

Greater Letaba Municipality has developed performance calculators that are used to monitor the performance of the institution and Section 54 & 56 Managers. Monitoring is the key stage when implementing performance management system.

- **Reports**

The Greater Letaba Municipality continuously produce reports giving feedback regarding the performance of the institution and the departments. The reports mainly focus on the priorities of the organisation, performance objectives, indicators, targets, measurements and analysis. The reports include amongst others the following:

- ***Monthly / Quarterly IDP and SDBIP reporting***

In terms of Section 1 of the MFMA, Act 56 of 2003 a municipality must develop a SDBIP with detailed projections for each month of the revenue to be collected, by source, as well as the operational and capital expenditure, by vote. The SDBIP must be reported on a quarterly basis. In complying with this requirement, the municipality compiled monthly, quarterly IDP and SDBIP reports.

- ***Mid-year budget and report***

The accounting officer is required to prepare and submit a midyear performance report, which must be submitted to the Mayor, Provincial and National Treasury (Section 72 of the MFMA). Greater Letaba Municipality prepared a Mid-Year Budget and Report as per legislative requirement.

- ***Performance report***

Section 46 of the Municipal Systems Act No. 32 of 2000 requires a municipality to prepare a performance report for each financial year. The reports must cover the following:

- ❖ *Performance of the municipality and of each external service provided during that financial year;*
- ❖ *Comparison of the performances referred to in the above paragraph with targets set for and performances in the previous financial year; and*
- ❖ *Steps and Interventions to be taken to improve on the performance*

Greater Letaba Municipality prepared performance reports that reflected how the municipality performed institutionally and departmentally.

- ***Annual report***

Section 121 requires the municipality to prepare an annual report for each financial year. Greater Letaba Municipality has managed to compile an annual report.

- ***Oversight report***

Section 129 requires the council of a municipality to consider the municipality's annual report. It further indicates that within two months from the date of tabling of the annual report, council must adopt an oversight report containing the council's comments. An oversight report for the municipality was compiled.

- **Assessment of Section 54 &56 Managers**

The 2006 regulations on Municipal Manager and Managers directly reporting to the Municipal Manager depict how the assessment of section 54 & 56 managers should unfold. It identified four assessments per annum, namely:

Quarter	Panel formation
First Quarter (July to September) – Informal Assessment	No need to constitute a panel of assessors
Second Quarter (October to December) – Formal Assessment	Panel shall be constituted as follows: Assessment of Municipal Manager <ul style="list-style-type: none"> • Mayor • Municipal Manager or Mayor from another municipality • EXCO Member • Ward Committee Member • Chairperson of Performance Audit Committee Assessment of Directors <ul style="list-style-type: none"> • Municipal Manager from another municipality • EXCO Member • Municipal Manager • Chairperson of Performance Audit Committee
Third Quarter (January to March) - Informal Assessment	No need to constitute a panel of assessors
Fourth Quarter (April to June) - Formal Assessment	Panel shall be constituted as follows: Assessment of Municipal Manager <ul style="list-style-type: none"> • Mayor • Municipal Manager or Mayor from another municipality • EXCO Member • Ward Committee Member • Chairperson of Performance Audit Committee Assessment of Directors <ul style="list-style-type: none"> • Municipal Manager from another municipality • EXCO Member • Municipal Manager Chairperson of Performance Audit Committee

4.7 Municipal Workforce Expenditure

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

Table 4.2: Personnel Expenditure (excluding Councillors allowances)

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2018/2019	74 714 370	239 631 463	31%
2019/2020	97 374 680	320 194 221	30%

Disclosure regarding the 2019/20 remuneration packages for the Mayor, Councillors and Section 57 Managers were as follows:

Table 4.3: Remuneration packages- 2019/20

Designation	Total Salaries & Wages
Mayor	R 868 548.96
Full-Time Councillor-Speaker	R 702 999.96
Full-Time Councillor-Chief whip	R 661 612.92
Executive Councillors & MPAC Chairperson	R 661 612.92
Chairpersons of Committees	R 376 971.00
Councillors	R 302 751.96
Municipal Manager	R 1 327 761.96
Chief Financial Officer	R 1 016 218.45
Technical Services Director	R 977 895.96
Corporate Services Director	R 948 480.00
Community Services Director	R 965 868.96
Development and Town Planning Director	R 970 869.08

4.8 Organisational Development Performance Highlights

- Submission of Workplace skills plan and Annual training reports before the 30th April 2020.
- Submission of Employment Equity Report prior 15 January 2020.
- Enrolling Finance Officials and Interns, Managers and Councillors for Municipal Finance Management Programme as required by Section 60 of National Treasury.

CHAPTER 5

FINANCIAL PERFORMANCE

5.1 Introduction

This chapter provides details regarding the financial performance of the municipality for 2019/2020 financial year. Sound financial management practices are essential to the long-term sustainability of the municipality. They underpin the process of democratic accountability. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernize municipal financial management. The aim of this chapter is to provide an overview of the financial performance of Greater Letaba Municipality through measuring of results.

5.2 STATEMENT OF FINANCIAL PERFORMANCE

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

The table below indicates the operating ratios for the year 2017/2018, 2018/2019 and 2019/2020.

Table: 5.1 Operating ratios

Operating Ratios			
Detail	2017/18 Ratio %	2018/19 Ratio %	2019/20 Ratio %
Employee Cost	32%	33%	34%
Repairs & Maintenance	07%	05%	7.5%
Finance Charges & Depreciation	09%	10%	10.8%

The table below indicates the financial overview of the 2019/2020 financial year.

Table: 5.2. Financial overview

Financial Overview – 2019/20			
Details	Original Budget	Adjustment Budget	Actual
Income			
Grants	344 232 000	348 815 000	348 810 000
Taxes, Levies and tariffs	36 438 000	35 902 000	11 991 000
Other	332902 000	28 918 000	15 478 000
Sub Total	413 572 000	413 635 000	376 278 000
Less Expenditure	276 413 000	301 470 000	290 248 000
Net Total *	137 141 000	112 164 000	86 030 000
*Note: Surplus/ Deficit			

The table below highlights capital expenditure for the period 2016/2017, 2017/2018 and 2019/2020 comparatively.

Table: 5.3. Capital expenditure

Total Capital Expenditure from 2016/17 to 2017/18 & 2019/20			
Detail	2016/17	2017/18	2019/20
Original budget	141 632 508.00	176 454 318	151 354 0000
Adjustment budget	162 818 699.00	193 661 406	116 706 000
Actual	168 679 537 .00	124 679 494	88 148 000

5.3 GREATER LETABA MUNICIPALITY FINANCIAL PERFORMANCE ANALYSIS

- **Revenue**

The Municipality receives grants and equitable share from national treasury. The grants amount to 92% of the total receipts. Own revenue accounts for 8% of the total receipts, the municipality depends more on grants though there is slight increase improvement on own funding and if the treasury had to pull out from funding the municipality, the municipality will not be able to sustain itself. Revenue income for 2019/2020 has an increase in comparison with 2016/17 and 2017/18 financial year.

- **Debtors**

The total debt owed to the municipality has increased to R1122 818 600.00 in 2019/20 while it was R101 964 296 in 2018/19. The Municipality appointed a service provider to develop the revenue enhancement strategy to enable the municipality to improve in revenue collection.

- **Liquidity**

The Municipality is financially sound. It has reserves cash and cash equivalents amounting to R 911 833.00. The municipality's current assets are more than the current liabilities, current assets amount to R 154 753 790.00 and current liabilities amount to R 81 704 482.00.

- **Expenditure analysis**

In 2018/19 financial year expenses were less than 2019/20 financial year. 2017/18 financial year expenditure amounted to R 308 149 838.00 and 2019/20 amounted to R 322 221 243.00.

5.4 AUDITED 2019/2020 FINANCIAL STATEMENTS AND INFORMATION MANAGE



Greater Letaba Municipality
Annual Financial Statements
for the year ended 30 June 2020

Greater Letaba Municipality

Legal form of entity

Local Municipality

Nature of business and principal activities

Providing municipal services and maintaining the best interest of the local community mainly in the Greater Letaba area.

Grading of local authority

Category 3 Local Municipality in terms of Remuneration of public Office Bearers Act (Act 20 of 1998)

Executive committee

Mayor Hon Cllr MP Matlou
Speaker Hon Cllr MD Makhananisa
Chief Whip Cllr PJ Mampeule
Members of the Executive Committee

Cllr ND Modiba (Finance)
Cllr MM Nkwana (Corporate and shared Services)
Cllr MR Mosila (Infrastructure)
Cllr TJ Rababalela (Water and Sanitation Services)
Cllr MP Masela (Economic Development)
Cllr MG Selowa (Community Services)
Cllr E Mathaba (Public Transport and Roads)
Cllr MB Maenetsa (Agriculture and Environment)
Cllr SM Rasetsoke (Sports, Arts and Culture)

Greater Letaba Municipality

Councillors Cllr MV Mangoro

Cllr DG
Rabothata Cllr
SS Malatji
Cllr V
Nkuna Cllr
MA Lebepe
Cllr PJ
Mohale Cllr
MS Kgatla
Cllr ME
Ralefatane
Cllr MV
Rampedi Cllr
KE Ramaano
Cllr ME
Masedi Cllr S
Selamolela
Cllr NF
Lebeko Cllr
PW Selema
Cllr MP
Ngobeni Cllr
MM Mankgeru
Cllr R
Ramoba
Cllr MP
Monaiwa Cllr
R Ratlhaha
Cllr KB
Monyela Cllr
MP
Mokomene
Cllr ME
Ramabela Cllr
N Selowa
Cllr BE
Ngobeni Cllr
NL Seshoka
Cllr SJ
Hlungwani
Cllr MF
Hlapane Cllr
RG Baloyi
Cllr MR
Maake Cllr
GH Modjadji
Cllr M
Mathedimosa

Greater Letaba Municipality

Cllr MEC
Ndobela Cllr
ZT Maluleke
Cllr TJ Senyolo
Cllr SB
Rampyapedi
Cllr MM
Selomo
Cllr SL
Mohale Cllr R
Motsinoni
Cllr MC
Rasetsoke Cllr
MI Manyama
Cllr TJ
Kgapane
Cllr PP
Ralephatana
Cllr ML
Ramalobela
Cllr D
Raphokwane
Cllr MM
Mabeba

Audit committee

MM Makgale
(Chairperson) FJ
Mudau
MJ
Mojapelo
TW
Sebola
R Raphalalani

Chief Finance Officer (CFO)

ML Mamatlepa (Acting 1 July 2019 - 31 November 2019)TM
Mathabatha (1 December 2019 - 30 June 2020)

Accounting Officer

Dr KI Sirovha

Greater Letaba Municipality

General Information

Registered office

Civic Centre

44 Botha
Street
Modjadjiskl
oof
Limpopo

Business address

Civic Centre

44 Botha
Street
Modjadjiskl
oof
Limpopo

Postal address

PO Box 36

Modjadjisk
loof0835

Bankers

First National Bank

Auditors

Auditor General of South Africa

Enabling Legislations

Division of Revenue Act (Act 3 of 2016)

Local Government Municipal Finance Management
Act (Act 56 of 2003)

Municipal Property Rates Act (Act 6 of 2000)

Local Government Municipal System Act (Act 32
of 2000) Government Municipal Structures Act
(Act 117 of 1998)

Level of rounding

Nearest Rand

Greater Letaba Municipality

Index

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

	<i>Page</i>
ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL	5
ACCOUNTING OFFICER'S REPORT	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF FINANCIAL PERFORMANCE	8
STATEMENT OF CHANGES IN NET ASSETS	9
CASH FLOW STATEMENT	10
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	11 - 13
ACCOUNTING POLICIES	14 - 37
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	38 - 77

Abbreviations

DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
CIGFARO	Chartered Institute of Government Finance, Audit & Risk Officers.
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
COID	Compensation for Occupational Injuries and Diseases
UIF	Unemployment Insurance Fund
WCA	Workers Compensation Assistance
PAYE	Pay-as-you-Earn

Greater Letaba Municipality

SDL Skills Development Levy

Greater Letaba Municipality

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, he is satisfied that the municipality has access to adequate resources to continue in operational existence for the foreseeable future.

The Minister of Finance issued a Ministerial Exemption in terms of section 177(1) (b) of the MFMA on 05 August 2020, exempting municipalities and municipal entities from submitting their annual financial statements and related reports for auditing at the end of August 2020. The notice allows for a two month delay in the submission of Annual Financial Statements, Annual Reports, Audit opinions, and oversight reports.

Greater Letaba Municipality

The context of this exemption flows from the Minister of Cooperative Governance and Traditional Affairs' announcement of the Disaster Management Act to enable government and the country at large to manage the spread of the Covid-19 virus. Following the initial announcements of the national state of disaster, subsequent extensions and different levels were communicated.

The annual financial statements set out on pages 7 to 70, which have been prepared on the going concern basis, were approved by the accounting officer on 31 October 2020 and were signed by:

Dr KI Sirovha
Municipal Manager
31 October 2020

Greater Letaba Municipality

Accounting Officer's Report

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

1. *Review of activities*

Main business and operations

Net surplus of the municipality is R 79 474 581 (2019: surplus R 72 184 256).

2. *Going concern*

We draw attention to the fact that at 30 June 2020, the municipality had an accumulated surplus of R 1 024 252 952 and that the municipality's total assets exceed its liabilities by R 1 024 252 952.

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

3. *Subsequent events Adjusting events*

No subsequent events occurred after year end.

4. *Accounting Officer's interest in contracts*

None have been identified.

5. *Accounting policies*

The annual financial statements prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board and in accordance with section 122(3) of the Municipal Finance Management Act, (Act No. 56 of 2003).

6. *Accounting Officer*

The accounting officer of the municipality during the year and to the date of this report is as follows: Name
Dr KI Sirovha

Greater Letaba Municipality

Statement of Financial Position as at 30 June 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Assets			
Current Assets			
Inventories	3	9 941 617	8 598 212
Receivables from exchange transactions	4	115 702 762	88 686 945
Receivables from non-exchange transactions	5	11 561 613	8 301 417
Consumer debtors	6	14 376 322	11 071 748
Cash and cash equivalents	7	911 833	3 419 575
VAT receivable	43	2 259 643	74 604
		154 753 790	120 152 501
Non-Current Assets			
Investment property	8	213 057	222 024
Property, plant and equipment	9	963 336 478	909 089 604
Intangible assets	10	88 925	133 822
Heritage assets	11	548 500	548 500
		964 186 960	909 993 950
Total Assets		1 118 940 750	1 030 146 451
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	80 507 419	71 322 913
Consumer deposits	13	384 985	378 839
Employee benefit obligation	15	812 078	484 066
Unspent conditional grants and receipts	14	-	4 874
Finance lease obligation	44	-	390 496
		81 704 482	72 581 188
Non-Current Liabilities			
Employee benefit obligation	15	12 983 317	12 786 701
Total Liabilities		94 687 799	85 367 889
Net Assets		1 024 252 952	944 778 559
Accumulated surplus		1 024 252 952	944 778 559

* See Note 47

Greater Letaba Municipality

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	17	20 292 084	16 077 832
Rental of facilities and equipment		57 725	61 656
Interest received - outstanding receivables		5 555 733	8 526 271
Agency services		2 010 150	2 702 473
Licences and permits		2 296 227	3 474 673
Other Income		1 109 991	1 652 419
Interest received - investment	18	1 710 717	1 640 038
Total revenue from exchange transactions		33 032 627	34 135 362
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	19	14 713 311	9 698 078
Interest on Property Rates		4 702 051	6 072 511
Transfer revenue			
Government grants & subsidies	20	348 814 989	329 371 680
Fines, Penalties and Forfeits		432 846	548 300
Other transfer revenue		-	508 163
Total revenue from non-exchange transactions		368 663 197	346 198 732
Total revenue	21	401 695 824	380 334 094
Expenditure			
Bulk purchases	25	(15 127 354)	(14 766 931)
Contracted services	26	(22 121 108)	(21 521 802)
Debt Impairment	45	(17 710 191)	(17 027 797)
Depreciation and amortisation	24	(33 831 872)	(30 651 130)
Employee related costs	22	(108 796 221)	(98 746 843)
General Expenses	27	(101 920 582)	(103 491 354)
Remuneration of councillors	23	(22 713 915)	(21 943 981)
Total expenditure		(322 221 243)	(308 149 838)
Surplus for the year		79 474 581	72 184 256

* See Note 47

Greater Letaba Municipality

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2018	872 594 303	872 594 303
Changes in net assets		
Surplus for the year	72 184 256	72 184 256
Total changes	72 184 256	72 184 256
Restated* Balance at 01 July 2019	944 778 371	944 778 371
Changes in net assets		
Surplus for the year	79 474 581	79 474 581
Total changes	79 474 581	79 474 581
<i>Balance at 30 June 2020</i>	<i>1 024 252 952</i>	<i>1 024 252 952</i>
<i>252 952</i>		
Note(s)		

* See Note 47

Greater Letaba Municipality

Cash Flow Statement

Figures in Rand	Note(s)	2020	2019 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		11 990 662	11 664 074
Grants		348 810 115	329 023 001
Interest income		11 878 320	15 372 856
Other Income		3 599 384	1 693 421
		<u>376 278 481</u>	<u>357 753 352</u>
Payments			
Employee costs		(134 266 580)	(118 955 125)
Suppliers		(155 981 451)	(132 576 973)
		<u>(290 248 031)</u>	<u>(251 532 098)</u>
Net cash flows from operating activities	29	<u>86 030 450</u>	<u>106 221 254</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	<u>(88 147 696)</u>	<u>(123 808 619)</u>
Cash flows from financing activities			
Finance lease payments		<u>(390 496)</u>	<u>(409 851)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(2 507 742)</u>	<u>(9 747 436)</u>
Cash and cash equivalents at the beginning of the year		3 419 575	13 167 011
Cash and cash equivalents at the end of the year	7	<u>911 833</u>	<u>3 419 575</u>

The accounting policies on pages 14 to 37 and the notes on pages 38 to 77 form an integral part of the annual financial statements.

* See Note 47

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2020

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

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	25 739 000	(11 463 000)	14 276 000	20 292 084	6 016 084	17
Rental of facilities and equipment	1 007 000	(857 000)	150 000	57 725	(92 275)	
Interest received (trading)	20 227 000	(10 000 000)	10 227 000	5 555 733	(4 671 267)	
Agency services	2 289 000	473 000	2 762 000	2 010 150	(751 850)	
Licences and permits	23 865 000	(8 940 000)	14 925 000	2 296 227	(12 628 773)	
Other income	14 748 000	(5 240 000)	9 508 000	1 109 991	(8 398 009)	
Interest received - investment	4 755 000	(4 675 000)	80 000	1 710 717	1 630 717	18
Total revenue from exchange transactions	92 630 000	(40 702 000)	51 928 000	33 032 627	(18 895 373)	

Revenue from non-exchange transactions

Taxation revenue

Property rates	17 740 000	-	17 740 000	14 713 311	(3 026 689)	19
Indirect taxes (VAT, customs duty)	-	-	-	4 702 051	4 702 051	

Transfer revenue

Government grants & subsidies	344 232 000	4 583 000	348 815 000	348 814 989	(11)	20
Fines, Penalties and Forfeits	1 262 000	(1 180 000)	82 000	432 846	350 846	
Other transfer revenue	607 000	-	607 000	-	(607 000)	

Total revenue from non-exchange transactions	363 841 000	3 403 000	367 244 000	368 663 197	1 419 197	
Total revenue	456 471 000	(37 299 000)	419 172 000	401 695 824	(17 476 176)	

Expenditure

Employee related costs	(107 636 000)	2 897 000	(104 739 000)	(108 796 221)	(4 057 221)	22
Remuneration of councillors	(24 072 000)	-	(24 072 000)	(22 713 915)	1 358 085	23
Depreciation and amortisation	(6 251 000)	4 363 000	(1 888 000)	(33 831 872)	(31 943 872)	24
Debt Impairment	(2 058 000)	-	(2 058 000)	(17 710 191)	(15 652 191)	44
Bulk purchases	(17 986 000)	569 000	(17 417 000)	(15 127 354)	2 289 646	25
Contracted Services	(19 460 000)	11 850 000	(7 610 000)	(22 121 108)	(14 511 108)	26
General Expenses	(136 325 000)	9 810 000	(126 515 000)	(101 920 582)	24 594 418	27
Total expenditure	(313 788 000)	29 489 000	(284 299 000)	(322 221 243)	(37 922 243)	
Surplus for the year	142 683 000	(7 810 000)	134 873 000	79 474 581	(55 398 419)	

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2020

Budget on Accrual Basis						
Basis	Approved	Adjustments	Final	Budget	Difference	Refer to note
	budget	Actual amounts		on comparable basis	between final budget and actual	41 for explanations of major variances
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	11 923 000	-	11 923 000	9 941 617	(1 981 383)	3
Receivables from exchange transactions	74 919 000	-	74 919 000	115 702 762	40 783 762	4
Receivables from non-exchange transactions	25 674 000	-	25 674 000	11 561 613	(14 112 387)	5
VAT receivable	-	-	-	2 259 643	2 259 643	
Consumer debtors	2 128 000	-	2 128 000	14 376 322	12 248 322	6
Cash and cash equivalents	2 421 000	-	2 421 000	911 833	(1 509 167)	7
	117 065 000	-	117 065 000	154 753 790	37 688 790	
Non-Current Assets						
Investment property	241 000	-	241 000	213 057	(27 943)	8
Property, plant and equipment	953 120 000	(39 648 000)	913 472 000	963 336 478	49 864 478	9
Intangible assets	192 000	-	192 000	88 925	(103 075)	10
Heritage assets	548 500	-	548 500	548 500	-	11
	954 101 500	(39 648 000)	914 453 500	964 186 960	49 733 460	
Total Assets	1 071 166 500	(39 648 000)	1 031 518 500	1 118 940 750	87 422 250	
Liabilities						
Current Liabilities						
Payables from exchange transactions	34 122 000	-	34 122 000	80 507 419	46 385 419	12
Consumer deposits	395 000	-	395 000	384 985	(10 015)	13
Employee benefit obligation	-	-	-	812 078	812 078	
	34 517 000	-	34 517 000	81 704 482	47 187 482	
Non-Current Liabilities						
Employee benefit obligation	-	-	-	12 983 317	12 983 317	15
Provisions	17 101 000	-	17 101 000	-	(17 101 000)	16
	17 101 000	-	17 101 000	12 983 317	(4 117 683)	
Total Liabilities	51 618 000	-	51 618 000	94 687 799	43 069 799	
Net Assets	1 019 548 500	(39 648 000)	979 900 500	1 024 252 951	44 352 451	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	1 019 548 500	(39 648 000)	979 900 500	1 024 252 952	44 352 452	

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2020

Budget on Accrual Basis						
Basis	Approved budget	Adjustments Actual amounts	Final on	Budget comparable basis	Difference between final budget and actual	Refer to note 41 for explanations of major variances
Figures in Rand						

Cash Flow Statement

Cash flows from operating activities

Receipts

Cash received from trade services, assessment rates and rental	36 438 000	(7 520 000)	28 918 000	11 990 662	(16 927 338)	
Grants	344 232 000	4 583 000	348 815 000	348 810 115	(4 885)	
Interest income	14 989 000	3 000 000	17 989 000	11 878 320	(6 110 680)	
Other income	17 913 000	-	17 913 000	3 599 384	(14 313 616)	
	413 572 000	63 000	413 635 000	376 278 481	(37 356 519)	

Payments

Employee costs	-	-	-	(134 266 580)	(134 266 580)	
Suppliers and employees	(276 431 016)	(25 039 305)	(301 470 321)	(155 981 451)	145 488 870	
	(276 431 016)	(25 039 305)	(301 470 321)	(290 248 031)	11 222 290	

Net cash flows from operating activities	137 140 984	(24 976 305)	112 164 679	86 030 450	(26 134 229)	
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Cash flows from investing activities

Purchase of property, plant and equipment	-	-	-	(88 147 696)	(88 147 696)	
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Cash flows from financing activities

Finance lease payments	-	-	-	(390 496)	(390 496)	
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Net increase/(decrease) in cash and cash equivalents	137 140 984	(24 976 305)	112 164 679	(2 507 742)	(114 672 421)	
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Cash and cash equivalents at the beginning of the year	-	-	-	3 419 575	3 419 575	7
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Cash and cash equivalents at the end of the year	137 140 984	(24 976 305)	112 164 679	911 833	(111 252 846)	
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Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1. Basis of preparation

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) and MFMA Circulars as issued by National Treasury.

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.

1.1 Presentation currency

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

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 the next unforeseeable future.

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 judgements is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables

The municipality assesses its 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.

Fair value estimation

Greater Letaba Municipality

Annual Financial Statements for the year ended

30 June 2020

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

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.

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.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

Useful lives of property, plant and equipment, intangible assets and investment property

The municipality's management determines the estimated useful lives and related depreciation charges for the assets. This estimate is based on industry norm.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.3 Significant judgements and sources of estimation uncertainty (continued) Post retirement benefits

The Municipality has defined benefit plan. 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.

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

Effective interest rate

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

Debtors

impairment

Consumer

debtors

The provision for impairment is measured per individual debtors using the recoverability rate per debtors. The municipality provide for debtors excluding government debtors and debtors with credit balances. An impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired.

Traffic fines debtors

The provision for impairment is measured with reference to the recoverability rate.

1.4 Investment property

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

- use in the production or supply of goods or services or for
- 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.

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

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

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

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

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, by equal installments over the useful life of the property, which is as follows:

<i>Item</i>		<i>Useful life</i>
Property - buildings	30 years	

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.4 Investment property (continued)

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.

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

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

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

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.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Work in progress is carried at cost. The retention is recorded at cost under payables

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

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.5 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Land		Indefinite
Infrastructure	Straight line	
• Roads, pavements, bridges and storm water		10 - 100
• Street names, signs and parking meters		5
• Water reservoirs and reticulation		15 - 20
• Electricity reticulation		20 - 50
• Sewerage purification and reticulation		15 - 20
• Refuse sites		15
• Security measures		5
• Parks and gardens	Straight line	10 - 30
• Sports fields		20 - 30
• Community halls		30
• Libraries		30
• Recreational facilities		30
• Cemeteries		30
Other assets	Straight line	
• Motor vehicles		7 - 15
• Plant and equipment		2 - 5
• IT equipment		5
• Office equipment		5
Work-in progress		Not depreciated

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 method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

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 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.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.6 Intangible assets (continued)

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 willflow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

<i>Item</i>	<i>Useful life</i>
Computer software, other	5 years

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.7 Heritage assets

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

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.

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.7 Heritage assets

(continued)

Subsequent

measurement

After recognition as an asset, a class of heritage assets is carried at its cost/fair value less any accumulated impairment losses.

Impairment

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

Transfers

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

Derecognition

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

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

1.8 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.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.8 Financial instruments (continued)

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.8 *Financial instruments*

(continued) Impairment and

uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial

assets

The municipality derecognises a financial asset only when:

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

on the transfer. In this case, the municipality:

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

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

If the municipality transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the municipality adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the municipality obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the municipality recognise the new financial asset, financial liability or servicing liability at fair value.

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.8 Financial instruments (continued)

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

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

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that can be readily converted to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently received at fair value.

1.10 Leases

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

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

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

Finance leases - lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.10 Leases

(continued)

Operating

leases - lessee

Operating leases are those leases that do not fall within the scope of the definition of a finance lease. The aggregate benefit of incentives of operating lease are recognised as a reduction of rental expense on a straight-line basis over the term of the relevant lease.

1.11 Inventories

Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition.

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

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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

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 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Key Management Personnel is defined as the Municipal

Greater Letaba Municipality

Annual Financial Statements for the year ended

30 June 2020

Manager, Chief Financial Officer, and all other Directors reporting directly to the Municipal Manager or designated by the Municipal Manager as well as the Mayor and Councillors

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

1.13 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

1.14 Value added tax

The municipality accounts for Value Added Tax on accrual basis.

1.15 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.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.15 Impairment of cash-generating assets (continued)

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.

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.

Value in use

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

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

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
 - base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
 - estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the
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Greater Letaba Municipality

Annual Financial Statements for the year ended

30 June 2020

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 municipality operates, or for the market in which the asset is used, unless a higher rate can be justified.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.15 Impairment of cash-generating

assets (continued) Composition of

estimates of future cash flows

Estimates of future cash flows include:

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

Estimates of future cash flows exclude:

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

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

Discount rate

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.15 Impairment of cash-generating

assets (continued) Cash-generating

units

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

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

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

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

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

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

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

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

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.15 Impairment of cash-

generating assets

(continued) Reversal of

impairment loss

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

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

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

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

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

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

Redesignation

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

1.16 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.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

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

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

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

- 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.

Value in use

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

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

Reversal of an impairment loss

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

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

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

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

Redesignation

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

1.17 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

1.18 Employee benefits

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.18 Employee benefits

(continued) Short-term

employee benefits

Short-term employee benefits include items such as:

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

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

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

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

The municipality recognise the expected cost of bonus, incentive and performance related payments when the 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.

Retirement benefits

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

Post-employment benefits: Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the municipality pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of financial performance when

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.18 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

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

- current service cost;
- interest cost;
- actuarial gains and losses;

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method prorated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

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

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

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

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

Other post retirement obligations

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

The municipality offers various types of long service awards to its employees. The provision is to recognise the present value of the obligation as at the reporting date.

1.19 Provisions and contingencies

Provisions are recognised when:

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.19 Provisions and contingencies (continued)

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.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- The municipality has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The municipality does not recognise contingent liabilities or contingent assets. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets and liabilities are disclosed in note 31.

1.20 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.21 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Measurement

Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, VAT and other similar allowances.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

Sale of goods

Revenue from the sale of goods is recognised when substantially all the risks and rewards of ownership of the goods is passed to the consumer.

Revenue from the sale of goods is recognised when all conditions associated with the deed of sale have been met.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.21 Revenue from exchange

transactions (continued) Service

charges

Flat rate service charges relating to electricity which are based on consumption are metered and an estimate of consumption between the latest meter reading and the reporting date shall be 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.

Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made then recognised in the statement of financial performance in the invoicing period in which meters have been read.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

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

Interest Income

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.21 Revenue from exchange

transactions (continued)

Agency Services

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

The revenue is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Collection charges are recognised when such amounts are incurred.

1.22 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

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

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

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

Property Rates (including collection charges and penalty interest)

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met. Revenue from property rates is recognised when the legal entitlement to this revenue arises.

Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

Assessment rates income is recognised once a rates account has been issued to ratepayers. Adjustments or interim rates are recognised once the municipal valuer has valued the change to property

Gain/ Loss on assets:

Gain/ loss on assets are recognised in the on the statement of financial performance as revenue from non-exchange transaction or non-cash expenditure

Government grants and transfers

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

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.22 Revenue from non-

exchange transactions

(continued) Traffic Fines

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

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

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity. Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the further of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Conditional grants, donations and funding were recognised as revenue in the Statement of Financial Performance to the extent that the Municipality has complied with any criteria, conditions or obligations embodied in the agreement/arrangement. To the extent that the criteria, conditions and obligations have not been met a liability is raised in the Statement of Financial Position.

Unconditional grants, donations and funding are recognised as revenue in the Statement of Financial Position at the earlier of the date of receipt or when the amount is receivable. Stipulations can either be in the form of conditions or in the form of restrictions. For both conditions and restrictions a recipient may be required to use the transferred asset for a particular purpose. However the difference between a restriction and a condition is that a condition has an additional requirement which states that the asset or its future economic benefits or service potential should be returned to the transferor should the recipient not use the asset for the particular purpose stipulated.

When conditions are attached to a transferred asset, the municipality incurs a liability. The municipality has a present obligation comply with the conditions of the asset or to return the economic benefits or service potential of the asset to the transferor when the conditions are not met. Therefore, when a recipient initially recognises an asset that is subject to a condition, the recipient also incurs a liability.

Restrictions on transferred assets arise when there is an expectation and/or understanding about the particular way that the assets will be used. However, there is no requirement that the transferred asset, or future economic benefits or service potential are to be returned to the transferor if the assets are not used as per the expectation or understanding. Thus, initially gaining control of an asset with restrictions does not impose a present obligation on the recipient and consequently no liability is recognised. Contributed assets are recognised at fair value when the risks and rewards associated with such asset transfer to the Municipality.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.23 Investment income

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

1.24 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.

1.25 Comparative information

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

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.26 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Fruitless and wasteful expenditure is also disclosed on the notes. It get de-recognised when condoned by the Council

1.28 Irregular expenditure

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

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 is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

Investments in securities

Investments in securities are recognised and initially measured at cost.

1.30 Conditional grants and receipts

Revenue received from conditional grants, and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. If conditions or obligations have not been met a liability is recognised. If the obligation has been exceeded an asset is recognised.

1.31 Expenditure

Expenditure is recognised as an expense when it is incurred (Accrual basis).

1.32 Budget information

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

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended
30 June 2020

1.32 Budget information (continued)

The approved budget covers the fiscal period from 2019/07/01 to 2020/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The municipality consider all variances which are +-10% to be material and explanations are provided for them Comparative information is not required.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IGRAP 19: Liabilities to Pay Levies	01 April 2019	Unlikely there will be a material impact
• GRAP 12 (as amended 2016): Inventories	01 April 2018	
• GRAP 16 (as amended 2016): Investment Property	01 April 2018	Unlikely there will be a material impact
• GRAP 17 (as amended 2016): Property, Plant and Equipment	01 April 2018	Unlikely there will be a material impact
• GRAP 21 (as amended 2016): Impairment of non-cash-generating assets	01 April 2018	Unlikely there will be a material impact
• GRAP 26 (as amended 2016): Impairment of cash-generating assets	01 April 2018	Unlikely there will be a material impact
• GRAP 27 (as amended 2016): Agriculture	01 April 2018	Unlikely there will be a material impact
• GRAP 31 (as amended 2016): Intangible Assets	01 April 2018	Unlikely there will be a material impact
• GRAP 103 (as amended 2016): Heritage Assets	01 April 2018	Unlikely there will be a material impact
• Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities	01 April 2018	Unlikely there will be a material impact

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2020 or later periods:

• GRAP 37: Joint Arrangements	01 April 2020	Unlikely there will be a material impact
• GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	Unlikely there will be a material impact
• Guideline: Accounting for Arrangements Undertaken i.t.othe National Housing Programme	01 April 2020	Unlikely there will be a material impact
• GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	Unlikely there will be a material impact
• GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2019	Unlikely there will be a material impact
• GRAP 7 (as revised 2010): Investments in Associates	01 April 2019	Unlikely there will be a material impact
• GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2019	Unlikely there will be a material impact
• GRAP 18 (as amended 2016): Segment Reporting	01 April 2019	Unlikely there will be a material impact

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2020	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"> GRAP 32: Service Concession Arrangements: Grantor 	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"> GRAP 105: Transfers of functions between entities under common control 	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"> GRAP 106 (as amended 2016): Transfers of functions between entities not under common control 	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"> GRAP 107: Mergers 	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"> GRAP 108: Statutory Receivables 	01 April 2019	Unlikely there will be a material impact

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

2. *New standards and interpretations (continued)*

• GRAP 109: Accounting by Principals and Agents	01 April 2019	Not expected to impact results but may result in additional disclosure
• IGRAP 11: Consolidation – Special purpose entities	01 April 2019	Unlikely there will be a material impact
• IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures	01 April 2019	Unlikely there will be a material impact
• IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2019	Unlikely there will be a material impact
• IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land	01 April 2019	Unlikely there will be a material impact

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

3. Inventories

Work in progress	3 538 954	5 202 609
Consumable stores	6 402 663	3 395 603
	9 941 617	8 598 212

The total of consumable store's is represented by items held for use in operations. The work-in progress inventory is for electricity projects which will be transferred to Eskom upon completion.

For Inventory amounts relating to stock losses due to theft and shortages, please refer to Note 33 - Fruitless and Wasteful expenditure.

4. Receivables from exchange transactions

Deposits	2 072 676	1 833 693
Sundry debtors	4 400 066	4 627 721
Interest debtors	956 144	865 963
Mopani District Municipality (Water and Sanitation Function)	109 230 021	83 261 533
Less: Allowance for impairment on Interest debtors	(956 144)	(865 963)
Less: Allowance for impairment on sundry debtors	-	(1 036 000)
	115 702 763	88 686 947

Allowance for impairment

As of 30 June 2020, trade and other receivables of R1 036 000 (2019: R1 036 000) were impaired and provided for.

5. Receivables from non-exchange transactions

Traffic Fines	8 395 457	8 022 737
Consumer Debtors - Rates	79 799 563	65 715 581
Impairment of Consumer debtors - Rates	(68 363 302)	(57 484 846)
Impairment debtors - Traffic fines	(8 270 105)	(7 952 055)
	11 561 613	8 301 417

Consumer Debtors - Rates

Rates		
Current (0 -30 days)	10 646	1 453 533
31 - 60 days	1 712	1 376 904
61 - 90 days	1 077 988	1 337 659
91 - 120 days	1 063 579	1 302 856
121 - 365 days	15 593 951	9 078 713
> 365 days	62 051 687	51 165 916
Less: Impairment	(68 363 302)	(57 484 846)
	11 436 261	8 230 735

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand 2020 2019

6. Consumer debtors

Gross balances

Electricity	28 833 601	26 170 420
Refuse	63 043 863	55 183 131
Other	20 941 136	20 610 791
	112 818 600	101 964 342

Less: Allowance for impairment

Electricity	(20 502 567)	(20 637 440)
Refuse	(57 574 361)	(52 763 610)
Other	(20 365 350)	(17 491 544)
	(98 442 278)	(90 892 594)

Net balance

Electricity	8 331 034	5 532 980
Refuse	5 469 502	2 419 521
Other	575 786	3 119 247
	14 376 322	11 071 748

Electricity

Current (0 -30 days)	1 661 208	1 950 881
31 - 60 days	848 327	760 722
61 - 90 days	1 241 937	706 469
91 - 120 days	581 283	1 679 404
121 - 365 days	5 966 137	503 369
> 365 days	18 534 709	20 569 574
Less: Impairment	(20 502 567)	(20 637 439)
	8 331 034	5 532 980

Refuse

Current (0 -30 days)	473 216	847 815
31 - 60 days	440 523	814 177
61 - 90 days	430 800	790 294
91 - 120 days	426 816	777 993
121 - 365 days	6 677 900	766 780
> 365 days	54 594 608	51 186 027
Less: Impairment	(57 574 361)	(52 763 565)
	5 469 502	2 419 521

Other (specify)

Current (0 -30 days)	4 487	66 504
31 - 60 days	1 190	66 506
61 - 90 days	1 190	66 505
91 - 120 days	1 190	66 407
121 - 365 days	535 681	66 392
> 365 days	20 397 398	20 278 474
Less: Impairment	(20 365 350)	(17 491 541)
	575 786	3 119 247

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand 2020 2019

6. Consumer debtors (continued)

Summary of debtors by customer classification

Consumers

Current (0 -30 days)	955 383	1 812 077
31 - 60 days	746 069	1 277 445
61 - 90 days	662 989	1 238 816
91 - 120 days	741 544	2 214 079
121 - 365 days	10 279 271	1 124 480
> 365 days	82 793 758	85 227 749
	96 179 014	92 894 646

Industrial/ commercial

Current (0 -30 days)	600 534	712 111
31 - 60 days	417 166	294 256
61 - 90 days	435 667	260 004
91 - 120 days	229 017	262 038
121 - 365 days	2 544 082	170 521
> 365 days	6 369 086	4 705 304
	10 595 552	6 404 234

National and provincial government

Current (0 -30 days)	517 500	325 301
31 - 60 days	93 720	55 602
61 - 90 days	559 578	50 527
91 - 120 days	22 481	33 816
121 - 365 days	165 807	27 914
> 365 days	1 865 028	980 954
	3 224 114	1 474 114

Other: Ageing

Current (0 - 30 days)	65 494	15 711
31 - 60 days	33 085	14 102
61 - 90 days	15 693	13 922
91 - 120 days	16 247	13 852
121 - 365 days	190 557	13 626
>365 days	2 498 843	1 120 068
	2 819 919	1 191 281

Total

Current (0 -30 days)	2 138 857	2 865 200
31 - 60 days	1 290 094	1 641 406
61 - 90 days	1 673 927	1 563 268
91 - 120 days	1 009 289	2 523 784
121 - 365 days	13 179 718	1 336 541
> 365 days	93 526 715	92 034 097
	112 818 600	101 964 296
Less: Allowance for impairment	(98 442 278)	(90 892 594)
	14 376 322	11 071 748

Less: Allowance for impairment

> 365 days	(98 442 278)	(90 892 594)
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Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

6. Consumer debtors (continued)

Reconciliation of allowance for impairment

Balance at beginning of the year	(98 669 832)	(78 973 226)
Contributions to allowance	227 554	(11 919 368)
	(98 442 278)	(90 892 594)

Consumer debtors pledged as security

No consumer debtors were pledged as security for any liabilities.

Fair value of consumer debtors

The fair value of consumer debtors approximates the carrying amount thereof.

Assumptions used during the calculation of the Impairment of Debtors.

The debtors age analysis with the outstanding balance of each debtor as at year end 30 June 2020 was drawn from the system.

Each debtor was assessed individually based on the debtors payment history.

All Government departments were identified and therefore regarded as recoverable since the risk that we may not recover from the government departments are less. Therefore no impairment on government departments debts outstanding.

Twelve months payments report starting from 01 July 2019 to 30 June 2020 was for all other debtors and therefore recoverability rate was determined for each debtor.

The recoverability rate of each debtor's outstanding debt was calculated by taking the total payment for the period and divide it by the debtors outstanding balance at year end. All debtors who are over recoverable thus more than 100% recoverable are not impaired.

All debtors who are less recoverable therefore with less than 100% recoverability rate ,the total debtors outstanding balance at period end is impaired by the outstanding percentage therefore (100%).

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	682 948	1 064 299
Call deposits	228 885	2 355 276
	911 833	3 419 575

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

7. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2020	30 June 2019	30 June 2018	30 June 2020	30 June 2019	30 June 2018
FIRST NATIONAL BANK - 52100005761 - Main Bank Account	386 620	391 023	202 775	422 069	517 956	206 435
FIRST NATIONAL BANK - 62051705534	62 886	389 636	245 227	260 879	546 343	245 227
ABSA BANK - Fixed Investment	117 566	110 606	103 202	117 566	110 606	103 202
OLD MUTUAL- Investment	111 319	103 206	95 109	111 319	103 206	95 109
NEDBANK - Corporate saver	-	2 141 463	2 038 297	-	2 141 464	2 038 297
Investec	-	-	10 378 254	-	-	10 378 254
Momentum RMB	-	-	100 488	-	-	100 487
Total	678 391	3 135 934	13 163 352	911 833	3 419 575	13 167 011

8. Investment property

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	480 511	(267 454)	213 057	480 511	(258 487)	222 024

Reconciliation of investment property - 2020

	Opening balance	Depreciation	Total
Investment property	222 024	(8 967)	213 057

Reconciliation of investment property - 2019

	Opening balance	Depreciation	Total
Investment property	231 065	(9 041)	222 024

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand 2020 2019

9. Property, plant and equipment

	2020		2019		2019	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	33 830 077	-	33 830 077	33 830 077	-	33 830 077
Buildings	214 720 645	(55 370 738)	159 349 907	214 584 904	(48 142 309)	166 442 595
Infrastructure	736 907 518	(203 549 476)	533 358 042	680 575 251	(149 198 813)	531 376 438
Other assets	64 434 018	(38 994 027)	25 439 991	62 745 080	(33 225 024)	29 520 056
Finance Leases	-	-	-	1 054 641	(718 811)	335 830
WIP - Infrastructure	77 347 570	-	77 347 570	41 966 485	-	41 966 485
WIP - Buildings	134 010 891	-	134 010 891	105 618 123	-	105 618 123
Total	1 261 250 719	(297 914 241)	963 336 478	1 140 374 561	(231 284 957)	909 089 604

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

9. Property, plant and equipment

(continued) Reconciliation of

property, plant and equipment - 2020

	Openi ng balan ce	Additions Tr ansfer s receiv ed	Transfers	Depreciation Impairment	loss	Tot al
Land	33 830 077	-	-	-	-	33 830 077
Buildings	166 442 595	14 955	-	(7 044 331)	(63 312)	159 349 907
Infrastructure	531 376 438	1 591 291	20 957 873	(19 523 155)	(1 044 412)	533 358 042
Other assets	29 519 916	1 688 938	-	(5 411 160)	(357 904)	25 439 991
Finance Leases	335 830	-	-	(335 830)	-	-
WIP - Infrastructure	41 966 478	56 338 958	-	(20 957 873)	-	77 347 570
WIP - Buildings	105 618 123	28 513 554	-	-	(120 786)	134 010 891
	909 089 604	88 147 696	20 957 873	(20 957 873)	(32 314 476)	(1 586 414)
						963 336 478

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	33 830 077	-	-	-	-	-	33 830 077
Buildings	162 726 663	413 887	10 399 061	-	(7 027 324)	(69 692)	166 442 595
Infrastructure	474 870 997	1 573 781	71 246 433	-	(17 464 384)	(784 748)	531 376 438
Other assets	22 338 359	11 937 101	138 617	-	(4 704 581)	(188 200)	29 519 916
Finance Leases	687 056	-	-	-	(351 226)	-	335 830
WP - Infrastructure	53 045 851	60 351 720	-	(71 431 093)	-	-	41 966 478

WP - Buildings	67 528 840	50 376 664	-	(12 287 381)	-	-	105 618 123
	815 027 843	124 653 153	81 784 111	(83 718 474)	(29 547 515)	(1 042 640)	909 089 604

Pledged as security

None of the property, plant and equipment are pledged as security for financial liabilities.

The residual value and useful lives of property plant and equipment were reviewed and possible impairment has been assessed at reporting date

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

9. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment
included in Statement of Financial Performance

Infrastructure	17 755 203	16 747 243
Other Assets (Motor Vehicles, machines and other)	5 023 698	6 551 884
Buildings	845 025	727 270
	23 623 926	24 026 397

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.

10. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 319 316	(1 230 391)	88 925	1 319 316	(1 185 494)	133 822

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software	133 822	(44 897)	88 925
	133 822	(44 897)	88 925

Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Computer software	185 281	(51 459)	133 822

Pledged as security

No intangible assets were pledged as security:

Other information

The residual value and useful lives of intangible assets were reviewed and possible impairment has been assessed at reporting date

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand

2020

2019

11. Heritage assets

	2020			2019		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Waterfall picnic site	103 000	-	103 000	103 000	-	103 000
Historical monuments and statues	190 500	-	190 500	190 500	-	190 500
Mayoral gold chain	195 000	-	195 000	195 000	-	195 000
Paintings	60 000	-	60 000	60 000	-	60 000
Total	548 500	-	548 500	548 500	-	548 500

Reconciliation of heritage assets 2020

	Opening balance	Total
Waterfall picnic site	103 000	103 000
Historical monuments and statues	190 500	190 500
Mayoral gold chain	195 000	195 000
Painting	60 000	60 000
	548 500	548 500

Reconciliation of heritage assets 2019

	Opening balance	Total
Waterfall picnic site	103 000	103 000
Historical monuments and statues	190 500	190 500
Mayoral gold chain	195 000	195 000
Paintings	60 000	60 000
	548 500	548 500

Pledged as security

No carrying value of heritage assets were pledged as security

12. Payables from exchange transactions

Trade payables	33 296 817	30 933 551
Payments received in advance	2 859 778	1 434 310
Retentions	24 100 859	22 704 740
Accrued leave pay	15 258 514	12 102 191
Accrued annual bonus	1 862 190	1 737 441
Unknown Deposits	3 094 561	2 410 685
GLM Sports Contribution	34 700	-
	80 507 419	71 322 918

13. Consumer deposits

Electricity	384 985	378 839
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Consumer deposits are raised when a services account is opened and is refunded to the consumer after the account is closed. No interest is paid on consumer deposits.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand	2020	2019
14. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts	-	4 874
Finance Management Grant (FMG)		
Movement during the year		
Balance at the beginning of the year	4 874	353 553
Additions during the year	2 145 000	91 103 478
Income recognition during the year	(2 149 874)	(91 452 157)
	-	4 874

See note 20 for reconciliation of grants from National / Provincial Government.

15. Employee benefit obligations

Defined benefit plans

The total amounts recognised in the statement of financial position are as follows:

Defined benefit obligation - Post retirement medical plan	9 439 171	9 257 717
Defined benefit obligation - Long service awards	4 356 224	4 013 049
	13 795 395	13 270 767
Current Liability	812 078	484 066
Non-Current Liability	12 983 317	12 786 701
	13 795 395	13 270 767

Post retirement benefit plan

15.1 Post retirement medical aid plan

The post-employment health care benefits valuation considers all current employees, retired employees and their dependants who participate in the health care arrangements and are entitled to a post-employment medical scheme subsidy. The post-employment health care liability is not a funded arrangement, i.e. no separate assets have been set aside to meet this liability. The effective date of the valuation is 30 June 2020.

The amounts recognised in the statement of financial position are as follows:

Present value of the defined benefit obligation unfunded	9 439 171	9 257 717
Non-Current Liabilities	9 330 999	9 156 010
Current Liabilities	108 172	101 707
	9 439 171	9 257 717

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

Opening balance	9 257 717	9 547 636
Benefits paid	(101 167)	(95 325)
Net expenses recognised in the statement of financial performance	282 621	(194 594)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

9 439 171	9 257 717
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Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand	2020	2019
15. Employee benefit obligations (continued)		
Net expense recognised in the statement of financial performance in general expenses		
Current service costs	844 560	844 756
Adjustment	17 577	-
Interest cost	897 258	936 637
Actuarial (gains) / Losses	(1 476 774)	(1 975 987)
	282 621	(194 594)
Calculation of actuarial gains and losses		
Actual (gains) / losses - Obligation	(1 476 774)	(1 975 987)
Key assumptions used		
Discount rates used	11,18 %	9,76 %
Medical aid contribution	7,14 %	7,16 %
Average retirement age	62	62

The basis on which the medical aid inflation rate has been determined is as follows:

The medical aid inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period .

South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. We do not consider these increases to be sustainable and have assumed that medical aid contribution increases would outstrip general inflation by 1% per annum over the foreseeable future.

The basis on which the discount rate has been determined is as follows:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 11.18% per annum has been used. The corresponding index-linked yield at this term is 4.77%. 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 2020.

These rates were calculated by using a liability-weighted average of the yields for the two 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).

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Other assumptions

It was assumed that the Municipality's health care arrangements and subsidy policy would remain as outlined in Section 3. Furthermore, it was assumed that the level of benefits receivable, and the contributions payable in respect of such, would remain unchanged, with the exception of allowing for inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidy from in-service members to continuation members within the medical scheme are sustainable and will continue:

Amounts for the current and previous four years are as follows:

	2020	2019	2018	2017	2016
Defined benefit obligation	9 439 171	9 257 717	9 547 636	9 200 742	8 285 000
Surplus (deficit)	(9 439 171)	(9 257 717)	(9 547 636)	(9 200 742)	(8 285 000)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

15. Employee benefit obligations (continued)

15.2 Long service awards obligation

Long service benefits are awarded in the form of a percentage of salary and a number of leave days once an employee has completed a certain number of years in service.

An actuarial valuation of the obligation has been performed by Arch Actuarial Consulting on all 280 employees that are entitled to long service awards as at 30 June 2020 (2019: 258). As at the valuation date, the long service leave award liability of the Municipality was unfunded, i.e. no dedicated assets have been set aside to meet this liability.

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Present value of the defined benefit obligation-wholly unfunded	4 356 224	4 013 049
Non-current liabilities	(3 562 318)	(3 630 690)
Current liabilities	(703 906)	(382 359)
	(4 266 224)	(4 013 049)

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

Opening balance	4 013 049	3 360 218
Benefits paid	(381 068)	(240 490)
Net expense recognised in the statement of financial performance	724 243	893 321
	4 356 224	4 013 049

Net expense recognised in the statement of financial performance in general expenses

Current service cost	502 413	370 773
Adjustments	(13 550)	(11 767)
Interest cost	313 248	278 162
Actuarial (gains) losses	(77 868)	256 153
	724 243	893 321

Calculation of actuarial gains and losses

Actuarial (gains) losses – Obligation	77 868	256 153
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Key assumptions used

Assumptions used at the reporting date:

Discount rates used	11,18 %	8,21 %
Expected increase in salaries	7,14 %	6,50 %
Average retirement age	62	62

The basis on which the normal salary inflation rate has been determined is as follow:

We have derived the underlying future rate of consumer price price index (CPI inflation) from the relationship between the

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

(yield curve based) inflation-linked Bond rate for each relevant time period. Our assumed rate of salary inflation was set as the assumed value of CPI plus. The salaries used in the valuation include an assumed increase on 1 July 2020 of 6.50%. The next salary increase was assumed to take place on 1 July 2021.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

15. Employee benefit obligations (continued)

The basis on which the discount rate has been determined is as follow:

GRAP 25 defines the determination of the Discount rate assumption to be used as follows: "The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve."

We use the nominal and real zero curves as at 30 June 2020 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period. For example a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years.

Other assumptions

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the liability of future retirees. A one percentage point change in assumed normal salary inflation rate would have the following effects:

Amounts for the current and previous four years are as follows:

	2020	2019	2018	2017	2016
Defined benefit obligation	4 356 224	4 013 049	3 360 218	3 015 427	2 933 023
Plan assets	(4 356 224)	(4 013 049)	(3 360 218)	(3 015 427)	(2 933 023)

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to some of its employees. A number of defined contribution pension funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

Included in defined contribution plan information above, is the following plans which are Multi-Employer Funds and are Defined Benefit Plans, but due to the fact that sufficient information is not available to enable the municipality to account for the plans as defined benefit plans, the municipality accounted for these plans as a defined contribution plans:

- National Fund for Municipal Workers
- Municipal Gratuity Fund
- Municipal Employees Pension Fund

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

16. Provisions

Reconciliation of provisions - 2020

Reconciliation of provisions - 2019

Landfill rehabilitation provision

In terms of the Mineral and Petroleum Recourses Development Act, 2002 (Act No 28 of 2002), it is required from the municipality to execute the environmental management program to restore landfill sites and quarries.

It was been identified that the landfillsite rehabillitation license was cancelled in 2015. This therefore results in the overstatement of Provisions and Overstatement of Expenditure due to the provision that was raised. Please refer to Note 47 for the prior perod adjustment.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand	2020	2019
17. Service charges		
Sale of electricity	15 395 483	11 527 011
Refuse removal	4 896 601	4 550 821
	20 292 084	16 077 832
18. Investment revenue		
Interest revenue		
Bank	1 638 881	1 139 635
Interest received - Investments	71 836	500 403
	1 710 717	1 640 038
19. Property rates		
Rates earned		
Residential	10 637 278	7 071 744
Commercial	10 410 231	3 629 980
Government	1 715 012	620 917
Other	904 063	7 684 938
Less: Income forgone	(8 953 273)	(9 309 501)
	14 713 311	9 698 078
20. Government grants and subsidies		
Operating grants		
Equitable share	278 254 000	243 262 669
Finance Management Grant	2 145 000	2 145 000
Extended Public Works Programme	1 225 000	1 521 000
Energy Efficiency Management Grant	5 000 000	-
Municipal Disaster Management Grant	298 000	-
	286 922 000	246 928 669
Capital grants		
Municipal Infrastructure Grant	57 607 989	76 460 011
Integrated National Electrification Grant	4 285 000	5 983 000
	61 892 989	82 443 011
	348 814 989	329 371 680
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Finance Management Grant (FMG)		
Balance unspent at beginning of year	4 884	-
Current-year receipts	2 145 000	2 145 000
Conditions met - transferred to revenue	(2 149 884)	(2 140 116)
	-	4 884
Conditions still to be met - transferred to liabilities		
Conditions still to be met - remain liabilities (see note 14).		

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. The conditions of the grant were met. No funds have been withheld.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand	2020	2019
20. Government grants and subsidies (continued)		
Municipal Infrastructure Grant (MIG)		
Current-year receipts	57 607 989	80 394 304
Conditions met - transferred to revenue	(57 607 989)	(80 394 304)
Conditions still to be met - transferred to liabilities	-	-
This grant was used to construct municipal infrastructure to provide basic services for the benefit of communities. In 2018/19 and 2019/20 financial years all the conditions of the grant were met.		
Extended Public Works Grant (EPWP)		
Current-year receipts	1 225 000	1 521 000
Conditions met - transferred to revenue	(1 225 000)	(1 521 000)
	-	-
Intergrated National Electrification Grant (INEG)		
Balance unspent at beginning of year	-	353 553
Current-year receipts	4 285 000	5 983 000
Conditions met - transferred to revenue	(4 285 000)	(6 336 553)
	-	-
Municipal Disaster Management Grant		
Current-year receipts	298 000	-
Conditions met - transferred to revenue	(298 000)	-
	-	-
Energy Efficiency Management Grant		
Current-year receipts	5 000 000	-
Conditions met - transferred to revenue	(5 000 000)	-
	-	-
21. Revenue		
Service charges	20 292 084	16 077 832
Rental of facilities and equipment	57 725	61 656
Interest received - outstanding receivables	5 555 733	8 526 271
Agency services	2 010 150	2 702 473
Licences and permits	2 296 227	3 474 673
Other income	1 109 991	1 652 419
Interest received - investment	1 710 717	1 640 038
Property rates	14 713 311	9 698 078
Interest on Property Rates	4 702 051	6 072 511
Government grants and subsidies	348 814 989	329 371 680
Traffic fines	432 846	548 300
Gain on assets	-	508 163
	401 695 824	380 334 094

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand

21. Revenue (continued)

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

Service charges	20 292 084	16 077 832
Rental of facilities and equipment	57 725	61 656
Interest received - outstanding receivables	5 555 733	8 526 271
Agency services	2 010 150	2 702 473
Licences and permits	2 296 227	3 474 673
Other income	1 109 991	1 652 419
Interest received - investment	1 710 717	1 640 038
	33 032 627	34 135 362

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

Property rates	14 713 311	9 698 078
Interest on Property Rates	4 702 051	6 072 511
Transfer revenue		
Government grants and subsidies	348 814 989	329 371 680
Traffic fines	432 846	548 300
Gain on assets	-	508 163
	368 663 197	346 198 732

22. Employee related costs

Annual bonus	4 999 257	4 595 185
Housing benefits and allowances	1 352 153	1 070 331
Leave pay provision charge	3 826 631	4 280 400
Long-service awards	696 772	292 094
Medical aid benefits	4 693 094	4 298 836
Overtime payments	3 761 002	3 548 231
Pension fund and other fund contributions	12 905 577	11 511 975
SDL	918 254	1 027 950
Salaries and wages	68 282 569	61 042 819
Travel and car allowance	5 560 404	5 017 345
UIF	501 098	499 490
WCA	1 299 410	1 562 187
	108 796 221	98 746 843

Remuneration of Municipal Manager (DR Sirovha KI)

Annual Remuneration	938 514	799 762
Transport Allowance	180 000	180 000
Back Pay	31 473	-
Contributions to UIF, Medical and Pension Funds	60 000	60 000
Housing Allowance	240 000	288 000
Cellphone Allowance	36 000	-
Computer Allowance	12 000	-
	1 497 987	1 327 762

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand

22. Employee related costs (continued)

Remuneration of Chief Finance Officer (Mathabatha TM)

Annual Remuneration	369 951	-
Transport Allowance	105 000	-
Back Pay	68 606	-
Cellphone Allowance	31 000	-
Computer Allowance	7 000	-
	581 557	-

TM Mathabatha was appointed CFO effective December 2019.

Remuneration of Acting Chief Financial Officer (Mamatlepa L)

Acting Allowance	140 468	-
	-	-

Mamatlepa was Acting Chief Finance Officer from July 2019 to November 2019.

Remuneration of Chief Financial Officer (Mankgabe MF)

Annual Remuneration	-	718 162
Car Allowance	-	165 000
Contributions to UIF, Medical and Pension Funds	-	88 000
Other Allowances	-	45 056
	-	1 016 218

Remuneration of Director Technical Services (Malungana M)

Annual Remuneration	1 033 154	929 896
Back Pay	35 120	-
Contributions to UIF, Medical and Pension Funds	-	36 000
Computer Allowance	12 000	12 000
Cellphone Allowance	36 000	-
	1 116 274	977 896

Remuneration of Director Corporate Services (Dr Letsoalo MB)

Annual Remuneration	850 685	720 480
Car Allowance	120 000	120 000
Back Pay	35 120	-
Contributions to UIF, Medical and Pension Funds	60 000	60 000
Other	-	48 000
Computer Allowances	12 000	-
Cellphone Allowances	36 000	-
	1 113 805	948 480

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand

22. Employee related costs (continued)

Remuneration of Director Community Services (Dr Mokoena M)

Annual Remuneration	846 139	659 895
Car Allowance	84 000	84 000
Back Pay	35 120	-
Contributions to UIF, Medical and Pension Funds	100 996	185 974
Other	-	36 000
Computer Allowance	12 000	-
Cellphone Allowance	24 000	-
	1 102 255	965 869

Remuneration of Director Development and Planning (Sewape MO)

Annual Remuneration	937 135	833 869
Car Allowance	36 000	36 000
Back Pay	35 120	-
Contributions to UIF, Medical and Pension Funds	60 000	60 000
Other	-	41 000
Computer Allowance	12 000	-
Cellphone Allowance	24 000	-
	1 104 255	970 869

23. Remuneration of councillors

Mayor's salary	901 659	868 549
Executive committee salary	2 405 381	2 320 670
Speaker's salary	729 488	702 999
Councillors' salary	12 041 215	11 277 311
Travel allowance - Councillors	4 013 737	3 426 914
Cell phone allowance - Councillors	2 091 000	2 646 454
Back pay - Councillors	531 439	701 083
	22 713 919	21 943 980

Remuneration per councillor

Refer to note 36 for detail of remuneration per councillor.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand	2020	2019
24. Depreciation and amortisation		
Property, plant and equipment	33 778 042	30 590 679
Investment property	9 016	8 992
Intangible assets	44 814	51 459
	33 831 872	30 651 130
25. Bulk purchases		
Electricity	15 127 354	14 766 931
26. Contracted services		
Meter Reading Services	453 600	420 000
Security Services	10 847 541	8 517 607
Refuse Removal	3 137 160	2 841 837
Other Contractors	7 682 807	9 742 358
Contractors	22 121 108	21 521 802
27. General expenses		
Advertising	579 879	1 491 222
Auditor's remuneration	4 160 971	4 820 424
Bank charges	323 355	406 710
Bursary scheme	786 576	1 359 179
Capacity building	820 743	67 510
Catering	297 775	856 093
Conferences and seminars	376 963	463 248
Consulting and professional fees	6 211 872	6 142 298
Electricity	4 966 483	3 627 580
Entertainment	-	12 058
Free basic services and rebates	267 889	742 059
Fuel and oil	4 642 354	4 937 082
Gender desk activities and development activities	1 737 535	2 815 669
Household Electrification	5 202 609	11 087 721
Insurance	2 776 760	1 673 713
Interns	2 433 655	2 257 367
Other expenses	17 792 469	7 064 031
Printing and stationery	1 415 193	1 303 808
Protective Clothing	1 787 500	1 351 300
Public participation	773 387	4 770 808
Rentals for printers	304 181	180 396
Repairs and maintenance	16 560 618	24 004 089
Stores and material	3 743 341	2 012 504
Subscriptions and membership fees	3 481 524	1 423 343
Telephone and fax	3 325 283	2 876 045
Training	381 013	715 823
Travel - local	11 060 674	10 420 787
Workshops and meetings	5 374 000	4 399 921
Youth desk development	335 980	175 708
Youth empowerment project and network upgrade	-	32 858
	101 920 582	103 491 354

Included in "Other expenses" is skills levies, EPWP expenses e.t.c

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand	2020	2019
28. Auditor's remuneration		
Fees	4 160 971	4 820 424
29. Cash generated from operations		
Surplus	79 474 581	64 602 344
Adjustments for:		
Depreciation and amortisation	33 831 872	31 413 363
Debt impairment	17 710 191	17 027 797
Movements in retirement benefit assets and liabilities	524 628	363 536
Fair value adjustment	-	(508 163)
Other Non cash items	2 311 978	5 343 565
Changes in working capital:		
Inventories	(1 343 405)	3 342 677
Receivables from exchange transactions	(14 456 702)	(18 384 012)
Consumer debtors	(10 854 258)	(16 416 220)
Other receivables from non-exchange transactions	(11 328)	(13 540 128)
Mopani District Municipality	(25 968 488)	-
Payables from exchange transactions	5 903 429	11 175 680
VAT	(1 081 028)	22 153 989
Unspent conditional grants and receipts	(4 874)	(348 679)
Consumer deposits	(6 146)	(4 495)
	86 030 450	106 221 254
30. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Capital	130 269 360	115 688 763
• Operational	59 168 200	55 473 238
	189 437 560	171 162 001
Total commitments		
Already contracted for but not provided for	189 437 560	171 162 001

This committed expenditure relates to capital projects and contracted services and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, etc.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand	2020	2019
31. Contingencies		
Hennox 60 CC vs Greater Letaba Municipality	2 450 000	3 635 593
Monyela Masedi vs Greater Letaba Municipality	-	4 035 000
Star Miris vs Greater Letaba Municipality	7 069 436	7 069 436
Giyani Cedric Maluleke Vs Greater Letaba Municipality	400 000	400 000
Terror Trading Enterprise vs Greater Letaba Municipality	4 374 783	4 374 783
Merifon (Pty) Ltd vs Greater Letaba Municipality	52 000 000	-
Modjadji Florence Modjadji vs Greater Letaba Municipality	300 000	-
Closing balance	66 594 219	19 514 812

Contingent Liabilities

Hennox 60 CC vs Greater Letaba Municipality

The plaintiff is suing the Municipality for damages caused to the plaintiff 's house due to maintenance of the storm water pipes crossing the plaintiff 's house.

Monyela Masedi vs Greater Letaba Municipality

The plaintiff alleged that he suffered damages as a result of an incident caused by unmaintained roads by the municipality which allegedly led to his involvement in an accident. This case was withdrawn on the 10th of July 2019.

Star Miris Vs Greater Letaba Municipality

The plaintiff alleges that while appointed as a service provider for the municipality, the Municipality paid a person so authorised by the plaintiff.

Giyani Cedrick Maluleke Vs Greater Letaba Municipality

The plaintiff is suing the Municipality for the unlawful arrest as he alleges that the municipal traffic officer arrested him on a case which was later withdrawn by the court.

Terror Trading enterprise Vs Greater Letaba Municipality

The plaintiff is suing the Municipality for the unlawful termination of Seatlaeleng Street Paving contract.

Merifon (Pty) Ltd vs Greater Letaba Municipality

The municipality is being litigated against for breach of contract into purchase of land.

Modjadji Florence Modjadji vs Greater Letaba Municipality

The municipality is being sued for damages allegedly incurred as a result of pot holes on the municipal paving due to non maintenance.

Maropane Wilson Mathedimosa vs Greater Letaba Municipality

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

The plaintiff alleges that the municipality jointly with the traditional leader and the contractor demolished his tuckshop and he needs it restored. The amount is unknown as at the preparation of financial statements.

The total of contingent liabilities for the current financial year is R67 547 125.70 (2019:R 19 514 812).

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand	2020	2019
32. Unauthorised expenditure		
Opening Balance	221 414 227	146 325 622
Unauthorised expenditure in the current year	47 372 610	75 088 605
Closing balance	268 786 837	221 414 227

Reconciliation of budgeted vs actual expenditure - Per Statement of Financial Performance

Actual Expenditure	332 838 970	320 194 221
Approved budget	(309 137 184)	(275 463 000)
Over spending of operating budget	23 701 786	44 731 221
Total net effect of overspending of budget	23 701 786	44 731 221

The overall budget for expenditure for 2020 was overspend:

The unauthorised expenditure during 2020 amounting to R47 372 610 was as a result of overspending on Executive and Council R22 659 509, Corporate Services R7 271 025 and Technical Services R17 442 075 due to debt Impairment and depreciation, of which all of it was operational.

The unauthorised expenditure during 2019 was as a results of overspending of R75 088 605 was as a result of overspending on Executive and Council, community services, Technical Services, and Budget & Treasury related to non-cash item for provision for bad debts and depreciation, of which R52 428 132 was operational and R22 660 473 was capital.

These over expenditure amounts are not recoverable and must still be investigated and condoned by Council in terms of Section 32 of the MFMA.

33. Fruitless and wasteful expenditure

Opening Balance	1 570 863	551 143
Interest Paid and Overpayments to service provider	358 888	614 417
Stock losses due to theft and shortages	175 824	405 303
Fruitless and wasteful expenditure awaiting condonement	2 105 575	1 570 863

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand	2020	2019
34. Irregular expenditure		
Opening balance	172 068 406	124 392 210
Add: Irregular Expenditure - Recurring	7 942 513	39 340 468
Add: Irregular Expenditure - Current	19 385 246	8 335 728
	199 396 165	172 068 406
Analysis of expenditure awaiting condonation per age classification		
Current year	27 327 759	47 676 196
Prior years	172 068 406	124 392 210
	199 396 165	172 068 406
<p>The Irregular expenditure was caused by non compliance with the SCM policy and regulations.</p>		
Prior Year Error.		
<p>In the prior year there was irregular expenditure that was not taken into account due to omission when calculating the aggregate amount of irregular expenditure. This was picked up by the Auditor General in the prior year. The irregularity was due to the company profile not attached on the bid documents. The expenditure was for the supply and delivery of 428F backhoe loader. The amount is R1400 000 (incl VAT) and R1 217 392 (excl VAT). This will result in a restated amount for prior year irregular expenditure.</p>		
35. Additional disclosure in terms of Municipal Finance Management Act		
SALGA		
Current year subscription / fee	1 137 439	780 961
Amount paid - current year	(1 137 439)	(780 961)
	-	-
Audit fees		
Current year subscription / fee	4 160 971	4 820 424
Amount paid - current year	(4 160 971)	(4 820 424)
	-	-
PAYE, UIF and SDL		
Current year subscription / fee	22 934 083	20 393 658
Amount paid - current year	(22 934 083)	(20 393 658)
	-	-
Pension and Medical Aid Deductions		
Current year subscription / fee	17 708 519	24 305 303
Amount paid - current year	(17 708 519)	(24 305 303)
	-	-
VAT		
VAT receivable	2 259 643	74 604

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

36. *Related parties*

Relationships

Members of key management Dr KI Sirovha (Municipal Manager) Mathabatha TM (Chief Financial Officer) Malungana M (Director Technical Services) Dr MB Letsoalo (Director Corporate Services) Dr M Mokoena (Director Community Services) O Sewape (Director Town Planning)
Councillors - Refer to list of Councillors below

All Councillors have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over the Council in making financial or operational decision.

During the financial year no Councillor or Official had any interest in related parties and no one could control or influence Council in making financial or operational decision.

For detailed amounts with respect to Members of key management kindly refer to Note 22.

The municipality had no other related party transactions or balances during the financial year outside of the contractual remuneration of senior management

Related party transactions

Please note all outstanding amounts are current accounts.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand

36. Related parties (continued)

Remuneration of Councillors

Remuneration per Councillor

2020

Name	Salary	Cellphone Allowance	Car Allowance	Back Pay	Total
Hon Cllr MP Matlou (Mayor)	624 950	40 800	208 317	27 592	901 659
Hon Cllr MD Makhananisa (Speaker)	499 961	40 800	166 654	22 073	729 488
Cllr TJ Rababalela	261 486	40 800	87 162	11 545	400 993
Cllr MP Masela	261 486	40 800	87 162	11 545	400 993
Cllr MG Selowa	261 486	40 800	86 585	11 545	400 416
Cllr Mathaba ME	261 486	40 800	87 162	11 545	400 993
Cllr Maenetsa MB	261 486	40 800	87 162	11 545	400 993
Cllr SM Rasetsoke	261 486	40 800	87 162	11 545	400 993
Cllr R Mosila	468 714	40 800	156 238	20 694	686 446
Cllr ND Modiba	468 714	40 800	156 238	20 694	686 446
Cllr MM Nkwana	468 714	40 800	156 238	20 694	686 446
Cllr MI Manyama	459 297	40 800	153 099	20 278	673 474
Cllr PJ Mamapeule	468 714	40 800	156 238	20 694	686 446
Cllr SS Malatji	253 809	40 800	84 603	11 206	390 418
Cllr BE Ngobeni	253 809	40 800	84 603	11 206	390 418
Cllr MA Lebepe	253 809	40 800	84 603	11 206	390 418
Cllr MP Ngobeni	253 809	40 800	84 603	11 206	390 418
Cllr KE Ramaano	253 809	40 800	84 603	11 206	390 418
Cllr MM Mankgero	253 809	40 800	84 603	11 206	390 418
Cllr TJ Kgapane	253 809	40 800	84 603	11 206	390 418
Cllr N Selowa	253 809	40 800	84 603	11 206	390 418
Cllr M Mathedimosa	197 774	40 800	65 925	8 732	313 231
Cllr TJ Senyolo	197 774	40 800	65 925	8 732	313 231
Cllr ZT Maluleke	197 774	40 800	65 925	8 732	313 231
Cllr PP Ralephatana	197 774	40 800	65 925	8 732	313 231
Cllr V Nkuna	197 774	40 800	65 925	8 732	313 231
Cllr MR Maake	197 774	40 800	65 925	8 732	313 231

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand

36. Related parties (continued)

Cllr MR Motsinone	197 774	40 800	65 925	8 732	313 231
Cllr CM Rasetsoke	197 774	40 800	65 925	8 732	313 231
Cllr MP Makomene	197 774	40 800	65 925	8 732	313 231
Cllr M Ramoba	197 774	40 800	65 925	8 732	313 231
Cllr MM Selomo	197 774	40 800	65 925	8 732	313 231
Cllr ME Ralefatane	197 774	40 800	65 925	8 732	313 231
Cllr MP Monaiwa	197 774	40 800	65 925	8 732	313 231
Cllr MV Rampedi	197 774	40 800	65 925	8 732	313 231
Cllr SP Moshole	132 286	27 200	44 095	5 239	208 820
Cllr KB Monyela	197 774	40 800	65 925	8 732	313 231
Cllr MS Kgatla	197 774	40 800	65 925	8 732	313 231
Cllr PJ Mohale	197 774	40 800	65 925	8 732	313 231
Cllr MF Hlapane	197 774	40 800	65 925	8 732	313 231
Cllr MV Mangoro	197 774	40 800	65 925	8 732	313 231
Cllr SB Rampyapedi	197 774	40 800	65 925	8 732	313 231
Cllr DG Rabothata	197 774	40 800	65 925	8 732	313 231
Cllr NF Lebeko	253 809	40 800	84 603	11 206	390 418
Cllr NL Seshoka	197 774	40 800	65 925	8 732	313 231
Cllr MEC Ndobela	197 774	40 800	65 925	8 732	313 231
Cllr ME Ramabela	197 774	40 800	65 925	8 732	313 231
Cllr RG Baloyi	197 774	40 800	65 925	8 732	313 231
Cllr R Rathaha	197 774	40 800	65 925	8 732	313 231
Cllr WP Selema	197 774	40 800	65 925	8 732	313 231
Cllr S Selamolela	253 809	40 800	84 603	11 206	390 418
Cllr SJ Hlungwani	197 774	40 800	65 925	8 732	313 231
Cllr ME Masedi	197 774	40 800	65 925	8 732	313 231
Cllr SL Mohale	197 774	40 800	65 925	8 732	313 231
Cllr MJ Ramalobela	197 774	40 800	65 925	8 732	313 231
Cllr GH Modjadji	197 774	40 800	65 925	8 732	313 231
Cllr MJ Mohale	197 774	40 800	65 925	8 732	313 231
Cllr MM Mabeba	130 976	27 200	43 659	6 350	208 185
Cllr DD Ramaselela	181 402	37 400	60 467	7 859	287 128
Cllr Raphokwane	197 774	40 800	65 925	8 732	313 231
	14 735 050	2 417 400	4 911 118	650 385	22 713 915

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand

36. Related parties (continued)

2019

Name	Salary	Cellphone Allowance	Transport Allowance	Other long-term benefits	Commission, gain or surplus sharing arrangements	Back Pay	Total
Hon Cllr MP Matlou (Mayor)	604 894	40 800	201 631	-	-	21 224	868 549
Hon Cllr MD Makhananisa (Speaker)	483 915	40 800	161 305	-	-	16 979	702 999
Cllr TJ Rababalela	253 093	40 800	84 364	-	-	8 880	387 137
Cllr MP Masela	253 093	40 800	84 364	-	-	8 880	387 137
Cllr MG Selowa	253 093	40 800	84 364	-	-	8 880	387 137
Cllr D Raphokwana	20 813	3 400	6 937	-	-	-	31 150
Cllr MM Mabeba	145 695	23 800	48 565	-	-	-	218 060
Cllr SM Rasetsoke	253 093	40 800	84 364	-	-	8 880	387 137
Cllr R Mosila	453 671	40 800	151 223	-	-	15 919	661 613
Cllr ND Modiba	453 671	40 800	151 223	-	-	15 917	661 611
Cllr MM Nkwana	453 671	40 800	151 223	-	-	15 917	661 611
Cllr MI Manyama	481 021	44 122	160 340	-	-	15 598	701 081
Cllr PT Mampeule	453 671	40 800	151 223	-	-	15 917	661 611
Cllr SS Malatji	245 664	40 800	81 888	-	-	8 619	376 971
Cllr BE Ngobeni	245 664	40 800	81 888	-	-	8 619	376 971
Cllr MA Lebepe	245 664	40 800	81 888	-	-	8 619	376 971
Cllr MP Ngobeni	245 664	40 800	81 888	-	-	8 619	376 971
Cllr KE Ramaano	245 664	40 800	81 888	-	-	8 619	376 971
Cllr MM Mankgero	245 664	40 800	81 888	-	-	8 619	376 971
Cllr TJ Kgapane	245 664	40 800	81 888	-	-	8 619	376 971
Cllr PD Moroatshehla	16 485	2 774	5 495	-	-	-	24 754
Cllr N Selowa	245 664	40 800	81 888	-	-	8 619	376 971
Cllr M Mathedimosa	191 426	40 800	63 809	-	-	6 717	302 752
Cllr MF Manyama	158 682	34 000	52 894	-	-	6 716	252 292
Cllr TJ Senyolo	191 426	40 800	63 808	-	-	6 716	302 750
Cllr ZT Maluleke	191 426	40 800	63 808	-	-	6 716	302 750
Cllr ME Mathaba	217 594	40 800	72 531	-	-	6 987	337 912
Cllr PP Ralephatana	191 426	40 800	63 808	-	-	6 716	302 750
Cllr V Nkuna	191 426	40 800	63 808	-	-	6 716	302 750

Greater Letaba Municipality

Annual Financial Statements for the year ended 30

June 2020

Figures in Rand

36. Related parties (continued)

Cllr MR Maake	191 426	40 800	63 808	-	-	6 716	302 750
Cllr MR Motsinone	191 426	40 800	63 808	-	-	6 716	302 750
Cllr CM Rasetsoke	191 426	40 800	63 808	-	-	6 716	302 750
Cllr MP Makomene	191 426	40 800	63 808	-	-	6 716	302 750
Cllr M Ramoba	191 426	40 800	63 808	-	-	6 716	302 750
Cllr MM Selomo	191 426	40 800	63 808	-	-	6 716	302 750
Cllr ME Ralefatane	191 426	40 800	63 808	-	-	6 716	302 750
Cllr MP Monaiwa	191 426	40 800	63 808	-	-	6 716	302 750
Cllr MB Maenetsa	248 022	40 800	82 674	-	-	8 610	380 106
Cllr MV Rampedi	191 426	40 800	63 808	-	-	6 716	302 750
Cllr PC Pohl	142 310	30 600	47 436	-	-	6 506	226 852
Cllr KB Monyela	191 426	40 800	63 808	-	-	6 716	302 750
Cllr MS Kgatla	191 426	40 800	63 808	-	-	6 716	302 750
Cllr PJ Mohale	191 426	40 800	63 808	-	-	6 716	302 750
Cllr MF Hlapane	191 426	40 800	63 808	-	-	6 716	302 750
Cllr MV Mangoro	191 426	40 800	63 808	-	-	6 716	302 750
Cllr SB Rampyapedi	191 426	40 800	63 808	-	-	6 716	302 750
Cllr DG Rabothata	191 426	40 800	63 808	-	-	6 716	302 750
Cllr NF Lebeko	200 704	40 800	66 901	-	-	33 534	341 939
Cllr NL Seshoka	191 426	40 800	63 808	-	-	6 716	302 750
Cllr MEC Ndobela	191 426	40 800	63 808	-	-	6 716	302 750
Cllr ME Ramabela	191 426	40 800	63 808	-	-	6 716	302 750
Cllr RG Baloyi	191 426	40 800	63 808	-	-	6 716	302 750
Cllr R Ratlhaha	191 426	40 800	63 808	-	-	6 716	302 750
Cllr WP Selema	191 426	40 800	63 808	-	-	6 716	302 750
Cllr S Selamolela	241 203	40 800	80 132	-	-	8 144	370 279
Cllr SJ Hlungwani	191 426	40 800	63 808	-	-	6 716	302 750
Cllr ME Masedi	191 426	40 800	63 808	-	-	6 716	302 750
Cllr SL Mohale	191 426	40 800	63 808	-	-	6 716	302 750
Cllr MJ Ramalobela	175 684	37 400	58 561	-	-	5 877	277 522
Cllr GH Modjadji	191 426	40 800	63 808	-	-	6 716	302 750
Cllr MJ Mohale	128 457	27 200	42 819	-	-	3 358	201 834
Cllr MM Mabeba	81 230	17 000	27 076	-	-	8 610	133 916
Cllr D Raphokwana	175 684	37 400	58 561	-	-	6 716	278 361
	14 248 967	2 420 096	4 749 359	460 355	-	64 843	21 943 981

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

37. *Deviation from supply chain management regulations*

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements. The total deviations for the year under review amounted to R4 174 935.09 (2019: R3 789 910)

38. Financial instruments disclosure

Categories of financial instruments

2020

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	115 702 762	115 702 762
Other receivables from non-exchange transactions	11 561 613	11 561 613
Consumer debtors	14 376 322	14 376 322
Cash and cash equivalents	911 833	911 833
	142 552 530	142 552 530

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand	2020	2019
Financial instruments disclosure (continued)		
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	80 507 419	80 507 419
2019		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	88 686 945	88 686 945
Other receivables from non-exchange transactions	8 301 417	8 301 417
Consumer debtors	11 071 748	11 071 748
Cash and cash equivalents	3 419 575	3 419 575
	111 479 685	111 479 685
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	71 322 913	71 322 913

39. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

Default and breaches

There was no default and breaches for the applicable liabilities of the municipality

Liquidity risk

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

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. No changes were made to the funding method and method used to assess the risk.

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

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

39. Risk management (continued)

At 30 June 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer Deposits	384 985	-	-	-
Trade and Other Payables	80 507 419	-	-	-
Employee Benefit Obligation	812 078	-	-	-

At 30 June 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer Deposits	378 839	-	-	-
Unspent Grant	4 874	-	-	-
Trade and other payables	71 322 913	-	-	-
Finance Lease Obligation	390 496	-	-	-

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk is managed on through implementation of the municipality credit risk policy.

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an annual basis. The municipality is required in terms of law to provide services to all its customer base within its jurisdiction. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. No changes were made on the method of assessment.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2020	2019
Other receivables from exchange transactions	115 702 762	88 686 945
Other receivables from non exchange transactions	11 561 613	8 301 417
Cash and Cash Equivalents	911 833	3 419 575
Consumer Debtors	14 376 322	11 071 748

For financial assets which are past due and impaired refer to note 4, 5 and 6. None of the financial assets terms have been re-negotiated. None of the financial assets were used as security or collateral

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Market risk

Interest rate

risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Interest risk arises from receivables and financial assets

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently the municipality does not have any long term borrowing.

The interest risk is managed through the implementation of the credit control policy by the revenue unit and applying a fixed interest rate. There was no change on the policy and the method used

Financial Liabilities

Employee benefit obligation 13 795 395

13 270 767

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

40. Events after the reporting date

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year that could have a material impact on the unaudited annual financial statements.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

41. Budget information

Explanation of variances between approved and final amounts

The reason for the variances between the approved budget and final budget are explained below. The adjustments made between the approved budget and final budget include virements that were made after the approval of the final adjustment budget. Virements are transfers from one operating cost element or capital project to another, and are made in accordance with the approved virement policy of the municipality.

Explanation of material variances: Final budget and actual amounts

Statement of financial

performance Revenue

1. Service charges

Overachievement due to implementation of pre-paid meters across

the customers. 2. Rental Facilities, Agency Services and License and

Permits.

Lockdown effects.

3. Interest on investment

Interest on Bank Balance and Interest on

Investments. 4. Other Income

Less responses on buying tender

documents 5. Gains on disposal of

assets

6. No assets were

disposed 7. Property

rates

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

There were plans to develop a portion in Modjadjiskloof which ended
up not materialising. 8. Government Grants and subsidies

Counter funding on MIG Grants which led to more projects

9. Fines, penalties and Forfeits

Due to implementation of new prepaid system, the Municipality anticipated more fines and penalties due to anticipated tempering of meters judging from past experience.

Expenditure

10. Employee related costs

The variance is due to annual increase and filling of vacant

posts. 11. Councillors Remuneration

There was an underspent because two councillors died and one resigned during the year. The other two councillors have not been replaced.

12. Depreciation and amortisation

Depreciation was higher than anticipated due additions of assets.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

41. Budget information (continued)

13. Debt impairment

The negative variance was caused by change in the methodology to

recoverable rate.

14. Bulk purchases

15. Due to transition to prepaid meters users monitored their household usage and also illegal connections were reduced.

16. Contracted services

The actual expenditure is above the budget. The variance was due to additional securities to new completed facilities.

17. General expenses

A lot of maintenance of roads was undertaken during the year and this resulted in an increase in related expenditure such as advertising, fuel and oil.

18. Capital expenditure

Prior year overspending due to earlier implementation of projects resulted in current year underspending.

42. Material losses

Electricity distribution losses

Kwh units purchased from Eskom	(13 013 927)	(14 708 983)
Kwh units sold per billing system statistics	12 209 560	13 120 375
Distribution losses	(804 367)	(1 588 608)
	6,18 %	10,80 %

The losses are as a result of illegal connections, faulty meters, incorrect meter readings and other sundry distribution losses. The current year value of losses is R1 954 127 (2019: R1 342 369)

43. VAT receivable

VAT	2 259 643	74 604
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All VAT returns have been submitted by the due date throughout the year

44. Finance lease obligation

Minimum lease payments due

- within one year	-	390 496
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It is municipality policy to lease certain equipment under finance leases. The Municipality have entered into a finance lease to lease multipurpose printers with EduSolution

The average lease term was 3 years

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Interest rates are linked to prime at the contract date.

45. Debt impairment

Debt impairment - consumer debtors		16 617 272
	17 392 141	
Debt impairment - traffic fines and other	318 050	410 525
	17 710 191	17 027 797

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

46. *Going concern*

We draw attention to the fact that at 30 June 2020, the municipality had an accumulated surplus of R 1 024 252 952 and that the municipality's total assets exceed its liabilities by R1 024 252 952.

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

47. *Prior period error*

The following prior period errors were identified and the corrections have now been made to amounts previously reported in the annual financial statements of the Municipality.

Property, Plant and Equipment:

Accumulated depreciation related to Property plant and equipment was misstated in prior year by R42 462.58. The error was corrected in current year

Property, Plant and equipment related to roads was misstated in prior year due to retention of R336 378.02. The error was corrected in current year. Kindly refer to Note 9.

Payables from Exchange differences:

Payables from exchange transactions were understated by R467 482 due to Retentions to the value of R535 690.62 that was not raised in the year 2019 and an accrual of R142 500 that was recognised in error and there were creditors of R68 209.99 that were not recognised.

There was also an omission of the previous CFO's backpay that was not raised as a liability. The amount was 52 740.82. Kindly refer to note 12

Inventory;

Inventory WIP for electrification of villages was understated by R17 668.78 due to retention not raised. Kindly refer to note 3.

General expenditure;

General expenses to the value of R77 484.79 was not recorded. Further, payments of licences and permits fees collected on behalf of the Department of Transport was incorrectly classified as General expenses. The expenditure has been reclassified to Revenue. Kindly refer to note 27.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

There were Overpayments made to travelling agencies in the prior year. These resulted in overstatement of expenditure in the prior year. The payments were of the amounts of R359 412.42 made to Quantum leap travelling agency, R51 000.31 made to Babirwa leap travelling agency and R81 168.11 made to Khabowd leap travelling agency. These have been corrected in the current year.

Receivables from Exchange Transactions;

As a result of the above overstatement of expenditure due to overpayments, the reversal of the overpayment in turn created a receivable from the agencies that received the overpayments. Thus Debtors of R413 325.34 for Qauntum leap, R58 650.36 for Babirwa leap and R93 343.33 for Khabowd leap travel agency.

Receivables were also overstated due to double accounting of the Prepaid Electricity receivable in the suspense account. The overstatement is R341 067 in total. This resulted in misstatement of VAT and also overstatement of revenue. This has been corrected in the current year.

Receivables from exchange transactions were also overstated due to insurance claims that were not written off after the money had been paid out by the insurance. The balance in question is R41 002.32 and this has been corrected in the current year.

VAT Payable;

VAT Payable, as a result of the overpayments was understated by R167 007. This has been corrected in the current financial year.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Figures in Rand 2020 2019

47.Prior period

error (continued)

Depreciation;

Depreciation was overstated by R42 491.29. There was also an understatement of depreciation of Modjadjeskloof gabions in the prior year of R84 986.48. The net effect of this is R42 495.19. Kindly refer to note 9.

Employee Benefit Obligation;

There was a typing error identified during the processing of Long Service awards estimates in the prior year. This has been corrected in the current year.

There was a reclassification of Employee Benefit Obligation from Non - Current to Current Liability. This has been corrected in the current year.

Annual Bonus and Housing Benefits and Allowances

There was misclassification of items of Annual bonus in the prior year which resulted in Annual Bonuses being understated and Housing Benefits and Allowances being overstated.

Interns and Long Service Awards (Employee Costs)

There were items of employee costs, specifically Long Service Awards that incorrectly captured under expenses. This resulted in overstatement of expenditure and understatement of employee costs by R211 279. Other General Expenses were overstated by 1 108 764 due to missclassification of Long Service Awards and of SDL. Kindly see below the effect of this missclassification.

Provision for Landfill Site

It has been identified that the landfill site rehabilitation license was cancelled in 2015. This therefore results in the overstatement of Provisions and Overstatement of Expenditure due to the provision that was raised.

Impairment on Interest Debtors and Interest Debtors

Interest Debtors included water and sewerage transaction. These related to Mopani and have been transferred/reclassified to the Mopani Loan account.

Impairment on Government Debtors;

Greater Letaba Municipality

Annual Financial Statements for the year ended 30
June 2020

Allowance for impairment on Consumer Debtors in the prior year included impairment of Government Debtors. Government Debtors should not be impaired. This resulted in overstatement of Impairment and Understatement of the Consumer Debtors net balance.

Interest Received on Outstanding Receivables and Inteterest on Property Rates;

Interest on Property Rates were incorrectly classified under Interest on Outstanding Receivables. Interest on Outstanding Receivables is part of Revenue from exchange transactions were as Interest on Property Rates is part of Revenue from from non exchange transaction hence they should be disclosed seperately.

The correction of the errors results in adjustments as follows:

Statement of financial position	As previously reported	Correction of error	Re - Classification	2019 Restated
Property, plant and equipment	907 990 993	1 098 612	-	909 089 605
Vat receivable/Payable	(92 403)	167 007	-	74 604
Receivables from exchange transactions	88 509 035	177 910	-	88 686 945
Inventory	8 580 543	17 669	-	8 598 212
Payables from exchange transactions	(70 802 696)	(520 223)	-	(71 322 919)
Employee Benefit Obligation - Non Current	(13 271 389)	622	484 066	(12 786 701)
Employee Benefit Obligation - Current	-	-	(484 066)	(484 066)
Consumer Debtors	6 624 548	4 447 200	-	11 071 748
Consumer Debtors Rates	6 401 621	1 829 114	-	8 230 735

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2020

Figures in Rand

2020 2019

47. Prior period error (continued)

Provision for Landfill site Rehabilitation	(364 000)	364 000	-	-
Interest Debtors	4 990 853	-	(4 124 891)	865 962
	938 567 105	7 581 911	(4 124 891)	942 024 125

Statement of financial performance

	As previously reported	Correction of error	Reclassifi- cation	2019 Restated
Employee Costs	97 374 680	52 119	1 320 044	98 746 843
Service Charges	(16 374 412)	296 580	-	(16 077 832)
Depreciation and amortisation	31 413 363	(762 233)	-	30 651 130
Other Income	(1 693 421)	41 002	-	(1 652 419)
General expenses	105 744 462	(933 065)	(1 320 044)	103 491 353
Debt Impairment	27 429 002	(10 401 206)	-	17 027 796
Interest Debtors Impairment	(4 990 853)	-	4 124 891	(865 962)
Annual Bonus	3 316 743	-	1 278 442	4 595 185
Housing Benefits and Travel Allowances	2 348 773	-	(1 278 442)	1 070 331
Interest on Property Rates	-	(6 072 511)	-	(6 072 511)
Interest on Overdue Accounts	(18 723 671)	10 197 402	-	(8 526 269)
	225 844 666	(7 581 911)	4 124 891	222 387 645

48. Entities Part of a Principle vs Agent Arrangement

The Municipality is part of a principle vs agent arrangement with Mopani District Municipality. In this arrangement the Municipality is the agent and is acting on behalf of Mopani by providing Water and Sewerage Services for Mopani District Municipality.

Municipality acting as the Agent

	2020	2019
Resources (assets/liabilities) recognised by the municipality that are held/incurred on behalf of a principal	216 733	290 825
Revenue recognised as compensation for the transactions carried out on behalf of the principal	61 112	290 772
Revenue received or to be received on behalf of the principal	20 546 809	17 195 993
Expenditure paid or incurred on behalf of the principal	27 131 162	25 256 646
Total	47 955 816	43 034 236

Receivables held on behalf of the principal

	2020	2019
Opening Balance	77 338 157	64 829 483
Revenue receivable	20 546 809	17 195 993
Amounts received	(8 431 359)	(4 687 318)
Closing Balance	89 453 607	77 338 158

Payables held on behalf of the principal

	2020	2019
Opening Balance	3 568 798	1 784 399
Expenses Incurred	18 764 664	17 694 192
Cash Paid	(21 415 032)	(15 909 793)
Closing Balance	918 430	3 568 798

Figures in Rand

48. *Entities Part of a Principle vs Agent Arrangement (continued)*

If any party commits a breach of the contract, it shall deliver a written notice to the defaulting party notifying it of the breach giving rise to such right and requesting the defaulting party to remedy the breach in question within a period of 20 days.

The Municipality is responsible for ensuring that consumers have access to water services in accordance with the constitution of The Republic of South Africa, 1996, the Municipal Structures Act (Act 33 of 1998) and the Act.

The District Municipality has subsequent to assessments in terms of section 78 of the Municipal Systems Act (No 32 of 2000), selected a service delivery agreement with the local Municipality as the preferred service delivery within the water services area.

Greater Letaba is providing water services to the consumers within the water service area on the effective date, in accordance with the Cooperative Governance Agreement entered into between Mopani and Greater Letaba upon authorization issued by the Minister of Provincial and Local Government Affairs in terms of the Municipal Structures Act (Act 33 of 1998) as repealed.

There were no changes that occurred in the current year.

CHAPTER 6

AUDITOR-GENERAL AUDIT FINDINGS

6.1. INTRODUCTION

The MSA S45 states that the results of performance measurement in terms of S41(1)(c) must be audited annually by the Auditor-General. Section 41(1)(c) states that the auditing should take place with regard to each of those development priorities and objectives and against key performance indicators and targets to monitor, measure and review municipal performance at least once per annum.

This chapter provides an overview of the Auditor-General Report of the previous financial year. Specific topics that should receive attention include: Detail on issues raised during the previous financial year and remedial action taken to address the above and preventative measures. The municipality has received for 2018/2019 and 2019/20 financial years **Unqualified Audit Opinion** consecutively. In response to the Auditor General's audit opinion, the municipality has developed an AG action plan in order to ensure that auditor's findings are corrected.

In order to improve the capacity and attain a clean audit opinion (unqualified audit opinion without matters) in 2019/2020 financial year, the municipality shall ensure that employees are trained in financial and performance management. The municipality shall ensure forward planning when implementing projects in order to accelerate the implementation of projects.

6.2. AUDITOR GENERAL'S OPINION FOR 2019/2020 FINANCIAL YEAR

Report of the auditor-general to Limpopo provincial legislature and the council on Greater Letaba Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Greater Letaba Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Greater Letaba Municipality as at 30 June 2020, 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, 2003 (Act No. 56 of 2003) (MFMA), and the Division of Revenue Act, 2019 (Act No.16 of 2019) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Significant uncertainties.

7. With reference to note 31 to the financial statements, the municipality is the defendant in various claims, which it is opposing. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Restatement of corresponding figures.

8. As disclosed in note 47 to the financial statements, the corresponding figure for 30 June 2019 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2020.

Material impairments

9. As disclosed in note 5 and 6 to the financial statements, material impairments of R68 363 302, R8 270 105 and R98 442 278 were incurred from receivables from non-exchange transaction, consumer debtors and traffic fines respectively, as a result of irrecoverable debt.

Other matters

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

Unaudited supplementary schedules

11. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

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

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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
18. 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/measures included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2020:

Development priorities	Pages in the annual performance report
KPA 2: Basic services	x-x

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority.

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and explanations provided for the over achievement of a significant number of targets.

Report on the audit of compliance with legislation

Introduction and scope

24. 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.
25. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements, performance and annual reports

26. 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 misstatement receivables from exchange transactions and non-exchange transactions, contingent liabilities, consumer debtors and property plant and equipment were identified by the auditors in the submitted financial statement were subsequently corrected, resulting the financial statements receiving an unqualified opinion.

Expenditure management

27. Reasonable steps were not taken to prevent irregular expenditure amounting to R27 237 759 as disclosed in note 34 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management requirements.
28. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R534 712, as disclosed in note 33 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on late payment as well as stock losses due to stock shortage and theft.
29. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R47 372 610, as disclosed in note 32 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the approved budget.
30. Money owed by the municipality was not always paid within 30 days, as required by section 99(2)(b) of MFMA.

Procurement and contract management

31. Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2). This non-compliance was identified in the procurement processes for the RFQ018/2020 for the supply of 4 000 N95 masks.

Assets management

32. Funds were invested at a mutual bank, in contravention of municipal investment regulation 6, which prevents municipalities to invest funds with any other institution except a bank registered as per Bank Act, 1990 (Act No 94 of 1990)

Consequence management

33. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
34. Some of the irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

35. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

36. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report, the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
37. 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.
38. 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 objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

39. 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 basis for the unqualified opinion, the findings on the performance report and the findings on compliance with legislation included in this report.
40. The accounting officer did not adequately review the financial statements, as material misstatements were not identified and corrected by municipality's internal systems of control.
41. The accounting officer did not adequately prepare regular, accurate and complete financial statement that is supported by reliable information.
42. The accounting officer did not adequately review and monitor compliance with legislation. Non-compliance with legislation could have been prevented had compliance been properly reviewed.

Polokwane

19 April 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives 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 Greater Letaba 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 the municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

6.3. REMEDIAL ACTION TO ADDRESS THE AUDIT EXCEPTIONS

Number	Reference to MR	Audit Findings	Description of Finding	Classification of finding	Finding status	Internal Control Deficiency	Action Plan Description	Start Date	Completion Date	Directorate	Person Responsible	Position
1.	Comaf 39	Payment not done within 30 days	Contrary to Section 99(1) MFMA, transactions were paid after 30 days.	Non-compliance with legislation	New	The Accounting officer did not sufficiently exercise oversight responsibility to ensure that all invoices owed by the municipality are settled within 30 days of receiving the relevant invoice.	Develop and maintain invoice register in the office of the CFO.	01-May-21	30-Jun-21	BTO	Mamatlepa L	ASD Expenditure

2.	Comaf 80	Investment in mutual bank	The municipality has an investment with old mutual amounting to R111 319.17. Old Mutual is not registered in terms of the Banks Act.	Non-compliance with legislation	Recurring	The accounting officer did not ensure that the municipality invest only with the banks registered in terms of the Banks Act.	Withdrawal of investment from Old-Mutual	01-May-21	30-Jun-21	BTO	Ngolele J	ASD Budget and Reporting
3.	Comaf 49	Unauthorized, Irregular, Fruitless and wasteful not investigated	That the accounting officer did not investigate fruitless and wasteful expenditure reported in prior years to the total value of R 1, 570, 863,00	Non-compliance with legislation	New	Irregular and fruitless expenditure are investigated for consequence management to be implemented.	Investigation and reporting of UIFW. Investigation and recommendation to be done on a case-to-case basis.	01-May-21	30-Jun-21	MM's Office	Mogale ID	MM

4.	Comaf 40	Contingent liability disclosure not presented in accordance with GRAP 1 and specimen	Disclosure of contingent liabilities in note 31 was not presented in accordance with GRAP 1 requirements and specimen as well as the narrative information do not include/indicate legal costs.	Misstatements in financial statements.	New	The Accounting officer did not prepare the contingent liability disclosure in accordance with GRAP and MFMA specimen	Develop and monitor GRAP compliance checklist.	01-Jun-21	31-Aug-21	BTO	Ngolele J	ASD Budget and Reporting
5.	Comaf 71	Differences on contingent Liabilities	The difference between the total balance contingent liabilities for the prior year 2019 disclosed in the AFS note 31.	Misstatements in financial statements.	New	Figures presented in the financial statements were not accurate and reliable.	Review of the disclosure notes to ensure fairly presentation of information.	01-Jun-21	31-Aug-21	BTO	Ngolele J	ASD Budget and Reporting

6.	Comaf 57	Reasonable estimate of contingent liabilities	Management did not estimate the reliable financial implications of the obligation. The audit revealed the differences between the reasonable amount as per external legal confirmations and the amount as per litigation schedule.	Misstatements in financial statements.	New	Reasonable steps were not taken to ensure that amounts recognized as contingent liabilities, are the best estimate of the expenditure expected to settle the possible obligation	Verification of exposure amounts to exclude legal costs charged by the legal firms.	02-Jun-21	01-Sep-21	Legal	Chuene K	ASD Legal
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7.	Comaf 4	Performance reviews not conducted	There was no assessment of the performance of the municipal manager and managers directly accountable to the municipal manager in the 2019-20 financial period as per their performance agreements.	Non-compliance with legislation	New	Inadequate monitoring of compliance with laws and regulations	Mid-year and annual performance assessment for 2020/2021.	01-May-21	30-Aug-21	PMS	Mogale ID	Assistant Director : PMS
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8.	Comaf 13	Internal Audit plan not adequately reviewed	Combined Assurance training was scheduled for the period of 21 June 2019, whilst the plan is intended for the financial year starting on the 1 st of July 2019 and ending on the 30 June 2020.	Non-compliance with legislation	New	Inadequate review of the Strategic Annual Internal Audit Plan.	Review of Internal Audit Plan	01-May-21	30-Jun-21	IA	Mukhufi EM	Assistant Director: IA
9.	Comaf 6	Internal Audit Plan not implemented completely	Internal Audit Plan for the 2019/2020 financial year was not completed.	Non-compliance with legislation	New	The Internal Audit unit did not completely implement the 2019/2020 Internal Audit Plan.	Quarterly progress reports on IA plan for 2020/2021	01-May-21	30-Jun-21	IA	Mukhufi EM	Assistant Director: IA

10.	Comaf 5	There is no risk committee in place	There is no risk committee in place	Non-compliance with legislation	New	Inadequate monitoring of compliance with laws and regulations	Appointment of Risk Committee Chairperson	01-May-21	30-Jun-21	RO	Mafetsa B	Chief Admin: Officer Risk Management
11.	Comaf 62	Expenditure no stamping by finance	Invoices were not acknowledged with the dated "received stamp".	Misstatements in financial statements.	New	The accounting officer did not exercise oversight responsibility regarding implementation of internal controls relating to the receipt of invoices to ensure that all invoices received are being tracked and paid in	Central invoices register in the office of the CFO.	02-May-21	01-Jul-21	BTO	Mamatlepa ML	ASD Expenditure

						within the prescribed date.						
12.	Comaf 25	Allowance for impairment loss on government debtors	Government debtors were impaired and there is no objective evidence of impairment identified and approved by accounting officer	Misstatements in financial statements.	New	Inadequate oversight regarding financial reporting and compliance with applicable policies nor timeously review the annual financial statements to ensure	Exclude the government debts from the population of debt impairment .	01-May-21	30-Jun-21	BTO	Ragolane P	ASD Revenue

						that the impairment loss figures are in line with the write-off policy.						
13.	Comaf 54	Use of consultants	Consultants were appointed without a proper need's assessment (GAP analysis).	Non-compliance with legislation	New	Needs analysis was not performed prior to the appointment of the consultant to identify skills and resources required that the municipality	Service needs assessment (GAP analysis)	01-May-21	30-Jun-21	MM's Office	Mogale ID	MM

						does not have.						
14.	Comaf 7	Capital assets- Capitalisation of WIP completed after year end	The municipality capitalized Jokong Street Paving Phase 2, prior to completion of construction. The completion certificate indicates that the project amounting to R9 761 036 was completed and ready for use on 26/08/2020.	Misstatements in financial statements.	New	Inadequate review the annual financial statements to ensure that all assets capitalized, are supported by valid and accurate completion certificate.	Reconciliation of bill of quantities (contractor & engineer), completion certificates and amounts captured in the General Ledger.	01-May-21	30-Jun-21	BTO	Sesane A	ASD Fleet and Assets

15.	Comaf 47	Annual Performance Report High-level review	<p>Indicator % INEP budget spent as approved by council within financial year reported as achieved.</p> <p>Indicator % of HH with access to refuse removal has a target of 4579 households and reported actual performance is 4579, however the indicator has been reported as "target not achieved" .</p> <p>No 15. GLM010/201</p>	Mistatements in annual performance.	New	Inadquate oversight on the annual performance report .	Review of quarterly performance reports.	01-May-21	30-Jun-21	PMS	Mogale ID	Assistant Director PMS
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16.	Comaf 11	Contract register incomplete	The RFQ agreements were included in the contract register. Active contracts were excluded from the contract register.	Non-compliance with legislation	New	Inadequate review of the contract register to ensure compliance with MFMA 62(1)(b) (c).	Update and review contract register.		BTO	SCM	Mtebule T	Acting ASD SCM
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17.	Comaf 12	SCM Policy not complete	<p>SCM Regulation 23(c)(iii): "The SCM policy must require the accounting officer to publish the entries and the bid results of all bids received on the website of the municipality or municipal entity".</p> <p>SCM Regulation 18(a) : The SCM policy must stipulate that all requirements in excess of R 30 000(VAT</p>	Non-compliance with legislation	New	Inadequate review of the SCM Policy to ensure that it complies with legislative requirements.	Review SCM policy	01-May-21	30-Jun-21	SCM	Mtebule T	Acting ASD SCM
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18.	Comaf 33	SCM regulation 12(3) Deliberate splitting	Requisition number 42111 for the procurement of newsletters was split into two purchase orders to the same supplier	Non-compliance with legislation	New	Inadequate review and monitoring of compliance with the applicable laws and regulations.	Monitor compliance with the procurement threshold(s)	01-May-21	30-Jun-21	SCM	Mtebule T	Acting ASD SCM
19.	Comaf 35	Non-compliance with PPR 8(2)	The procurement of RFQ018/2020, the invitation to bid for the supply 4000 masks did not specify the minimum threshold for local production and content	Non-compliance with legislation	New	Inadequate review and monitoring of compliance with the applicable laws and regulations.	Development and monitoring of compliance check list for completeness of tender documents.	01-May-21	30-Jun-21	SCM	Mtebule T	Acting ASD SCM

20.	Comaf 65	Bidders were unfairly disqualified	The bidders were unfairly disqualified resulting in irregular expenditure amounting to R645 260.	Non-compliance with legislation	New	Inadequate review and monitoring of compliance with the applicable laws and regulations.	Development and monitoring of compliance check list for returnable documents and completeness of tender documents.	01-May-21	30-Jun-21	SCM	Mtebule T	Acting ASD SCM
21.	Comaf 43	Winning bidder did not meet the pre-qualifying requirements	Bidders were disqualified during phase 1 of the evaluation processes-completed returnable documents-for non-submission of the audited annual financial statements	Non-compliance with legislation	New	Inadequate review and monitoring of compliance with the applicable laws and regulations.	Development and monitoring of compliance check list for returnable documents and completeness of tender documents.	01-May-21	30-Jun-21	SCM	Mtebule T	Acting ASD SCM

22.	Comaf 3	Revenue recognised without transfer of ownership -sale of stands	The municipality recognised revenue from sale of land (included under other income), however, transfer of ownership relating to sale has not occurred as at 30 June 2020.The corresponding disposal of Property plant and equipment or de-recognition of inventory has not been accounted for as the other accounting entry to the	Mistatements in financial statements.	New	Inadequate review of the annual financial statements to ensure that the figures reported are supported by valid, accurate, and complete schedules.	Create new vote for liability of the sale of stands.	01-Jul-21	31-Aug-21	BTO	Ragolane P	ASD Revenue
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23.	Comaf 15	Revenue from exchange transactions- Difference between AFS and transaction report	Contrary to the above, we identified a difference between amount disclosed on the financial statement and the electricity transaction report supporting amount disclosed on the financial statement.	Mistatements in financial statements.	New	Inadequate review of the annual financial statements to ensure that the figures reported are supported by valid, accurate, and complete schedules.	Reconciliation of transaction report and general ledger.	01-Jul-21	31-Aug-21	BTO	Ragolane P	ASD Revenue
24.	Comaf 1	COVID transactions	Prices charged not in line with National Treasury circular 102. Supplier not	Non-compliance with legislation	New	Inadequate review and monitoring of compliance with the applicable laws and regulations.	Monitoring of compliance to changes in regulations and secondary regulations(circulars).	01-May-21	30-Jun-21	SCM	Mtebule T	Acting ASD SCM

			appearing on CSD.				Compliance with treasury guidelines on COVID transaction s.					
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Reference to MR	Audit Findings	Description of Finding	Classification of finding	Finding status	Internal Control Deficiency	Action Plan Description	Start Date	Completion Date	Directorate	Person Responsible	Position
Comaf 39	Payment not done within 30 days	Contrary to Section 99(1) MFMA, transactions were paid after 30 days.	Non-compliance with legislation	New	The Accounting officer did not sufficiently exercise oversight responsibility to ensure that all invoices owed by the municipality are settled within 30 days of receiving the relevant invoice.	Develop and maintain invoice register in the office of the CFO.	01-May-21	30-Jun-21	BTO	Mamatlepa L	ASD Expenditure
Comaf 80	Investment in mutual bank	The municipality has an investment with old mutual amounting to R111 319.17. Old Mutual is not registered in terms of the Banks Act.	Non-compliance with legislation	Recurring	The accounting officer did not ensure that the municipality invest only with the banks registered in terms of the Banks Act.	Withdrawal of investment from Old-Mutual	01-May-21	30-Jun-21	BTO	Ngolele J	ASD Budget and Reporting

APPENDICES

APPENDIX A- COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance 2019/20					
Council Members	Full Time/Part Time	Committee Allocated	*Ward and/ or Party Represented	Number of meetings held/ attended	Percentage Council Meetings Attendance
	FT/PT			%	%
Cllr Matlou MP	FT	EXCO	ANC	09/09	100%
Cllr Makhananisa MD	FT	N/A	ANC	09/09	100%
Cllr Mampeule PJ	FT	N/A	ANC	09/09	100%
Cllr Rababalela TJ	PT	Water & Sanitation Services	ANC	08/09	88%
Cllr Maeko –Nkwana MM	FT	Corporate and Shared Services	ANC	08/09	88%
Cllr Modiba ND	FT	Finance	ANC	08/09	88%
Cllr Rasetsoke SM	PT	Sports and Culture	ANC	09/09	100%
Cllr Mosila MR	FT	Infrastructure	ANC	08/09	88%
Cllr Selowa SG	PT	Health and Social Development	ANC	07/09	77%
Cllr Masela MP	FT	Economic Development, Housing & Spatial Planning	ANC	08/09	88%
Cllr Mabeba M.M	PT	Agriculture & Environment	EFF	04/09	44%
Cllr Raphokwane D	PT	Public Transport & Roads	EFF	05/09	55%
Cllr Manyama MI	FT	Municipal Public Accounts	ANC/ W4	09/09	100%
Cllr Mangoro MV	PT	Sports and Culture	ANC / W 1	09/09	100%

Cllr Rabothata DG	PT	Sports and Culture	ANC / W 2	05/09	55%
Cllr Malatji SS	PT	Infrastructure	ANC / W3	07/09	77%
Cllr Nkuna V	PT	Agriculture & Environment	ANC / W 5	04/09	44%
Cllr Lebepe MA	PT	Health and Social Development	ANC / W 6	08/09	88%
Cllr Mohale PJ	PT	MPAC	ANC / W 7	09/09	100%
Cllr Kgatla MS	PT	Health and Social Development	ANC / W 8	04/09	44%
Cllr Ralefatane ME	PT	MPAC	ANC/ W 9	08/09	88%
Cllr Rampedi MV	PT	Economic Development, Housing & Spatial Planning	ANC / W 10	07/09	77%
Cllr Ramaano KE	PT	Sports and Culture	ANC / W 11	09/09	100%
Cllr Masedi ME	PT	Public Transport and Roads	ANC / W 12	07/09	77%
Cllr Selamolela S	PT	Water & Sanitation	ANC / W 13	08/09	88%
Cllr Lebeko NF	PT	Corporate and Shared Services	ANC / W 14	07/09	77%
Cllr Selema PW(LATE)	PT	Agriculture & Environment	ANC / W 15	07/09	77%
Cllr Ngobeni MP	PT	Agriculture & Environment	ANC / W 16	07/09	77%
Cllr Mankgero MM	PT	Economic Development, Housing & Spatial Planning	ANC / W 17	08/09	88%
Cllr Ramoba M	PT	MPAC	ANC / W 18	08/09	88%
Cllr Monaiwa MP	PT	MPAC	ANC/ W 19	09/09	100%
Cllr Ratlhaha R	PT	Agriculture and environment	ANC/ W 20	09/09	100%

Cllr Monyela KB	PT	MPAC	ANC/ W 21	08/09	88%
Cllr Makomene MP	PT	Infrastructure	ANC/ W 22	07/09	77%
Cllr Ramabela ME	PT	Sports and Culture	ANC / W23	09/09	100%
Cllr Selowa N	PT	Water & Sanitation	ANC / W24	05/09	55%
Cllr Ngobeni BE	PT	Finance	ANC / W25	08/09	88%
Cllr Mohale MJ	PT	Economic Development, Housing and Spatial Planning	ANC / W 26	05/09	55%
Cllr Seshoka NL	PT	Public Transport & Roads	ANC/ W 27	04/09	44%
Cllr Hlungwani SJ	PT	Health & Social Development	ANC / W 28	08/09	88%
Cllr Hlapane MF	PT	Corporate & Shared Services	ANC/ W 30	09/09	100%
Cllr Kgapanane TJ	PT	Public Transport & Roads	ANC/PR	08/09	88%
Cllr Baloyi RG	PT	Corporate and Shared Services	ANC/PR	09/09	100%
Cllr Maake MR	PT	MPAC	ANC/PR	08/09	88%
Cllr Moshole SP	PT	MPAC	ANC/PR	03/09	33%
Cllr Mathemodisa M	PT	MPAC	ANC/PR	08/09	88%
Cllr Ndobela M.E.C	PT	Agriculture and Environment	ANC/PR	08/09	88%
Cllr Modjadji GH	PT	Economic Development, Housing & Spatial Planning	ANC/PR	02/09	22%
Cllr Selomo MM	PT	Economic Development, Housing & Spatial Planning	EFF/PR	08/09	88%
Cllr Mathaba E	PT	Infrastructure	EFF/PR	08/09	88%

Cllr Ralepatane PP	PT	Agriculture & Environment	EFF/PR	08/09	88%
Cllr Mohale SL	PT	Health and Social Development	EFF/PR	04/09	44%
Cllr Maenetje MB	PT	Public transport and Roads	EFF/PR	08/09	88%
Cllr Motsinoni MR	PT	Corporate & Shared Services	EFF/PR	08/09	88%
Cllr Ramalobela ML	PT	Sports Arts & Culture	EFF/PR	07/09	77%
Cllr Ramaselela D.D	PT	Sports Arts & Culture	DA/PR	04/09	44%
Cllr Maluleke ZT	PT	Agriculture & Environment	DA/PR	05/12	42%
Cllr Senyolo J	PT	Public Transport & Roads	COPE /PR	03/09	33%
Cllr Rampyapedi S	PT	Economic Development, Housing & Spatial Planning	COPE /PR	07/09	77%
Cllr Rasetsoke MC	PT	Public Transport & Roads	LIRA /PR	08/09	88%

APPENDIX B- COMMITTEES AND COMMITTEE PURPOSES

Committees (Other than Mayoral/ Executive Committee) and purpose of Committees	
Municipal Committees	Purposes of Committee
Corporate and Shared Services	Consider all organizational development, corporate and Auxiliary related matters and make recommendations to EXCO
Economic Development, Housing & Spatial Planning	To consider all economic development matters and make recommendations to EXCO
Public Transport & Roads	Consider all Roads matters and recommend to EXCO
Water & Sanitation Services	Consider all water and sanitation related matters and make recommendations to EXCO
Finance	Consider all budget, finance and related matters and make recommendations to EXCO.
Agriculture & Environment	Consider all Agriculture and environmental matters and recommend to EXCO
Health and Social Development	To consider all social matters and make recommendations to EXCO
Infrastructure	Consider all Infrastructure, Building, Electricity and Civil matters and recommend to EXCO
Sports and Culture	Consider all Sports, Arts and Culture matters and recommend to EXCO
Municipal Public Accounts	To play an oversight and make recommendations to council

APPENDIX C- THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager s Office	Municipal Manager: Dr K.I Sirovha
Corporate Services	Director Corporate: Dr M.B Letsoalo
Community Services	Director Community: Dr M.D Mokoena
Budget and Treasury	Chief Financial Officer: Mrs Mathabatha T.M
Development & Town Planning	Director Planning: Mr M.O Sewape
Technical Services	Director Technical: Mr Malungana M. E

APPENDIX D: Functions of Municipality

GREATER LETABA MUNICIPALITY'S POWERS AND FUNCTIONS

- The provision and maintenance of childcare facilities.
- Development of local tourism.
- Municipal planning.
- Municipal roads and public transport.
- Administer public regulations.
- Administer billboards and display of advertisements in public areas.
- Administer cemeteries, funerals parlours and crematoriums.
- Cleansing.
- Control of public nuisances.
- Control of undertakings that sell liquor to the public.
- Ensure the provision of facilities for the accommodation, care, and burial of
- animals
- Fencing and fences;
- Licensing and dogs.
- Licensing and control of undertakings that sell food to public.
- Administer and maintenance of local amenities.
- Development and maintenance of local sport facilities.
- Develop and administer markets.
- Development and maintenance of municipal parks and recreation.
- Regulate noise pollution.
- Administer pounds.
- Development and maintenance of disposal.
- Administer street trading.
- The imposition and collection of taxes and surcharges on fees as related to the municipal's function.
- Receipt and allocation of grants made to the municipalities.
- Imposition and collection of other taxes, levies and duties as related to the Municipality's functions.

- Refuse removal refuse dumps disposal.

APPENDIX E: WARD REPORTING

Functionality of Ward Committees for 2019/20					
Ward Name (Number)	Name of ward councillor and elected ward committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly public ward meetings held during the year
Ward 1	MV MANGORO	Yes	09	09	03
Ward 2	DG RABOTHATA	Yes	09	09	03
Ward 3	SS MALATJI	Yes	09	09	03
Ward 4	MI MANYAMA	Yes	09	09	03
Ward 5	V NKUNA	Yes	09	09	03
Ward 6	MA LEBEPE	Yes	09	09	03
Ward7	PJ MOHALE	Yes	09	09	03
Ward 8	MS KGATLA	Yes	09	09	03
Ward 9	ME RALEFATANE	Yes	09	09	03
Ward 10	MV RAMPEDI	Yes	09	09	03
Ward 11	KE RAMAANO	Yes	09	09	03
Ward 12	ME MASEDI	Yes	09	09	03
Ward 13	S SELAMOLELA	Yes	09	09	03
Ward 14	NF LEBEKO	Yes	09	09	03
Ward 15	PW SELEMA	Yes	09	09	03
Ward 16	MP NGOBENI	Yes	09	09	03
Ward 17	MM MANKGERO	Yes	09	09	03
Ward 18	M RAMOBA	Yes	09	09	03
Ward 19	MP MONAIWA	Yes	09	09	03
Ward 20	R RATLHAHA	Yes	09	09	03
Ward 21	KB MONYELA	Yes	09	09	03

Ward 22	MP MAKOMENE	Yes	09	09	03
Ward 23	ME RAMABELA	Yes	09	09	03
Ward 24	N SELOWA	Yes	09	09	03
Ward 25	BE NGOBENI	Yes	09	09	03
Ward 26	Mohale MJ	Yes	09	09	03
Ward 27	NL SESHOKA	Yes	09	09	03
Ward 28	SJ HLUNGWANI	Yes	09	09	03
Ward 29	MP MASELA	Yes	09	09	03
Ward 30	MF H LAPANE	Yes	09	09	03

APPENDIX F: WARD INFORMATION

Capital Projects: Seven Largest in 2019/20 (Full List at Appendix N)				
Ward No	Project Name & Detail	Start Date	End Date	Total Value
W 01	Madumeleng Sports Complex	01 July 2019	30 June 2020	R 47 841 885
W 12	Thakgalane Sports Complex	01 July 2019	30 June 2020	R44 821 431
W 16 & 28	Rotterdam sports Complex	01 July 2019	30 June 2020	R 38 454 803
Ward 26	Jokong street paving	1 July 2019	30 June 2020	R 37 000 000
W 08	Mamphakathi street Paving	01 July 2019	30 June 2010	R14 678 852
W 04	Las Vegas street paving	01 July 2019	30 June 2020	R 14 362 267
W 3 & 4	Manningburg street paving	01 July 2019	30 June 2020	R 13 272 824

APPENDIX G– RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE (2019/20)

AUDIT AND PERFORMANCE AUDIT COMMITTEE SUMMARY REPORT 2019/20 FINANCIAL YEAR.

The following paragraph summarizes the Audit Committee report for the year under review (2019/2020).

Greater Letaba Municipality audit committee started the financial year with functional Audit Committee appointed for a period of years from May 2018. The Audit Committee was established in terms of section 166 of the Municipal Finance Management Act (MFMA). Section 166 of the MFMA clearly states that each municipality must have an audit committee. The audit committee is an independent advisory body that advises council, political office bearers, accounting officer, and staff of the municipality on the following:

- Internal financial control and internal audits;
- Risk management;
- Accounting policies;
- The adequacy, reliability, and accuracy of financial reporting and information;
- Performance management
- Effective governance;
- Compliance with the MFMA, the annual Division of Revenue Act (DORA) and any other applicable legislation;
- Performance evaluation;
- Any other issues referred to by the municipality;
- Review annual financial statements to provide authoritative and credible view of the financial position, on overall compliance with MFMA, DORA, etc.
- Respond to Council on any matter raised by the Auditor-General (AGSA);
- Carry out such investigations into financial affairs of the municipality as may be prescribed from time to time.
- It is expected on a quarterly basis for the Audit Committee to review and advise municipal council on matters relating to items listed above.

- The attendance of meetings by both Audit Committee Members and Management was outstanding. The Audit Committee has noted the following achievements by the municipality:
- Ability of the municipality to produce quarterly financial statements.
- Good progress in implementing the MSCOA programme
- Ability by the municipality to submit credible section 71 report to treasury on a monthly basis
- Good progress addressing IT governance issues

- Good Performance management system in place
- Good MIG, EPWP & free basic services grant spending
- Having Risk Chairperson in 2019/20 financial year

However, the committee noted with great concern on the following areas:

- Low level of commitment in implementing the AG Action Plan
- Poor implementation of supply chain management legislations and guidelines
- AC resolutions not fully implemented.
- Delays in filling critical top management position.
- Cases taking too long to finalise.
- Non cashed backed capital projects

APPENDIX H- LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into from 2019/20)					
Name of service provider (entity of municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project Manager	Contract Value
SEBATA	Financial Services	06/09/2018	06/09/2021	Mrs Mathabatha	R 1 917 327.52
KHOSI MUNENE	Security Services	01/06/ 2019	03/05/2022	Dr.M Mokoena	R 37 553 112.00
PK Financials cc	VAT recovery	06/02/2018	28/02/2021	Ms A Sesene	12.5% commission of VAT Amount claimed
FNB	Provision of Banking Services	30/04/2019	30/04/2022	Mrs Mathabatha	Bank Charges incurred
Murwenda Consulting	Fleet Management services	06/02/2019	01/02/2022	Ms A Sesene	R2 000 000.00
Edu Bookshop	Rental printers	31/05/2017	31/05/2020	Ms E Smith	R401 817,48
Microsoft	EA-Microsoft licences	26/9/2019	26/9/2023	Ms E Smith	R1 792 783,73
KAE Authentic Trading & projects	Maintenance of Data Centres and Equipment	28/8/2017	27/8/2020	Ms E Smith	R1 182 873,06
Burika ICT Solutions	ICT HELP DESK software system solution	30/09/2019	30/09/2023	Ms E Smith	R2 987 966,88
CIGICEL (PTY)LTD	Online and real time prepaid electricity vending, revenue protection and metering	01/09/2018	30/08/2021	Ms P Ragolane	6.27% (VAT inclusive) on total third vended sales,R4000.00(V AT Exclusive) Per Smart Meter
Vodacom Tablets	Cllr Tablets	23/8/2017	23/8/2019	Ms E Smith	R326 875,44

Vodacom Wi Fi	Wi-Fi All GLM offices	9/7/2019	9/7/2022	Ms E Smith	R111 462,02
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APPENDIX I: SERVICE PROVIDER'S PERFORMANCE 2019/20 FINANCIAL YEAR

No	Tender Number	Project Name	Name of the Service Provider	Source of Funding	Starting date	Completion date	Budget	Progress to date	Challenges and interventions	Assessment of Service Provider Rating-Poor, Average, Satisfactory & Excellent
1	GLM023/2019	Purchasing and delivery of 3 Bakkies	Thabo Morula	GLM	01/07/2019	30/06/2020	R 900 000.00	Project Completed	None	Performance Satisfactory
2	GLM015/2017C	Panning and designs of Ward 5 Community hall	Lazwi Engineering 16cc1	GLM	01/07/2019	30/06/2020	R 1 336 827.00	Designs Approved	None	Performance Satisfactory
3	GLM047/2019	Supply and installation of High mast Lights/Erection and energise of 7 High mast lights in senwamokgope, maupa, Rasewana and Maapana	Rivisi Electrical contractors	GLM	01/07/2019	30/06/2020	R 2 001 000.00	Project Completed	None	Performance Satisfactory
4	GLM 19/2016C	Construction of Mamanyoha Sports complex	Valcross Trading Enterprise	GLM	01/07/2019	30/06/2020	R 47 841 885.	Project Completed	None	Performance Satisfactory
5	GLM020//2016C	Construction of Rotterdam sports Complex	Bagaphala Projects	GLM	01/07/2019	30/06/2020	R 38 454 803	Work in Progress	Works placed on hold amid Covid-19	Average Performance

									National lockdown	
6	GLM020/2016C	Fencing of municipal workshop	Katlin Construction	GLM	01/07/2019	30/06/2020	R 700 000	Project Completed	None	Performance Satisfactory
No	Tender Number	Project Name	Name of the Service Provider	Source of Funding	Starting date	Completion date	Budget	Progress to date	Challenges and interventions	Assessment of Service Provider Rating-Poor, Average, Satisfactory & Excellent
7	GLM008/2019	Rehabilitation of modjadiskloof Street-Phase 2	Matseka Costruction	GLM	01/07/2019	30/06/2020	R 3 510 000	Work in progress	None	Performance Satisfactory
8	GLM006/2019	Construction of rasewana and Lenokwe Street paving(Multi-Year)	Sheboneth Trading Enterprise	GLM	01/07/2019	30/06/2019	R 499 710.00	designs approved	None	Performance Satisfactory
9	GLM019/2016C	Construction of Mamanyoha Sports complex	Valcross Trading Enterprise	GLM	01/07/2019	30/06/2020	R 40 890 500.00	Work in progress	None	Performance not Satisfactory
10	GLM020/2016C	Construction of Rotterdam Sports complex	Bagaphala Project Trading	GLM	01/07/2018	30/06/2020	R 12 773 005	Work in progress	None	Performance Satisfactory
11	GLM005/2016	Construction of Lemondokop street paving	African Strategic Cooperation	GLM	01/07/2019	30/06/2020	R 8 697 000	Designs Approved	None	Performance Satisfactory

12	GLM009/2 017C	Construction of M0kwasele street paving-phase 1	Hlulani Civils JV FJRIC Construction	GLM	01/07/2019	30/06/2010	R 3 886 461	Work in progress	None	Average Performance
13	GLM007/2 017-PR	Construction of moshakga Street paving	Sheboneth Trading Enterprise	GLM	01/07/2019	30/06/2020	R 2 789 291	Project completed	None	Performance Satisfactory
No	Tender Number	Project Name	Name of the Service Provider	Source of Funding	Starting date	Completion date	Budget	Progress to date	Challenges and intervention s	Assessment of Service Provider Rating-Poor, Average, Satisfactory & Excellent
14	GLM011/2 017C	Construction of Manningburg street paving	Lokolang Trading Project	GLM	01/07/2019	30/06/2020	R 13 272 824	Work in progress	None	Performance Satisfactory
15	GLM001/2 018	Supply and installation of Split metering in Modjadjiskloof	Miluwane electrical and Housing Wiring CC	GLM	01/07/2019	30/06/2020	R 3 876 352	Project completed	None	Performance Satisfactory
16	GLM049/2 019	Re-routing of Christina rest HV Line in Modjadjiskloof	Zevoufusion (PTY)Ltdd	GLM	01/07/2019	30/06/2020	R 1 400 000	Project Commenc ement	None	Performance Satisfactory
17	GLM010/2 018	Electrification of households in 7 villages	Rivisi Electrical Contractors	GLM	01/07/2019	30/06/2020	R 5 767 797	Work in progress	None	Performance Satisfactory

18	RFQ00/92 017	Construction of Mamphakati Streetpaving	Theuwedi JV mmanyana Aggy	MIG/G LM	01/07/2019	30/06/2020	R 14 678 852	Project Completed	None	Performance Satisfactory
No	Tender Number	Project Name	Name of the Service Provider	Source of Funding	Starting date	Completion date	Budget	Progress to date	Challenges and intervention s	Assessment of Service Provider Rating-Poor, Average, Satisfactory & Excellent
19	GLM010/2 017	Construction of Las Vegas paving	H & E Engineering contractors	MIG/G LM	01/07/2019	30/06/2020	R 14 362 267	Project Completed	None	Performance Satisfactory
20	GLM020/2 016	Construction of Thakgalane sports complex-Phase 1	Sello ramotwala Civils	GLM	01/07/2019	30/06/2020	R 44 821 431	Constructio n in progress	None	Performance Satisfactory
21	GLM020/2 016 C	Construction of Rotterdam Sports complex	Bagaphala Project Trading	GLM	01/07/2019	30/06/2020	R 38 454 803	Constructio n	None	Performance Satisfactory
22	GLM019/2 016 C	Construction of Madumeleng/Shotong Sports Complex Ph 1	Maduke Trading and Projects	GLM	01/07/2019	30/06/2020	R 47 841 885	Constructio n	None	Performance Satisfactory
23	GLM005/2 019	Planning and supervision of jokong street Paving	LEBP Construction	MIG	01/07/2019	30/06/2020	R 37 000 000	Project Completed	None	Performance Satisfactory

APPENDIX J – CAPITAL PROGRAMME BY PROJECT 2019/20

Capital Projects	Original Budget	Adjustment Budget
Construction of community hall at ward 05	3 100 000	1 500 000
Construction of Sports complex at Mamanyoha	10 902 226	6 048 695
Construction of Sports Complex at Rotterdam	4 5000	3 257 371
Construction of low-level bridges	2 980 000	1 773 892
Fencing of municipal workshop	R700 000	R700 000
Rehabilitation of modjadjiskloof Streets Phase 2	R 300 000	R 300 000
Construction of Moshakga Street Paving	R5 700 000	R2 384 009
Construction Of Mokwasele Cemetery Paving	R 3 000 000	R 3 000 000
Construction of itieleng sekgosese Street Paving	R7 178 994	R1 040 431
Construction of Lomondokop Street paving	R3 600 000	R1 400 000
Construction of Sports Complex in Thakgalane Ph 2	R10 000 000	R10 000 000
Construction of Sports Complex at Madumeleng/Shotong	R10 000 000	R9 508 998
Construction of street paving at Jokong	R9 861 764	R9 928 315
Construction of street in Manningburg	R8 000 000	R6 000 000
Construction of Rasewana and lenokwe Street Paving	R 7 000 000	R10 257 098
Complete construction of Kgapane Stadium Ph 3	R8 233 189	R8 733 189
Purchase and install counter,Bullet Glass and Cubicles	R350 000	R350 000
Supply and install cubicle-Kgapane DLTC	R150 000	R150 000
To refurbish Doreen 11 KV line	R2 000 000	R2 000 000
To purchase 315 KVA pole transformer	R500 000	R 276 000
To purchase and install gate at Old Sub Office and Stores	R30 000	R30 000
To purchase Fire Extinguishers	R300 000	R 250 000
Supply and delivery of 30 Skip Bins	R1 500 000	R400 000
Construct municipal Building metering points at workshop, library,Kgapane and senwamokgope	R300 000	R200 000

APPENDIX K – CAPITAL PROGRAMME BY PROJECT BY WARD 2019/20

Capital Projects	Ward(s) Affected	Completed Yes/No
Construction of community hall at ward 05	Ward 5	Yes
Construction of Sports complex at Mamanyoha	Ward 27	Yes
Construction of Sports Complex at Rotterdam	Ward 16	Yes
Construction of low-level bridges	Various Villages	Yes
Fencing of municipal workshop	Head Office	Yes
Rehabilitation of modjadjiskloof Streets Phase 2	Ward 29	Yes
Construction of Moshakga Street Paving	Ward 2	Yes
Construction Of Mokwasele Cemetery Paving	Ward 6	Yes
Construction of itieleng sekgosese Street Paving	Ward 12	Yes
Construction of Lomondokop Street paving	Ward 14	Yes
Construction of Sports Complex in Thakgalane Ph 2	Ward 12	Yes
Construction of Sports Complex at Madumeleng/Shotong	Ward 1,6 and 7	Yes
Construction of street paving at Jokong	Ward 26	Yes
Construction of street in Manningburg	Ward 4	Yes
Construction of Rasewana and lenokwe Street Paving	Ward 1	Yes
Complete construction of Kgapanne Stadium Ph 3	Ward 4	Yes
Purchase and install counter,Bullet Glass and Cubicles	Head Office	Yes
Supply and install cubicle-Kgapane DLTC	Sub Office Gakgapane	Yes
To refurbish Doreen 11 KV line	Ward 29	Yes
To purchase 315 KVA pole transformer	Ward 29	Yes
To purchase and install gate at Old Sub Office and Stores	Sub Office	Yes
To purchase Fire Extinguishers	Head Office	Yes
Supply and delivery of 30 Skip Bins	Various Wards	Yes
Construct municipal Building metering points at workshop, library,Kgapane and Senwamokgope	Sub Offices	Yes

APPENDIX L: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

SERVICE BACKLOGS: SCHOOLS AND CLINICS					
ESTABLISHMENTS LACKING SERVICES	LOCATION	WATER	SANITATION	ELECTRICITY	SOLID WASTE COLLECTION
Kgapane	Kgapane	YES	YES	YES	YES
Medingen	Medingen	YES	YES	YES	YES
Sekgopo	Sekgopo	YES	YES	YES	YES
Duiwelskloof	Modjadjiskloof	YES	YES	YES	YES
Shotong	Shotong	YES	YES	YES	YES
Modjadji	Sekhwiting	YES	YES	YES	YES
Bolobedu	Bolobedu	YES	YES	YES	YES
Matswi	Matswi	YES	YES	YES	YES
Senopela	Senopela	YES	YES	YES	YES
Seapole	Seapole	YES	YES	YES	YES
Charlie Rhangani	Charlie Rhangani	YES	YES	YES	YES
Mamanyoha	Mamanyoha	YES	YES	YES	YES
Lebaka	Lebaka	YES	YES	YES	YES
Maphalle	Maphalle	YES	YES	YES	YES
Raphahlelo	Raphahlelo	YES	YES	YES	YES
Mamaila	Mamaila	YES	YES	YES	YES
Middlewater	Middlewater	YES	YES	YES	YES

Pheeha	Pheeha	YES	YES	YES	YES
Rotterdam	Rotterdam	YES	YES	YES	YES
Bellevue	Bellevue	YES	YES	YES	YES
Total	20				

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

Health Facilities Backlog

- Insufficient mobile and visiting points;
- Modjadjiskloof lack of space for the clinic;
- A need for a health centre in Sekgopo, Senwamokgope and Mokwakwaila.
- Acquiring a suitable site for the construction of a more capacitated clinic in Modjadjiskloof.
- A need for EMS at Sekgopo, Sekgosese and Mokwakwaila.

Education Backlog

The following areas are affected by the Backlog: Mandela Park; Nkwele-motse; Modumane; Hlohlokwe; Makaba; Mothobeki; Modjadjiskloof (Secondary); Mahunsi; Shamfana (High School); Reinstatement of Modjadji College as a need

Sports, Arts and Culture Backlog

- *Libraries facilities*

And in terms of libraries, shortage of books makes it difficult for people to develop academically. The Modjadjiskloof Library, Soetfontein Library and Ga-Kgapane Library are the only three libraries that currently operational. The Greater Letaba Municipality have three backlogs of libraries in Mokwakwaila, Sekgopo and Rotterdam.

The state of school libraries leaves much to be desired, there are no libraries in most of the schools and they have converted classrooms to be utilized as libraries and they are under resourced with books and personnel.

- *Stadiums and gravel playgrounds facilities*

In terms of stadia there's only a backlog of two stadias at Rotterdam and Goudplaas. There are also backlogs in relation to playgrounds in areas where there are no stadiums and there's a need for the municipality to embark on the programme of developing playgrounds in rural areas or to upgrade the existing ones to the acceptable standards.

Water and sanitation backlog

Services	Total households	Level of Services	Coverage	Backlog	% Backlog
Water					
	58 262	Inside dwelling	5948	9328	16 %
		Inside yard	20320		
		Communal standpipe >200m	17276		
		Communal standpipe <200m	5390		
Sanitation					
	58 262	Flush toilet	5949	7867	13.5%
		Pit latrine (Ventilation)	11390		
		Pit latrine (without ventilation)	33056		

Electricity Backlog

Energy distribution has important economic development implications with a potential to make considerable impact. This impact relates to improved living conditions, increased productivity and greater sustainability of environment. The provision of electricity to households has been achieved to the larger extent. About 56905 households have access to electricity which amount to 98% of the population. Greater Letaba Municipality given its capacity of the figure above and the MTEF allocation depicts that all households, would have being provided for access to electricity by 2016 except new households' extensions.

Storm water, Drainage and Backlog

The municipality has a backlog of storm water drainage in all gravel streets and roads and the upgrading of some internal streets from gravel to concrete paving blocks in various villages and township is continuous.

Housing Backlog

The Department of Cooperative Governance Human Settlement and Traditional Affairs indicates a backlog of 4696 on the beneficiary list. This is based on the applications submitted by the municipality to Department. As such the indicated backlog is extremely lower than the actual backlog. Of this backlog, CoGHSTA could only address 4.2% (i.e. an approximate annual allocation of 200 houses). With this progress, the municipality will not be able to ensure that all beneficiaries are allocated houses by 2014. 5442 RDP houses have been built since 2001.

APPENDIX N: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

- No loans and grants were applied for by the municipality

APPENDIX O: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

- All section 71 reports for 2019/20 financial year were compiled and submitted within 10 working days of each month.
- All compliance performance reports were compiled and submitted to Provincial and national treasury.

APPENDIX P: DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2019 to 30 June 2020		
Position	Name	Description of financial interest* (Nil/or details)
Mayor	Cllr M.P Matlou	Nil
Speaker	Cllr Makhananisa D	Nil
Chief W	Cllr Mampeule P. J	Lexico Trading Modjadji Entertainment World Mazapane Trading & Printing solutions
Member of EXCO	Cllr Nkoana M.M	Boikgafo Quick Cash
	Cllr Mosila RP	Nil
	Cllr Rababalela T. J	House no.600, Mokwasele village worth R500 00.00
	Cllr Rasetsoke S	Nil
	Cllr ND Modiba	House no.700 in Senwamokgope worth R2 000 000.00, Hilus raider worth R 450 000.00 and Grand Cherokee worth R 1 300 000.00
	Cllr Masela MP	Nil
	Cllr Raphokwane D	Nil
	Cllr Mabeba M.M	Nil
	Cllr Selowa M. G	Nil
Councillors		
	Cllr Malatji S. S	3 Bedroom House no1322 worth R 780 000.00 Rental rooms worth R 160 000.00
	Cllr Manyama M. I	4 Bedroomed house worth R760 000 Tips Construction Laka Kgomo Molailai Day Care Centre (Not remunerated)
	Cllr MV Mangoro	Nil

	Cllr DG Rabothata	Nil
	Cllr V Nkuna	Nil
	Cllr MA Lebepe	Nil
	Cllr PJ Mohale	Employee of Avon-Sales Leader, Wage/salary R8000.00
	Cllr MS Kgatla	Mokwazi Pty Ltd, Movable Car-Mandelapark Worth R 382 000.00, House in Mandelapark R750 000.00
	Cllr ME Ralefatane	Nil
	Cllr MV Rampedi	
	Cllr KE Ramaano	N.R Mthombeni Trading CC-Wage/Salary R5 000.00
	Cllr ME Masedi	Nil
	Cllr S Selamolela	Nil
	Cllr NF Lebeko	Mobile freezer, Self-employment, wage/salary R 2500.00,7 Bedroom house in Lemondokop Worth R 500 000.00,5 Bedroom House in Lemondokop worth R350 000.00
	Cllr PW Selema	SRDA-NPO
	Cllr MP Ngobeni	Glenfiddich Whisky-700-Dimenges Construction Company
	Cllr MM Mankgero	Nil
	Cllr M Ramoba	Seshoka Events Management
	Cllr MP Monaiwa	7 Bedroom House 45m2 worth R 400 000.00
	Cllr R Ratlhaha	Nil
	Cllr KB Monyela	Nil
	Cllr MP Makomene	Nil
	Cllr ME Ramabela	Cosmetic Shop at Bellevue worth R 30 000.00
	Cllr NS Selowa	Nil
	Cllr BE Ngobeni	Nil
	Cllr MJ Mohale	Nil
	Cllr NL Seshoka	Nil
	Cllr SJ Hlungwani	Self-employment Wage/salary R30 000.00

	ClIr MP Masela	Nil
	ClIr MF Hlapane	Nil
	ClIr TJ Kgapane	Nil
	ClIr RG Baloyi	Nil
	ClIr PP Ralepatana	House Property No.202 at Ga-Sekgopo worth R870 000.00
	ClIr MR Maake	Nil
	ClIr F Manyama	Nil
	ClIr GH Modjadji	MTN shares Mamokobe Lodge 4 Bedroom House (Ga-Kgapane Plot 1.3 Ha (Modjadjiskloof) Vexlotrix (pty) Ltd
	ClIr ND Modiba	Nil
	ClIr SM Rasetsoke	Nil
	ClIr M Mathedimosa	Nil
	ClIr MEC Ndobela	Nil
	ClIr MR Mosila	Nil
	ClIr MG Selowa	Nil
	ClIr MD Makhananisa	Nil
	ClIr ZT Maluleke	House 50x4m Ga-Sekgopo worth R 370 000.00
	ClIr MR Motsinone	7 Bedroom House in Melodene worth R850 000.00, Car- R 287 000.00
	ClIr Ramaselela D. D	Nil
	ClIr Moshole S. P	Nil
Municipal Manager	Dr K.I Sirovha	Directorships: Magalies Manor Hotel & Lodge- R 5 000.00

		<p>Forging Ahead Publications-R 5 000.00</p> <p>Houses:</p> <p>450m2 Canan village, Brits-R 650 000.00</p> <p>550m2 Nkwe Estate Rosslyn, Pretoria-R 500 000.00</p> <p>400m2 Brits Show Ground R 500 000.00</p> <p>1080m2 1116/8 Birdwood Estate, Hartlessport, Brits-R 2 600 000.00</p>
Chief Financial Officer	Mrs. Mathabatha M.T	<p>Townhouse(168 M2,Nelspruit(R600000</p> <p>Stand (1558 m2)Polokwane(R1 300 000)</p>
Director : Community Services	Dr M.D Mokoena	<p>Shares:</p> <p>Croco Projects & Consulting-R 1 800 000.00</p>
Director Corporate	Dr Letsoalo M.B	<p>Competitive Advantage Business Solution (Retail) R 7000 per month/average)</p> <p>429m2 House Tzaneen (R500 000.00)</p> <p>929m2 Site Tzaneen (R 450 000.00)</p>
Director Technical Services	Mr M.E Malungana	<p>MEM Projects (Pty) Ltd</p> <p>Section no.36, Doorlle ERF 2191Phalaborwa 106m2-R 360 000.00</p> <p>Stand no.07, impala Flats, ERF 1812 Phalaborwa- 116m2-R 275 000.00</p> <p>Section no.22 ; SS 54/1987, ERF 134 Lydenburg 109m2-R 470 000.00</p> <p>Section no.49, Town House, ERF 3363 Nelspruit 475m2-R 780 000.00</p>
Director Planning & Development	Mr M.O Sewape	Stand 459 Tshabelamatswale,1000m2 Ga-Kgapane-R 500 000.00
Other Officials	Mr Thoka BJ	Safularayo Burial Services
<p>*Financial interests to be disclosed even if they incurred for only part of the year. see MBRR SA34A TJ</p>		

APPENDIX O: COUNCILLORS' POSTER



Cllr Baloyi R.G



Cllr Kgatla M.S



Cllr Hlapane M.F



Cllr Hlungwani S.J



Cllr Kgapane TJ



Cllr Lebeko N.F



Cllr Lebepe M.A



Cllr Maake M.R



Cllr Ndobela M.E.C



Cllr Ngobeni B.E



Cllr Mangoro M.V



Cllr Makomene M.P



Cllr Malatji S.S



Cllr Mankgero M.M



Cllr Manyama M.I



Cllr Masedi M.E



Cllr Mathedimosa M



Cllr Mohale P.Y



Cllr Monaiwa M.P



Cllr Monyela K.B



Cllr Ngobeni M.P



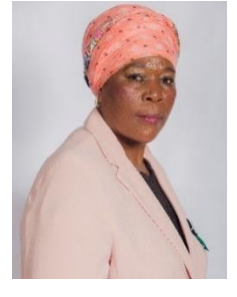
Cllr Nkuna V



Cllr Rabothata D.G



Cllr Ralefatane M.E



Cllr Ramaano K.E



Cllr Ramabela M.E



Cllr Ramoba M



Cllr Rampedi M.V



Cllr Ratlhaha R



Cllr Selamolela S



Cllr Selema P.W



Cllr Selowa N



Cllr Seshoka N.L



Cllr Mohale S.L



Cllr Ralepatana P.P



Clr Mabeba M.M



Cllr Motsinone R



Cllr Raphokwana D



Cllr Selomo M.M



Cllr Maluleke Z.T



Cllr Rampyapedi S.B



Cllr Senyolo J



Cllr Rasetsoke M.C



Cllr Ramaselela D.D.

END OF REPORT