

GREATER LETABA MUNICIPALITY



ANNUAL REPORT 2021-22



Table of contents

1.1. Chapter 1: Mayor's foreword and executive summary	6
1.2. Municipal Manager's foreword.....	8
1.3. Municipal overview.....	11
1.4. A short description of the municipality.....	11
1.5. Social analysis.....	12
1.6. Population and housing size.....	12
1.7. Age and gender profile.....	12
1.8. People with disability and types of disability.....	13
1.9. Education profile.....	13
1.10. Employment profile.....	15
1.11. Employment and unemployment rate.....	15
1.12. Multi-purposes community centres.....	15
1.13. Community facilities.....	16
1.14. Water.....	16
1.15. Transport infrastructure.....	17
1.16. Access to health care.....	17
1.17. Heritage sites.....	18
1.18. Thusong service centre.....	18
1.19. Executive summary.....	23
1.20. Other municipal context.....	25
1.21. Achievements.....	26
1.22. Challenges.....	26
2.. Chapter: Governance.....	27
2.1. Municipality's political structure.....	28
2.2. Executive Committee Members.....	39
2.3. Municipal committees.....	30
2.4. Municipal Public Account Committee (MPAC).....	32
2.5 Rules and Ethics committee.....	32
2.6 Disciplinary Board.....	33
2.7 Municipal council.....	33
2.8. Portfolio committee functionality.....	34
2.9. Audit committee functionality.....	34
2.10. Administrative governance structure.....	35
2.11. Intergovernmental relations.	38

2.12. Public Accountability and Participation.....	38
2.13. Ward committee.....	39
2. Corporate governance.....	39
2.15. Risk management	40
2.16. Anti-corruption and fraud.....	43
2.17. Supply chain management.....	43
2.18. By-laws.....	43
2.19. Websites.....	43
2.20. Governance highlights.....	45
Chapter 3: Service delivery performance	48
3.1. Adjusted annual performance report 2021/2022.....	49
Chapter 4: Organisational development performance	91
4.1. Introduction	92
4.2. Managing municipal workforce levels.....	92
4.3. Staff establishment	93
4.4 Staff turnover rate.....	93
4.5. Employment equity.....	94
4.6. Capacitating the employment workforce.....	95
4.7. Performance management system.....	96
4.8. Municipal workforce expenditure.....	102
4.9. Organisational development performance highlights.....	104
Chapter 5: Financial performance.....	105
5.1. Introduction	106
5.2. Statement of financial performance.....	106
5.3. Greater Letaba Municipality financial performance analysis.....	107
5.4. Audited 2021/22 financial statement and information management.....	108
Chapter 6: Auditor General Audit findings.....	197
6.1. Introduction	198

6.2. Auditor General's opinion for 2021/22 financial year.....	199
--	-----

Tables

Table 1.1. Population distribution in terms of gender and group.....	12
Table 1.2. Disability by type.....	13
Table 1.3. Levels of education in Greater Letaba and Mopani District.....	14
Table 2.1. Municipal committees.....	20
Table 2.2 MPAC committee.....	32
Table 2.3. Statistical report on attendance of meetings.....	33
Table 2.4. Statistical report on attendance of audit committee meetings.....	35
Table 2.5. Major risks identified during risk assessment workshop.....	40
Table 3.1. Service delivery backlog.....	42
Table 4.1 Total staff establishment.....	93
Table 4.2. Workforce profile per occupational category.....	94
Table 4.3. Remuneration packages 2021/2022.....	95
Table 4.4. Personnel expenditure.....	103
Table 4.5. Remuneration package 2021/22.....	104
Table 5.1. Operating ratio.....	106
Table 5.2. Financial overview.....	106
Table 5.3. Capital expenditure.....	107

Figure

Figure 1. 1. Population distribution in terms of gender.....	12
Figure 1. 2. Employment per gender of households.....	15

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: Long terms contracts and public-private partnerships

Appendix H: Service connection backlogs at schools and clinics

Appendix I: Service backlog

Appendix J: Declaration of loans and grants made by the municipality

Appendix K: Service backlogs experienced by the municipality

Appendix L: Disclosure of financial interests

Appendix M: Councillors posters

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1. MAYOR'S FOREWORD



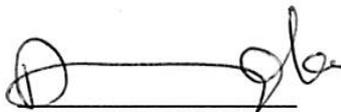
A little over a year has faded since the installation of the new municipal council which derived its existence from the 2021 community elections. The advent of the municipal council was accompanied by enormous expectations based on elections manifesto of the ruling party. Since time immemorial, municipalities have been encountering contrasting effect between limited resources and unlimited needs and wants. The most efficacious remedy for scarcity is the implementation of the overarching integrated planning premised on the prioritization of the needs of communities.

We are determined to ensure that the municipality is all out to meet the basic service needs of communities; improving professionalism and performance; as well as building effective, efficient responsive and accountable local government. It is worthwhile to mention that GLM can only succeed if there is absolute ownership and buy-in from the municipal administration, its council and its residents.

Local Government Municipal Finance Management Act 56 of 2003 requires municipalities to prepare an annual report for each financial year. The annual report provides comprehensive records of the operations of Greater Letaba municipality, including budget performance. As municipal council, we are vested with responsibilities to ensure that the municipality is able to achieve service delivery priorities as contained in the IDP. We are empowered to hold management accountable for performance through annual report. It is equally important that communities can also hold municipal council accountable through this annual report.

This annual report contains the activities of the municipality from 1st of July 2021, as ending the 30th of June 2022. Among others, this report illuminates on the annual financial statements of the municipality; the report of the AGSA; annual performance report; and corrective action to be taken to response to the issues raised by the AGSA. Most importantly, for the financial year under review, the municipality received Unqualified Audit Opinion. The annual report aims at enhancing governance, transparency and promoting accountability. It is a means of ensuring ongoing planning, monitoring, and evaluation which begins with the formulation and annual review of the IDP.

Lastly, I would like to express my heartfelt thanks to all Councillors, employees and 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. Residents and stakeholders are thus invited to study the annual report for financial 2021/22 and make inputs as well as providing feedback. Our well nurtured and coherent relationship will go a long way in strengthening our ability to deliver services as we make swift progress.



CLLR MAMANYOHA T.D
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 2021/22 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 328 posts that are in the approved staff establishment, 262 posts were filled in the financial year 2021/22. Training interventions identified were implemented and the progress made is indicated in the report.

iii) Local Economic Development

Growing the economy is the government's utmost priority. The municipality contributed to growing the economy by creating 2096 job opportunities within the municipal area through CWP (1225) and EPWP (554) and internal projects.

iv) Municipal Financial Viability

The municipality updates its valuation roll regularly in line with the Municipal Property Rates Act. The bid committees for 2021/22 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 the 2021/22 financial year. Though the Risk Management Committee is functional and , 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 the Local Labour Forum (LLF), Training Committee, Occupational Health and Safety (OHS) Committee, and Employment Equity Committee were established and functional.

Key Challenges for the 2021/22 financial year

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

- Performance Management System (PMS) was not cascaded to lower levels of the workforce.

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, while 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 using the resources economically. 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 2022. The municipality received unqualified audit opinion for the past five financial years.

Section 54 and 56 managers' positions are filled with well qualified personnel, with only a position of Director Corporate and Shared Services not occupied. Audit Committee for 2021/22 financial year was functional and able to advise both Council and management accordingly. 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 as required.



Mrs Mankgabe MF

Municipal Manager

1.3. MUNICIPAL OVERVIEW

Greater Letaba Municipality comprises 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 (Modjadji dynasty and Nature reserve), agriculture, forestry, and Agro-processing industries.

Community consultation as championed by the Speaker, Cllr. M.M Mokgwati and the Mayor, Cllr. T.D. Mamanyoha is at the heart of good governance in the Municipality to enhance community participation and informed decision making. As a result, the 2021/22 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, INEP 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, except Corporate Services, 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.

1.4. 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. More than 45 paving projects were implemented since 2013/14 financial year inclusive of the following projects which were done in the 2021/22 viz;Jokong Street Paving Ph4(1.3Km),Tshabelamatswale Street Paving-Multi Year(1.2KM)Mohlabaneng Street Paving-Multiyear(3.3Km),Makhutukwe Street Paving-Multi Year(1.8Km),Raphahlelo/Phooko Street Paving-Multi Year(2.52Km) and Sephukubje Street Paving-Multi Year(2.98Km).

1..5. 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.

1.6 Population and Household Size

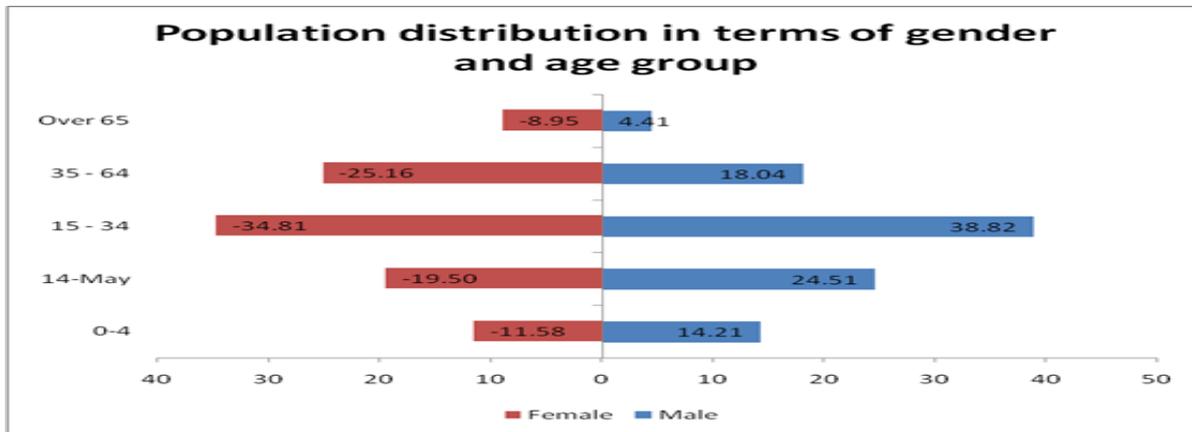
Table 1.1: Population distribution in terms of Gender and Age Group

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

1.7. 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

1.8. 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

1.9. 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

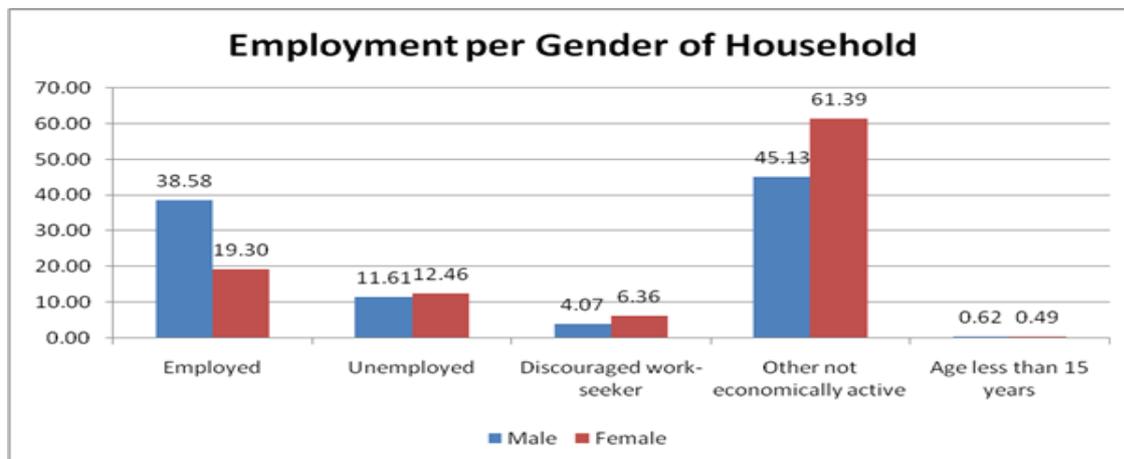
Source: 2011, STATSSA.

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.

1.10. 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 1.2: Employment per gender of household



Source: Census 2011

1.11. 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. Sectors that contribute to both employment and unemployment are:

- ✓ Agriculture(3421), Mining(664) Manufacturing(2673), Electricity(350), Construction(2476), Transport(1584) Trade (11258), Finance (2112) Community Services (8730).

1.12. Multipurpose Community Centres

Greater Letaba municipality has two Multi-purpose Community Centres. The two centres are 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.

1.13. 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 library and Ga-Kgapane library are currently operational. The libraries in 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, 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 2022 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.

1.14. 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-three (153) high mast lights were erected from 2009/2010 until 2021/22 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.

1.15. 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. Total transport network is 1228.8(Paved/Tarred-590KM unpaved 638.8Km).

1.16. 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.

1.17. 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.

1.18. Thusong Service Center

MOKWAKWAILA THUSONG SERVICE CENTRE PROFILE.

WHAT IS A THUSONG SERVICE CENTRE?

Thusong Services Centre (formerly referred to as Multi-purpose community centre-MPCC), is a programme of government which was initiated in 1999 as one stop centres, providing government information and services in an intergraded manner as it brings government information and public services closer to the people, to promote access to opportunities to better the lives of communities and speed up service delivery.

The Thusong Service Centre (TSC) programme's aim is to empower the poor and the disadvantaged through access to information, services and resources from government, non-government organisation (NGOs) , parastatals , business , etc., enabling them to engage in government programmes for the improvement of their lives .

In Limpopo province the custodian of Thusong Service Centre programme is embedded to Local Municipalities with the help of Office of the Premier (OTP) and Government Communication and Information Services (GCIS).

OBJECTIVE OF THE PROGRAMME IS: -

- To Facilitate access to services
- To Promote intergradation of services
- To Build sustainable partnership
- To Create platform for dialogue between citizens and government

Background of Mokwakwaila TSC

Mokwakwaila Thusong Service centre is a Hub type of the TSC, in this type of an arrangement all anchor departments are permanently situated in one location.

Makhachkala Thusong Service centre was officially launched on the 3rd of March 2007 as Multi-Purpose Community Centre, although the building was not planned for multi-purpose but it was acceptable and several departments moved in to service communities from the deep rural villages of Greater Letaba Municipality.

Mokwakwaila Thusong Services centre is situated in ward 27 of Greater Letaba Municipality in Mokwakwaila village, because of its strategic location, it services 13 wards with 56 villages of GLM, two villages of GGM and 13 Villages of GTM, several departments such as SASSA, Department of social development, Department of correctional service are housed within the premises while others such as SAPS, Post Offices and Mokwakwaila stadium are in a walking distance from the centre. Within the Mokwakwaila Thusong Service Centre we are having a Hlanganani-Bolobedu Day care centre which enrolls kids from the surrounding villages.

WHO IS RESPONSIBLE FOR THUSONG SERVICE CENTRES?

1. Municipality's main responsibility.

- Establishment of Thusong Service Centres.
- Include Thusong Service Centres in its IDP
- Monitoring of quality-of-service delivery by all spheres of government.
- Appointment of centre managers and staff to run the centre.

2. Department of cooperative Governance and Traditional Affairs. (CoGHSTA)

The department is responsible for:

- Development of policies to guide and sustain the programme.
- Advising on the funding model for these centres, especially the use of the MIG.

3. Department of Public Service and Administration.

- The DPSA is responsible for establishment & implementation of ICT services in the centre.
- The DPSA is also responsible for development of geographic access norms and standards to ensure all TSC are properly located.
- Implementation of the proto-types general service counters (GCS)

4. Department of public works. (DPW)

- Department of public works is responsible for development of SLA framework.
- To assist in the identification of suitable government structures.

5. South African Local Government Association(SALGA)

SALGA's role is to:

- Advise government on how best to set up the Thusong Centre.
- Promote the centres among organized local government.

6. Department of Government Communication Information System (GCIS)

- Nationally, government had assigned GCIS the role of coordinating the Thusong Service Centre Programme.
- Distribution of Government publications.
- Cascading of government content(workshops , outreaches, activations)

How are the Thusong Service Centres assisting in the Development of Communities?

- The centre enables people to access government services such as social grant and social worker service.
- The centre provides information material on youth development, entrepreneurship, and woman empowerment on projects.
- We offer training venues for public, private and NGO's.
- Some of the public participation meetings are held at the centre, e.g., IDP hearings, ward committee meetings and ward councillors cluster meetings.
- It also used as mobile alignment points and centre for event and programmes of government, e.g Mobile service, outreach event, councillor feedback meetings.

Ownership and Governance of Thusong service centres.

- Thusong service centres are owned by Municipalities where they reside.
- Municipalities appoint centre managers,
- Day to day administration is by staff led by the centre manager and a team of administrative support.
- Governance of the centre is through a Local Intersectoral Steering Committee (LISSC) chaired by the municipality.
- Centre Managers report to the LISSC which reports to Provincial Intersectoral Steering Committee (PISSC) which is coordinated by the office of the premier and or COGTA.
- The National Intersectoral Steering Committee (NISSC)

Mokwakwaila Thusong Service centre is hosting the following service providers:

SERVICE PROVIDER	SERVICES OFFERED	CONTACT PERSON
GREATER LETABA MUNICIPALITY	<ul style="list-style-type: none"> • Bookings of facilities • Proof of residence • Grading of internal streets • Cleaning the surrounding 	Mr Monaiwa MP Cell no: 082 564 1362

 <p>GREATER LETABA MUNICIPALITY</p>		<p>Email: petermm@glm.gov.za</p>
<p>SASSA</p>  <p>SOUTH AFRICAN SOCIAL SECURITY AGENCY</p>	<ul style="list-style-type: none"> • Old age and Child grant • Disability grant • War veterans grant • Foster child support grant • Grant in aid • Social relief of distress 	<p>Mrs Ranaga MD</p> <p>Cell no: 060 656 5659</p>
<p>DEPARTMENT OF SOCIAL DEVELOPMENT</p>  <p>social development Department: Social Development REPUBLIC OF SOUTH AFRICA</p>	<ul style="list-style-type: none"> • Community mobilisation • NPO capacitation • Poverty alleviation & sustainable livelihood • Community based research and planning • Youth development • Women development 	<p>Mr Ramothwala M</p> <p>Cell No: 078 838 8835</p>
<p>SOCIAL WORKER SERVICES</p>  <p>social development Department: Social Development REPUBLIC OF SOUTH AFRICA</p>	<ul style="list-style-type: none"> • Social welfare services • Child & family services • Restorative services • Administrative duties 	<p>Mr Ngobeni</p> <p>Cell no: 072 606 9411</p>
<p>DEPARTMENT OF CORRECTIONAL SERVICE</p>  <p>correctional services Department: Correctional Services REPUBLIC OF SOUTH AFRICA</p>	<ul style="list-style-type: none"> • Monitoring of ex-parolees • Monitoring of probationers 	<p>Mr Masetla M.R</p> <p>Cell No:076 533 0501</p>
<p>MOKWAKWAILA SAPS</p> 	<ul style="list-style-type: none"> • Combating crime • Document certification • Affidavits • Attending complaints • Conducting CPF meeting • Rendering community safety 	<p>W/O Mabale RM</p> <p>Cell no: 060 996 0060</p> <p>Tell :015 386 9940</p>

<p>DEPARTMENT OF PUBLIC WORKS</p> 	<ul style="list-style-type: none"> • Black top patching • Blading of gravel roads • Fixing potholes • Cleaning side drains 	<p>Mr Nthangeni E Cell No:076 336 0772</p>
<p>MOKWAKWAILA LIBRARY</p> 	<ul style="list-style-type: none"> • Libraries mirror • Free WI-FI • Books & magazine • Printouts • Copies and laminating 	<p>Mr Nakana MP Cell no: 072 525 7756 Email:nakanamalekutu@gmail.com</p>
<p>VENDING POINT</p> 	<ul style="list-style-type: none"> • Selling electricity • Selling airtime • Dstv payment 	<p>Mr Mashao M.J Cell No: 072 752 0910</p>
<p>INTERNET CAFE</p>	<ul style="list-style-type: none"> • Access to internet • Copies • Email • Printing services 	<p>Mr Ramahlo O Cell No : 076 993 9911 onesmusofficesupplies@gmail.com</p>
<p>DAY CARE CENTRE</p>	<ul style="list-style-type: none"> • Day care. • After care. 	<p>Mrs Masedi G Cell No : 072 369 4226</p>
<p>MOKWAKWAILA POST OFFICE</p> 	<ul style="list-style-type: none"> • Grant payments • Banking services • Post office services 	<p>Ally</p>

<p>PERFECT RADIO</p> 	<ul style="list-style-type: none"> • Credible source of Information for communities • Local Breaking News Updates • Platform for communities to engage. • Providing graduates with training and students with practicals. • Empowering local businesses • Sponsoring community building events • Youth empowerment programmes • Health, Local Sports. Education, Economic Updates • Crime and Traffic Reports • Updating the public about government decisions and campaigns. 	<p>Mr Selowa Raymond</p> <p>Cell no: 079 595 9854</p> <p>Email: info@perfectradio.co.za</p>
---	---	---

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.

1.19. 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.

1.20. 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 2021/2022 financial year. Public participation for the year under review was done through interaction on social media, emails, municipal facebook and Sekgosese radio. The mayor was able to take questions and comments on radio, stakeholders like civic groups, NGOs made submissions and were responded to. There was regular interactions with sector departments, traditional leaders and other relevant sectors as contained in the IDP.

1.21. 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 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 2021/22 financial year.

1.7 CHALLENGES

- Not all the projects were implemented as planned in the SDBIP because of under collection of expected revenue.
- Debts from Sector Departments
- Not all by-laws were gazetted.
- Outbreak of Covid 19

CHAPTER 2
GOVERNANCE

2.1. Municipality's Political Structure 2021/22



**Honourable Mayor
Cllr Mamanyoha T.D**



**SPEAKER
Cllr MOKGWATHI M.M**



**CHIEFWHIP
Cllr Ramalatso R. R**

2.2. EXECUTIVE COMMITTEE MEMBERS



Cllr Selowa M.G
Head Water & Sanitation



Cllr Ramaremela J.M
Head Economic Development,
Housing & Spatial Planning



Cllr Lebeko N.F
Head Corporate & Shared
Services



Cllr Kgapane T.J
Head Finance



Cllr Baloyi R.G
Head Infrastructure



Cllr M.R Mosila
Head Community Services



Cllr Mathaba E
Head Public Transport and
Roads



Cllr Ramaano K.E
Head Sports, Recreation,
Arts & Culture



Cllr Ramalobela M.L
Head Environmental

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.

2.3. 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. Lebeko N. F	Cllr Mashao M.G	Cllr. Mamatlepa DD Cllr. Lebepe R.R Cllr Maluleke M.J Kgosi Mamaila N.T
Finance	Cllr. Kgapane T. J	Cllr. Mohale M.C	Cllr. Mokgomola N.P Cllr. Kgatla M.E Cllr. Mothomogolo P.S Cllr. Morwatshehla M.B

PORTFOLIO COMMITTEE	HEAD	CHAIRPERSON	COMMITTEE MEMBERS
			Cllr. Maake N Cllr. Rasebotja S.M Kgosigadi Raphahlelo
Infrastructure	Cllr Baloyi R. G	Cllr Mankgeru M.M	Cllr Rasebotsa.S.M Cllr. Malatji M.C Cllr. Ramalatsoa M.A Cllr. Mulaudzi P Cllr Maake S.M Kgosigadi Modjadji
Economic Development, Housing & Spatial planning	Cllr. Ramaremela M.J	Cllr Moroatshehla M.F.	Cllr. Rasebotja M.J Cllr. Makgato T.E Cllr. Nakana M.R Kgosigadi Sekgopo
Environmental Affairs	Cllr. Ramalobela M. L	Cllr. Ngobeni M.P	Cllr. Mampeule P,J Cllr. Mamatlepa D.D Cllr. Raseropo M.S Kgosi Rakwadu
Community Services	Cllr. Mosila M. R	Cllr. Mamaila B.A	Cllr. Hlungwane S.J Cllr. Maake M.S Cllr. Senyolo T.J Hosi Mahunsi M.T
Public Transport and Roads	Cllr. Mathaba M. E	Cllr. Mokhabukhi M.S	Cllr Rasebotsa M.S Cllr. Mothomoholo P.S Cllr Morwatshehla M.B Kgosi Phooko N.C
Water and Sanitation Services	Cllr. Selowa M. G	Cllr. Malatja T.P	Cllr. Makgatho T.E Cllr. Rampyapedi S.E Cllr Malatji M.E Kgosi Mamaila Kolobetona
Sports Arts and Culture	Cllr. Ramaano K.E	Cllr. Lebeya M.J	Cllr. Rampyapedi S.E Cllr. Serumula M.L Cllr. Mokgomola N.P Kgosi Pheeha M.B

All committees are constituted by 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.

2.4. 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. Again, MPAC is composed as per the Local Government Municipal Structures Act Amendment Act No 03 of 2021.

Table 2.2: MPAC Committee

Name	Gender
Cllr Makhurupetse M..M	Female: Chairperson
Cllr Lekitima M.V	Male
Cllr Mohale M.J	Female
Cllr Monyela K.B	Female
Cllr Selowa D.L	Male
Cllr Ramabubutla L	Female
Cllr Ndimba B.H	Male
Cllr Mabidilala E	Male
Cllr Mangena M.S	Male
Cllr Mohale R.W	Male

2.5. Rules and Ethics Committee

The Rules and Ethics Committee reports to the Speaker of Council (Cllr Mokgwathi M.M). 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. Manyama M.I	Chairperson

Cllr. Seoka LM	Member
Cllr. Matlou M.P	Member
Cllr. Mothomoholo P.S	Member
Cllr. Makhananesa M.D	Member
Cllr Modika M.S	Member
Cllr Kgatla M.E	Member

2.6. 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. The draft reporting procedure and terms of reference are developed for approval by council. The Financial Misconduct Disciplinary Board consist of the following members

Name of the Committee Member	Designation	Capacity
Raphalalane R	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

2.7. 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 three (03) special councils meetings held for 2021/22 financial year.

Table 2.3: Statistical report on attendance of Meetings.

COMMITTEE / STUCTURE	MEETINGS SCHEDULED	MEETINGS HELD	STATUS
Council	4	4 Ordinary & 3 Special	Target exceeded
EXCO	4	4 Ordinary & 6 Special	Target exceeded
Corporate & Shared Services	12	8 meetings held	Below target

Infrastructure	6	6 meetings held	Target met
Economic Development, Housing & Spatial Planning	12	6 meetings held	Below target
Public Transport and Roads	5	3 meetings held	Target met
Community Services	3	2 meetings held	Target met
Environment Affairs	4	2 meetings held	Target met
Sports, Arts and Culture	3	3 meetings held	Target met
Water & Sanitation	9	9 meetings held	Target met
Finance	7	7	Below target
Audit Committee			
MPAC	12	12	Above target

2.8. 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.

2.9. 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 Audit Committee meetings and 5 special Audit committee to consider the Annual Financial Statements, Annual Performance Report and Auditor General Report were held. The Audit Committee submitted the (04) ordinary meetings reports to Council in 2021/22.

Names	Designation	Number of meetings held	Number of Meetings Attended	Number of Apologies rendered
Raphalalane R	Audit Committee (chairperson)	09	09	0
Mrs. Mojapelo J	Audit Committee member	09	09	0
Mr. Marobane N	Audit Committee member	09	08	1
Ms Maloko C	Audit Committee member	09	08	1
Ms Nkwane M	Audit Committee member	09	08	1

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

2.10. 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 2021/22 was Ms Mankgabe F.M. The administrative structure of the municipality has been reviewed and adopted by council on the 30th of May 2021 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 2021/22 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 2021/22. 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	Mrs Mankgabe MF
Chief Financial Officer	Mrs Mathabatha TM
Acting Director: Corporate Services	Mr Malola MP
Director: Community Services	Dr Mokoena MD
Director Technical Services	Mr Malungana ME
Director: Development & Town Planning	Mr Sewape MO

MUNICIPALITY'S ADMINISTRATIVE STRUCTURE 2020/21



Mrs Mankgabe MF
Municipal Manager



Mr Malungana ME
Director Technical
Services



Mr Malola MP
Acting Director:
Corporate Services



**Mrs Mathabatha
TM**
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 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*

2.11. 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.

2.12. 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 2021/22	0
No. of public participations held as per Section 16 of the Municipal Systems Act	2

No. of Imbizos held	02
No. of newspaper articles/notices published	75

2.13. 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 committees 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. 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 about 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.

2.14. 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").

2.15. Risk Management

Risk management forms part of management's core responsibilities and it is an integral part of the internal processes of the municipality. Members of the Risk Committee were Risk Committee Chairperson, Municipal Manager, All Directors, Assistant Director ICT, Assistant Director Internal Unit and Risk Officer. 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 2021/22 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 	<ul style="list-style-type: none"> • Budget and Treasury Office • Budget and Treasury Office • Development and Town Planning

No	Strategic Objective	Risk Description	Mitigation Action	Risk Owner
			<p>Works to obtain ownership of land at Mokgoba.</p> <ul style="list-style-type: none"> • Establish an awareness campaign to promote property registration. 	<ul style="list-style-type: none"> • 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
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 	<ul style="list-style-type: none"> • Corporate Services

No	Strategic Objective	Risk Description	Mitigation Action	Risk Owner
			<ul style="list-style-type: none"> Implementation of fraud prevention plan 	
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 organization excellence	Cyber attacks	<ul style="list-style-type: none"> ICT Software System to monitor, ICT environment. 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 	<ul style="list-style-type: none"> Corporate Services

No	Strategic Objective	Risk Description	Mitigation Action	Risk Owner
			(mime cast) to also include tables and cell phones programs. <ul style="list-style-type: none"> • Security awareness training for employees 	
10	Aged infrastructure	Aged ICT infrastructure	<ul style="list-style-type: none"> • Replacing all outdated hardware 	<ul style="list-style-type: none"> • Corporate Services

2.16. Anti-Corruption and Fraud

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

2.17. 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.

2.18. 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 2021/22 the municipality did not gazette any new by-laws.

2.19. 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 (2020/21 published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2021/22)	Yes
All service level agreements 2021/22	No
All long-term borrowing contracts (2021/22)	N/A
All supply chain management contracts above a prescribed value of R200 000 for 201/20	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 2020/21	No
Public-private partnership agreements referred to in section 120 made in 2021/22	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2021/22	Yes
Integrated Development Plan (IDP) 2021/22	Yes
Service Delivery Budget Implementation Plan (SDBIP) 2021/22	Yes

2.20. Governance Highlights

- MPAC was able to hold one (1) public hearing on Annual 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	3	n/a	3	2	2	2
Any other financial officials	4	n/a	4	1	1	4
Supply Chain Management Officials						
Heads of supply chain management units	01	n/a	01	0	n/a	0
Others						
Other officials and Councillors	48	n/a	48		n/a	48
Finance Interns	07	n/a	07	0	n/a	n/a
TOTAL	64	n/a	64	5	5	20
Comments: Greater Letaba Municipality also managed to capacitate Councillors on Municipal Financial Management Programme in 2021/2022 Financial year.						

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

GREATER LETABA MUNICIPALITY



2021/22

**ADJUSTED
ANNUAL PERFORMANCE**

REPORT



Table of Contents	Page number
Introduction	3
Municipal Strategic Intent	4
Monthly Projections of Revenue and Expenditure	5-6
Performance Reporting Summary	7-8
Municipal Transformation and Organisational Development KPI's	9
Municipal Financial Viability KPI's	10-12
Basic Service Delivery KPI s	13
Good Governance and Public Participation KPI's	14-19
Local Economic Development KPI's	20-21
2021/22 - Adjusted Implementation Plan for Capital Projects	22-30
Project removed during Budget Adjustment	31
Capital Works Plan for MTREF 2021/22 - 2023/24	32-36
2021/22 Capital Budget Summary	37
Performance Of Service Providers	39-41

INTRODUCTION

Introduction

In terms of Section 46 of Municipal Systems Act, a municipality must prepare for each financial year a performance report reflecting a) the performance of the municipality and each with the key Performance Indicators and of each external service provider during that financial year, b) a comparison of the performance referred to in paragraph(a) with targets set for and performance in the previous financial year. c) measures taken to improve the performance. An Annual Performance Report must form part of the municipality's Annual Report in terms of Chapter 12 of Municipal Finance Management Act. The 2021 /22 performance of Greater Letaba Municipality was monitored through the Service Delivery and Budget Implementation Plan. The Plan was drafted in line with the approved Integrated Development Plan and Budget of the municipality. The Annual performance Report considers the performance of the municipality at year end, an evaluation of overall performance for the 2020/21 financial year compared to the performance of the previous year 2020/21 and reflect the reasons for deviation from the planned target as well as efforts made to address the performance that was not achieved. This report will outline the performance assessment, mainly the five Key Performance Areas and projects"

MUNICIPAL STRATEGIC INTENT

Vision and Mission

The strategic vision of the organization, sets the long term goal the Municipality wants to achieve. The vision of Greater Letaba Municipality is:

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

The strategic mission speaks about what the purpose of Greater Letaba Municipality is:

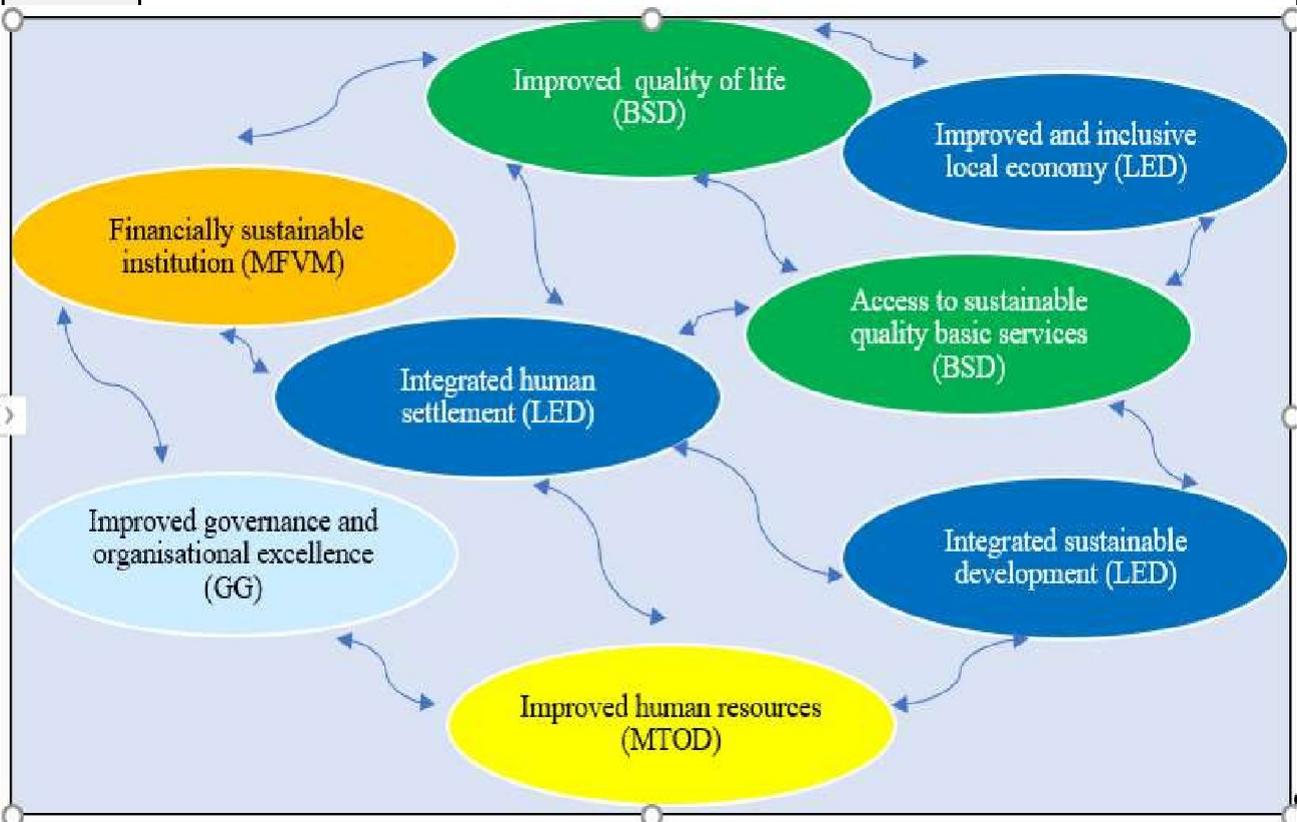
To ensure an effective, efficient and economically viable municipality through:

- P romotion of accountable, transparent and consultative and co-operative governance;
- P romotion of local economic development and poverty alleviation;
- S trengthening cooperative governance;
- P rovision of sustainable and affordable services and
- Ensuring a compliant, safe and healthy environment
- T o improve the delivery of quality services through the use of smart technology

Strategy map

Section 53 of the MFMA stipulates that the Mayor should approve the SDBIP within 28 days after the approval of the budget. The Mayor must also ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after their approval.

The following National Treasury prescriptions as minimum requirements that must form part of the SDBIP are applicable to the municipality:



2021/22 MONTHLY REVENUE AND EXPENDITURE PROJECTIONS

	Jul '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	Total
Budgeted Revenue By Source													
Property rates	R 2 043 539	R 24 522 466											
Service charges - electricity revenue	R 1 590 829	R 19 089 947											
Service charges - water revenue	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	-R 150
Service charges - sanitation revenue	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	-R 150
Service charges - refuse revenue	R 369 933	R 369 783	R 4 439 044										
Rental of facilities and equipment	R 11 804	R 141 642											
Interest earned - external investments	R 106 184	R 1 274 213											
Interest earned - outstanding debtors	R 479 453	R 5 753 439											
Dividends received	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Fines, penalties and forfeits	R 4 072	R 48 860											
Licences and permits	R 1 350 703	R 16 208 436											
Agency services	R 1 255 561	R 15 066 736											
Transfers and subsidies	R 26 808 983	R 321 707 800											
Other revenue	R 154 096	R 1 849 156											
Gains	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Total Revenue (excluding capital transfers and contributions)	R 34 175 157	R 34 174 707	R 410 101 439										

2021/22 MONTHLY REVENUE AND EXPENDITURE PROJECTIONS

	Jul '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	Total	
Budgeted Expenditure by Vote														
Vote 1 - Executive & Council	R 5 141 561	R 61 698 731												
Vote 2 - Finance and Administration	R 11 326 644	R 135 919 723												
Vote 3 - Internal Audit	R 248 229	R 2 978 750												
Vote 4 - Community and Public Safety	R 2 838 919	R 34 067 031												
Vote 5 - Sports and Recreation	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Vote 6 - Housing	R 71 877	R 862 522												
Vote 7 - Planning and Development	R 2 161 134	R 25 933 606												
Vote 8 - Road Transport	R 4 392 943	R 52 715 321												
Vote 9 - Energy Sources	R 3 216 487	R 38 597 844												
Vote 10 - Waste Water Management	R 78 777	R 945 328												
Vote 11 - Waste Management	R 656 003	R 7 872 031												
Total Operational Expenditure	R 30 132 574	R 361 590 887												

||
DRAFT ANNUAL PERFORMANCE REPORT SUMMARY FOR 2021/2022

KPA's Performance Indicators	No. of Applicable Indicators	No. of targets achieved	No. of targets not achieved	% Target achieved	% Target Not Achieved
Municipal Transformation and Organisational Development	4	3	1	75%	25%
Basic Service Delivery	6	3	3	50%	50%
Local Economic Development	11	6	5	55%	45%
Municipal Finance Management Viability	23	15	8	65%	35%
Good Governance and Public Participation	32	21	11	66%	34%
	76			66%	

KPA's Projects	No. of Applicable Indicators	No. of targets achieved	No. of targets not achieved	% Target achieved	% Target Not Achieved
Municipal Transformation and Organisational Development	1	1	0	100,00%	0,00%
Basic Service Delivery	32	23	9	72,00%	28,00%
Local Economic Development	8	3	5	38,00%	62,00%
Municipal Finance Management Viability	1	0	1	0,00%	100,00%
Good Governance and Public Participation	0	0	0	0,00%	0,00%
	42			62%	

KPA's Performance Indicators and Projects	No. of Applicable Indicators including projects	No. of targets achieved	No. of targets not achieved	% Target achieved	% Target Not Achieved
Municipal Transformation and Organisational Development	5	4	1	80%	20%
Basic Service Delivery	38	26	13	68%	32,00%
Local Economic Development	19	9	10	47%	53,00%
Municipal Finance Management Viability	24	15	9	63%	37,00%
Good Governance and Public Participation	32	21	11	66%	34,00%
	118			65%	

65%

The overall performance of the municipality is 65%, which is less compared to the last financial year performance of 75%. The 35% under performance was this financial year is due to some factors, amongst others; low revenue collection (consumers not paying for services), government sector departments owing the municipality not making regular payment and FBS budget not fully spent due to non-application by clients and restriction.

KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT KEY PERFORMANCE INDICATORS

Vote Nr	Strategic Objective	Municipal Programme	Key Performance Indicator	KPI Unit of measure	Description of unit of measure	Baseline / Status end June 2021	Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges /Variance	Interventions	Responsible Person	Evidence required
"0046	Improved human resources	Human Resource Management	Organisational structure to be approved by Council by 31 May 2022	Number	The approval of the organisational structure by 31 May will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CORPS	Council Approved Organization al structure, Council Minutes
"0046	Improved human resources	Human Resource Management	Number of vacant positions filled	Number	Number of vacant posts filled within the financial year	97	30	Operational	14	TARGET NOT ACHIEVED	Cash flow challenge	To fill the posts in the next financial year	CORPS	Appointment letters Staff Establishme nt
"0046	Improved human resources	Human Resource Management	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number	Number of people in 3 highest levels in compliance with EE Plan	46	2	Operational	2	TARGET ACHIEVED	NONE	NONE	CORPS	Employment Equity reports
	Improved human resources	Human Resource Management	Percentage of a municipality's budget actually spent on implementing its workplace skills plan	Percentage	(1) (R-value of operating budget spent on training) / (2) (Total Operating Budget) *100	0.2%	0,2%	Operational	0.2%	TARGET ACHIEVED	NONE	NONE	CORPS	Financial Report

KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

Vote Nr	Strategic Objective	Municipal Programme	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline / Status	Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges / Variance	Interventions	Responsible Person	Evidence required
*0040	Financially sustainable institution	Revenue	Percentage of revenue collected	Percentage	R-value revenue collected calculated as a percentage of the R-value Revenue billed	59%	95%	Operational	53%	TARGET NOT ACHIEVED	Non Payment of customers	Implementation of Credit policy and debt Management policy	CFO	Quarterly Financial reports
*0040	Financially sustainable institution	Revenue	Percentage of debts collected	Percentage	R-value debt collected as a percentage of the R-value outstanding debtors	29%	60%	Operational	0.92%	TARGET NOT ACHIEVED	Credit policy and debt management policy not fully implemented	Implementation of Credit policy and debt Management policy	CFO	Financial reports
*0040	Financially sustainable institution	Revenue	Number of data cleansing performed (Meter services)	Number	Number of planned data cleansing initiatives on financial system	1	4	Operational	4	TARGET ACHIEVED	NONE	NONE	CFO	Data cleansing Financial system report
*0040	Financially sustainable institution	Budget and Reporting	Number of quarterly financial statements submitted to Provincial Treasury	Number	Number of quarterly Financial statements compiled and submitted to Provincial Treasury	4	4	Operational	3	TARGET NOT ACHIEVED	Quarter 1 could not be done due to unavailability of confirmed opening balance by the AG office	First Quarter to be presented together with the second quarter	CFO	Dated proof of submission Financial Statements
*0040	Financially sustainable institution	Budget and Reporting	Council to approve a draft budget for 2022/23 by 31 March 2022	Number	The approval of the draft Budget by 31 March 2022 will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CFO	Draft Budget, Council Resolution
*0040	Financially sustainable institution	Budget and Reporting	Council to approve the final budget for 2022/23 by 31 May 2022	Number	The approval of the final Budget for 2022/23 by 31 May 2022 will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CFO	Final Budget, Council Resolution

KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

Vote Nr	Strategic Objective	Municipal Programme	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline / Status	Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges / Variance	Interventions	Responsible Person	Evidence required
*0040	Financially sustainable institution	Budget and Reporting	Number of Budget related policies approved by Council	Number	Number of budget related policies approved along with the budget	21	21	Operational	26	TARGET APPROVED	Extra policies were developed as per treasury request	NONE	CFO	Budget related policies, Council Resolution
*0040	Financially sustainable institution	Budget and Reporting	Council to approve the Adjusted Budget for 2021/22 by 28 February 2022	Number	The approval of 2021/22 Adjustment budget by Council by 28 February 2022 will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CFO	Adjustment budget, Council Resolution
*0040	Financially sustainable institution	Budget and Reporting	Submit annual financial statements to the Auditor General by 31 August	Number	The submission of the Annual Financial Statements by 31 August 2021 will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	CFO	Dated proof of submission of AFS to AG
*0040	Financially sustainable institution	Budget and Reporting	Number of updated Unauthorised, Irregular, fruitless and wasteful expenditure (UIF) registers signed off by the CFO (Sect 32 of MFMA)	Number	Monthly updated UIF registers is expected	12	12	Operational	12	TARGET ACHIEVED	NONE	NONE	CFO	Monthly updated of UIF Register signed off by CFO
*0040	Financially sustainable institution	Budget and Reporting	Financial By-laws to be approved by Council along with the final budget by 31 May	Number	The approval of the financial by-laws by Council by 31 May will result in a score of 1	0	1	Operational	0	TARGET NOT ACHIEVED	Delay in the development of By laws	Ensure that By laws are developed in the next financial year	CFO	Finance by-laws, Council Resolution
*0040	Financially sustainable institution	Budget and Reporting	Average number of working days taken to submit monthly MFMA Sect 71 reports to Treasury after month-end	Number	Any number of days less than an average of 10 working days will result in an overachievement and exceeding 10 days will reflect as underachievement	10	10	Operational	10	TARGET ACHIEVED	NONE	NONE	CFO	Sect 71 reports Dated proof of submission to Treasury

KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

Vote Nr	Strategic Objective	Municipal Programme	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline / Status	Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges / Variance	Interventions	Responsible Person	Evidence required
*0040	Financially sustainable institution	Budget and Reporting	Cost coverage	Ratio	R-value cash plus investments / Fixed operating expenditure	1.3	1.3	1.3	0.02:1	TARGET NOT ACHIEVED	Collect revenue for forward planning and not for use in current year	Establish plans for cash reserves to sustain the municipality expenses for atleast six months	CFO	Financial reports, reflecting calculations
*0040	Financially sustainable institution	Supply Chain Management	Supply Chain committees (BSC, BEC & BAC) appointed by 31 July	Number	The appointment of BSC, BEC and BAC by 31 July will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Appointment Letters for BSC, BEC and BAC members
*0040	Financially sustainable institution	Supply Chain Management	Percentage of invoices paid within 30 days of receipt from the service providers	Percentage	Number of invoices paid within 30 days of receipt as a percentage of the Total number of invoices received for the period	100%	100%	Operational	97%	TARGET NOT ACHIEVED	Delays in resolving queries on invoices	Invoice Submission checklist	CFO	Register of Invoices Dated proof of payment
*0040	Financially sustainable institution	Assets Management	Number Assets verifications conducted in line with GRAP standards	Number	Number of Asset Verifications undertaken that covers all municipal assets	2	2	Operational	2	TARGET ACHIEVED	NONE	NONE	CFO	Assets verification reports
*0040	Financially sustainable institution	MIG	Percentage of Project Management unit Management budget spent	Percentage	R-value PMU expenditure as a percentage of the PMU budget	100%	100%	Capital	100%	TARGET ACHIEVED	NONE	NONE	TECH	Financial reports
*0040	Financially sustainable institution	Expenditure Management	Percentage of approved capital budget spent	Percentage	R-value capital expenditure as a percentage of the capital budget	56%	100%	Capital	76%	TARGET NOT ACHIEVED	Project delayed due to the PPPFA restrictions	Comply with procurement plan	CFO	Financial reports
*0040	Financially sustainable institution	Expenditure Management	Percentage of Operational budget spent	Percentage	R-value operational expenditure as a percentage of the operational budget	100%	100%	Operational	108%	TARGET NOT ACHIEVED	Non Cash Items not sufficiently budgeted	Budget sufficiently for Non Cash items in the 2022 23 FY	CFO	Financial reports
*0029	Financially sustainable institution	Expenditure Management	Percentage of Municipal Infrastructure Grant (MIG) budget spent	Percentage	R-value MIG expenditure as a percentage of the MIG budget	100%	100%	Capital	100%	TARGET ACHIEVED	NONE	NONE	TECH	Financial reports

KPA 2: MUNICIPAL FINANCIAL VIABILITY KEY PERFORMANCE INDICATORS

Vote Nr	Strategic Objective	Municipal Programme	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline / Status	Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges / Variance	Interventions	Responsible Person	Evidence required
*0029	Financially sustainable institution	Expenditure Management	Percentage of Integrated National Energy Programme (INEP) budget spent	Percentage	R-value INEP expenditure as a percentage of the INEP budget	0%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	TECH	Financial reports
*0040	Financially sustainable institution	Expenditure Management	Percentage of Finance Management Grant (FMG) budget spent	Percentage	R-value FMG expenditure as a percentage of the FMG budget	100%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	CFO	Financial reports
*0040	Financially sustainable institution	Expenditure Management	Percentage of Expanded Public Works Programme (EPWP) budget spent	Percentage	R-value EPWP expenditure as a percentage of the EPWP budget	100%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	TECH	Financial reports

KPA 3 : BASIC SERVICE DELIVERY KEY PERFORMANCE INDICATORS (KPIs)

Vote Nr	Strategic Objective	Municipal Programme	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline / Status	Annual Target (30/06/2022)	Revised Annual Target(30 June 2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges / Variance	Interventions	Responsible Person	Evidence required
*0029	Access to sustainable quality basic services	Solid waste management	Number of Households with weekly kerbside refuse removal	Number	Number of households that receive solid waste collection services	4 579	4 579	2 742	Operational	2 731	TARGET NOT ACHIEVED	Machinery breakdown	Maintenance and replacement of machinery	COMM	Waste collection calendar/ waste management reports
*0029	Access to sustainable quality basic services	Electricity	Number of households with access to electricity within the GLM licensed area	Number	Number of households with an electricity connection within the GLM licensed distribution area	1 002	1 002	1 005	Operational	1 022	TARGET ACHIEVED	NONE	NONE	TECH	Electricity/ Finance (Billing) reports
*0029	Access to sustainable quality basic services	Electricity	Percentage of electricity loss within GLM licensed area	Percentage	KWH Electricity sold as a percentage of the KWH Electricity Purchases	11%	10%	10%	Operational	-9%	TARGET ACHIEVED	NONE	NONE	CFO	Electricity/ Finance reports
*0029	Access to sustainable quality basic services	Infrastructure management	Council to note the annual MIG implementation plan by 30 June	Number	The approval of the MIG Implementation Plan by Council by 30 June 2022 will result in a score of 1	1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	TECH	Approved MIG Implementation Plan Council Resolution
*0029	Improved quality of life	Expenditure Management	Number of HH receiving free basic services within the financial year	Number	Number of indigent households receiving free basic services	711	1500	350	Operational	318	TARGET NOT ACHIEVED	Absence of Ward Committees	Establishment of Ward Committees and Indigent Awareness campaign	CFO	Updated Indigent register FBS billing report
*0029	Improved quality of life	Expenditure Management	Percentage of Free Basic Services (FBS) budget spent	Percentage	R-value expenditure on Free basic services as a percentage of the Free Basic Service budget	100%	100%	100%	Operational	65%	TARGET NOT ACHIEVED	Slow pace of registering indigent	conduct indigent registration	CFO	Financial reports

KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

Vote Nr	Strategic Objective	Programmes	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline	Annual Target (30/06/2022)	Revised Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges /Variance	Interventions	Responsible Person	Evidence required
*0046	Improved governance and organisational excellence	Council Support	Number of Ordinary Council meetings held	Number	Number of Council meetings approved on the Council calendar that took place	4	4	4	Operational	7	TARGET ACHIEVED	Election of new council necessitated extra Council	NONE	CORP	Agenda Council Minutes
*0046	Improved governance and organisational excellence	Council Support	Number of EXCO meetings held within the financial year	Number	Number of Exco meetings approved on the Council calendar that took place	12	4	4	Operational	10	TARGET ACHIEVED	Election of new council necessitated extra EXCO	NONE	CORP	Agenda Exco Minutes
*0046	Improved governance and organisational excellence	Committees Support	Number of Ward Committee reports submitted to Office of the Speaker	Number	Number of reports from Ward Committees covering quorate meetings	360	360	270	Operational	207	TARGET NOT ACHIEVED	Transition to New Council/Ward Committees established late. Ward 04 ward Committee not yet established	Prioritise the launching of Ward Committee in Ward 4	Municipal Manager	Agenda, Minutes & attendance register
*0046	Improved governance and organisational excellence	Committees Support	Number of Municipal Public Accounts Committee (MPAC) meetings held	Number	Number of MPAC meetings that quorate	11	12	12	Operational	17	TARGET ACHIEVED	NONE	NONE	CORPS	Agenda, Minutes & attendance register
*0046	Improved governance and organisational excellence	Human Resource management	Number of Local Labour Forum (LLF) meetings held	Number	Number of LLF meetings that quorate	14	12	12	Operational	10	TARGET NOT ACHIEVED	postponements of meeting due to competing activities	Stick to corporate calendar	CORPS	Agenda, Minutes & attendance register
*0046	Improved governance and organisational excellence	Human Resource management	Percentage of Local Labour Forum (LLF) resolutions implemented	Percentage	Number of LLF resolutions implemented as a percentage of the total number of LLF	100%	100%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	CORPS	LLF resolutions register

KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

Vote Nr	Strategic Objective	Programmes	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline	Annual Target (30/06/2022)	Revised Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges /Variance	Interventions	Responsible Person	Evidence required
*0046	Improved governance and organisational excellence	Customer Relations Management	Percentage of service delivery complaints resolved	Percentage	Number of service delivery complaints resolved as a percentage of the total number of service delivery complaints received	100%	100%	100%	Operational	41%	TARGET NOT ACHIEVED	Some of the complaints were referred to sister departments	Make follow up	CORPS	Complaints Register
*0046	Improved governance and organisational excellence	Public Participation	Number of quarterly Community feedback meetings held	Number	Number of meetings held with the public to give feedback on service delivery progress	5	4	4	Operational	4	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Agenda, Minutes & attendance register
*0046	Improved governance and organisational excellence	Audit Management	Number of Audit Committee meetings held	Number	Number of quorate meetings held by the Audit Committee	5	4	4	Operational	7	TARGET ACHIEVED	Preparation for APR and AFS necessitated extra meetings	NONE	Municipal Manager	Agenda, Minutes & attendance register
*0046	Improved governance and organisational excellence	Audit Management	Percentage of Audit and Performance Audit Committees resolutions implemented	Percentage	Number of Audit Committee resolutions implemented as a percentage of the total number of resolutions taken	70%	100%	100%	Operational	78%	TARGET NOT ACHIEVED	Slow implementation of resolutions	continuous monitoring of resolution register	Municipal Manager	Audit Committee Resolution Register
*0046	Improved governance and organisational excellence	Risk management	Council to approve the Anti-Fraud and Corruption strategy by 30 June	Number	The approval of the Anti-Fraud and Corruption Strategy by 30 June '22 will result in a score of 1	0	1	1	Operational	0	TARGET NOT ACHIEVED	Draft Strategy not yet approved by Council	Prioritise the approval of the strategy in 2022 23 FY	Municipal Manager	Anti-Fraud and Corruption Strategy Council Minutes
*0046	Improved governance and organisational excellence	Risk management	Percentage of Fraud and corruption cases reported, investigated	Percentage	Number of Fraud and corruption cases investigated as a percentage of the total number of Fraud and Corruption Cases reported	New	100%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	CORP	Fraud & Corruption Case register

KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

Vote Nr	Strategic Objective	Programmes	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline	Annual Target (30/06/2022)	Revised Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges /Variance	Interventions	Responsible Person	Evidence required
*0046	Improved governance and organisational excellence	Performance Management	SDBIP to be approved by the Mayor within 28 days of Council adopting the final IDP and	Number	The approval of the SDBIP by the Mayor within 28 days of the budget being approved by Council will result in	1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Signed SDBIP
*0046	Improved governance and organisational excellence	Performance Management	Number of Quarterly institutional performance reports submitted to Council	Number	Number of progress reports on the SDBIP targets submitted to Council	4	4	4	Operational	4	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Quarterly Performance Report Council Minutes
*0046	Improved governance and organisational excellence	Performance Management	Percentage of S57 Managers with signed performance agreements	Percentage	Number of Section 57 Managers with signed performance agreements as a percentage of the total	100%	100%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Signed Performance Agreements
*0046	Improved governance and organisational excellence	Performance Management	Number of formal performance assessments conducted for Sec 54A & 56 Managers	Number	Number of formal performance assessments concluded for the MM and Directors where a report on the outcome was submitted to Council	1	2	2	Operational	0	TARGET NOT ACHIEVED	Unavailability of Panel members	To conclude Assessments in the next financial year	Municipal Manager	Attendance Registers, Assessment Reports for Mid-year and Annual Assessment
*0046	Improved governance and organisational excellence	Performance Management	Annual Institutional Performance Report submitted to CoGHSTA, Provincial and National Treasury and the AG by 30 August	Number	The submission of the Annual Institutional Performance Report by 30 August will result in a score of 1	1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Performance Report Proof of submission

KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

Vote Nr	Strategic Objective	Programmes	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline	Annual Target (30/06/2022)	Revised Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges /Variance	Interventions	Responsible Person	Evidence required
*0046	Improved governance and organisational excellence	Performance Management	Mid-year institutional performance report submitted to CoGHSTA, National and Provincial Treasury by 25 January	Number	Submission of the Mid-year institutional performance report by 25 January will result in a score of 1	1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Mid-year Performance Report Signed proof of submission
*0046	Improved governance and organisational excellence	Performance Management	Table the Annual Report in Council by 31 January	Number	Tabling the Annual Report in Council by 31 January will result in a score of 1	1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Annual Report Council Minutes
*0046	Improved governance and organisational excellence	Performance Management	Table the Oversight report on the Annual Report in Council by 31 March	Number	Tabling the Oversight report on the Annual Report in Council by 31 March will result in a score of 1	1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Oversight Report Council Minutes
*0046	Improved governance and organisational excellence	Performance Management	Publish the Oversight report on the 20/21 Annual Report in the local media and GLM website within 7 days of Council adoption	Number	Publishing the Oversight report the local media and GLM website within 7 days of Council adoption will result in a score of 1	1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Website print screen Newspaper copy
*0046	Improved governance and organisational excellence	Performance Management	Submit the Adjusted SDBIP for 2021/22 to Council by 31 March	Number	Submission of the Adjusted SDBIP for 2021/22 to Council by 31 March will result in a score of 1	1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Adjusted SDBIP Council minutes
*0046	Improved governance and organisational excellence	Legal Services	Percentage of Service Level agreements signed within 30 days of the appointment of Service Providers	Percentage	Number of SLAs signed within 30 days of appointment as a percentage of the total number of service providers appointed	100%	100%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	MM	Service Level agreement register Signed SLA's

KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

Vote Nr	Strategic Objective	Programmes	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline	Annual Target (30/06/2022)	Revised Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges /Variance	Interventions	Responsible Person	Evidence required
*0046	Improved governance and organisational excellence	Audit Management	Number of quarterly performance audit reports submitted to Council	Number	Number of Internal audit reports expressing an opinion on the completeness and accuracy of the SDBIP reports submitted to Council	4	4	4	Operational	4	TARGET ACHIEVED	NONE	NONE	MM	Performance Audit Reports Council Minutes
*0046	Improved governance and organisational excellence	Audit Management	Submit final audit action plan to Management by 31 January	Number	Submission of the final audit action plan to Management by 31 January will result in a score of 1	1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Audit Action Plan Management Minutes
*0046	Improved governance and organisational excellence	Audit Management	Submit the Internal Audit Plan to the Audit committee by 30 June 2022	Number	Submission of the Internal Audit Plan to the Audit committee by 30 June 2022 will result in a score of 1	1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	MM	Internal Audit Action Plan Audit Committee Minutes
*0046	Improved governance and organisational excellence	Audit Management	Percentage of internal audit queries resolved	Percentag	Number of Internal Audit queries resolved as a percentage of the total number of internal audit queries issued	70%	100%	100%	Operational	77%	TARGET NOT ACHIEVED	Slow implementation of internal audit findings	Fast Track the implementation	MM	Internal Audit Query register
*0046	Improved governance and organisational excellence	Audit Management	Percentage of AG queries resolved	Percentag	Number of AG queries resolved as a percentage of the total number of AG queries issued	65%	100%	100%	Operational	82%	TARGET NOT ACHIEVED	Some of the issues are in progress	Speed up the resolution	MM	AG action plan register
*0046	Improved governance and organisational excellence	Risk management	Percentage of risks mitigated	Percentag	Number of risks mitigated as a percentage of the total number of risks contained in the	67%	100%	100%	Operational	68%	TARGET NOT ACHIEVED	Budget constraints	Budget accordingly in the Next FY	MM	Risk Register Risk Management reports
*0046	Improved governance and organisational excellence	Legal Services	Number of By-laws reviewed by 30 June	Number	Number of By-laws revised annually	0	5	5	Operational	5	TARGET ACHIEVED	NONE	NONE	CORPS	By-laws Council Minutes

KPA 4 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS (KPIs)

Vote Nr	Strategic Objective	Programmes	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline	Annual Target (30/06/2022)	Revised Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges /Variance	Interventions	Responsible Person	Evidence required
*0046	Improved governance and organisational excellence	Legal Services	Number of By-laws promulgated by 30 June	Number	Number of By-laws publ	0	5	5	Operational	0	TARGET NOT ACHIEVED	Public participatio n did not take place	To tale By laws for public participatio n in 2022 23 FY	MM	By-laws Government gazette
*0046	Improved governance and organisational excellence	Legal Services	Number of policies reviewed	Number	Number of GLM Policies revised annually	0	28	28	Operational	1	TARGET NOT ACHIEVED	There were no changes to legislation that warranted reviews	review policies as and when there are changes in legislation	CORPS	Policies Council Minutes

KPA 5 : LOCAL ECONOMIC DEVELOPMENT & SPATIAL RATIONAL KEY PERFORMANCE INDICATORS (KPIs)

Vote Nr	Strategic Objective	Municipal Programme	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline / Status	Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges / Variance	Interventions	Responsible Person	Evidence required
*0022	Improved and inclusive local economy	Local Economic Development	Number of jobs created through municipal funded Capital Projects	Number	Number of jobs (Full time equivalent) created through municipal funded Capital Projects	302	600	Operational	554	TARGET NOT ACHIEVED	Budgetary constraints	collect more revenue for more projects	TECH	Capital Project Job creation reports
*0022	Improved and inclusive local economy	Local Economic Development	Number of local SMMEs appointed through the GLM procurement process	Number	Number of local based SMMEs utilised to provide goods and services to GLM	559	120	Operational	207	TARGET ACHIEVED	More preferences were given to SMME	NONE	CFO	SCM Reports
*0022	Improved and inclusive local economy	Local Economic Development	Number of EPWP reports compiled and submitted to Council and Dpt of Public Works, Roads and Transport	Number	Number of EPWP progress reports compiled and submitted to Council and Dpt of Public Works, Roads and Transport	12	12	Operational	12	TARGET ACHIEVED	NONE	NONE	TECH	EPWP reports Council Resolutions, Signed receipt from DPW & DRT
*0022	Improved and inclusive local economy	Local Economic Development	Number of LED Forums coordinated	Number	Number of quorate LED Forum meetings coordinated by the GLM	4	4	Operational	1	TARGET NOT ACHIEVED	Change of representatives by stakeholders	Relaunch LED FORUM	PLAN	Agenda, Minutes & Attendance register
*0022	Integrated and sustainable development	Integrated Planning	IDP/Budget/PMS Process Plan to be approved by Council on 31 July 2021	Number	The approval of the IDP/Budget /PMS process plan by 31 July 2021 will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	PLAN	Council Approved IDP/ Budget/ PMS Process plan, Council Resolution
*0022	Integrated and sustainable development	Integrated Planning	Draft IDP to be approved by Council by 30 March 2022	Number	The approval of the draft IDP by 30 March will result in a score of 1	1	1	Operational	1	TARGET ACHIEVED	NONE	NONE	PLAN	Draft IDP Council Resolution
*0022	Integrated and sustainable development	Integrated Planning	Final IDP to be approved by Council by 30 May 2022	Number	The approval of the Final IDP by 30 May will result in a score of 1	1	1	operational	1	TARGET ACHIEVED	NONE	NONE	PLAN	Final IDP Council Resolution
*0022	Integrated and sustainable development	Integrated Planning	Number of IDP/Budget/ PMS REP Forum meetings held	Number	Number of quorate meetings of the IDP/ Budget/ PMS Representative forum	5	5	Operational	1	TARGET NOT ACHIEVED	Change of representatives by stakeholders	Relaunch REP forum and have Code of Conduct	PLAN	Agenda, Minutes & attendance register
*0022	Integrated and sustainable development	Integrated Planning	Number of IDP/Budget/ PMS Steering Committee meetings held	Number	Number of quorate meetings of the IDP/ Budget/ PMS steering committee	5	5	Operational	3	TARGET NOT ACHIEVED	Competing activities led to some meetings not quorating	Adhere to Corporate calendar	PLAN	Agenda, Minutes & attendance register

KPA 5 : LOCAL ECONOMIC DEVELOPMENT & SPATIAL RATIONAL KEY PERFORMANCE INDICATORS (KPIs)

Vote Nr	Strategic Objective	Municipal Programme	Performance Indicator title	KPI Unit of measure	Description of unit of measure	Baseline / Status	Annual Target (30/06/2022)	Budget 2021/22	Annual Actual Performance	Remarks	Challenges / Variance	Interventions	Responsible Person	Evidence required
*0022	Integrated and sustainable development	Integrated Planning	Percentage of capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (IDP)	Percentage	R-value spent on capital projects as contained in the approved IDP as a percentage of the total capital expenditure	tbd	100%	Capital	76%	TARGET NOT ACHIEVED	Insufficient Budget due to price escalation	To ensure that our budget is informed by proper costing	PLAN	IDP Capital allocation Capital Budget expenditure reconciliation
*0022	Integrated human settlement	Spatial Planning	Percentage of land use applications processed within 90 days	Percentage	Number of land use applications processed within 90 days as a percentage of the total number of land use applications received	100%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	PLAN	Dated register recording land use applications and approval dates

Region/Ward	Strategic Objective	Programme	Project Name	Project description	Funding Type	Budget for 2021/22	Adjusted Budget Feb 2022	Start Date	Completion date	Project Owner	Baseline (Project progress as at end June 2021)	Annual Target	Annual Actual Performance	Remarks	Challenges/vari- ance	Interventions	Revised Evidence required
MUNICIPAL TRANSFORMATION AND ORGNISATIONAL DEVELOPMENT																	
Head office	Improved governance and organisational excellence	Assets Management	Laptops	Procure 10 Laptops to replace desk tops by 30 June 2022	Capex	R 200 000	R 349 996	01/07/2021	30/06/2022	CORPS	New Project	To procure 10 Laptops	20 Laptops were procured	TARGET ACHIEVED	Need for additional 10 Laptops	NONE	Delivery note/GRN and Payment Certificate
MUNICIPAL FINANCE MANAGEMENT VIABILITY																	
Head office	Improved governance and organisational excellence	Assets Management	Diesel Tanker with meter readings	To procure a Diesel tanker with meter reading capability	Capex	R 100 000	R 100 000	01/07/2021	30/06/2022	CFO	New Project	To procure Diesel reading capability Tanker with meter reading	Diesel Tanker with meter reading which did not meet specification was delivered and returned back	TARGET NOT ACHIEVED	Diesel Tanker which was delivered did not meet specification	Service provider to deliver Diesel Tanker that meet specifications	Delivery note/ GRN and Payment Certificate
BASIC SERVICE DELIVERY																	
5	Access to sustainable quality basic services	Community Halls & Facilities	Ward 5 Community hall	To construct a community hall at Ward 5 by 30 June 2022 (Multi year)	Capex	R3 600 000	R800 000	01/07/2021	30/06/2022	Tech	Project halted due to location dispute between Meidingen & Rabothatha Villages. Construction at 15% physical progress.	Construction of community Hall at Ward 5	Community Hall at Ward 5 was not constructed	TARGET NOT ACHIEVED	Construction work suspended due to community dispute	Further engagements with the community to resolve the matter	Survey and Geo-tech report,progress report
5	Access to sustainable quality basic services	Community & social Services/Cemeteries	Ga-Kgapane new cemetery establishment	To construct a new cemetery at Ga-Kgapane providing fencing and Ablution facilities	Capex	R3 600 000	R10 580 669	01/07/2021	30/06/2022	Tech	Delays in the appointment of a service provider	construction of a new cemetery at Ga-Kgapane with fencing and Ablution facilities	New Cemetery has been constructed with Fence and Ablution facilities	TARGET ACHIEVED	NONE	NONE	Specifications,advertisement,appointment letter,progress report,completion certificate

Head Office	Access to sustainable quality basic services	Disaster Management	Fire Extinguishers	To purchase and install Fire extinguishers for various facilities in the municipality by 30 June 2022	Capex	R100 000	N.A	01/07/2021	30/06/2022	CORPS	New Project						PROJECT REMOVED DURING BUDGET ADJUSTMENT
Head Office	Access to sustainable quality basic services	Environmental Management	Grass Cutting Machine	Procure 5 grass cutting machines by 30 June 2022	Capex	R 100 000	R 200 000	01/07/2021	30/06/2022	Comm	New Project	Procure 5 grass cutting machines by 30 June 2022	5 Grass Cutting machines procured	TARGET ACHIEVED	NONE	NONE	Delivery note/GRN and Payment Certificates
Head Office	Access to sustainable quality basic services	Environmental Management	Chain Saws	Procure 3 chain saws	Capex	R50 000	R200 000	01/07/2021	30/06/2022	Comm	New Project	Procure 3 chain saws	3 Chain Saws procured	TARGET ACHIEVED	NONE	NONE	Delivery note/GRN and Payment Certificates
	Access to sustainable quality basic services	Waste Management	Landfill Site	Designs of a landfill site	Capex	R2 500 000	R2 500 000	01/07/2022	30/06/2023	Comm	New Project	Designs of a landfill site	Landfill site Designs completed	TARGET ACHIEVED	NONE	NONE	Preliminary design report & detailed design report, specification, advertisement
29	Access to sustainable quality basic services	Traffic Services	Modjadjiskloof Taxi rank (upgrading)	Refurbishment of toilets and Market Stalls	Capex	R3 250 000	R1 250 000	01/07/2021	30/06/2022	Comm	New Project	Modjadjiskloof of Taxi rank upgraded	Refurbishment of toilets and Market Stall at Modjadjiskloof Taxi Rank was not completed. Project done up to design stage	TARGET NOT ACHIEVED	Project was stopped at a design stage because of community dispute	Further engagements with the community to resolve the matter	Specifications Advertisement Appointment letter Progress reports, Completion Certificates
All wards	Access to sustainable quality basic services	Stormwater management	Low level bridges	To construct level bridges at Phooko / Dikgwathi	Capex	R 400 000	R 1 400 000	01/07/2021	30/06/2022	Tech	New Project	Construction of level bridges at Phooko / Dikgwathi	Construction of level bridges at Phooko/Dikgwathi was not completed	TARGET NOT ACHIEVED	Insufficient Budget due to price escalation	To ensure that our budget is informed by proper costing	Appointment letter Progress reports, Completion Certificates
Ward 3	Access to sustainable quality basic services	Stormwater management	Meloding Stormwater Canal	To construct a stormwater canal at Meloding	Capex	R 1 500 000	R 2 500 000	01/07/2021	30/06/2023	Tech	Designs completed	construction of a stormwater canal at Meloding	Storm water Canal at Meloding was not completed	TARGET NOT ACHIEVED	Insufficient Budget due to price escalation	To ensure that our budget is informed by proper costing	Specifications Advertisement Appointment letter Progress reports,
1	Access to sustainable quality basic services	Roads	Makhutukwe Street Paving (Planning)	Paving of streets in Makhutukwe (Multi-year/ Phase 1)	Capex	R 5 000 000	R 8 621 041	01/07/2021	30/06/2022	Tech	Physical construction progress at 5%	Paving of streets in Makhutukwe (Multi-year/ Phase 1) at 99%	Makhutukwe Street Paving completed(Phase 1)	TARGET ACHIEVED	NONE	NONE	Progress report/notice of progress halt letter

6	Access to sustainable quality basic services	Roads	Thibeni Street Paving - Designs	Designs for Paving Thibeni street completed	Capex	R 150 000	R 1 150 000	01/07/2021	30/06/2022	Tech	New Project	Designs for Paving Thibeni street completed	Thibeni Street Paving designs completed	TARGET ACHIEVED	NONE	NONE	Design approval letter
15	Access to sustainable quality basic services	Roads	Raphahlelo/Phooko Street Paving-	Paving of streets in Raphahlelo/Phooko (Multi-year/Ph1)	Capex	R 6 000 000	R 8 668 000	01/07/2021	30/06/2022	Tech	Physical construction progress at 5%	Paving of streets in Raphahlelo/Phooko (Multi-year/Ph1) not completed	Raphahlelo/Phooko street paving not completed	TARGET NOT ACHIEVED	Insufficient Budget due to price escalation	To ensure that our budget is informed by proper costing	progress report, practical completion certificate
16	Access to sustainable quality basic services	Roads	Sephekubye Street Paving	Paving of streets in Sephekubye (Multi-year/Ph1)	Capex	R 6 000 000	R 16 136 538	01/07/2021	30/06/2022	Tech	Physical construction progress at 5%	Paving of streets in Sephekubye (Multi-year/Ph1)	Sephekubye Street paving not completed (Phase 1)	TARGET NOT ACHIEVED	Insufficient Budget due to price escalation	To ensure that our budget is informed by proper costing	Progress report. Notice of project halt letter
2	Access to sustainable quality basic services	Roads	Motsinoni Street paving	Planning & designs of Motsinoni street paving by 30 June 2022	Capex	R 150 000	R 1 150 000	01/07/2021	30/06/2022	Tech	New Project	Planning & designs of Motsinoni street paving by 30 June 2022	Motsinoni Street Paving Designs completed	TARGET ACHIEVED	NONE	NONE	Design Approval letter
21	Access to sustainable quality basic services	Roads	Ramaroka Street Paving	Planning & designs of Ramaroka street paving by 30 June 2022	Capex	R 150 000	R 1 150 000	01/07/2021	30/06/2022	Tech	New Project	Planning & designs of Ramaroka street paving by 30 June 2022	Ramaroka Street Paving Designs completed	TARGET ACHIEVED	NONE	NONE	Design approval letter
24	Access to sustainable quality basic services	Roads	Mamokgadi Street Paving	Construction of mamokgadi street paving	Capex	R -	R 5 442 226	01/07/2021	30/06/2022	Tech	New Project	Construction of mamokgadi street paving	Mamokgadi Street Paving not completed	TARGET NOT ACHIEVED	Project front-loaded in an effort to accelerate MIG expenditure	To be completed in the subsequent financial year 2022/23	Contractors appointment letter, progress report
6	Access to sustainable quality basic services	Roads	Mokwasele Street Paving	Construction of Mokwasele Street Paving	Capex	R -	R 180 000	01/07/2021	30/06/2022	Tech	Physical construction at 1.8km	Construction of Mokwasele Street Paving	Construction of Mokwasele Street Paving completed	TARGET ACHIEVED	NONE	NONE	Completion certificate/
Head Office	Access to sustainable quality basic services	Roads	Tipper truck	Procure 2 x 6m ³ tipper trucks	Capex	R 2 400 000		01/07/2021	30/06/2022	Tech	New Project						PROJECT REMOVED DURING BUDGET ADJUSTMENT
Head Office	Access to sustainable quality basic services	Roads	TLB	Procure a TLB for the Bellevue cluster	Capex	R 1 400 000		01/07/2021	30/06/2022	Tech	New Project						PROJECT REMOVED DURING BUDGET ADJUSTMENT

Head office	Access to sustainable quality basic services	Roads	Double Cab Bakkie 4x4	Supply and delivery of Double Cab Bakkie 4x4	Capex	R-	R 800 000	01/07/2021	30/06/2022	Tech	New Project	Supply and delivery of Double Cab Bakkie 4x4	Double Cab Bakkie delivered	TARGET ACHIEVED	NONE	NONE	Specifications Advertisement Appointment letter Delivery note/ GRN
Head Office	Access to sustainable quality basic services	Roads	Single Cab Bakkie 4x2	Supply and delivery of Single Cab Bakkie 4x2	Capex	R-	R 724 000	1/7/2021	30/6/2022	Tech	New Project	Supply and delivery of Single Cab Bakkie 4x2	Single Cab Bakkie delivered	TARGET ACHIEVED	NONE	NONE	Specifications Advertisement Appointment letter Delivery note/ GRN
Head Office	Access to sustainable quality basic services	Traffic & Licensing	2x Traffic Patrol Vehicles	Supply and delivery of 2 Traffic Patrol vehicles	Capex	R-	R 640 000	1/7/2021	30/6/2022	Director Comm	New Project	Supply and delivery of 2 Traffic Patrol vehicles	Two Traffic Patrol Vehicles delivered	TARGET ACHIEVED	NONE	NONE	Specifications Advertisement Appointment letter Delivery note/ GRN
Head Office	Access to sustainable quality basic services	Roads	1X Graders	Procure a Grader for Kgapane Cluster	Capex	R 4 800 000	R 4 800 000	01/07/2021	30/06/2022	Tech	New Project	Procure a Grader for Kgapane Cluster	Grader not procured	TARGET NOT ACHIEVED	Project not completed due to low revenue collection(Own Funding Project)	Maximise revenue collection	Specification,advertise ment,appointment letter
3 & 4	Access to sustainable quality basic services	Sports & Recreation	Kgapane Stadium	To construct a stadium at Kgapane	Capex	R -	R 2 746 711	01/01/2022	30/06/2022	Director Tech	Construction at 99%	completion of Kgapane Stadium	Kgapane Stadium Construction completed	TARGET ACHIEVED	NONE	NONE	Progress report/Completion Certificate
All Wards	Access to sustainable quality basic services	Traffic & Licensing	Cubicles - Kgapane Old Sub-Office	To procure and install Cubicles at Kgapane Sub Office by 30 June 2022	Capex	R 100 000		01/07/2021	30/06/2022	Director Comm	New Project						PROJECT REMOVED DURING BUDGET ADJUSTMENT
All Wards	Access to sustainable quality basic services	Traffic & Licensing	Office safe & brick safe	To install Office safe at Modjadjiskloof and Gakgapane DLTCs by 30 June 2022	Capex	R 100 000		01/07/2021	30/06/2022	Comm	New Project						PROJECT REMOVED DURING BUDGET ADJUSTMENT
Head Office	Access to sustainable quality basic services	Electricity	4x4 Cherry picker Truck	Procure a 4x4 Cherrypicker Truck by 30 June 2022	Capex	R 1 400 000		01/07/2021	30/06/2022	Tech	New Project						PROJECT REMOVED DURING BUDGET ADJUSTMENT
29	Access to sustainable quality basic services	Electricity	Modjadjiskloof Electrical Network Integration	Build a 132/33/11kv substation at Extension 11, build an 11kv line from Modjadji to Ext 11	Capex	R 200 000	R 200 000	01/07/2021	30/06/2022	Tech	New Project	Build a 132/33/11kv substation at Extension 11, build an 11kv line from Modjadji to Ext 11	The 132/33/11Kv substation at Extension 11 and 11Kv line from Modjadjiskloof to Extension 11 not built	TARGET NOT ACHIEVED	Project not completed due to low revenue collection(Own Funding Project)	Maximise revenue collection	Feasibility report Land and right approvals Environmental Assessment approval

All Wards	Access to sustainable quality basic services	Electricity	High mast in Various Villages	To install a High Mast Light at Rabothatha Village and Motsinoni villages	Capex	R 640 000	R 750 000	01/07/2021	30/06/2022	Tech	New Project	To install a High Mast Light at Rabothatha Village and Motsinoni villages	High Mast Lights were installed at Rabothata and Motsinoni villages	TARGET ACHIEVED	NONE	NONE	Specifications Advertisement, Appointment letter, Progress report, Practical Certificate
Head Office	Access to sustainable quality basic services	Electricity	Electricity master Plan	To develop an Electricity Master Plan by 30 June 2022	Capex	R 100 000		01/07/2021	30/06/2022	Tech	New Project						PROJECT REMOVED DURING BUDGET ADJUSTMENT
29	Access to sustainable quality basic services	Electricity	Refurbishing of LV network	Replace overhead conductor by underground cables and replacement of metering kiosk	Capex	R 50 000	R 950 000	01/07/2021	30/06/2022	Director Tech	Not implemented due to low revenue collection	Replace overhead conductor by underground cables and replacement of metering kiosk	Overhead conductor not replaced by underground cables and Metering Kiosk was not replaced	TARGET NOT ACHIEVED	contractor terminated due to underperformance	To be considered in the next financial year	Specifications Advertisement Appointment letter Completion Certificate
29	Access to sustainable quality basic services	Electricity	HV Cable Network Refurbishment - ringfeed	To refurbish HV cables from Panorama connecting the Hospital and install cable to complete the normal open points	Capex	R 500 000		01/07/2021	30/06/2022	Director Tech	Not implemented due to low revenue collection						PROJECT REMOVED DURING BUDGET ADJUSTMENT

19,20,2126 & 30	Access to sustainable quality basic services	Electricity	Household Connection in Various Villages	New electricity connections constructed at Shamfana village 131 connections, Khulugane village 169 connections, Mamokgadi village 95 connections, Las Vegas village 91 connections, Sekgobo - Maboke village 70 connections	Opex (INEP)	R 10 000 000	R 10 000 000	01/07/2021	30/06/2022	Director Tech	New Project	New electricity connections constructed at Shamfana village 131 connections, Khulugane village 169 connections, Mamokgadi village 95 connections, Las Vegas village 91 connections, Sekgobo - Maboke village 70 connections	Electricity connections were constructed at Shamfana village 131 connections, Khulugane village 169 connections, Mamokgadi village 95 connections, Las Vegas village 91 connections, Sekgobo - Maboke village 70 connections	TARGET ACHIEVED	NONE	NONE	Appointment letter and Progress report/Practical completion certificate
29	Access to sustainable quality basic services	Electricity	Electrical Bulk Service Extension 11	Establish Electrical Bulk service at Extension 11	Capex	R 500 000	R 500 000	01/07/2021	30/06/2022	Director Tech	New Project						PROJECT REMOVED DURING BUDGET ADJUSTMENT
29	Access to sustainable quality basic services	Electricity	Electrical Bulk Service Extension 12	Establish Electrical Bulk service at Extension 12	Capex	R 500 000		01/07/2021	30/06/2022	Director Tech	New Project						PROJECT REMOVED DURING BUDGET ADJUSTMENT
29	Access to sustainable quality basic services	Electricity	Rotaba Sub station Protection	Establish Rotaba Sub Station protection	Capex	R 10 000	R 10 000	01/07/2021	30/06/2022	Director Tech	New Project	Establish Rotaba Sub Station protection	Rotaba Sub Station protection not established	TARGET NOT ACHIEVED	Cost estimates were higher than the budget	To be implemented in the next financial year	Specifications
12	Access to sustainable quality basic services	Sports & Recreation	Thakgalane Sports Complex	Construction of a sport complex at Thakgalane by 30 June 2022 (Phase 4)	Capex	R 12 197 312	R 12 197 312	01/07/2021	30/06/2022	Tech	Physical construction of Phase 3 at 100%	Construction of a sport complex at Thakgalane by 30 June 2022 (Phase 4)	construction of Thakgalane Sports Complex Phase 4 completed	TARGET ACHIEVED	NONE	NONE	Progress Reports Completion certificate/ Practical completion certificate

01, 06 & 07	Access to sustainable quality basic services	Sports & Recreation	Madumeleng/Shotong Sports Complex	To complete the construction of a Sport Complex at Madumeleng/Shotong(multi-year)/Ph2 & Ph3 by 30 June 2022	Capex	R 9 426 921	R 5 000 000	01/07/2021	30/06/2022	Tech	Progress with physical construction at 90% Phase 2	To complete the construction of a Sport Complex at Madumeleng/Shotong(multi-year)/Ph2 & Ph3 by 30 June 2022	construction of madumaleng Shotong completed	TARGET ACHIEVED	NONE	NONE	Progress Reports
26	Access to sustainable quality basic services	Roads	Jokong Street Paving	Paving of streets in Jokong (Multi-year/ Phase 4)	Capex	R 10 964 908	R 8 500 000	01/07/2021	30/06/2022	Director Tech	Phase 1,2 &3 completed	Paving of streets in Jokong (Multi-year/ Phase 4)	Paving of streets in Jokong (Multi-year/ Phase 4) completed	TARGET ACHIEVED	NONE	NONE	Progress report/Practical Completion Certificate/ Completion Certificate
10	Access to sustainable quality basic services	Roads & Stormwater	Rampepe Access Bridge (Designs)	Construction of an access bridge at Rampepe by 30 June 2022 (Multi-year)	Capex	R 6 519 400	R 2 500 000	01/07/2021	30/06/2022	Director Tech	Project at 1.5% overall progress (Design stage)	Construction of an access bridge at Rampepe by 30 June 2022 (Multi-year)	Construction of an access bridge at Rampepe by 30 June 2022 (Multi-year) not completed	TARGET NOT ACHIEVED	Delay on the commencement of the project due to late approval of Water Use License (WUL)	To be completed in the next financial year	Appointment letter (contractor) and Progress report
3	Access to sustainable quality basic services	Roads & Stormwater	Tshabela-Matswale Street Paving	Paving of streets at Tshabela Matswale (multi-year)- Phase 1	Capex	R 10 426 400	R 10 426 400	01/07/2021	30/06/2022	Director Tech	Contractor appointed, 3% progress	Paving of streets at Tshabela Matswale (multi-year)- Phase 1	Paving of streets at Tshabela Matswale (multi-year)- Phase 1 not completed	TARGET NOT ACHIEVED	Insufficient Budget due to price escalation	Complete in the next FY	Progress Reports/ Practical completion certificate/ Completion Certificate
19	Access to sustainable quality basic services	Roads & Stormwater	Mohlabaneng Street Paving(Multi-year)-Phase 1	Paving of streets at Mohlabaneng (multi-year)-Phase 1	Capex	R 8 259 258	R 10 981 559	01/07/2021	30/06/2022	Director Tech	Contractor appointed, 3% progress	Paving of streets at Mohlabaneng (multi-year)- Phase 1	Paving of streets at Mohlabaneng (multi-year)- Phase 1 completed	TARGET ACHIEVED	NONE	NONE	Progress report, Practical completion
LOCAL ECONOMIC DEVELOPMENT AND SPATIAL RATIONAL CAPITAL PROJECTS																	
29	Integrated and sustainable development	Spatial Development	Enhancement & Beautification of town entrance	Upgrade and beautification of Modjadjiskloof town entrance	Capex	R 750 000	R 2 249 996	01/07/2021	30/06/2022	Comm	New Project	Upgrade and beautification of Modjadjiskloof of town entrance	Beautification of Town Entrance not yet complete.	TARGET NOT ACHIEVED	slow progress by the service provider	monitor the progress and enforce SLA	Specifications Advertisement Appointment letter Progress Reports Completion certificate/ Practical completion certificate

29	Integrated and sustainable development	Spatial Development	Development of precinct plans for Kgapane and Senwamokgope	To Develop precinct plans for Kgapane and Senwamokgope by 30 June 2022	Opex	R 500 000	R 500 000	01/07/2021	30/06/2022	Plan	New Project	To Develop precinct plans for Kgapane and Senwamokgope by 30 June 2022	Precinct Plans for Kgapane and Senwamokgope were developed	TARGET ACHIEVED	NONE	NONE	Specifications Advertisement Appointment letter Payment Certificate, Precinct Plans
Head Office	Integrated human settlement	Spatial Development	Town Establishment on Uitspan 172-LT	Town Establishment on Uitspan 172-LT by 30 June 2022	Opex	R 2 431 500	R 2 431 500	01/07/2021	30/06/2022	Plan	Service Provider appointed, Proposed layout design received	Town Establishment on Uitspan 172-LT by 30 June 2022	Town Establishment on Uitspan 172-LT not completed	TARGET NOT ACHIEVED	Adverse findings on technical studies	Submit item to council for project closure	Preliminary Report EIA Report Technical Report Layout Report Tribunal Minutes Proclamation gazette
Head Office	Integrated human settlement	Spatial Development	Town Establishment Meidigen 398-LT	Town Establishment at Meidigen 398-LT by 30 June 2021 (Gapane Ext 11 & 12)	Opex	R 2 404 000	R 2 404 000	01/07/2021	30/06/2022	Plan	Technical study completed	Town Establishment at Meidigen 398-LT by 30 June 2021 (Gapane Ext 11 & 12)	Town Establishment at Meidigen 398-LT by 30 June 2021 (Gapane Ext 11 & 12) was completed	TARGET ACHIEVED	NONE	NONE	Tribunal Minutes Proclamation Gazette
Head Office	Improved and inclusive local economy	Local Economic Development	Establishment and outsourcing of business registration centre	Establish and Outsource business registration centre	Opex	R 1 000 000	R 1 000 000	01/07/2021	30/06/2022	Plan	New Project	Establishment and outsourcing of business registration centre	Business registration centre established	TARGET ACHIEVED	NONE	NONE	Specifications Advertisement Appointment letter Establishment notice Service Level Agreement
Head Office	Integrated human settlement	Spatial Development	Implementation of Land Use Scheme by 30 June 2022	Review the Land Use Scheme by 30 June 2022	Opex	R 620 000	R 620 000	01/07/2021	30/06/2022	Plan	Draft Revised Land Use Scheme ready	Implementation of Land Use Scheme by 30 June 2022	Land Use Scheme not reviewed	TARGET NOT ACHIEVED	Delay in finalizing public participation processes for Land Use Scheme	Land Use Scheme to be advertised for public inputs	Land Use Scheme maps Final Land Use Scheme MDM Tribunal Minutes

PROJECTS REMOVED DURING BUDGET ADJUSTMENT															
Region/Ward	Strategic Objective	Programme	Project Name	Project description	Funding Type	Budget for 2021/22	Start Date	Completion date	Project Owner	Baseline (Project progress as at end June 2021)	Project Milestone Qtr 1 (1 Jul-30 Sept '21)	Project Milestone Qtr 2 (1 Oct -31 Dec '21)	Project Milestone Qtr 3 (1 Jan - 31 Mar '22)	Project Milestone Qtr 4 (1 Apr- 30 Jun '22)	Evidence required
BASIC SERVICE DELIVERY															
Head Office	Access to sustainable quality basic services	Disaster Management	Fire Extinguishers	To purchase and install Fire extinguishers for various facilities in the municipality by 30 June 2022	Capex	R100 000	01/07/2021	30/06/2022	CORPS	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Fire Extinguishers supplied & installed - 80% (100%)	Delivery note/ GRN and Payment Certificate
Head Office	Access to sustainable quality basic services	Roads	Tipper truck	Procure 2 x 6m³ tipper trucks	Capex	R 2 400 000	01/07/2021	30/06/2022	Tech	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Two 6m³ tipper trucks delivered - 80% (100%)	Specifications Advertisement Appointment letter Delivery note/GRN and Payment Certificates
Head Office	Access to sustainable quality basic services	Roads	TLB	Procure a TLB for the Bellevue cluster	Capex	R 1 400 000	01/07/2021	30/06/2022	Tech	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	TLB delivered - 80% (100%)	Specifications Advertisement Appointment letter Delivery note/GRN and Payment Certificates
All Wards	Access to sustainable quality basic services	Traffic & Licensing	Cubicles -Kgapane Old Sub-Office	To procure and install Cubicles at Kgapane Sub Office by 30 June 2021	Capex	R 100 000	01/07/2021	30/06/2022	Director Comm	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Procurement and installation of Cubicles at Kgapane Old Sub-Offices completed - 80% (100%)	Specifications Advertisement Appointment letter Completion Certificate
All Wards	Access to sustainable quality basic services	Traffic & Licensing	Office safe & brick safe	To install Office safe at Modjadjiskloof and Gakgapane DLTcs by 30 June 2022	Capex	R 100 000	01/07/2021	30/06/2022	Comm	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Office Safe procured and installed at Modjadjiskloof and Gakgapane DLTcs - 80% (100%)	Specifications Advertisement Appointment letter Completion Certificate
Head Office	Access to sustainable quality basic services	Electricity	4x4 Cherry picker Truck	Procure a 4x4 Cherypicker Truck by 30 June 2021	Capex	R 1 400 000	01/07/2021	30/06/2022	Tech	New Project	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Procurement and delivery of Cherypicker truck completed - 80% (100%)	Delivery note/ GRN and Payment Certificates
Head Office	Access to sustainable quality basic services	Electricity	Electricity master Plan	To develop an Electricity Master Plan by 30 June 2022	Capex	R 100 000	01/07/2021	30/06/2022	Tech	New Project	n/a	n/a	Develop Specification and Submit to SCM (100%)	n/a	Electricity Masterplan Specifications
29	Access to sustainable quality basic services	Electricity	HV Cable Network Refurbishment - ringfeed	To refurbish HV cables from Panorama connecting the Hospital and install cable to complete the normal open points	Capex	R 500 000	01/07/2021	30/06/2022	Director Tech	Not implemented due to low revenue collection	Develop Specifications and submit to SCM - 10%	Tender Advertisement - 5% (15%)	Appointment of service provider - 5% (20%)	Refurbishment of HV cables from Panorama connecting the Hospital and installation cable to complete the normal open points completed - 80% (100%)	Specifications Advertisement Appointment letter Completion Certificate
29	Access to sustainable quality basic services	Electricity	Electrical Bulk Service Extension 11	Establish Electrical Bulk service at Extension 11	Capex	R 500 000	01/07/2021	30/06/2022	Director Tech	New Project	25% inspection report received	detailed design report-25%			
29	Access to sustainable quality basic services	Electricity	Electrical Bulk Service Extension 12	Establish Electrical Bulk service at Extension 12	Capex	R 500 000	01/07/2021	30/06/2022	Director Tech	New Project	n/a	n/a	Develop Specifications for contractor and submit to SCM - 50%	Appointment of a contractor - 50% (100%)	Specifications Advertisement Appointment letter
*Footnote: The first % reflected in the quarterly milestone is the quarterly target (to the weight of the activity planned for the quarter alone, the percentage in brackets is the cumulative performance for the project up to the end of that period (adding one quarter to the next)															

3-year Capital Works Plan by Ward

Ward	Project Name	Start date	etion date	2021/22 Monthly Expenditure Projections												MTREF Budget allocation				Source of Funding
				July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	2021/22	Adjusted 2021/22	2022/23	2023/24	
				ADMINISTRATION (MTOD, MFVM & GG)																
Head office	Diesel Tanker with meter readings	01/07/2021	30/06/2022	R0	R0	R0	R0	R0	R0	R0	R100 000	R0	R0	R0	R0	R100 000	R100 000	R0	R0	Own revenue
Head office	Laptops	01/07/2021	30/06/2022	R0	R0	R0	R0	R500 000	R0	R0	R500 000	R0	R0	R0	R0	R200 000	R349 996	R0	R0	Own revenue
COMMUNITY SERVICES (BSD)																				
5	Ward 5 Community hall	01/07/2021	30/06/2022	R500 000	R500 000	R500 000	R200 000	R200 000	R0	R500 000	R200 000	R200 000	R500 000	R200 000	R100 000	R3 600 000	R800 000	R0	R0	Own revenue
12	Thakgale Sports Complex	01/07/2021	30/06/2022	R1 112 276	R1 112 276	R1 112 276	R1 112 276	R1 112 276	R1 112 276	R1 112 276	R1 112 276	R1 112 276	R1 112 276	R1 112 276	R1 112 276	R13 347 312	R12 197 312	R0	R0	MIG & Own
01, 06 & 07	Madumele ng/ Shotong Sports Complex	01/07/2021	30/06/2022	R868 910	R868 910	R868 910	R868 910	R868 910	R868 910	R868 910	R868 910	R868 910	R868 910	R868 910	R868 910	R10 426 921	R5 000 000	R0	R0	MIG & Own
5	Ga-Kgapane new cemetery establishment	01/07/2021	30/06/2023	R500 000	R500 000	R500 000	R200 000	R200 000	R0	R500 000	R200 000	R200 000	R500 000	R200 000	R100 000	R3 600 000	R10 580 669	R0	R0	Own revenue
Head office	Chain Saws	01/07/2021	30/06/2022	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R50 000	R0	R50 000	R200 000	R0	R0	Own revenue
Head office	Grass Cutting Machine	01/07/2021	30/06/2022	R0	R0	R0	R0	R0	R0	R0	R0	R0	R100 000	R0	R0	R100 000	R200 000	R0	R0	Own revenue
29	Enhancement & Beautifications of town entrance	01/07/2021	30/06/2022	R0	R100 000	R0	R0	R100 000	R150 000	R0	R0	R750 000	R2 249 996	R0	R0	Own revenue				
29	Modjadisk loof Taxi rank	01/07/2021	30/06/2022	R270 833	R270 833	R270 833	R270 833	R270 833	R270 833	R270 833	R270 833	R270 833	R270 833	R270 833	R270 833	R3 250 000	R1 250 000	R0	R0	Own revenue
29	Office safe & brick safe	01/07/2021	30/06/2022	R0	R0	R100 000	R0	R100 000	R0	R0	R0	Own revenue								

3-year Capital Works Plan by Ward

Ward	Project Name	Start date	etion date	2021/22 Monthly Expenditure Projections												MTREF Budget allocation				Source of Funding
				July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	2021/22	Adjusted 2021/22	2022/23	2023/24	
All Wards	Cubicles - Kgapane Old Sub-Office	01/07/2021	30/06/2022	R0	R0	R0	R0	R0	R0	R100 000	R0	R0	R0	R0	R0	R100 000	R0	R0	R0	Own revenue
29	Landfill Site	01/07/2021	30/06/2023	R208 333	R208 333	R208 333	R208 333	R208 333	R208 333	R208 333	R208 333	R208 333	R208 333	R208 333	R2 500 000	R2 500 000	R2 000 000	R200 000	Own revenue	
ELECTRICITY (BSD)																				
Head office	Electricity Master Plan	01/07/2021	30/06/2022	R0	R0	R200 000	R0	R0	R0	R0	R200 000	R100 000	R0	R0	R0	R100 000	R0	R0,00	R0,00	Own revenue
2	Highmast in Various Villages	01/07/2021	30/06/2022	R0	R0	R0	R0	R200 000	R0	R0	R300 000	R140 000	R0	R0	R0	R640 000	R750 000	R0	R0	Own revenue
29	Modjadiskloof Electrical Network Integration	01/07/2021	30/06/2024	R0	R0	R0	R0	R300 000	R0	R200 000	R200 000	R3 000 000	R1 000 000	Own revenue						
29	HV Cable Network Refurbishment - ringfeed	01/07/2021	30/06/2022	R0	R0	R0	R0	R200 000	R0	R400 000	R300 000	R300 000	R300 000	R300 000	R200 000	R500 000	R0	R0,00	R0,00	Own revenue
29	Electrical Bulk Service Extension 11	01/07/2021	30/06/2023	R0	R0	R0	R400 000	R400 000	R200 000	R400 000	R0	R500 000	R0	R3 000 000	R0	Own revenue				
29	Electrical Bulk Service Extension 12	01/07/2021	30/06/2023	R0	R0	R0	R400 000	R400 000	R200 000	R400 000	R0	R500 000	R0	R3 000 000	R0	Own revenue				
29	Rotaba Substation Protection	01/07/2021	30/06/2022	R0	R0	R200 000	R0	R0	R0	R300 000	R0	R0	R0	R0	R0	R10 000	R10 000	R0	R0	Own revenue
29	Transformers (3)	01/07/2022	30/06/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0,00		R1 500 000	R1 400 000	Own revenue
ROADS & BRIDGES (BSD)																				

3-year Capital Works Plan by Ward

Ward	Project Name	Start date	etion date	2021/22 Monthly Expenditure Projections												MTREF Budget allocation				Source of Funding
				July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	2021/22	Adjusted 2021/22	2022/23	2023/24	
				15	Low level bridges	01/07/2021	30/06/2024	R0	R100 000	R0	R300 000	R0								
3	Meloding Stormwater Canal	01/07/2021	30/06/2023	R0	R100 000	R0	R200 000	R200 000	R100 000	R200 000	R200 000	R200 000	R0	R300 000	R0	R1 500 000	R2 500 000	R2 000 000	R0	Own revenue
1	Makhutlwe Street Paving (Planning)	01/07/2021	30/06/2024	R416 667	R416 667	R416 667	R416 667	R416 667	R416 667	R416 667	R416 667	R416 667	R416 667	R416 667	R416 667	R5 000 000	R8 620 041	R6 000 000	R2 000 000	Own revenue
15	Raphahlelo Street Paving-Designs	01/07/2021	30/06/2024	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R6 000 000	R8 668 000	R6 000 000	R2 000 000	Own revenue
18	Sephukubye Street Paving	01/07/2021	30/06/2024	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R6 000 000	R16 136 538	R4 000 000	R3 000 000	Own revenue
2	Motsinoni street paving	01/07/2021	30/06/2024	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R150 000	R150 000	R1 150 000	R6 000 000	R2 000 000	Own revenue
21	Ramaroka Street Paving	01/07/2021	30/06/2024	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R150 000	R150 000	R1 150 000	R6 000 000	R2 000 000	Own revenue
1	Thibeni Street Paving - Designs	01/07/2021	30/06/2022	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R150 000	R150 000	R1 150 000	R6 000 000	R2 000 000	MIG
26	Jokong Street Paving	01/07/2021	30/06/2022	R913 742	R913 742	R913 742	R913 742	R913 742	R913 742	R913 742	R913 742	R913 742	R913 742	R913 742	R913 742	R10 964 908	R8 500 000	R0	R0	MIG
10	Rampepe Access Bridge	01/07/2021	30/06/2022	R543 283	R543 283	R543 283	R543 283	R543 283	R543 283	R543 283	R543 283	R543 283	R543 283	R543 283	R543 283	R6 519 400	R2 500 000	R0	R0	MIG
10	Tshabela-Matswale Street Paving	01/07/2021	30/06/2023	R868 867	R868 867	R868 867	R868 867	R868 867	R868 867	R868 867	R868 867	R868 867	R868 867	R868 867	R868 867	R10 426 400	R10 426 396	R1 392 630	R0	MIG
10	Mohlabane	01/07/2021	30/06/2023	R688 272	R688 272	R688 272	R688 272	R688 272	R688 272	R688 272	R688 272	R688 272	R688 272	R688 272	R688 272	R8 259 258	R10 981 559	R12 500 000	R7 130 741	MIG
	Mamokgadi Street Paving			R0	R0	R0	R0	R0	R0	R907 037	R0	R5 442 226	R0	R0	MIG					

3-year Capital Works Plan by Ward

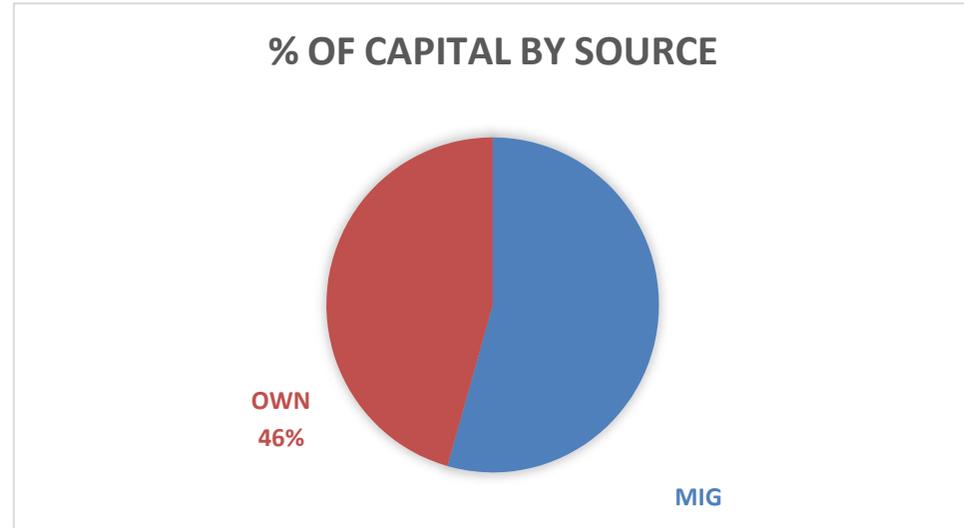
Ward	Project Name	Start date	etion date	2021/22 Monthly Expenditure Projections												MTREF Budget allocation				Source of Funding
				July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	2021/22	Adjusted 2021/22	2022/23	2023/24	
					Kgapane Stadium			R0	R0	R0	R0	R0	R0	R457 785	R457 785	R457 785	R457 785	R457 785	R457 785	
25	Ramodumo street paving	01/07/2022	30/06/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R0	R12 100 000	R14 600 000	MIG
25	Abel Street Paving	01/07/2022	30/06/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R0	R12 100 000	R11 390 123	MIG
5	Malemajia Street Paving	01/07/2022	30/06/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R0	R12 229 020	R17 470 980	MIG
3	Mapaana Street Paving - design	01/07/2022	30/06/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R0	R300 000	R2 000 000	Own revenue
1	Khethothone Street Paving - design	01/07/2022	30/06/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R0	R300 000	R2 000 000	Own revenue
13	Ward 13 (Senwagope) Street Paving - design	01/07/2022	30/06/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R0	R7 000 000	R2 000 000	Own revenue
15	Ward 15 Phase 2 Street Paving - design	01/07/2022	30/06/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R0	R300 000	R2 000 000	Own revenue
19	Maupa Street Paving - design	01/07/2022	30/06/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R0	R300 000	R2 000 000	Own revenue
10	Sekgopo Ramoadi-Matlou Street Paving - design	01/07/2022	30/06/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R0	R300 000	R2 000 000	Own revenue
29	Mokgoba Street Paving - design	01/07/2022	30/06/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	R0	R0	R300 000	R2 000 000	Own revenue

3-year Capital Works Plan by Ward

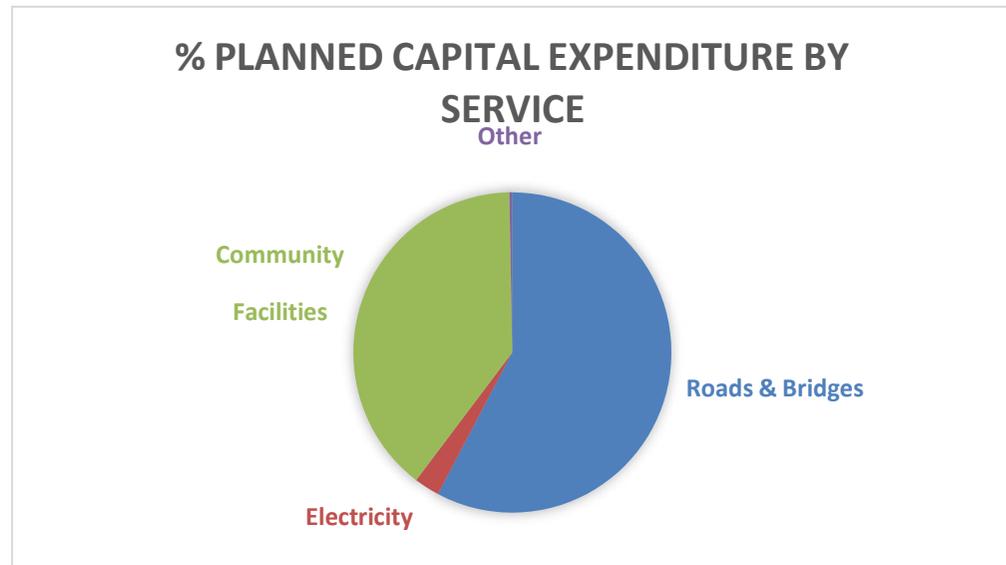
Ward	Project Name	Start date	etion date	2021/22 Monthly Expenditure Projections												MTREF Budget allocation				Source of Funding
				July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22	2021/22	Adjusted 2021/2	2022/23	2023/24	

2021/22 CAPITAL BUDGET SUMMARY

Source of Capital	Budget for 2021/22	% of total
MIG	R 57 794 199	54%
OWN	R 48 450 000	46%
Total	R 106 244 199	



Service Type	Budget for 2021/22	% of capital budget
Roads & Bridges	R 55 519 966	58%
Electricity	R 2 450 000	3%
Community Facilities	R 37 824 233	39%
Other	R 300 000	0%
Total	R 96 094 199	



SERVICE PROVIDERS' PERFORMANCE 2021 22

No	Service Provider	Project Name	Source Of Funding	Budget	Start Date	Completion date	Progress to date	Challenges and interventions	Assessment Service Provider Rating- Poor,Average,Satisfactory,Excellent
1	Jan Adelaide Construction and Services	Laptops	GLM	R 349 996	01/07/2021	30/06/2022	Completed	None	Satisfactory
2	Kgosi Bokang Business Development	Diesel Tanker with meter readings	GLM	R 100 000	01/07/2021	30/06/2022	Not delivered	supplied with wrong spec and returned	Poor
3	Lazwi Engeneering	Ward 5 Community hall	GLM	R800 000	01/07/2021	30/06/2022	Not Completed	Project suspended	Average
4	Perrizin Homes cc	Ga-Kgapane new cemetery establishment	GLM	R10 580 669	01/07/2021	30/06/2022	completed	None	Satisfactory
5	Maekus Pty Ltd	Grass Cutting Machine	GLM	R 200 000	01/07/2021	30/06/2022	completed	None	Satisfactory
6	Seboch Group	Chain Saws	GLM	R200 000	01/07/2021	30/06/2022	Completed	None	Satisfactory
7	Kipp Consulting Engineers	Landfill Site	GLM	R2 500 000	01/07/2022	30/06/2023	Completed	None	Satisfactory
8	Kago Consulting Engineers	Modjadjiskloof Taxi rank (upgrading)	GLM	R1 250 000	01/07/2021	30/06/2022	Not completed	Discontinued	Average
9	Telgoplex Pty Ltd	Low level bridges	GLM	R 1 400 000	01/07/2021	30/06/2022	Not completed	insufficient budget	Satisfactory
10	GPMVR Multi Prprojects	Meloding Stormwater Canal	GLM	R 2 500 000	01/07/2021	30/06/2023	Not Completed	insufficient budget	Satisfactory
11	Mamomama Trading Pty Ltd	Makhutukwe Street Paving (Planning)	MIG	R 8 621 041	01/07/2021	30/06/2022	Completed	None	Satisfactory
12	Morula Consulting Engineers and Projrect Managers	Thibeni Street Paving Designs	MIG	R 1 150 000	01/07/2021	30/06/2022	Completed	None	Satisfactory

13		Raphahlelo Street Paving-	MIG	R 8 668 000	01/07/2021	30/06/2022	Not completed	insufficient budget	Satisfactory
14	Zevo Fusion Pty Ltd JV dzungeni JV Machabatau Construction cc	Sephukubye Street Paving	MIG	R 16 136 538	01/07/2021	30/06/2022	Not Completed	insufficient budget	Satisfactory
15	Dolmen Engineers	Motsinoni Street paving	MIG	R 1 150 000	01/07/2021	30/06/2022	Completed	None	Satisfactory
16	Clear Water consulting	Ramaroka Street Paving	MIG	R 1 150 000	01/07/2021	30/06/2022	Completed	None	Satisfactory
17	Matmol Trading Cc	Mamokgadi Street Paving	MIG	R 5 442 226	01/07/2021	30/06/2022	Not Completed	None	Satisfactory
18	Hlulani Pty Ltd	Mokwasele Street Paving	MIG	R 180 000	01/07/2021	30/06/2022	Completed	None	Satisfactory
19	Leseleng Civil Works and Supplies	Double Cab Bakkie 4x4	GLM	R 800 000	01/07/2021	30/06/2022	Completed	None	Satisfactory
20	TTS Les Holdings	Single Cab Bakkie 4x2	GLM	R 724 000	1/7/2021	30/6/2022	Completed	None	Satisfactory
21	Leseleng Civil Works and Supplies	2x Traffic Patrol Vehicles	GLM	R 640 000	1/7/2021	30/6/2022	Completed	None	Satisfactory
24	Mamce	Modjadjiskloof Electrical Network Integration	GLM	R 200 000	01/07/2021	30/06/2022	Not Completed	insufficient budget	Satisfactory
25	Sarathi Jv OTS	High mast in Various Villages	GLM	R 750 000	01/07/2021	30/06/2022	Completed	None	Satisfactory
26	AM Consulting Engineers (Pty) Ltd	Refurbishing of LV network	GLM	R 950 000	01/07/2021	30/06/2022	Not Completed	underperformance	poor
27	Madz Electrical Cc	Household Connection in Various Villages	INEP	R 10 000 000	01/07/2021	30/06/2022	Completed	None	Satisfactory
29	Sello Ramotwala Civils	Thakgalane Sports Complex	Capex	R 12 197 312	01/07/2021	30/06/2022	Completed	None	Satisfactory
30	Maduke Trading Pty	Madumeleng/ Shotong Sports Complex	MIG	R 5 000 000	01/07/2021	30/06/2022	Completed	None	Satisfactory

31	lebp Construction and Projects	Jokong Street Paving	MIG	R 8 500 000	01/07/2021	30/06/2022	Completed	None	Satisfactory
32	Tzaneen Afri Investment Pty Ltd	Rampepe Access Bridge (Designs)	MIG	R 2 500 000	01/07/2021	30/06/2022	Not Completed	delay due to late approval of WUL	Satisfactory
33	Matseka Construction and Projects	Tshabela-Matswale Street Paving	MIG	R 10 426 400	01/07/2021	30/06/2022	Not Completed	insufficient budget	Satisfactory
34	lebp Construction and Projects	Mohlabaneng Street Paving(Multi-year)-Phase 1	MIG	R 10 981 559	01/07/2021	30/06/2022	completed	None	Satisfactory
35	Lera 2 Trading	Enhancement & Beautifications of town entrance	GLM	R 2 249 996	01/07/2021	30/06/2022	Not Completed	slow progress	Poor

3.5. Service Delivery Backlog as of June 2022

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. It must however be noted that the District municipality is responsible for services such as water, sanitation, and some of the roads, while Housing and some of the roads belong to the provincial government.

Table 3.1: Service Delivery Backlog as at June 2022

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)		2731	4%	55 459	96%
--	--	-------------	-----------	---------------	------------



CHAPTER 4 ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 Introduction

The quality of human capital is important in any organization. It will determine the success and progress that has been made to deliver services and support the overall business strategy. To succeed there is a need to develop a holistic approach to the implementation of transformational issues like equity, human resource development, staff retention, and succession planning, management of HIV/AIDS in the workplace.

4.2 Managing municipal workforce levels

MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998. In Managing a Municipal Workforce effectively, it is important that employee policies, procedures, and contracts are in place. The municipality had a total number of 37 reviewed policies in place listed below:

- *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*
- *Covid-19 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*
- *Whistle Blowing Policy*
- *Aldermanship Policy*
- *Bursary Policy For Employees*
- *Bursary Policy for Councillors*

- *Danger Allowance policy*
- *Employment Equity Policy*
- *Leave Management Policy*
- *Risk Cover and Loss Control 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 328 posts in terms of the approved organogram for 2021/22 financial year and had 262 posts filled as of 30 June 2022. It is worth indicating that the municipality had a vacancy rate of 21%. 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 2022

Directorate	Approved Posts	Filled	Vacant
Municipal Manager's Office	42	40	2
Corporate Services	28	22	6
Budget and Treasury	34	29	5
Technical Services	81	63	18
Community Services	130	93	37
Development and Town Planning	13	12	1
Total	328	259	69
Interns	18		

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 2021/22 was 6.8% which is higher as compared to 2020/21 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 outlines employment equity status of the municipality per occupational category. The empowerment of the previously disadvantaged groups is relatively low with African females at 44% and 33% on Senior / Top management in 2021/22. 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 2021/2022.

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 2022. It is worth noting that the five year EE plan has expired which required the municipality to develop a new plan with new targets.

Table 4.2 Workforce profile per occupational category as of 30 June 2022.

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	0	0	0	1	0	0	0	1
Senior management	3	0	0	0	1	0	0	0	4
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	27	0	0	0	24	0	0	0	51
Semi-skilled and discretionary decision making	32	0	0	0	30	0	0	0	62
Unskilled and defined decision making	50	1	0	1	44	0	0	0	96
TOTAL PERMANENT	137	1	0	2	117	0	0	1	258
Temporary employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	137	1	0	2	117	0	0	1	258

4.6. 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 2021/22 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
2020/21	R118 148 334.00	R759 424.00	R744 833.00	98%
2021/2022	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	03				02				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	-

4.7. 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 programs, projects, and processes directly to its 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 balanced scorecard methodology which is a strategic performance management tool. The balanced 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 balanced 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, maximize internal business process efficiencies, and maximize efficient allocation of financial and human resources. By using the balanced scorecard Greater Letaba Municipality managed to come up with strategic objectives that were transformed into a strategic map that 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. Municipality is presently using electronic Performance Management system.

- **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 commits 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 agreements that were duly signed.

The purpose of a performance management agreement is to:

- Specify objectives and targets defined and agreed with the employee and 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 to the basis for assessing whether the employee has met the performance expectations applicable to his or her job.
 - In the event of outstanding performance, 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 asset.
- (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 a performance management system.

- **Reports**

The Greater Letaba Municipality continuously produces 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 an 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 report.

- **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	<p>Panel shall be constituted as follows:</p> <p>Assessment of Municipal Manager</p> <ul style="list-style-type: none"> • Mayor • Municipal Manager or Mayor from another municipality • EXCO Member • Ward Committee Member • Chairperson of Performance Audit Committee <p>Assessment of Directors</p> <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	<p>Panel shall be constituted as follows:</p> <p>Assessment of Municipal Manager</p> <ul style="list-style-type: none"> • Mayor • Municipal Manager or Mayor from another municipality • EXCO Member • Ward Committee Member • Chairperson of Performance Audit Committee <p>Assessment of Directors</p> <ul style="list-style-type: none"> • Municipal Manager from another municipality • EXCO Member • Municipal Manager <p>Chairperson of Performance Audit Committee</p>

4.8. 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.: Personnel Expenditure (excluding Councillors allowances)

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2020/2022	R 122 636 589	R 404 415 626	30%
2021/2022	R 123 249 312	R 409 910 107	30%

Disclosure regarding the 2021/22 remuneration packages for the Mayor, Councillors, and Section 57 Managers was as follows:

Table 4.3: Remuneration packages- 2021/22

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

4.9. Organisational Development Performance Highlights

- Submission of Workplace skills plan and Annual training reports were submitted before the 30th April 2022.
- Employment Equity Report was submitted prior 15 January 2022.
- 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 2021/22 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. This chapter aims 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 2019/2020, 2020/21, and 2021/2022.

Table: 5.1 Operating ratios

Operating Ratios			
Detail	2019/20 Ratio %	2020/21 Ratio %	2020/22 Ratio %
Employee Cost	33%	34%	35%
Repairs & Maintenance	05%	7.3%	4.9%
Finance Charges & Depreciation	10%	10%	10.0%

The table below indicates the financial overview of the 2020/2021 financial year.

Table: 5.2. Financial overview

Financial Overview – 2021/22			
Details	Original Budget	Adjustment Budget	Actual
Income			
Grants	389 502 000	389 502 000	390 672 000
Taxes, Levies and tariffs	53 804 000	53 804 000	39 051 000
Other	34 589 000	34 589 000	10 578 000
Sub Total	477 895 000	477 895 000	439 556 000
Less Expenditure	361 592 000	344 280 000	405 872 000
Net Total *	116 303 000	133 615 000	34 429 000
*Note: Surplus/ Deficit			

The table below highlights capital expenditure for the period 2019/2020, 2020/2021, and 2021/2022 comparatively.

Table: 5.3. Capital expenditure

Total Capital Expenditure from 2019/20 to 2020/2021 2021/22			
Detail	2019/2020	2020/21	2021/22
Original budget	151 354 000	119 672 000	116 244 000
Adjustment budget	116 706 000	149 621 000	131 756 000
Actual	88 148 000	106 641 000	106 667 000

5.3 GREATER LETABA MUNICIPALITY FINANCIAL PERFORMANCE ANALYSIS

- **Revenue**

The Municipality receives grants and equitable shares from national treasury. The grants amount to 89% of the total receipts. Own revenue accounts for 11% of the total receipts, the municipality depends more on grants though there is a slight increase in 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 2020/2021 has an increase in comparison with the 2017/18 and 2018/19 financial years.

- **Debtors**

The total debt owed to the municipality has increased to R324 849 000 in 2021/22 while it was R304 721 594 in 2020/21. 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 1 467 956 at year end.. The municipality's current assets are more than the current liabilities, current assets amount to R 26 962 320 and current liabilities amount to R 87 975 613. Although the municipality seems to be operating on going concern, there are several mitigating factors that will enable the municipality to continue.

- **Expenditure analysis**

In 2020/21 financial year expenses were more than 2021/22 financial year. 2020/21 financial year expenditure amounted to R 409 910 107 and 2021/22 amounted to R 404 415 626 which is less than 2020/21, which shows that the municipality is improving in managing their cashflows.

GREATER LETABA MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

5.4 AUDITED 2021/2022 FINANCIAL STATEMENTS AND INFORMATION MANAGEMENT

**Greater Letaba Municipality
Audited Annual Financial
Statements For the Year-ended
30 June 2022**



Greater Letaba Municipality
Annual financial statements
for the year ended June 30, 2022

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

General Information

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.

Mayoral committee

Executive committee

Cllr Mamanyoha T.D (Mayor)

Cllr Mokgwathi M.M (Speaker)

Cllr Ramalatso R.R (Chief Whip)

Cllr Baloyi R.G (Infrastructure)

Cllr Kgapane T.J (Finance)

Cllr Lebeko N.F (Corporate & Shared Services)

Cllr Mathaba E.M (Public Transport & Roads)

Cllr Mosila M.R (Community Services)

Cllr Ramaano K.E (Sports, Arts & Culture)

Cllr Ramalobela M.L (Environmental Affairs)

Cllr Ramaremela J.M (Economic Development, Housing & Spatial Planning)

Cllr Selowa M.G (Water & Sanitation)

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

General Information

Councillors

Cllr Hlungwani S.J
Cllr Kgatla Mo.E
Cllr Lebepe R.R
Cllr Lebeya J.M
Cllr Lekitima M.V
Cllr Maake M.S
Cllr Maake N
Cllr Mabililala E
Cllr Makgatho T.E
Cllr Makhananisa M.D
Cllr Makhurupetse M.M
Cllr Malatja T.P
Cllr Malatji M.C
Cllr Malatji M.E
Cllr Maluleke M.J
Cllr Mamaila B.A
Cllr Mamanyoha T.D
Cllr Mamatlepa D.D
Cllr Mampeule P.J
Cllr Mangena M.S
Cllr Mankgero M.M
Cllr Manyama M.I
Cllr Mashao M.C
Cllr Mashao M.G
Cllr Matlou M.P
Cllr Modika M.S
Cllr Mohale M.C
Cllr Mohale M.J
Cllr Mohale R.W
Cllr Mokgomola N.P
Cllr Mokgwathi M.M
Cllr Mokhabukhi M.S
Cllr Monyela K.B
Cllr Moroatshehla M.F
Cllr Morwatshehla M.B
Cllr Mothomogolo P.S
Cllr Mulaudzi P
Cllr Nakana M.R
Cllr Ndimba B.H
Cllr Ngobeni M.P
Cllr Ramabubutla L
Cllr Ramalatso M.A
Cllr Ramalatso R.R
Cllr Rampyapedi S.E
Cllr Rasebotja M.S
Cllr Raseropo M.S
Cllr Rasetsoke M.C
Cllr Selowa D.L
Cllr Senyolo T.J
Cllr Seoka L.M
Cllr Serumula M.L

Grading of local authority

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

Audit committee

Mr R Raphalalani (Chairperson)
Mr N Marobane
Ms MJ Mojapelo
Ms MC Maloko
Ms M Nkwane

Chief Financial Officer

Ms TM Mathabatha

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

General Information

Accounting Officers

Mr MO Sewape

Registered office

Civic Centre
44 Botha Street
Modjadjiskloof
Limpopo

Business address

Civic Centre
44 Botha Street
Modjadjiskloof
Limpopo

Postal address

PO Box 36
Modjadjiskloof
0835

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)

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Index

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

	Page
Accounting Officer's Responsibility 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	13 - 43
Notes to the Annual Financial Statements	43 - 86

CIGFARO	Chartered Institute of Government Finance, Audit & Risk Officers
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
MPAC	Municipal Public Accounts Committee
SDL	Skills Development Levy
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
ME'S	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
UIF	Unemployment Insurance Fund
WCA	Workers Compensation Assistance
PAYE	Pay-as-you-Earn

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Officer's Responsibility and Approval

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

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

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

The accounting officers acknowledge that they are 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 officers to meet these responsibilities, the 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 officers are 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.

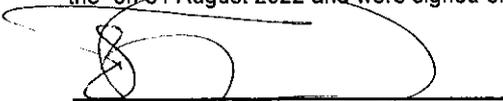
The accounting officers have reviewed the municipality's cash flow forecast for the year to June 30, 2023 and, in the light of this review and the current financial position, they are satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is dependent on the government for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's internal auditors.

The internal auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the on 31 August 2022 and were signed on its behalf by:



Mr MO Sewape
Acting Municipal Manager

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Officer's Report

The accounting officers submit their report for the year ended June 30, 2022.

1. Review of activities

Main business and operations

The municipality is engaged in providing municipal services and maintaining the best interest of the local community mainly in the Greater Letaba area, and operates principally in South Africa.

2. Going concern

We draw attention to the fact that at June 30, 2022, the municipality had an accumulated surplus (deficit) of R 1,027,140,629 and that the municipality's total assets exceed its total liabilities by R 1,027,140,629.

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.

Going Concern disclosure is contained in note 52 of the notes to the financial statements

3. Subsequent events

The accounting officers are aware of the following matters since the end of the financial 30 June 2022:

The Chief Financial Officer of Greater Letaba Municipality resigned subsequent to year end; with her last day being 31 August 2022]

The Acting Chief Financial Officer, Mr L Mamatlepa, was appointed effective from 01 September 2022

The Municipal Manager's contract ended on 22 November 2022 and Mr MO Sewape was appointed as an Acting Municipal Manager.

The municipality has suspended four(4) junior officials on suspension of Financial Misconduct, the case is still pending

4. Accounting Officers' 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.

The accounting officers of the municipality during the year and to the date of this report are as follows:

Name	Changes
Mrs MF Mankgabe	Resigned Tuesday, November 22, 2022
Mr MO Sewape	Appointed Wednesday, November 23, 2022

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the on 31 August 2022 and were signed on its behalf by:


Mr MO Sewape
Acting Municipal Manager

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Statement of Financial Position as at June 30, 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Inventories	7	8,286,371	7,237,386
Receivables from exchange transactions	8	9,653,022	9,883,756
Receivables from non-exchange transactions	9	2,228,701	6,324,983
VAT receivable	10	1,740,947	-
Consumer debtors	11	3,585,323	15,906,741
Cash and cash equivalents	12	1,467,956	4,184,142
		26,962,320	43,537,008
Non-Current Assets			
Investment property	2	196,576	205,568
Property, plant and equipment	3	1,105,420,833	1,041,416,386
Intangible assets	4	16,097	53,019
Heritage assets	5	548,500	548,500
		1,106,182,006	1,042,223,473
Total Assets		1,133,144,326	1,085,760,481
Liabilities			
Current Liabilities			
Finance lease obligation	49	238,360	1,378,367
Payables from exchange transactions	15	80,274,920	70,080,137
VAT payable	16	-	2,562,829
Consumer deposits	17	399,158	387,948
Employee benefit obligation	6	2,074,815	487,126
Provisions	14	4,988,360	-
		87,975,613	74,896,407
Non-Current Liabilities			
Finance lease obligation	49	1,410,876	1,649,236
Employee benefit obligation	6	16,617,208	16,278,197
		18,028,084	17,927,433
Total Liabilities		106,003,697	92,823,840
Net Assets		1,027,140,629	992,936,641
Accumulated surplus		1,027,140,629	992,936,641
Total Net Assets		1,027,140,629	992,936,641

* See Note 52

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Statement of Financial Performance

Figures in Rand

	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	23,489,173	17,173,883
Rental of facilities and equipment	20	122,507	225,820
Interest received - outstanding receivables		2,730,346	4,238,871
Agency services	22	3,207,458	3,398,150
Licences and permits	23	3,507,960	3,611,983
Other income	24	670,836	762,222
Interest received - investment	25	1,200,751	1,828,957
Total revenue from exchange transactions		34,929,031	31,239,886
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	12,831,676	13,830,617
Interest - Property Rates		551,032	1,833,232
Transfer revenue			
Government grants & subsidies	27	390,672,000	428,414,000
Donations received	50	11,629	4,403,981
Fines, Penalties and Forfeits	21	560,950	183,750
Total revenue from non-exchange transactions		404,627,287	448,665,680
Total revenue	18	439,556,318	479,905,466
Expenditure			
Employee related costs	30	122,636,589	123,249,312
Remuneration of councillors	31	22,891,807	23,654,949
Depreciation and amortisation	32	40,273,204	35,587,723
Finance costs	51	1,866,343	1,423,221
Debt Impairment	34	48,678,880	55,637,101
Bulk purchases	35	17,647,345	14,911,679
Contracted services	28	82,541,206	87,497,517
General Expenses	29	67,880,252	67,948,605
Total expenditure		404,415,626	409,910,107
Operating surplus		35,140,692	69,995,359
Gain on disposal of assets and liabilities		-	1,183,882
Actuarial gains/losses	6	744,730	-
Impairment Loss	33	(1,456,406)	(1,966,468)
		(711,676)	(782,586)
Surplus for the year		34,429,016	69,212,773

* See Note 52

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	919,159,226	919,159,226
Adjustments		
Prior year adjustments	4,564,642	4,564,642
Balance at July 1, 2020 as restated*	923,723,868	923,723,868
Changes in net assets		
Surplus for the year	69,212,773	69,212,773
Total changes	69,212,773	69,212,773
Restated* Balance at July 1, 2021	992,711,613	992,711,613
Changes in net assets		
Surplus for the year	34,429,016	34,429,016
Total changes	34,429,016	34,429,016
Balance at June 30, 2022	1,027,140,629	1,027,140,629
Note(s)		

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		29,630,131	15,470,396
Grants		390,672,000	428,414,000
Interest income		1,200,751	1,828,957
Other Income		7,648,485	3,551,288
		<u>429,151,367</u>	<u>449,264,641</u>
Payments			
Employee costs		(145,356,964)	(141,168,732)
Suppliers		(177,474,517)	(199,882,337)
Finance costs		(1,810,378)	(1,352,292)
		<u>(324,641,859)</u>	<u>(342,403,361)</u>
Net cash flows from operating activities	37	<u>104,509,508</u>	<u>106,861,280</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(106,998,544)	(104,167,553)
Proceeds from sale of property, plant and equipment	3	-	1,773,859
Net cash flows from investing activities		<u>(106,998,544)</u>	<u>(102,393,694)</u>
Cash flows from financing activities			
Finance lease payments		(227,150)	(1,195,277)
Net increase/(decrease) in cash and cash equivalents		<u>(2,716,186)</u>	<u>3,272,309</u>
Cash and cash equivalents at the beginning of the year		4,184,142	911,833
Cash and cash equivalents at the end of the year	12	<u>1,467,956</u>	<u>4,184,142</u>

* See Note 52

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	23,529,000	-	23,529,000	23,489,173	(39,827)	1
Rental of facilities and equipment	142,000	-	142,000	122,507	(19,493)	9
Interest received (trading)	5,753,000	-	5,753,000	2,730,346	(3,022,654)	2
Agency services	15,067,000	-	15,067,000	3,207,458	(11,859,542)	3
Licences and permits	16,208,000	-	16,208,000	3,507,960	(12,700,040)	4
Other income	1,849,000	-	1,849,000	670,836	(1,178,164)	5
Interest received - investment	1,274,000	-	1,274,000	1,200,751	(73,249)	6
Total revenue from exchange transactions	63,822,000	-	63,822,000	34,929,031	(28,892,969)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	24,522,000	-	24,522,000	12,831,676	(11,690,324)	7
Interest - Property Rates	-	-	-	551,032	551,032	8
Transfer revenue						
Government grants & subsidies	389,502,000	-	389,502,000	390,672,000	1,170,000	10
Donation received	-	-	-	11,629	11,629	11
Fines, Penalties and Forfeits	49,000	-	49,000	560,950	511,950	20
Total revenue from non-exchange transactions	414,073,000	-	414,073,000	404,627,287	(9,445,713)	
Total revenue	477,895,000	-	477,895,000	439,556,318	(38,338,682)	
Expenditure						
Personnel	(126,291,000)	4,731,000	(121,560,000)	(122,636,589)	(1,076,589)	12
Remuneration of councillors	(26,902,000)	-	(26,902,000)	(22,891,807)	4,010,193	13
Depreciation and amortisation	(13,507,000)	(444,000)	(13,951,000)	(40,273,204)	(26,322,204)	14
Impairment loss/ Reversal of impairments	-	-	-	(1,456,406)	(1,456,406)	14
Finance costs	-	-	-	(1,866,343)	(1,866,343)	18
Debt Impairment	(1,120,000)	1,120,000	-	(48,678,880)	(48,678,880)	15
Bulk purchases	(18,109,000)	242,000	(17,867,000)	(17,647,345)	219,655	16
Contracted Services	(79,219,000)	(9,313,000)	(88,532,000)	(82,541,206)	5,990,794	17
General Expenses	(96,444,000)	20,976,000	(75,468,000)	(67,880,252)	7,587,748	19
Total expenditure	(361,592,000)	17,312,000	(344,280,000)	(405,872,032)	(61,592,032)	
Operating surplus	116,303,000	17,312,000	133,615,000	33,684,286	(99,930,714)	
Actuarial gains/losses	-	-	-	744,730	744,730	
Surplus before taxation	116,303,000	17,312,000	133,615,000	34,429,016	(99,185,984)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	116,303,000	17,312,000	133,615,000	34,429,016	(99,185,984)	

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	(14,450,000)	21,697,000	7,247,000	8,286,371	1,039,371	22
Receivables from exchange transactions	169,184,000	(152,678,000)	16,506,000	9,653,022	(6,852,978)	23
Receivables from non-exchange transactions	-	-	-	2,228,701	2,228,701	24
VAT receivable	-	-	-	1,740,947	1,740,947	25
Consumer debtors	8,826,000	25,277,000	34,103,000	3,585,323	(30,517,677)	26
Cash and cash equivalents	4,519,000	(3,011,000)	1,508,000	1,467,956	(40,044)	
	168,079,000	(108,715,000)	59,364,000	26,962,320	(32,401,680)	
Non-Current Assets						
Investment property	213,000	(7,000)	206,000	196,576	(9,424)	
Property, plant and equipment	1,066,157,000	85,218,000	1,151,375,000	1,105,420,833	(45,954,167)	27
Intangible assets	6,000	(6,000)	-	16,097	16,097	
Heritage assets	548,500	-	548,500	548,500	-	
	1,066,924,500	85,206,000	1,152,129,500	1,106,182,006	(45,947,494)	
Total Assets	1,235,003,500	(23,510,000)	1,211,493,500	1,133,144,326	(78,349,174)	
Liabilities						
Current Liabilities						
Finance lease obligation	-	-	-	238,360	238,360	
Payables from exchange transactions	80,256,000	(42,356,000)	37,900,000	80,274,918	42,374,918	28
Consumer deposits	385,000	3,000	388,000	399,158	11,158	
Employee benefit obligation	812,000	(812,000)	-	2,074,815	2,074,815	29
Provisions	-	-	-	4,988,360	4,988,360	30
	81,453,000	(43,165,000)	38,288,000	87,975,611	49,687,611	
Non-Current Liabilities						
Finance lease obligation	-	-	-	1,410,876	1,410,876	
Employee benefit obligation	12,983,000	42,238,000	55,221,000	16,617,208	(38,603,792)	31
	12,983,000	42,238,000	55,221,000	18,028,084	(37,192,916)	
Total Liabilities	94,436,000	(927,000)	93,509,000	106,003,695	12,494,695	
Net Assets	1,140,567,500	(22,583,000)	1,117,984,500	1,027,140,631	(90,843,869)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	1,140,567,500	(22,583,000)	1,117,984,500	1,027,140,631	(90,843,869)	

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

Figures in Rand

The accounting policies on pages 13 to 43 and the notes on pages 43 to 86 form an integral part of the annual financial statements.

Accounting Policies

Figures in Rand	Note(s)	2022	2021
-----------------	---------	------	------

1. Presentation of Annual Financial Statements

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

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

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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 GRAP Standards, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

GRAP - 1 Presentation of Financial Statements
GRAP - 2 Cashflow Statements
GRAP - 3 Accounting Policies, Changes in Accounting Estimates and Errors
GRAP - 5 Borrowing Costs
GRAP - 9 Revenue from Exchange Transactions
GRAP - 12 Inventories
GRAP - 13 Leases
GRAP - 14 Events after the reporting date
GRAP - 16 Investment Property
GRAP - 17 Property Plant and Equipment
GRAP - 18 Segment Reporting
GRAP - 19 Provisions, Contingent Liabilities and Contingent Assets
GRAP - 20 Related Party Disclosures
GRAP - 21 Impairment of Non-Cash Generating Assets
GRAP - 23 Revenue from Non-exchange Transactions
GRAP - 24 Presentation of Budget Information in Financial Statements
GRAP - 25 Employee Benefits
GRAP - 31 Intangible Assets
GRAP -103 Heritage Assets
GRAP -104 Financial Instruments
GRAP -108 Statutory Receivables
GRAP -109 Accounting by Principals and Agents

s

At the date of authorisation of these Annual Financial Statements, the following standards and interpretations were in issue but not yet effective and have not been early adopted by the municipality.

GRAP - 25 Employee Benefits (Revised)
GRAP -104 Financial Instruments (Revised)

Standards issued and not yet effective are disclosed in detail, including their nature under note 48 of the notes to the financial statements.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

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 at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

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

Trade receivables

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

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. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

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

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 14 - Provisions.

Contingent provisions on entity combinations

Contingencies recognised in the current year required estimates and judgments, refer to note on entity combinations.

Useful lives of waste and water network and other assets

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

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

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 6.

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 all excluding 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.

Accounting by principals and agent

The municipality makes assessments on whether it is the principal or agent in principal-agent relationship. The modified cash basis of accounting is applied when a accounting for the payments on behalf of the principal. Expenses are only debited to loan account when they are paid on behalf of the principal not when they are accrued.

Additional information is disclosed in Note 47.

1.4 Investment property

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

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

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.5 Property, plant and equipment (continued)

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

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.

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

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight-line	10-30
Infrastructure Assets	Straight-line	:
Roads, pavements, bridges and storm water	Straight-line	10-100
Street names, signs and parking meters	Straight-line	15-20
Electricity reticulation	Straight-line	20-50
Infrastructure	Straight-line	5-100
Other assets	Straight-line	2-15
Motor Vehicles	Straight-line	7-15
Plant and Equipment	Straight-line	2-5
IT Equipment	Straight-line	5
Office Equipment	Straight-line	5

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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 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.

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.6 Intangible assets (continued)

An intangible asset is recognised when:

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

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

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:

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	5

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.

Subsequent measurement

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

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.7 Heritage assets (continued)

Impairment

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

Transfers

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 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:

- 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

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.8 Financial instruments (continued)

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, a 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.

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 June 30, 2022

Accounting Policies

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 on the transfer. In this case, the municipality:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.8 Financial instruments (continued)

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.

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 continue 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 Tax

Value added tax

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of value added tax recoverable from, or payable to the taxation authority is included as part of receivables or payables in the Statement of Financial Position. The Municipality is registered at SARS for VAT on the payment basis in accordance with section 15(2)(a) of the VAT Act (Act No 89 of 1991). The municipality is liable to account for VAT at the standard rate 15% from 1 April 2018 as announced by the minister of Finance) in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or are scoped out for VAT purposes.

The municipality accounts for Value added tax on accrual basis.

1.11 Leases

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.11 Leases (continued)

Finance leases - lessee

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

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

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

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

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Inventories

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

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

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

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

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

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

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

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

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

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

1.13 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 June 30, 2022

Accounting Policies

1.13 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 projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.13 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 June 30, 2022

Accounting Policies

1.13 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 entity 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 June 30, 2022

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

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

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

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

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

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

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

Redesignation

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

1.14 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 June 30, 2022

Accounting Policies

1.14 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.

Identification

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

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

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

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 oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

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

Reversal of an impairment loss

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

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

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

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

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

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.

1.15 Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

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.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.15 Employee benefits (continued)

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

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

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.15 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

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

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

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the 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 June 30, 2022

Accounting Policies

1.15 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.15 Employee benefits (continued)

The entity 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;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity 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 pro-rated 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.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

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.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.15 Employee benefits (continued)

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

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

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

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

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

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.15 Employee benefits (continued)

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes (as a minimum):

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit 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 benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.16 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating surplus (deficit).

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

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.16 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- 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.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 39.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.17 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.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.17 Commitments (continued)

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

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

1.18 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Sale of goods

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

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

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:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.18 Revenue from exchange transactions (continued)

Interest income

Revenue arising from the use by others of entity assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

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.

1.19 Revenue from non-exchange transactions

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

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

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, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

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

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

Government grants, subsidies 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.

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.

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.

1.20 Investment income

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

1.21 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.

1.22 Comparative figures

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

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.22 Comparative figures (continued)

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.

1.23 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.

1.24 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which 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 gets de-recognised when condoned by the Council.

1.25 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.

1.26 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.26 Segment information (continued)

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.27 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.

The approved budget covers the fiscal period from 7/1/2020 to 6/30/2021.

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.

1.28 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.

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

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

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

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Accounting Policies

1.28 Related parties (continued)

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.29 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.30 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.

Investments in securities

1.31 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.

1.32 Expenditure

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

Notes to the Annual Financial Statements

Figures in Rand

2022

2021

Greater Letaba Municipality
Annual Financial Statements for the year ended June 30, 2022

2. Investment property

	2022		2021			
Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	
Investment property	480,511	(283,935)	196,576	480,511	(274,943)	205,568

Reconciliation of investment property - 2022

Investment property	Opening balance	Depreciation	Total
	205,568	(8,992)	196,576

Reconciliation of investment property - 2021

Investment property	Opening balance	Depreciation	Total
	213,057	(7,489)	205,568

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.

Restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal are as follows:

Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements is as follows:

In the exceptional cases when the municipality has to measure investment property using the cost model in the Standard of GRAP on Property, Plant and Equipment when the municipality subsequently uses the fair value measurement, disclose the following:

- a description of the investment property,
- an explanation of why fair value cannot be determined reliably,
- if possible, the range of estimates within which fair value is highly likely to lie, and
- on disposal of investment property not carried at fair value:
 - the fact that the entity has disposed of investment property not carried at fair value,
 - the carrying amount of that investment property at the time of sale, and
 - the amount of gain or loss recognised.

Greater Letaba Municipality
Annual Financial Statements for the year ended June 30, 2022
Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2022		2021			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	33,571,077	-	33,571,077	34,830,077	-	34,830,077
Buildings	273,247,736	(78,289,838)	194,957,898	259,615,030	(69,518,732)	190,096,298
Leasehold property	4,151,951	(2,529,088)	1,622,863	4,151,951	(1,145,104)	3,006,847
Plant and machinery	34,219,171	(18,211,174)	16,007,997	33,673,333	(14,386,071)	19,287,262
Motor vehicles	28,709,546	(18,076,040)	10,633,506	23,596,716	(15,838,251)	7,758,465
Infrastructure	775,246,956	(158,757,292)	616,489,664	727,844,038	(134,484,993)	593,359,045
Other assets	15,478,768	(12,426,075)	3,052,693	15,132,484	(10,962,886)	4,169,598
WIP - Infrastructure	85,363,887	-	85,363,887	59,816,152	-	59,816,152
WIP - Buildings	143,721,248	-	143,721,248	129,092,642	-	129,092,642
Total	1,393,710,340	(288,289,507)	1,105,420,833	1,287,752,423	(246,336,037)	1,041,416,386

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand

3. New standards and interpretations (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Assets held for sale	Transfers	Depreciation	Impairment loss	Total
Land	34,830,077	-	(1,259,000)	-	-	-	33,571,077
Buildings	190,096,298	376,399	-	13,192,020	(8,706,819)	-	194,957,898
Leasehold property	3,006,847	-	-	-	(1,383,984)	-	1,622,863
Plant and machinery	19,287,262	538,399	-	7,440	(2,785,179)	(1,039,925)	16,007,997
Motor vehicles	7,758,465	5,112,830	-	-	(1,812,417)	(425,372)	10,633,506
Infrastructure	593,359,045	484,615	-	46,778,305	(23,867,360)	(264,941)	616,489,664
Other assets	4,169,598	332,196	-	11,629	(1,309,190)	(151,540)	3,052,693
WIP - Infrastructure	59,816,152	72,239,980	-	(46,692,245)	-	-	85,363,887
WIP - Buildings	129,092,642	27,914,127	-	(13,285,521)	-	-	143,721,248
	1,041,416,386	106,998,546	(1,259,000)	11,628	(39,864,949)	(1,881,776)	1,105,420,833

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand

3. New standards and interpretations (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Prior year error - Cost	Depreciation	Impairment loss	Total
Land	33,830,077	-	-	-	1,000,000	-	-	34,830,077
Buildings	169,932,679	45,747	-	21,566,710	6,566,951	(7,962,086)	(53,703)	190,096,298
Leasehold property	-	4,151,951	-	-	-	(1,145,104)	-	3,006,847
Plant and machinery	12,429,359	9,272,611	(21,456)	52,947	-	(2,294,326)	(151,873)	19,287,262
Motor vehicles	9,370,254	989,370	(592,412)	-	-	(1,647,953)	(360,794)	7,758,465
Infrastructure	526,764,897	400,162	(242,154)	71,290,775	13,924,777	(17,382,538)	(1,396,874)	593,359,045
Other assets	5,148,034	246,890	(6,119)	-	-	(1,215,982)	(3,225)	4,169,598
WIP - Infrastructure	73,334,268	60,741,318	-	(60,242,955)	(14,016,479)	-	-	59,816,152
WIP - Buildings	132,010,694	32,471,556	-	(32,667,480)	(2,722,128)	-	-	129,092,642
	962,820,262	108,319,605	(862,141)	(3)	4,753,121	(31,647,989)	(1,966,469)	1,041,416,386

The following projects are taking long to complete due to various reasons

Project description	Carrying Amount 30 June 2021	Start Date	Planned Completion date	Revised Completion date	Reason for delay
WIP26 - ROTTERDAM SPORTS COMPLEX	33,251,807	19 June 2017	30 June 2021	30 September 2021	Contractor penalised due to delays in project completion
WIP51 - UPGRADING KGAPANE STADIUM	33,260,876	26 October 2017	25 October 2019	30 September 2021	Budgetary constraints limited us to implement over one financial year, thus rolled-over multi-financial years
WIP59 - THAKGALENE SPORT COMPLEX	25,784,520	10 September 2018	10 March 2021	30 June 2022	Budgetary constraints limited us to implement over one financial year, thus rolled-over multi-financial years
WIP53 - MADUMELENG SHOTONG SPORTS COMPLEX	27,637,803	10 September 2018	10 March 2021	30 June 2022	Budgetary constraints limited us to implement over one financial year, thus rolled-over multi-financial years

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand

3. New standards and interpretations (continued)	2,898,307	04 October 2019	30 June 2021	Halted	Project completion delayed due to community stoppage due to disputed project site location. Council resolved that project be relocated to another site
WIP57 - WARD 5 COMMUNITY HALL					
	<u>122,833,313</u>				

Assets subject to finance lease (Net carrying amount)

Leasehold property	1,622,863	3,006,847
--------------------	-----------	-----------

Other information

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

Maintenance of Buildings and facilities	609,303	1,676,306
Maintenance of equipment	1,469,128	5,074,021
Maintenance of unspecified assets	5,520,239	20,031,936
	<u>7,598,670</u>	<u>26,782,263</u>

Assets held for sale

In the current year, Council approved 20 stands with a total amount of R1 259 000 to be sold.. Refer to Note 45

Maintenance of property, plant and equipment

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.

Greater Letaba Municipality
Annual Financial Statements for the year ended June 30, 2022
Notes to the Annual Financial Statements

Figures in Rand

5. Heritage assets

	2022		2021	
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation
Waterfall picnic site	103,000	-	103,000	103,000
Historical monuments and statues	190,500	-	190,500	190,500
Mayoral gold chain	195,000	-	195,000	195,000
Paintings	60,000	-	60,000	60,000
Total	548,500	-	548,500	548,500

Reconciliation of heritage assets 2022

Waterfall picnic site
Historical monuments and statues
Mayoral gold chain
Paintings

	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
Total	548,500	548,500

Reconciliation of heritage assets 2021

Waterfall picnic site
Historical monuments and statues
Mayoral gold chain
Paintings

	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
Total	548,500	548,500

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand 2022 2021

5. Heritage assets (continued)

Pledged as security

No carrying value of heritage assets were pledged as security[

6. Employee benefit obligations

Defined benefit plans

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

Carrying value

Defined benefit obligation - Post retirement medical plan	(13,394,100)	(12,180,000)
Defined benefit obligation - Long service awards	(5,297,923)	(4,585,323)
	<u>(18,692,023)</u>	<u>(16,765,323)</u>
 Non-current liabilities	 (16,617,208)	 (16,278,197)
Current liabilities	(2,074,815)	(487,126)
	<u>(18,692,023)</u>	<u>(16,765,323)</u>

Post retirement benefit plan

6.1 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 postemployment 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 2022.

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

Defined benefit obligation - Post retirement medical plan	<u>13,394,100</u>	<u>12,180,000</u>
 Non-Current Liabilities	 12,081,789	 12,081,789
Current Liabilities	1,312,311	98,211
	<u>13,394,100</u>	<u>12,180,000</u>

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

Opening balance	12,180,000	9,439,171
Benefits paid	(97,541)	(109,225)
Net expense recognised in the statement of financial performance	1,311,641	2,850,054
	<u>13,394,100</u>	<u>12,180,000</u>

Net expense recognised in the statement of financial performance

Current service cost	946,238	827,910
Adjustments or Past service cost	(83,103)	91,886
Interest cost	1,276,236	1,059,210
Actuarial (gains) losses	(827,730)	871,048
	<u>1,311,641</u>	<u>2,850,054</u>

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
6. Employee benefit obligations (continued)		
Calculation of actuarial gains and losses		
Actuarial (gains) losses – Obligation	<u>(827,730)</u>	<u>871,048</u>
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used	11.85 %	10.59 %
Medical aid contribution	8.46 %	7.13 %
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 11.85% per annum has been used. The corresponding index-linked yield at this term is 4.11%. 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 2022.

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 June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021			
6. Employee benefit obligations (continued)					
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:					
	2022	2021	2020	2019	2018
	R	R	R	R	R
Defined benefit obligation	13,394,100	12,180,000	9,439,171	9,257,717	9,547,636
Surplus (deficit)	(13,394,100)	(12,180,000)	(9,439,171)	(9,257,717)	(9,547,636)
6.2 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 employees that are entitled to long service awards as at 30 June 2022: 251 (2021:254). 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			5,297,923	4,585,100	
Heading					
Non-current liabilities			4,709,844	4,196,186	
Current liabilities			588,069	388,914	
			5,297,913	4,585,100	
Changes in the present value of the defined benefit obligation are as follows:					
Opening balance			4,585,324	4,356,224	
Benefits paid			(388,095)	(701,535)	
Net expense recognised in the statement of financial performance			1,100,694	930,635	
			5,297,923	4,585,324	
Net expense recognised in the statement of financial performance in general expenses					
Current service cost			549,000	478,235	
Adjustments			-	(14,670)	
Interest cost			442,000	293,082	
Actuarial (gains) losses			83,000	173,988	
			1,074,000	930,635	
Calculation of actuarial gains and losses					
Actuarial (gains) losses – Obligation			83,000	173,988	

Key assumptions used

Assumptions used at the reporting date:

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
6. Employee benefit obligations (continued)		
Discount rates used	11.08 %	9.35 %
Expected increase in salaries	7.32 %	5.81 %
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 (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 2021 of 6.50%. The next salary increase was assumed to take place on 1 July 2022.

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 2021 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:

	2022	2021	2020	2019	2018
Defined benefit obligation	5,297,923	4,585,100	4,356,224	4,013,049	3,360,213
Plan assets	(5,297,923)	(4,585,100)	(4,356,224)	(4,013,049)	(3,360,213)
	-	-	-	-	-

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees [or specify number of employees covered]. A number of defined contribution provident 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 plan(s) which is (are) a Multi-Employer Funds and is (are) a Defined Benefit Plans, but due to the fact that sufficient information is not available to enable the municipality to account for the plan(s) as a defined benefit plan(s). The municipality accounted for this (these) plan(s) as a defined contribution plan(s):

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

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
7. Inventories		
Land Held for sale	1,259,000	-
Consumable stores	7,027,371	7,237,386
	8,286,371	7,237,386

The total of consumable store's is represented by items held for use in operations.

For Inventory amounts relating to stock losses due to theft and shortages, please refer to Note 41 - Fruitless and Wasteful expenditure.

8. Receivables from exchange transactions

Deposits	2,244,346	2,150,160
Sundry debtors	7,313,332	8,489,609
Impairment: Sundry Debtors	(4,209,601)	(7,143,212)
Mopani District Municipality	145,552,463	126,760,771
Impairment: Mopani District Municipality	(141,247,518)	(120,373,572)
	9,653,022	9,883,756

9. Receivables from non-exchange transactions

Fines	9,092,820	8,562,187
Consumer Debtors - Rates	69,747,006	62,350,450
Impairment of Consumer debtors - Rates	(67,540,270)	(56,043,373)
Impairment debtors - Traffic fines	(9,070,855)	(8,544,281)
	2,228,701	6,324,983

Ageing for Consumer debtors included in receivables from non-exchange transactions above are as follows:

Current (0 -30 days)	1,003,434	999,565
31 - 60 days	702,569	698,396
61 - 90 days	678,524	686,225
91 - 120 days	671,511	671,545
121 - 365 days	5,643,732	671,389
> 365 days	61,047,234	58,196,252
Less: Impairment	(66,985,043)	(56,043,373)
	2,761,961	5,879,999

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
9. Receivables from non-exchange transactions (continued)		
Statutory receivables general information		
Transaction(s) arising from statute		
Property rates are charged based in the Municipal Properties Rates Act, 2004 (Act No.6 of 2004) on all applicable properties under the demarcations of the Municipality)		
Traffic fines are charged based on the offences as prescribed by laws of the country as well as the Municipal by-laws		
Determination of transaction amount		
The amount for property rates billing is determined through the implementation of the valuation roll that contains a list of properties and their market values for the determination of the rates payable		
Traffic fines are charged in line with the type of offences and its charge as per the rates of determined in the by-laws and the Traffic Act		
Statutory receivables impaired		
As of June 30, 2022, Statutory receivables of R78,839,826 (2021: R70,912,637) were impaired and provided for.		
The amount of the provision was R(76,611,125) as of June 30, 2022 (2021: R(64,587,654)).		
Factors the entity considered in assessing statutory receivables impaired		
A payment rate was determined and used to calculate the amount of debt impairment at year end		
Receivables from non-exchange transactions pledged as security		
No other receivables from non-exchange transactions were pledged as security.		
10. VAT receivable		
VAT	1,740,947	-
11. Consumer debtors		
Gross balances		
Electricity	34,925,584	34,780,700
Refuse	89,397,340	83,580,966
Other	26,924,588	25,439,327
	151,247,512	143,800,993
Less: Allowance for impairment		
Electricity	(32,051,310)	(30,405,801)
Refuse	(88,745,308)	(75,521,043)
Other	(26,865,571)	(21,967,408)
	(147,662,189)	(127,894,252)
Net balance		
Electricity	2,874,274	4,374,899
Refuse	652,032	8,059,923
Other	59,017	3,471,919
	3,585,323	15,906,741

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
11. Consumer debtors (continued)		
Electricity		
Current (0 -30 days)	106,738	4,374,899
31 - 60 days	59,382	-
61 - 90 days	48,320	-
91 - 120 days	60,115	-
121 - 365 days	343,278	-
> 365 days	2,256,441	-
	2,874,274	4,374,899
Refuse		
Current (0 -30 days)	4,370	563,864
31 - 60 days	4,116	545,477
61 - 90 days	4,057	535,970
91 - 120 days	4,013	526,012
121 - 365 days	29,605	504,237
> 365 days	605,871	5,384,363
	652,032	8,059,923
Other		
Current (0 -30 days)	585	356,935
31 - 60 days	574	175,142
61 - 90 days	574	174,875
91 - 120 days	567	166,958
121 - 365 days	3,963	168,027
> 365 days	84,644	2,423,213
	90,907	3,465,150

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
11. Consumer debtors (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	1,802,504	1,587,717
31 - 60 days	1,306,185	1,470,058
61 - 90 days	1,257,769	1,414,801
91 - 120 days	1,301,177	1,333,563
121 - 365 days	8,865,772	1,303,621
> 365 days	152,185,350	153,716,982
	166,718,757	160,826,742
Industrial/ commercial		
Current (0 -30 days)	1,000,822	581,156
31 - 60 days	716,493	648,577
61 - 90 days	603,619	724,033
91 - 120 days	659,976	661,777
121 - 365 days	4,085,921	609,109
> 365 days	24,381,196	26,167,226
	31,448,027	29,391,878
National and provincial government		
Current (0 -30 days)	270,879	5,399,228
31 - 60 days	136,642	339,334
61 - 90 days	131,372	189,935
91 - 120 days	159,894	153,128
121 - 365 days	991,151	193,073
> 365 days	17,542,988	12,338,273
	19,232,926	18,612,971
Total		
Current (0 -30 days)	2,070,771	7,568,101
31 - 60 days	1,456,752	2,457,970
61 - 90 days	1,314,235	2,328,770
91 - 120 days	1,449,535	2,148,467
121 - 365 days	9,408,939	2,105,803
> 365 days	135,547,100	126,293,661
	151,247,332	142,902,772
Less: Allowance for impairment	(147,662,009)	(126,996,031)
	3,585,323	15,906,741
Reconciliation of allowance for impairment		
Balance at beginning of the year	(187,598,973)	(167,442,549)
Contributions to allowance	(27,415,797)	(20,156,424)
	(215,014,770)	(187,598,973)

Narration of Classification by Customer

Narration

Included in the classification of Debtors by Customer Gross Consumer Debtors for Assessment Rates, Electricity, Refuse and Other Consumer debtors.

Consumer debtors pledged as security

No consumer debtors were pledged as security for any liabilities.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand 2022 2021

11. Consumer debtors (continued)

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 2022 was drawn from the system.

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

Twelve months payments report starting from 01 July 2021 to 30 June 2022 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%).

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,467,956	4,184,142
---------------	-----------	-----------

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2022	June 30, 2021	June 30, 2020
FIRST NATIONAL BANK - 52100005761 - Main Bank Account	818,149	470,756	386,620	1,139,746	636,398	422,069
FIRST NATIONAL BANK - 62051705534	144,482	3,037,845	62,886	200,242	3,424,882	260,879
ABSA BANK - Fixed Investment	127,967	122,861	117,566	125,388	122,862	117,566
OLD MUTUAL- Investment	-	-	111,319	-	-	111,319
Total	1,090,598	3,631,462	678,391	1,465,376	4,184,142	911,833

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Movement during the year

Additions during the year	79,924,000	70,594,000
Income recognition during the year	(79,924,000)	(70,594,000)
	-	-

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

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

These amounts are invested in a ring-fenced investment until utilised.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
14. Provisions		
Reconciliation of provisions - 2022		
	Opening Balance	Total
Provision-SARS VAT	-	4,988,360
		4,988,360
Provisions for VAT represent accrual VAT payable not yet due to SARS as the municipality is on Cash Basis and the AFS are prepared on an Accrual Basis.		
15. Payables from exchange transactions		
Trade payables	20,013,083	12,425,791
Payments received in advanced Retentions	10,298,391	9,459,739
Accrued leave pay	23,024,777	24,179,569
Accrued annual bonus	15,202,828	17,069,182
Unallocated deposits	2,117,448	2,006,362
Other Creditors	5,224,882	4,736,990
	4,393,511	202,504
	80,274,920	70,080,137
Trade payables age analysis		
Current (0 -30 days)	20,040,026	12,428,174
16. VAT payable		
Tax refunds payables	-	2,562,829
17. Consumer deposits		
Electricity	399,158	387,948
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.		
18. Revenue		
Service charges	23,489,173	17,173,883
Rental of facilities and equipment	122,507	225,820
Interest received - outstanding receivables	2,730,346	4,238,871
Agency services	3,207,458	3,398,150
Licences and permits	3,507,960	3,611,983
Other income	670,836	762,222
Interest received - investment	1,200,751	1,828,957
Property rates	12,831,676	13,830,617
Interest - Property Rates	551,032	1,833,232
Government grants & subsidies	390,672,000	428,414,000
Public contributions and donations	11,629	4,403,981
Fines, Penalties and Forfeits	560,950	183,750
	439,556,318	479,905,466

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
18. Revenue (continued)		
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	23,489,173	17,173,883
Rental of facilities and equipment	122,507	225,820
Interest received (trading)	2,730,346	4,238,871
Agency services	3,207,458	3,398,150
Licences and permits	3,507,960	3,611,983
Other income	670,836	762,222
Interest received - investment	1,200,751	1,828,957
	34,929,031	31,239,886
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	12,831,676	13,830,617
Interest - Property Rates	551,032	1,833,232
Transfer revenue		
Government grants & subsidies	390,672,000	428,414,000
Public contributions and donations	11,629	4,403,981
Fines, Penalties and Forfeits	560,950	183,750
	404,627,287	448,665,580
19. Service charges		
Sale of electricity	18,406,496	12,376,035
Sale of water	-	3,451
Solid waste	5,082,677	4,793,715
Sewerage and sanitation charges	-	682
	23,489,173	17,173,883
20. Rental of facilities and equipment		
Facilities and equipment		
Rental of facilities	122,507	225,820
21. Fines, Penalties and Forfeits		
Municipal Traffic Fines	560,950	183,750
22. Agency services		
Management fees	3,207,458	3,398,150
23. Licences and permits (exchange)		
Road and Transport	3,507,960	3,611,983
24. Other revenue		
Other income	670,836	762,222

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
25. Investment revenue		
Interest revenue		
Bank	<u>1,200,751</u>	<u>1,828,957</u>
26. Property rates		
Rates earned		
Residential	4,459,998	9,711,221
State	<u>8,371,678</u>	<u>4,119,396</u>
	<u>12,831,676</u>	<u>13,830,617</u>

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
27. Government grants and subsidies		
Operating grants		
Equitable share	310,748,000	298,336,000
Equitable share additional funding	-	59,484,000
Finance Management Grant	2,000,000	2,000,000
Extended Public Works Programme	1,918,000	1,467,000
Energy Efficiency Management Grant	4,000,000	3,600,000
	<u>318,666,000</u>	<u>364,887,000</u>
Capital grants		
Municipal Infrastructure Grant	60,836,000	56,527,000
Integrated National Electrification Grant	11,170,000	7,000,000
	<u>72,006,000</u>	<u>63,527,000</u>
	<u>390,672,000</u>	<u>428,414,000</u>
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Equitable Share Additional Funding		
During the year additional funding was provided in response to the Covid-19 pandemic through equitable share. These funds allowed the municipality to maintain existing services despite a temporary decline in revenue collections and also cover some additional expenses incurred in response to the pandemic :		
Additional funding received	-	59,484,000
Additional funding spent	-	(59,484,000)
	<u>-</u>	<u>-</u>
Finance Management Grant (FMG)		
Current-year receipts	2,000,000	2,000,000
Conditions met - transferred to revenue	(2,000,000)	(2,000,000)
	<u>-</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 13).		
Extended Public Works Programme Grant (EPWP)		
Current-year receipts	1,918,000	1,467,000
Conditions met - transferred to revenue	(1,918,000)	(1,467,000)
	<u>-</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 13).		
Energy Efficiency Management Grant		
Current-year receipts	4,000,000	3,600,000
Conditions met - transferred to revenue	(4,000,000)	(3,600,000)
	<u>-</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 13).

Municipal Infrastructure Grant

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
27. Government grants and subsidies (continued)		
Current-year receipts	60,836,000	56,527,000
Conditions met - transferred to revenue	(60,836,000)	(56,527,000)
	-	-
Conditions still to be met - remain liabilities (see note 13).		
Integrated National Electrification Grant		
Current-year receipts	11,170,000	7,000,000
Conditions met - transferred to revenue	(11,170,000)	(7,000,000)
	-	-
Conditions still to be met - remain liabilities (see note 13).		
28. Contracted services		
Outsourced Services		
Business and Advisory	389,437	197,300
Catering Services	791,331	630,687
Meter Management	609,898	561,148
Mini Dumping Sites	3,651,520	2,848,920
Security Services	372,221	341,964
Consultants and Professional Services		
Business and Advisory	5,991,859	8,535,088
Infrastructure and Planning	8,260,447	7,728,644
Legal Cost	14,813,132	13,576,405
Contractors		
Audio-visual Services	179,340	-
Bore Waterhole Drilling	13,718	43,273
Electrical	10,580,036	6,217,785
Event Promoters	461,401	1,450,169
Fire Services	359,971	506,179
Maintenance of Buildings and Facilities	8,833,182	1,715,970
Maintenance of Equipment	3,685,641	5,074,021
Maintenance of Unspecified Assets	2,545,931	20,031,936
Pest Control and Fumigation	189,968	1,176,942
Transportation	64,300	3,000
Safeguard and Security	20,633,197	16,477,746
Sports and Recreation	27,072	-
Stage and Sound Crew	59,904	-
Removal of Hazardous Waste	27,700	380,340
	82,541,206	87,497,517

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
29. General expenses		
Advertising	940,837	1,462,153
Auditors remuneration	4,962,986	4,008,626
Bank charges	528,674	426,458
Vehicle tracking	363,564	618,951
Commission paid	164,153	340,137
Stores and material	12,022,127	12,103,310
Entertainment	2,885	-
Contribution to provisions - landfill sites	-	423,202
Hire	272,400	150,917
Insurance	4,478,516	3,095,108
IT expenses	5,500,155	11,739,061
Seminars Conferences Workshops and Events	71,337	621,458
Vehicle licences	302,087	235,757
Printing and stationery	4,015	418,946
Protective clothing	3,069,230	2,909,916
Subscriptions and membership fees	1,365,324	1,166,870
Communication	3,963,514	2,997,530
Travel - local	14,080,860	11,940,405
Rentals for printers	3,894,424	342,233
Assets expensed	-	53,800
Electricity	5,228,698	4,673,509
Bursary scheme	48,750	257,057
Interns	558,565	2,046,500
Free basic services and rebates	363,357	346,108
Remuneration of ward councillors	5,288,139	5,346,000
Other expenses	405,655	224,593
	67,880,252	67,948,605

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
30. Employee related costs		
Basic	73,654,276	72,809,255
Bonus-13th Cheque	5,491,864	5,454,346
Medical aid - company contributions	5,472,515	5,457,709
UIF	685,615	491,760
WCA	474,977	318,246
SDL	1,348,549	1,148,665
Leave pay provision charge	1,112,217	5,069,922
Pension fund and other fund contributions	14,979,711	15,621,494
Travel, motor car, accommodation, subsistence and other allowances	1,274,107	991,431
Overtime payments	5,175,010	4,847,364
Long-service awards	600,609	155,385
Acting allowances	2,502,751	874,187
Car allowance	7,609,622	6,676,248
Housing benefits and allowances	1,431,812	1,622,436
Cellular and telephone allowance	822,954	1,311,061
Tool allowance	-	399,803
	122,636,589	123,249,312
Remuneration of municipal manager		
Annual Remuneration	1,026,637	608,372
Car Allowance	-	75,000
KM Claims	15,462	-
Contributions to UIF, Medical and Pension Funds	13,152	25,000
Housing Allowance	-	100,000
Cellphone Allowance	36,000	21,000
Computer Allowance	12,000	7,000
Danger Allowance	5,500	1,000
Acting Allowance	-	139,450
Non Pensionable	360,000	-
	1,468,751	976,822
Remuneration of Chief Finance Officer		
Annual Remuneration	842,227	842,227
Car Allowance	180,000	180,000
Contributions to UIF, Medical and Pension Funds	12,648	-
KM Claims	4,863	-
Cellphone Allowance	36,000	36,000
Computer Allowance	12,000	12,000
Danger Allowance	5,500	7,000
	1,093,238	1,077,227
Remuneration of Director Corporate services		
Annual Remuneration	577,729	631,670
Car Allowance	145,250	90,000
Back Pay	3,275	-
Annual Bonuses	48,417	45,000
Contributions to UIF, Medical and Pension Funds	152,642	-
KM Claim	16,029	-
Computer Allowance	-	9,000
Cellphone Allowance	14,000	27,000
Acting Allowance	236,965	117,455
Danger Allowance	5,500	5,500

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand

30. Employee related costs (continued)

	2022	2021
Non Pensionable	3,000	-
	<u>1,202,807</u>	<u>925,625</u>

Malola MP has been acting for since April 2021 and for the period under review

Remuneration of Director Community Services

Annual Remuneration	854,226	842,226
Car Allowance	84,000	84,000
KM Claims	51,094	-
Non pensionable	84,000	-
Contributions to UIF, Medical and Pension Funds	23,999	84,000
Back Pay	-	14,000
Computer Allowance	12,000	12,000
Cellphone Allowance	36,000	24,000
Danger Allowance	5,500	8,000
	<u>1,150,819</u>	<u>1,068,226</u>

The Director Community Services was Dr Mokoena Masilo Daniel during the financial year.

Remuneration of Director Technical Services

Annual Remuneration	1,022,220	1,022,220
Contributions to UIF, Medical and Pension Funds	13,007	-
Computer Allowance	12,000	12,000
Cellphone Allowance	36,000	36,000
Danger Allowance	5,500	7,500
	<u>1,088,727</u>	<u>1,077,720</u>

The Director Technical Services was Mr Malungana Matimba Eugene during the financial year.

Remuneration of Director Development and Planning

Annual Remuneration	986,226	931,226
Car Allowance	36,000	36,000
Non pensionable	35,000	-
Contributions to UIF, Medical and Pension Funds	12,686	55,000
KM Claims	31,881	-
Computer Allowance	12,000	12,000
Cellphone Allowance	36,000	32,000
Danger Allowance	5,500	7,500
	<u>1,155,293</u>	<u>1,073,726</u>

The Director Development and Planning Director was Mr Sewape Malekutu Obed during the financial year.

31. Remuneration of councillors

Executive Mayor	901,658	901,659
Mayoral Committee Members	9,435,082	4,465,873
Speaker	729,488	729,488
Councillors	11,825,579	17,557,929
	<u>22,891,807</u>	<u>23,654,949</u>

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
31. Remuneration of councillors (continued)		
In-kind benefits		
The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
Additional information		
The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.		
32. Depreciation and amortisation		
Property, plant and equipment	40,227,278	35,544,329
Investment property	8,992	7,489
Intangible assets	36,934	35,905
	<u>40,273,204</u>	<u>35,587,723</u>
33. Impairment of assets		
Impairments		
Property, plant and equipment	1,456,406	1,966,468
Movable Assets nsuch as Plant & Equoment Furniture and Fittings were impairment due to their physical deterioration during the year under review. The impairment loss of this assets was recorded as R1 191 464.00. Road Infrastructure impairment of R264 941.00 was incurred as a result of conditional assessment performed during the year under review		
34. Debt impairment		
Debt impairment	<u>48,678,880</u>	<u>55,637,101</u>
35. Bulk purchases		
Electricity - Eskom	<u>17,647,345</u>	<u>14,911,679</u>
36. Auditors' remuneration		
Fees	<u>4,962,986</u>	<u>4,008,626</u>

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
37. Cash generated from operations		
Surplus	34,429,016	69,212,773
Adjustments for:		
Depreciation and amortisation	40,273,204	35,587,723
Loss on sale of assets and liabilities	-	(1,183,882)
Finance costs - Finance leases	55,965	70,929
Impairment deficit	1,456,406	1,966,468
Debt impairment	48,678,880	55,637,101
Donation received	(11,629)	(4,403,981)
Movements in retirement benefit assets and liabilities	1,926,700	2,969,928
Movements in provisions	4,988,360	-
Other Non cash items	231,186	248,329
Changes in working capital:		
Inventories	(1,048,985)	(834,723)
Receivables from exchange transactions	(48,909,614)	(23,048,770)
Consumer debtors	12,321,418	(28,995,399)
Other receivables from non-exchange transactions	4,096,282	5,236,631
Statutory receivables	(1,740,947)	-
Finance Income Receivable	(3,281,378)	-
Payables from exchange transactions	11,033,434	(10,427,282)
VAT	-	4,822,472
Consumer deposits	11,210	2,963
	104,509,508	106,861,280
38. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	133,875,806	175,217,983
• Prior year corrections	-	13,626,924
• Operational	21,424,730	41,676,417
	155,300,536	230,521,324
Total capital commitments		
Already contracted for but not provided for	155,300,536	216,894,400
Corrected in prior year	-	13,626,924
	155,300,536	230,521,324
Total commitments		
Total commitments		
Authorised capital expenditure	155,300,536	216,894,400

This committed expenditure relates to plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, government grants and subsidies, etc.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
39. Contingent Liabilities		
Description		
1. Merifon (Pty) Ltd - is suing the municipality for R52 000 000.00 for breach of contract. The matter is finalised in the constitutional court in July 2022 in favour of Municipality. The municipality is in the process of recovering costs	-	52,000,000
2. Hennox 60 CC - is suing the municipality for damages suffered as a result of the alleged defective storm water system for R3 635 593.33. The matter is being defended and still pending.	13,462,070	11,613,219
3. Star Mirl - is suing the municipality for R7 069 436.52 - The Plaintiff alleges that while appointed as a service provider for the municipality, the latter paid a person not so authorised by the Plaintiff. The matter is being defended and still pending.	7,069,437	7,069,437
4. Terror Trading Enterprise - is suing the municipality for R4 374 783.30. The Plaintiff alleges that while appointed as a service provider for the municipality, the latter paid a person not so authorised by the Plaintiff. The matter is being defended and still pending.	9,931,816	8,556,345
5. Modjadji Florence Modjadj - is suing the municipality for R67 313.70. The municipality is being sued for damages allegedly incurred as a result of pot holes on the municipal paving due to non maintenance. Matter resolved and payment made	-	67,314
6. JM Rakomane O.B.O MT Rakomane - is suing the municipality for R915 000.00. The plaintiff is suing the municipality on allegation of negligence as a result of neglected Ga-Kgapane stadium gate which fell on his son who sustained injuries. The matter is on a pleading stage	1,025,946	954,405
Voltex (Pty) Ltd vs Greater Letaba Municipality- The service provider is suing the municipality for the work allegedly done. The matter is pending	151,870	-
Hlamalani Ben Maselesele vs Greater Letaba Municipality- The plaintiff alleges that the municipality had failed to maintain internal street at Ga Kgapane suffered damages after falling into a huge pothole. Matter is pending. Pleading not yet closed	40,951	-
Lesly Cecilia Ndleve - The Plaintiff is seeking mandatory order demanding that the property sold to him be transferred.	100,000	-
David Schalk Janse van Rensburg//Greater Letaba Municipality - The applicant took Municipality to court to compel the municipality to issue clearance certificate against the payment of R53 319.17 to the municipality. The matter has been finalised	-	-
Fanie Venter and Seuns Boerdery vs Greater Letaba Municipality - The Plaintiffs are challenging the the constitutional validity of the SPLUMA.	-	-
Maile Rufus vs Greater Letaba Municipality - The Plaintiff is suing the municipality for damages as a result of uncontrolled storm channe.	30,000	-
Vincert Marelele vs Greater Letaba Municipality - The plaintiff is suing the municipality for damages as a result of unmaintained road.	26,153	-
	31,838,243	80,260,720

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021

40. Related parties

Relationships

Members of key management

Florance Mankgabe (Municipal Manager)
Mathabatha TM (Chief Financial Officer)
Malungana M (Director Technical Services)
Mr Malola MP (Acting 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. For a detailed list of councillors refer to page 1 and 2 of the AFS.

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 30.

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

41. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (fair value interest rate risk, 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.

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 June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
-----------------	------	------

41. Risk management (continued)

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, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

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

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

Financial instrument	2022	2021
Receivables from exchange transactions	11,620,984	11,209,055
Receivables from non exchange transactions	760,295	5,897,905
Cash and cash equivalents	1,467,956	4,184,142
Consumer debtors	6,453,387	15,008,520
Trade payables	(80,274,918)	(70,080,134)
Consumer deposits	(399,158)	(387,948)

For financial assets which are past due and impaired refer to note 8, 9 and 11. None of the financial assets terms have been renegotiated. None of the financial assets were used as security or collateral. Consumer deposits are disclosed on note 16.

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. The was not changes on the policy and the method use

Financial Liabilities	2022	2021
Employee benefit obligation	18,692,023	16,765,323

42. Unauthorised expenditure

Opening balance as previously reported	389,955,820	370,370,750
Opening balance as restated	389,955,820	370,370,750
Add: Expenditure identified - current	82,000,928	19,585,070
Closing balance	471,956,748	389,955,820

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
43. Fruitless and wasteful expenditure		
Opening balance as previously reported	3,348,733	2,105,575
Opening balance as restated	3,348,733	2,105,575
Interest Paid and Overpayments to service provider	41,012	704,067
Stock losses due to theft and shortages	866,816	539,091
Current year Recoveries	(1,070,264)	-
Closing balance	3,186,297	3,348,733
44. Irregular expenditure		
Opening balance as previously reported	233,268,563	199,396,165
Opening balance as restated	233,268,563	199,396,165
Add: Irregular Expenditure - current	21,517,831	21,626,502
Add: Irregular Expenditure - prior period	-	12,245,896
Less: Amount written off - current	(233,268,563)	-
Closing balance	21,517,831	233,268,563
Analysis of expenditure awaiting condonation per age classification		
Current year	21,517,831	33,872,398
Prior years	-	199,396,165
	21,517,831	233,268,563
The Irregular expenditure was caused by non compliance with the SCM policy and regulations.		
Amounts written-off		
Current year write off	(214,266,766)	-
45. Additional disclosure in terms of Municipal Finance Management Act		
SALGA		
Current year subscription / fee	1,270,302	1,233,363
Amount paid - current year	(1,270,302)	(1,233,363)
	-	-
Electricity distribution losses		
Kwh units purchased from Eskom	(11,555,771)	(11,999,667)
Kwh units sold per billing system statistics	10,475,852	10,313,139
Distribution savings / (losses)	(1,079,919)	(1,686,528)
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 R7 345 304.45 (2021: R2 158 194)		
Audit fees		
Current year subscription / fee	4,962,986	4,301,579
Amount paid - current year	(4,962,986)	(4,301,579)
	-	-

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
-----------------	------	------

45. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE, UIF and SDL

Current year subscription / fee	24,435,907	23,930,048
Amount paid - current year	(22,690,785)	(23,930,048)
	<u>1,745,122</u>	<u>-</u>

Pension and Medical Aid Deductions

Current year subscription / fee	30,723,911	28,315,746
Amount paid - current year	(28,075,522)	(28,315,746)
	<u>2,648,389</u>	<u>-</u>

VAT

VAT receivable	10,588,610	7,659,542
VAT payable	(8,847,663)	(10,222,371)
	<u>1,740,947</u>	<u>(2,562,829)</u>

VAT output payables and VAT input receivables are shown in note .

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

Councillors' arrear consumer accounts

MFMA section 124(1)(b) also requires disclosure of any arrears owed by individual councillors to the municipality for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days. There were no Councillors that had arrear accounts outstanding for more than 90 days as at June 30, 2022:

46. 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 and includes a note to the annual financial statements. The total deviations for the year under review amounted to R8 674 435.50 (2021: R3 989 191)

47. 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

Revenue recognised as compensation for the transactions carried out on behalf of the principal	295,379	282,662
Revenue received or to be received on behalf of the principal	10,042,225	10,013,669
Expenditure paid or incurred on behalf of the principal	26,901,621	27,159,282
	<u>37,239,225</u>	<u>37,455,613</u>

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
47. Entitles Part of a Principle vs Agent Arrangement (continued)		
Receivables held on behalf of the principal		
Opening Balance	88,749,028	89,453,607
Revenue receivable	8,940,313	9,309,090
Amounts received	(10,042,225)	(10,013,669)
	87,647,116	88,749,028
Payables held on behalf of the principal		
Opening Balance	-	918,430
Expenses Incurred	26,901,621	27,159,282
Cash Paid	(26,901,621)	(28,077,712)
	-	-

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.

48. New standards and interpretations

48.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after July 1, 2022 or later periods:

Standard/ Interpretation:	Nature	Effective date and Expected Impact
<ul style="list-style-type: none"> Guideline: Guideline on Accounting for Landfill Sites 	<p>The guideline deals with the following accounting aspects: Accounting for land and the landfill site Costs to be capitalised as part of landfill site Costs to be included in the rehabilitation provision, including the treatment of monitoring and inspection expenses to be undertaken after the closure of the landfill site. Accounting for changes in costs, discount rates, other estimates in relation to the rehabilitation provision, and changes in future legislations</p>	<p>Not yet effective -Unlikely there will be a material impact</p>

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

48. New standards and interpretations (continued)

<ul style="list-style-type: none"> GRAP 25 (as revised): Employee Benefits 	<p>The main aspect relates to amendments regarding the presentation of defined benefit plans and the fact that minimum funding requirements in the post-employment benefit plan may give rise to liability</p>	<p>Not yet effective- Presentation of the components to be presented in the statement of financial performance will result in the cost being grouped between service cost, net interest and remeasurements. These are already currently disclosed in then notes and will not result in any material impact on the financial statements</p>
<ul style="list-style-type: none"> iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction 	<p>No material impact in the current year</p>	<p>Not yet effective -Unlikely there will be a material impact</p>
<ul style="list-style-type: none"> Guideline: Guideline on the Application of Materiality to Financial Statements 	<p>No material impact</p>	<p>Not yet Effective-Unlikely there will be a material impact</p>
<ul style="list-style-type: none"> GRAP 104 (as revised): Financial Instruments 	<p>The main changes made were to amend the scope of financial instruments, classification and reclassification rules, recognition of interest and the impairment model and disclosures-</p>	<p>Effective 01 April 2025- Unlikely there will be a material impact</p>
<ul style="list-style-type: none"> iGRAP 21: The Effect of Past Decisions on Materiality 	<p>No material impact</p>	<p>Effective 01 April 2023- Unlikely there will be a material impact</p>
<ul style="list-style-type: none"> GRAP 2020: Improvements to the standards of GRAP 2020 	<p>Periodic revisions of the standards of GRAP by the Board, minor amendments to GRAP 5, 13, 16, 1, 20, 24, 31, 32, 37, 106 and directive 7 to provide clarity, references and examples</p>	<p>Effective 01 April 2023- Unlikely there will be a material impact</p>
<ul style="list-style-type: none"> GRAP 1 (amended): Presentation of Financial Statements 	<p>No material impact in the current year</p>	<p>Not Yet Effective- Unlikely there will be a material impact</p>

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
49. Finance lease obligation		
Minimum lease payments due		
- within one year	238,360	1,378,367
- in second to fifth year inclusive	1,410,876	1,649,236
Present value of minimum lease payments	1,649,236	3,027,603
Non-current liabilities	1,410,876	1,649,236
Current liabilities	238,360	1,378,367
	1,649,236	3,027,603

The finance lease relates to the lease of 36 rental network printing and photocopying machine as well as desktop printing and photocopying for a period of 3 years.

The average lease term was 3 years and the average effective borrowing rate was 7%.

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

50. Donation received

Donation received	11,629	4,403,981
-------------------	--------	-----------

A computer (Desktop) of R11 629 was donated by Department of Corporative Governace and Human Settlements

51. Finance costs

Finance leases	55,965	70,929
Other interest paid	1,810,378	1,352,292
	1,866,343	1,423,221

52. Prior period errors

Nature of the error

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021

52. Prior period errors (continued)

Service Charges

In the previous year (2021), a customer was overcharged by R4 116 914. This led to overstatement of revenue (service charges)

Debt impairment

In the previous year (2021), a customer was overcharged by R4 116 914. This led to overstatement of receivables and impairment

Mopani Receivable

During the year under review it was noted that receipts for Mopani 50% allocation as per the service level agreement was understated by R1 325 299.17 and this amount was reclassified from Electricity, Property Rates, Refuse and Other Consumer debtors

This reclassification resulted in the adjustment to debt impairment of R 1 289 760.55 in the prior year for water and sanitation transactions

Consumer debtors (receivables)

In the previous year (2021), a customer was overcharged by R4 116 914. This led to overstatement of receivables and impairment

There is no impact on the face of Financial Position. The error only affect the note

Property, Plant and equipment

A completed project amounting to R14 016 478.71 was not transferred to completed project. WIP infrastructure was overstated and Infrastructure assets were understated by R14 016 478.71

There is no impact on the face of Financial Position. The error only affect the note

In 2019, a Land of R1 000 000 was donated by Department of Rural Development and Land Reform. This led to understatement of property, plant and equipment

In previous years, roads infrastructure was incorrectly impaired by R4 039 887. This led to understatement of property, plant and equipment by R4 039 887.

In the previous year, depreciation for moshakga roads and market stalls were misstated by R847 866 . This led to overstatement of property, plant and equipment by R847 86

In the previous year, a contractor for Mamanyuha sports complex was penalised for underperformance. This led to reversal of retention and overstatement of property, plant and equipment by R865 246.22

Uitspan Farm Buildings for amount of R4 241 340.14 were donated to Municipality in the previous year. The donation was not accounted for and led to understatement of property, plant and equipment

Uitspan Farm infrastructure for amount of R158 048.92 were donated to Municipality in the previous year. The donation was not accounted for and led to understatement of property, plant and equipment

Uitspan Farm infrastructure for amount of R4 592.21 were donated to Municipality in the previous year. The donation was not accounted for and led to understatement of property, plant and equipment

Accumulated surplus

In 2019, a Land of R1 000 000 was donated by Department of Rural Development and Land Reform. This led to understatement of opening balance for accumulated surplus

In previous years, roads infrastructure was incorrectly impaired by R4 039 887. This led to understatement of accumulated surplus by R4 039 887.as this happened before 2021 financial year.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021

52. Prior period errors (continued)

Contingent liabilities

Terror Trading Enterprise //Greater Letaba Municipality matter was incorrectly disclosed as R4 374 783.30 instead of R8 450 710.72 including interest as per the summons

The Hennox 60 cc//Greater Letaba Municipality matter was incorrectly disclosed as R3 635 593,30 (excluding VAT) instead of R10 595 253.06 inclusive of VAT and Interest as per the summons.

JM Rakomane//Greater Letaba Municipality matter was incorrectly disclosed as R915 000.00 instead of R1025 945.96 including interest

Commitment

Errors were identified in the prior year resulting in the restatements of commitments:

Murendwa Consulting- An installation amount of R700 000.00 was omitted in the prior year commitment register due to oversight

An escalation for Kgosi Munene for 19/20, 20/21 and 21/22 was not included in the commitment register resulting in an understatement of commitments by R 12 025 671.28. These escalations were due to increase in SIRA rates and increase in security guards

Payment certificate no.2 for Clear water consulting was omitted in the prior year resulting in an overstatement of commitments by R420 036.44

During the year under review it was noted that the contract for Anaka Group was included in the commitment register with all charges that were not consistent with the Service Level Agreement resulting in an overstatement of commitments by R1 800 969.80. According to the SLA maintenance and monthly charges for copies are separate from the main contract

A contract relating to Tshashu Consulting was based on engineer estimates and adjustments to the contractor made after appointment of the contractor. This resulted in the prior year adjustment of commitments by R753 852.12

An amount of R274 171.79 relating to Lepalathabeni Investment for the construction of Phooko low level bridge was excluded from the commitment register in the prior year

Depreciation

In the previous year, depreciation for moshakga roads and market stalls were misstated by R847 866 . This led to understatement of depreciation by R847 866

Payables from exchange transactions

In the previous years, retention for various projects were not recognised. This led to understatement of retention by R814 879

VAT Payables

In the previous years, retention for various projects were not recognised. This led to understatement of retention by R134 833

Gain on disposal

In the previous year, a contractor for Mamanyuha sports complex was penalised for an amount of R220 000. This led to understatement of Gain and Losses

Donation received

Uitspan Farm Buildings for amount of R4 241 340.14 were donated to Municipality in the previous year. The donation was not accounted for and led to understatement of donation received

Uitspan Farm infrastructure for amount of R158 048.92 were donated to Municipality in the previous year. The donation was not accounted for and led to understatement of donation received

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
-----------------	------	------

52. Prior period errors (continued)

Uitspan Farm infrastructure for amount of R4 592.21 were donated to Municipality in the previous year. The donation was not accounted for and led to understatement of donation received

Contracted services

Retentions for various projects were not recognised in the previous year. This led to overstatement of contracted services by R39 664

General expenses

Retentions for various projects were not recognised in the previous year. This led to overstatement of contracted services by R163 28

Contracted services

Retentions for various projects were not recognised in the previous year. This led to overstatement of contracted services by R39 664

General expenses

Retentions for various projects were not recognised in the previous year. This led to overstatement of contracted services by R163 287

Finance Cost was reclassified from Employee related cost to finance cost, this relates to the post employment benefits for Long Service Award and Medical Aid

The correction of the error(s) results in adjustments as follows:

Statement of Financial Position	Note	As previously reported	Correction of errors	Reclassification	Total
Current Assets		-	-	-	-
Inventories	'7	7,237,386	-	-	7,237,386
Receivables from exchange transactions	'8	11,209,055	-	-	11,209,055
Receivables from non-exchange transactions	'9	5,897,905	-	-	5,897,905
Consumer debtors	'10	15,008,520	-	-	15,008,520
Cash and cash equivalents	'11	4,184,142	-	-	4,184,142
Non-Current Assets		-	-	-	-
Investment property	'2	205,568	-	-	205,568
Property, plant and equipment	'3	1,033,486,383	7,730,755	-	1,041,217,138
Intangible assets	'4	53,019	-	-	53,019
Heritage assets	'5	548,500	-	-	548,500
Current Liabilities		-	-	-	-
Finance lease obligation	'45	(1,378,367)	-	-	(1,378,367)
Payables from exchange transactions	'13	(70,895,013)	814,879	-	(70,080,134)
VAT payable	'14	(2,427,996)	(134,833)	-	(2,562,829)
Consumer deposits	'15	(387,948)	-	-	(387,948)
Employee benefit obligation	'6	(487,126)	-	-	(487,126)
Non-Current Liabilities		-	-	-	-
Finance lease obligation	'45	(1,649,236)	-	-	(1,649,236)
Employee benefit obligation	'6	(16,278,197)	-	-	(16,278,197)
Accumulated surplus (Only opening balance)		(984,326,595)	(4,837,637)	-	(989,164,232)
		-	3,573,164	-	3,573,164

Greater London Authority

Annual Financial Statements for the year ended 31st 03/2024

Notes to the Annual Financial Statements

Figures in K£m

2022

2021

21. Pensions (continued)

Statement of Financial Performance	Code	As previously reported	Correction of errors	Reclassified as	Total
Revenue		-	-	-	-
Service charges	'17	21,555,757	(4,158,914)	-	17,396,843
Rental of land, fixtures and equipment	'18	228,626	-	-	228,626
Interest receivable - outstanding receivables		4,232,871	-	-	4,232,871
Agency services	'20	3,863,163	-	-	3,863,163
Licences and permits	'21	3,611,983	-	-	3,611,983
Other income	'22	762,222	-	-	762,222
Interest received - investment	'23	1,828,957	-	-	1,828,957
Property rates	'24	13,830,617	-	-	13,830,617
Interest - Property Rates		1,833,232	-	-	1,833,232
Government grants & subsidies	'25	428,414,000	-	-	428,414,000
Fines, Penalties and Forfeits	'19	183,750	-	-	183,750
Expenditure		-	-	-	-
Employee related costs	'28	(124,601,604)	-	1,352,292	(123,249,312)
Remuneration of councillors	'29	(23,654,949)	-	-	(23,654,949)
Depreciation and amortisation	'30	(36,905,574)	(847,866)	-	(37,753,440)
Finance costs	'46	(70,929)	-	(1,352,292)	(1,423,221)
Debt Impairment	'31	(59,754,015)	5,406,675	-	(54,347,340)
Bulk purchases	'32	(14,911,679)	-	-	(14,911,679)
Contracted services	'26	(87,457,853)	(39,664)	-	(87,497,517)
General Expenses	'27	(67,785,318)	(163,287)	-	(67,948,605)
Gain on disposal of assets and liabilities		963,882	220,000	-	1,183,882
Donation received		-	4,403,981	-	4,403,981
		65,440,360	4,862,925	-	70,303,285

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021

53. Going concern

We draw attention to the fact that at June 30, 2022, the municipality had an accumulated surplus (deficit) of R 1,027,140,629 and that the municipality's total assets exceed its total liabilities by R 1,027,140,629.

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.

It is important to disclose to the users of the financial statements the following issues that may cast significant uncertainties for the municipality to continue as a going concern. These issues also have mitigating factors put in place by the municipality to continue as a going concern.

As at 30 June 2022, the municipality only had R1 467 956.00 cash on hand and this may not be sufficient enough to :

To pay for trade creditors to the value of R20 million in the next 12 months.

To pay for retentions amounting to R23 million that is payable to service providers whose projects has been completed in the current year

The unknown deposits amounting to 5million and income received in advance of R10.2million which the municipality has an obligation to pay back to the customers is not back by our cash in the bank.

Although the issues above present significant uncertainties; there are a number of mitigating factors to enable the municipality to continue as a going concern:

Financial Considerations in line with the Requirements OF GRAP:

Management have concluded that the municipality is not intending to liquidate anytime soon

The municipality is not reliant on credit/loans

There is no significant deterioration of assets that generate revenue for the municipality

The municipality obtained a confirmation from Mopani District Municipality to cover for Water related expenses which were previously not budgeted for, for the year under review the expenses incurred relating to water and sanitation transactions amount to 26.5million. This commitment will boost the municipality to meet its commitment and service its creditors.

The municipality will prioritize projects that are grant funded while planning on a turnaround to boost its own revenue as presented below:

Revenue Generating Activities:

The municipality intends to implement its credit policy in full through the assistance of a debt collector who has been appointed effective from 2022/2023 financial year

Mopani District owes the municipality an amount of R149 million and has committed to pay/settle this outstanding balance during 2022/2023 financial year. The payment of this amount will assist the municipality with meeting its own funded service delivery objectives

A new Service Level Agreement is being developed for water transactions and this will benefit the municipality in terms of generating additional income through Agency Services

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officers continue to procure funding for the ongoing operations for the municipality and that the subordination agreement referred to in note XX of these annual financial statements will remain in force for so long as it takes to restore the solvency of the municipality.

54. Segment information

General information

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021

54. Budget differences (continued)

Identification of Segments

The report is organised based on the municipality departments which are reportable segments and where performance is measurable. Management uses these same segments for compilation of the IDP, SDBIP, Budget, monthly and quarterly reporting. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The following are the reportable segments of the municipality:

Executive Council

Provides political leadership to the municipality for the generation of economic benefits and service potential. Through the office of the Municipal Manager it also provides for the administration, leadership, performance monitoring, integrated development plan, risk management and internal audit functions to the municipality for the generation of economic benefits and service potential.

Budget and Reporting

Provides financial administration to the municipality for the generation of economic benefits and service potential.

Community Services and Public Safety

Provides social services, public safety, public spaces, libraries and independent administration to the municipality for the generation of economic benefits and service potential.

Planning and Development

Provides waste management, town planning, local economic development and environmental sustainability for the generation of economic benefits and service potential.

Technical Services

Road transport, electricity, housing and building inspection, project management unit solid waste management and all infrastructure services to the municipality for the generation of economic benefits and service potential.

Corporate Services and Administration

Provides legal and administrative management services including HR and IT to the municipality for the generation of service potential.

Geographical consideration:

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

GLM area is one of the smaller municipal areas in terms of land area, and characterized by contrast such as varied topography, population densities (low in the south, relatively dense in the north-east), prolific vegetation in the south (timber) and sparse in the north (bushveld).

The "gates" to the municipal area are considered to be Sekgopo in the west and Modjadjikloof in the south. The land area of GLM extends over approximately 1891 km².

GLM incorporates the proclaimed towns of Modjadjikloof, and Ga-Kgape, situated in the extreme south of the municipal area, and Senwamokgope towards the north-west of the area of jurisdiction.

Management has as per the GRAP standards decided to report on GLM as a single Geographical area.

Management is of the opinion that as per paragraph 32, the cost of developing geographical information would be excessive, secondly that due to the nature of the municipality, it would be therefore not be in the best interest of the users of the financial statements to develop geographical area information for reporting.

Segment surplus or deficit, assets and liabilities

Segment surplus or deficit

Greater Toronto Municipality
 Annual Financial Statements for the year ended June 30, 2022
Note to the Annual Financial Statements

16. Financial Instruments (continued)

2022

	Revenue from non-exchange transactions	Revenue from exchange transactions	Other revenue	Total Segment revenue	Salaries and wages	Depreciation and amortisation	Other expenses	Total Segment expenditure	Total segment (deficit) surplus
Non-current assets	376,029,134	7,284,915	750,668	384,064,717	20,054,935	2,753,826	18,748,893	41,557,654	342,507,063
Current assets	3,172,573	8,817,225	-	11,989,798	38,249,597	189,913	18,885,882	57,325,392	(45,335,594)
Liabilities	-	-	-	-	22,140,687	11,616,778	37,844,893	71,602,358	(71,602,358)
Equity	-	-	-	-	13,469,401	-	109,939,374	123,408,775	(123,408,775)
Total	24,894,946	18,606,857	-	43,501,803	18,270,439	27,830,321	48,081,825	94,182,585	(50,680,782)
Total	404,096,653	34,708,997	750,668	439,556,318	121,858,168	42,390,838	240,166,620	404,415,626	35,140,692
Equity	-	-	-	-	439,556,318	-	-	-	(1,456,406)
Liabilities	-	-	-	-	-	-	-	-	744,730
Total	-	-	-	-	-	-	-	-	34,429,016

Equity

2022

	Non-current assets	Current assets	Total segment assets	Total segment liabilities
Equity	-	-	-	-
Liabilities	-	-	-	-
Total	-	-	-	-

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand

	2021	2022
54. Budget differences (continued)		
Budget and Reporting	916,971,547	463,149,112
Community and Public Safety	58,667,161	(75,118,614)
Corporate and Administration	1,607,555	(73,181,662)
Executive and Council	-	(63,335,225)
Planning and Development	-	(12,144,587)
Technical Services	128,261,876	(211,822,610)
Total segment assets	,105,508,139	27,546,414
Total as per Statement of financial Position	,134,313,555	(104,262,751)

2021

Other information

2022

*Capital expenditure excludes additions to financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

55. Budget differences

Material differences between budget and actual amounts

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
-----------------	------	------

55. Budget differences (continued)

1. Service Charges

The service charges over performed due to the increase in demand for services from our consumers.

2. Interest received- Outstanding receivables

The municipality's collection rate is lower than what we anticipated to collect on the outstanding debtors

3. Agency services

The municipality under performed due to Mopani district not paying the municipality for the services that they are performing on behalf of the district.

4. Licence and permits

The municipality had budgeted on 100% of the licence and permit but because we are acting as an agent for department of Transport, only the portion that is for the municipality is recognised as revenue.

5. Other income

The municipality had budgeted R1 000 000 on sale of stands for Kgapanes Ext, but the sale did not take place on the current year.

6. Interest received- investments

The municipality is not having a lot of money in their investment account, the amount disclosed is mainly due to the municipal primary account's positive bank balance.

7. Property rates

The variance is due to the over budgeting on property rate for the current year, this was fixed on the 2022/2023 budget

8. Interest- Property Rates

Interest on property rate was budgeted on the line item of interest on outstanding receivables'

9. Rental of facilities and equipment

The municipality did not collect as anticipated on our facilities and equipment.

10. Government grants & subsidies

The variance is due to the additional funding received for INEP Grant.

11. Donation

The municipality received a donation in a form of a computer from COGSTA.

12. Employee related costs

The employee cost was under budgeted and new employees joined the municipality during the financial year.

13. Councillor remuneration

The amount was not fully spent as councillors did not receive any upper limits in the current year.

14. Depreciation and amortisation

The municipality under budgeted on depreciation, thus the huge variance.

Greater Letaba Municipality

Annual Financial Statements for the year ended June 30, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
-----------------	------	------

55. Budget differences (continued)

15. Debt impairment

The municipality had not budgeted for debt impairment, this was corrected in 2022/2023 budget.

16. Bulk Purchases

This is due to the increase in consumers demand and eskom increase in electricity tariffs

17. Contracted services

The over spending is due to MSCOA classification, some item where budgeted for as general expenses but had to be reclassified to contracted services.

18. Finance costs

Finance costs was not budgeted for in 2021/2022, this was corrected in the current year budget.

19. General expenses

The municipality did not perform all the budgeted activities due to cashflow constraints as we are not collecting from the consumer debtors.

20. Fines and Penalties

More fines were issued as compared to the budgeted figure

22. Inventories

The increase is due to the reclassification of land held for sale to inventory during the year under review.

23. Receivable from exchange transactions

The variance is due to the fact that the municipality did not budget for debt impairment

24. Receivable from non-exchange

The budget for non-exchange for non-exchange is included in the exchange receivables

25. Vat Receivable

The municipality did not budget for VAT receivable

26. Property Plant and Equipment

The variance is due to the reclassifications of land held for sale as well as assets donated to the municipality

28. Payables from Exchange Transaction

The municipality had a lot of outstanding creditors at year end which were outstanding

29. Employee Benefit

The municipality budget for more employee benefits during the year under review

30. VAT Provision

The municipality did not budget for the VAT during the year under review



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 details on issues raised during the previous financial year and remedial action taken to address the above and preventative measures. The municipality has received for 2019/2020 and 2020/21 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 2020/2021 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 2020/2021 FINANCIAL YEAR

Report of the auditor-general to the Limpopo Provincial Legislature and the council on the Greater Letaba Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Greater Letaba Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2022, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Greater Letaba Local Municipality as at 30 June 2022 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 9 of 2021 (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 53 to the financial statements, which indicates that the municipality has a low cash balance that is not sufficient to cover liabilities that are due within the next 12 months. As stated in note 53, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

Material impairments

9. As disclosed in note 8, 9 and 11 financial statements, material impairments of R145 552 463, R76 611 125 and R147 662 189 were incurred as a result of providing for doubtful debts.

Significant uncertainties

10. With reference to note 39 to the financial statements, the municipality is the defendant in various claims, which it is opposing. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result was made in the financial statements.

Restatement of corresponding figures

11. As disclosed in note 52 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Other matter

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

Unaudited disclosure notes

13. 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

14. The accounting officer is responsible for the preparation and fair presentation of financial statements in accordance with the Standards of GRAP and the requirements of the MFMA 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.

15. 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

16. 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.
17. 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

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
19. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to 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.
20. 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 priorities presented in the municipality's annual performance report for the year ended 30 June 2022:

Development priorities	Pages in the annual performance report
KPA 2: Basic service delivery	xx - xx

21. 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.

22. The material findings on the usefulness and reliability of the performance information of the selected development priority are as follows:

KPA 2 – Basis service delivery

Indicator 3.5 – Number of house holds receiving free basic service within the financial year

23. The achievement of 318 was reported against target of 350 in the annual performance report. However, the supporting evidence provided materially differed from the reported achievement.

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and management’s explanations provided for the under achievement of targets. This information should be considered in the context of the material finding on reliability of the reported performance information in paragraph 23 of this report.

Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 2: basic service delivery development priority. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

27. 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.

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

Annual financial statements, annual performance report and annual report

29. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.
30. Material misstatements of non-current assets, current assets, liabilities and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

31. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R82 000 928, as disclosed in note 42 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the approved budget.
32. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R907 828, as disclosed in note 43 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 payments as well as stock losses due to stock shortages and theft.
33. Reasonable steps were not taken to prevent irregular expenditure amounting to R21 517 831 as disclosed in note 44 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.

Procurement and contract management

34. Some of the contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a)(i) and the Preferential Procurement Regulations. This non-compliance was identified in the procurement processes for the Beautification of Modjadjiskloof Town entrance project.
35. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. This non-compliance was identified in the procurement processes for the Beautification of Modjadjiskloof Town entrance project.
36. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA.

Consequence management

37. All 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.
38. All 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

39. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes 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
40. 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.
41. 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.
42. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

43. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
44. The accounting officer and management did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance with laws and regulations.
45. Leadership did not exercise effective monitoring over the implementation of the audit action plan resulting in recurring prior year issues.
46. Internal controls for monitoring compliance with laws and regulations are ineffective as they do not detect and prevent instances of non-compliance with applicable laws and regulations.
47. The internal control monitoring mechanisms of the municipality are not functioning optimally, as many control weaknesses are only discovered during the audit of the financial statements and performance information.

48. Slow responses by management to address internal control deficiencies and implement recommendations are root cause of the poor audit outcomes in the performance information.
49. The financial statements and the annual performance report are not adequately reviewed for accuracy and completeness by the accounting officer.
50. The accounting officer did not properly review and monitor compliance with laws and regulations.

Auditor General

Polokwane

30 November 2022



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 programmes 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 [board of directors, which constitutes 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 [name of the auditee] [and its subsidiaries] to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

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

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

6.3. REMEDIAL ACTION TO ADDRESS THE AUDIT EXCEPTIONS

Greater Letaba Municipality Financial
 Year: 2021/2022
 Audit Opinion : Unqualified with findings

	No of findings		
	Matters affecting audit re	Other important matters	Total
Development			
	7	10	17
Implementation	No of findings		
Not yet started	7	10	17
In progress	0	0	0
Completed	0	0	0
Agreed finding finalise d	0	0	0

Matters Affecting Audit Report																		
Line Item	Finding	Amount	No. of Years Rep	Responsible Person	Due Dates	Management Approval Comments	CFO Approval Comments	IA Approval Comments	AC Approval Comments	Council	Resolution No.	Action Plan Status	Implementation Progress %	Implementation Status	Completed Date	IA Review Date	IA Review Comments	NT/PT Recommendation Considered
Reported information not reliable	The indigent register had duplicate beneficiaries, beneficiaries employed in government, deceased beneficiaries, blank ID numbers and invalid ID numbers.			David Kupayi, Lesley Mamatl epa	31-Mar-2.	The completeness exercise will be performed to update the indigent register						Developed (Management Approved)		Not Yet Started				N/A
Reported information not reliable	The indigent register that was used to report the achievement of the indicator "Number of households receiving free basic services within the financial year" was not complete.			David Kupayi, Lesley Mamatl epa	31-Mar-2.	The completeness exercise will be performed to update the indigent register						Developed (Management Approved)		Not Yet Started				N/A

Reported information not reliable	Indicator "number of households receiving free basic services during the financial year" - Households listed on the indigent register are not valid and accurate			David Kupayi, Lesley Mamatl epa	31-Mar-2.	The completeness exercise will be performed to update the indigent register						Developed (Management Approved)							N/A
Bid rigging	SCM - Failure to negotiate market related price as recommended by BEC and BAC and change of specification	2 145 274		Portia Kgatla, Tsakani Mtebule, Lesley Mamatl epa	31-Mar-2019	The negotiation with bidders to be done in accordance with SCM regulation 24 and Bid Adjudication recommendations.						Developed (Management Approved)							N/A
Missing or incomplete information	SCM - Winning Bidder did not meet prequalifying requirement	500 129		Portia Kgatla, Tsakani Mtebule, Lesley Mamatl epa	31-Mar-2019	monitoring of checklist for bid documents						Developed (Management Approved)							N/A

Unauthorised expenditure	Consequence management - No investigations was performed for fruitless and unauthorised expenditure	290 650 374	3	Lesley Mamatlepa, Obed Sewapa	30-Jun-2	MPAC in a process of investigating UIFW as reported in the AR						Developed (Management Approved)								N/A
	Expenditure management - non compliance with the MFMA	103 593 823	2	Lesley Mamatlepa, Obed Sewapa	30-Jun-2	Monitor compliance with the UIFW checklist						Developed (Management Approved)								N/A
Other Important Matters																				
Line Item	Finding	Amount	No. of Years Repeated	Responsible Person	Due Date	Management Approval Comments	CFO Approval Comments	IA Approval Comments	AC Approval Comments	Council Approved Date	Council Resolution No.	Action Plan Status	Implementation Progress %	Implementation Status	Completed Date	IA Review Date	IA Review Comments	NT/PT Recommendation Considered		

Rev from exch transactions: Service charges	Credit control policy not implemented			David Kupayi, Lesley Mamatlepa	31-Mar-2023	The municipality shall develop compliance checklist for implementation of the credit control policy. Review the credit control policy.						Developed (Management Approved)						Not Yet Started			N/A
Other	Risk management presentation and disclosure			Jimmy Ngholele, Lesley Mamatlepa	30-Jun-2023	Develop a checklist to ensure the review of AFS presentation in terms of GRAP standards.						Developed (Management Approved)						Not Yet Started			N/A

Property, plant and equipment	Delayed projects not assessed for impairment			Annah Sesene, Lesley Mamatl epa	30-Jun-2023	The supporting documents to substantiate the impairment of assets have been prepared at year end during physical verification						Developed (Management Approved)						Not Yet Started			N/A
	Non - compliances identified for the use of consultants			Jimmy Ngholele, Lesley Mamatl epa	31-Mar-2023	Development of program to ensure skills transfer and training for Budget and Treasury Office officials are capacitated with skills						Developed (Management Approved)						Not Yet Started			N/A

Other	Going concern			Jimmy Ngholele, Lesley Mamatlépa	30-Jun-2023	The municipality to develop turnaround strategy to reduce operational costs and enhance revenue collection.						Developed (Management Approved)							Not Yet Started				N/A
	HR - Leave Days			Phillemon Malola, Sekedi Mapatha, Peter Lekota	31-Mar-2023	Circular to be issued directing managers and supervisors to ensure employee undertake leave only after approval in line with						Developed (Management Approved)							Not Yet Started				N/A

Reported information not reliable	Register for indigent household receiving free basic services not consistently updated during the financial year			David Kupayi, Lesley Mamatl epa	31-Mar-2023	The completeness exercise will be performed to update the indigent register.						Developed (Management Approved)								N/A	
Reported information not reliable	Actual performance was not compared to prior year performance in the APR			Ngoako Lebepe, Dikgari Ignatius Mogale	31-Mar-2023	The action will be implemented during the SDBIP adjustment.						Developed (Management Approved)									N/A
Reported information not reliable	Not all relevant indicators are included for the core functions relating to basic service delivery			Ngoako Lebepe, Dikgari Ignatius Mogale	31-Mar-2023	New indicators cannot be added in the current SDBIP during implementation						Developed (Management Approved)									N/A

Reported information not reliable	Schedule of households with weekly kerbside refuse removal does not agree to the active households billed for refuse removal services during the financial year	0			Lerato Shoroma	31-Mar-2023	Conduct completeness exercise on the kerbside refuse removal register						Developed (Management Approved)	Not Yet Started				N/A
-----------------------------------	---	---	--	--	----------------	-------------	---	--	--	--	--	--	---------------------------------	-----------------	--	--	--	-----

APPENDICES

APPENDIX A- COUNCILLORS; COMMITTEE ALLOCATION AND ATTENDANCE

Councillors, Committees Allocated and Council Attendance 2020/21					
Council Members	Full Time/Part Time FT/PT	Committee Allocated	*Ward and/ or Party Represented	Number of meetings held/ attended	Percentage of Meetings Attendance
				No	%
Cllr Mamanyoha T.D	FT	EXCO	ANC	10/10	100%
Cllr Mokgwati M.M	FT	PMT	ANC	7/7	100%
Cllr Ramalatso R.R	FT	PMT	ANC	7/7	100%
Cllr Lebeko N.F	FT	Corporate and Shared Services	ANC	8/8	100%
Cllr Kgapane T.J	FT	Finance	ANC	7/5	71%
Cllr Baloyi R.G	FT	Infrastructure	ANC	6/5	83%
Cllr Ramaremela M.J	PT	Economic Development, Housing & Spatial Planning	ANC	6/6	100%
Cllr Mosila MR	PT	Community Services	ANC	3/2	67%
Cllr Selowa SG	PT	Water & Sanitation	ANC	9/9	100%
Cllr Ramaano K.E	PT	Sports, Arts and Culture	ANC	3/2	67%
Cllr Ramalobela L.M	PT	Environment Affairs	EFF	2/1	50%
Cllr Mathaba M.E	PT	Public Transport & Roads	EFF	3/3	100%
Cllr Makhurupetse M.M	FT	Municipal Public Accounts	ANC/ PR	6/6	100%
Cllr Mohale R.W	PT	Municipal Public Accounts	ANC / W 1	6/5	83%

Cllr Seoka L.M	PT	Ethics Committee	ANC / W 2	8/8	100%
Cllr Lebepe R.R	PT	Corporate Services	ANC / W3	8/8	100%
Cllr Manyama M.I.	PT	Ethics Committee	ANC/W4	8/8	100%
Cllr Rasebotja S.M	PT	Finance	ANC / W 5	7/1	14%
		Infrastructure		6/5	83%
		Public Transport & Roads		3/3	100%
Cllr Mokgomola N.P	PT	Finance	ANC / W 6	7/2	29%
		Sport, Arts & Culture		3/1	33%
Cllr Nakana M.R	PT	Economic Development, Housing & Spatial Planning	ANC / W 7	6/6	100%
Cllr Maake S.M	PT	Infrastructure	ANC / W 8	6/4	67%
		Community Services		3/2	67%
Cllr Ramalatso A.M	PT	Infrastructure	ANC/ W 9	6/5	83%
Cllr Makgato T.E	PT	Economic Development, Housing & Spatial Planning	ANC / W 10	6/5	83%
	PT	Water & sanitation		9/4	44%
Cllr Ramaano KE	PT	Sports, Arts and Culture	ANC / W 11	3/2	67%
Cllr Mashao M.G	PT	Corporate and Shared Services	ANC / W 12	8/5	66%
Cllr Lekitima M.V	PT	Municipal Public Accounts	ANC / W 13	6/5	83%
Cllr Lebeko NF	PT	Corporate and Shared Services	ANC / W 14	8/8	100%
Cllr Mokhabukhi M.S	PT	Public Transport & Roads	ANC / W 15	3/3	100%

Cllr Ngobeni MP	PT	Environmental Affairs	ANC / W 16	7/7	100%
Cllr Mankgero MM	PT	Infrastructure	ANC / W 17	6/6	100%
Cllr Ndima B.H	PT	Municipal Public Accounts	ANC / W 18	6/5	83%
Cllr Mabidilala E	PT	Municipal Public Accounts	ANC/ W 19	6/5	83%
Cllr Rampyapedi S.E	PT	Sports,Arts and Culture	ANC/ W 20	2/2	100%
		Water & Sanitation		9/8	89%
Cllr Monyela KB	PT	Municipal Public Accounts	ANC/ W 21	6/4	67%
Cllr Mamaila B.A	PT	Community Services	ANC/ W 22	2/2	100%
Cllr Maake N.	PT	Finance	ANC / W23	7/1	14%
Cllr Mamatlepa D.D	PT	Corporate and Shared Services	ANC / W24	8/5	63%
		Environmental Affairs		3/3	100%
Cllr Modika M.S	PT	Ethics	ANC / W25	8/8	100%
Cllr Mohale M;J	PT	Municipal Public Accounts	ANC /W 26	6/5	83%
Cllr Moroatshehla M.B	PT	Public Transport & Roads	ANC/ W 27	3/3	100%
		Finance		7/7	100%
Cllr Hlungwani SJ	PT	Community Services	ANC / W 28	2/2	100%
Cllr Malatji M.C	PT	Infrastructure	ANC/W 29	6/6	100%
Cllr Lebeya M.J	PT	Sports, Arts and Culture	ANC/ W 30	2/1	50%
Cllr Maluleke M.J	PT	Corporate and shared services	MIM/PR	8/5	63%
Cllr Mohale M.C	PT	Finance	ANC/PR	7/5	74%

Cllr Makhananisa MD	PT	Ethics	ANC/PR	8/7	86%
Cllr Mothomogolo P.S	PT	Finance	ANC/PR	7/1	14%
		Ethics		8/8	100%
		Public Transport & Roads		3/1	0%
Cllr Malatji M.E	PT	Infrastructure	EFF/PR	6/6	100%
		Water & Sanitation		9/8	89%
Cllr Mulaudzi P	PT	Infrastructure	EFF/PR	6/5	83%
Cllr Moroatshehla M.F	PT	Economic Development, Housing & Spatial Planning	ANC/PR	6/6	100%
Cllr Rasetsoke M.C	PT	Economic Development, Housing & Spatial Planning	LIRA/PR	6/6	100%
Cllr Senyolo T.J	PT	Community Services	COPE/PR	2/1	50%
Cllr Malatja T.P	PT	Water & Sanitation	ANC/PR	9/9	100%
Cllr Kgatla M.E	PT	Environmental Affairs	EFF/PR	3/3	100%
	PT	Ethics		8/8	100%
		Finance		7/5	71%
Cllr Serumula M.L	PT	Sports Arts & Culture	DA/PR	2/2	100%
Cllr Mampeule P.J	PT	Environmental Affairs	ANC/PR	2/0	0%
Cllr Raseropo S.M	PT	Environmental Affairs	EFF/PR	2/1	50%
Cllr Selowa D.L	PT	Municipal Public Accounts	COPE /PR	6/5	83%
Cllr Ramabubutla L	PT	Municipal Public Accounts	ANC /PR	6/5	83%

Cllr Mangena M.S	PT	Municipal Public Accounts	EFF/PR	6/4	67%
Cllr Matlou M.P	PT	Ethics	ANC/PR	8/6	75%

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 ADMNISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager s Office	Municipal Manager: Mrs Mankgabe M.F
Corporate Services	Acting Director Corporate: Mr Malola M.P
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 2020/21					
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 Speaker's office on time	Number of quarterly public ward meetings held during the year
Ward 1	Cllr MOHALE R.W	Yes	08	08	03
Ward 2	Cllr SEOKA L.M	Yes	08	08	03
Ward 3	Cllr LEBEPE R.R	Yes	08	08	03
Ward 4	Cllr MANYAMA M.I	Yes	08	08	03
Ward 5	Cllr RASEBOTJA S.M	Yes	08	08	03
Ward 6	Cllr MOKHOMOLA N.P	Yes	08	08	03
Ward7	Cllr NAKANA M.R	Yes	08	08	03
Ward 8	Cllr MAAKE S.N	Yes	08	08	03
Ward 9	Cllr RAMALATSO A.M	Yes	08	08	03
Ward 10	Cllr MAKGATO T.E	Yes	08	08	03
Ward 11	Cllr RAMAANO K.E	Yes	08	08	03
Ward 12	Cllr MASHAO M.G	Yes	08	08	03
Ward 13	Cllr LEKITIMA V.M	Yes	08	08	03
Ward 14	Cllr LEBEKO N,F	Yes	08	08	03
Ward 15	Cllr MOKHABOKHI M.S	Yes	08	08	03
Ward 16	Cllr NGOBENI M.P	Yes	08	08	03
Ward 17	Cllr MANKGERU M.M	Yes	08	08	03
Ward 18	Cllr NDIMA B.H	Yes	08	08	03

Ward 19	Cllr MABIDILALA E	Yes	08	08	03
Ward 20	Cllr RAMPYAPEDI E.S	Yes	08	08	03
Ward 21	Cllr MONYELA K.B	Yes	08	08	03
Ward 22	Cllr MAMAILA B.A	Yes	08	08	03
Ward 23	Cllr MAAKE N	Yes	08	08	03
Ward 24	Cllr MAMATLEPA D.D	Yes	08	08	03
Ward 25	Cllr MODIKA M.S	Yes	08	08	03
Ward 26	Cllr MOHALE M.J	Yes	08	08	03
Ward 27	Cllr MORWATSHEHLA M.B	Yes	08	08	03
Ward 28	Cllr HLONGWANE S.J	Yes	08	08	03
Ward 29	MALATJI M.C	Yes	08	08	03
Ward 30	Cllr LEBEYA J.M	Yes	08	08	03

APPENDIX F: WARD INFORMATION

Capital Projects: Seven Largest in 2021/22 (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
W 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– LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into from 2020/21)					
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
KHOSI MUNENE	Security Services	01/06/ 2019	03/05/2022	Dr.M Mokoena	R 37 553 112.00
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
Microsoft	EA-Microsoft licences	26/9/2019	26/9/2023	Ms E Smith	R1 792 783,73
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	30/11/2021	Ms P Ragolane	6.27% (VAT inclusive) on total third vended sales,R4000.00(VAT Exclusive) Per Smart Meter
Vodacom Wi Fi	Wi-Fi All GLM offices	9/7/2019	9/7/2022	Ms E Smith	R111 462,02

APPENDIX H: 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 I: 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 at 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 been 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 J: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

- No loans and grants were applied for by the municipality.

APPENDIX K: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

- All section 71 reports for 2020/21 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 L: DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2021 to 30 June 2022		
Position	Name	Description of financial interest* (Nil/or details)
Mayor	Cllr Mamanyoha T. D	Mphatlane Business Projects (50%) Eight-room house in Bolobedu worth R400 000 Councillor GLM Mayor R750 0000
Speaker	Cllr Mokgwati M.M	Nil
Chief W	Cllr Ramalatso R. R	Nil
Member of EXCO	Cllr Kgapane T. J	Eight-roomed house at Ramodumo (R200 000)
	Cllr Lebeko N. F	Matsheta Business Enterprise (R 4000 per month) Seven-roomed house at Lemondokop (R480 000) Eight-roomed house at Lemondokop worth R 650 000) Councillor in GLM (R580 000 per annum)
	Cllr Ramaano K. E	Vodacom Shares (R1000) Transport (R3000)
	Cllr Ramaremela J.M	Nil
	Cllr Selowa M. G	Nil
	Cllr Baloyi R. G	Nil
	Cllr Mathaba E. M	House in Modjadjiskloof (R450 000) Land in Modjadjiskloof (R200 000)
	Cllr Mosila M.R	5-roomed House at Modjadjiskloof(R2m)
	Cllr Ramalobela M. L	House (R560 000) Nakampe Cooperative-R300 000 Mokwape Trading-R150 000
Councillors	Cllr Mohale R.W	House at Khehlakoni (R500 000) House at Kempton Park (R600 000)

	Cllr Seoka L.M	Nil
	Cllr Lebepe R.R	Car (R349 000)
	Cllr Manyama M.I	House at Kgapane (R820 000) House at Kgapane (R450 000)
	Cllr Rasebotja M.S	Nil
	Cllr Mokgomola N.P	Balepye CPA (R800 00 for sitting)
	Cllr Nakana M.R	Nil
	Cllr Maake S.M	House at Mamphakhati (R350 000)
	Cllr Ramalatswa A.M	Nil
	Cllr Makgato T.E	Nil
	Cllr Mashao M.G	Nil
	Cllr Lekitima V.M	Nil
	Cllr Mokhabukhi M.S	House at Raphahlelo (R70 000) House at Polokwane (R570 000)
	Cllr Ngobeni M.P	House and Small Farm at Rotterdam and Mamaila (R3m)
	Cllr Mankgeru M.M	House at Mamaila (R750 000)
	Cllr Ndimba B.H	House at Roerfentein (R200 000)
	Cllr Mabidilala E	House at Jamela (R100 000)
	Cllr Rampyapedi E,S	Nil
	Cllr Monyela K.B	Hose at Femane (R350 000)
	Cllr Mamaila B.A	Nil
	Cllr Maake N	Shares 100% Telkom/Vodacom. House in JHB (R800 000)
	Cllr Mamatlepa D.D	Nil
	Cllr Modika M.S	Phufuma-Nathi (100%) House at Abel (R2m)
	Cllr Mohale M.J	House at Shamfana (R240 000)

	Cllr Morwatshehla M.B	Brickyard (R200 000) 4 Hector Garden (Ri,5m)
	Cllr Hlungwani S.J	House at Rotterdam (R750 000) Cars and Cattle (R6.2m)
	Cllr Malatji M.C	Nil
	Cllr Lebeya J.M	House at Hlatsa Village (R700 000)
	Cllr Matlou M.P	House at Mohlabaneng worth R700 000 House in Modjadjiskloof worth R1m
	Cllr Mothomogolo P.S	Nil
	Cllr Mampeule P.J	Modjadji Resort (for accommodation and entertainment) Lexico Trading Balobedu Queenship (rates per meeting) House at Khetlhakoni (R2m) Farming scheme of 10 hectares (R1m)
	Cllr Moroatshehla M.F	Nil
	Cllr Malatja T.P	Nil
	Cllr Makhananesa M.D	Nil
	Cllr Ramabubutla L	Nil
	Cllr Mohale M.C	M20c Pty (Ltd)(100%) Makhanyammele Logistics (50%)
	Cllr Raseropo M.S	Rams Car Wash=100%
	Cllr Mulaudzi P	Nil
	Cllr Mangena M.S	House at Thembisa (Renting Rooms-R450 000) House at Las Vegas (R350 000) Enerc Construction (100%)
	Cllr Kgatla M.E	House No 990 at Ga-Kgapane (R700 000)
	Cllr Mashao M.C	House at Koope (R50 000)

	Cllr Malatji M.E	Nil
	Cllr Senyolo T.J	House at Sephokubje(R600 000)
	Cllr Selowa D.L	House at Mohlakamosoma(R1.2m)
	Cllr Serumula M.L	Nil
	Cllr Rasetsoke C.M	House at Koranta(R750 000)
	Cllr Maluleke M.J	House (R560 000)
	Cllr Makhurupetse M.W.M	FELMO General Enterprise (100%) House at Mamatlepa (R800 000) 7 hectares Farm at Mamatlepa (R200 000)
Municipal Manager	Mrs Mankgabe M. F	House at Modjadjiskloof (R530 000)
Chief Financial Officer	Mrs. Mathabatha M.T	Townhouse (168 M2, Nelspruit (R600000) Stand (1558 m2) Polokwane (R1 300 000)
Director : Community Services	Dr M.D Mokoena	Shares: Croco Projects & Consulting, Croco Bricks and Croco Financial Express-(R 3.2m) Properties: Driving Academy (R20 000) Croco Lodge (R270 000) Hardware and Supermarket (R50 000) Family House at Tzaneen (R950 000) Family House at Mamokgadi ((R1.5m)
Director Technical Services	Mr M.E Malungana	MEM Projects (Pty) Ltd Section no.36, Doorlle ERF 2191Phalaborwa 106m2-R 360 000.00 Stand no.07, impala Flats, ERF 1812 Phalaborwa- 116m2-R 275 000.00. Section no.22; SS 54/1987, ERF 134 Lydenburg 109m2- R 470 000.00

		Section no.49, Town House, ERF 3363 Nelspruit 475m2-R 780 000.00
Director Planning & Development	Mr M.O Sewape	Stand 459 Tshabelamatswale,1000m2 Ga-Kgapane-R 500 000.00
*Financial interests to be disclosed even if they incurred for only part of the year. see MBRR SA34A TJ		

APPENDIX M: COUNCILLORS' POSTER



Cllr Mokhabukhi M.S



Cllr Nakana M.R



Cllr Hlungwani S. J



Cllr Kgatla M. E



Cllr Lebepe R. R



Cllr Lebeya J.M



Cllr Lekitimi V.M



Cllr Maake N



Cllr Maake S.N



Cllr Mabidilala E



Cllr Makgato T.E



Cllr Makhananesa M. D



Cllr Malatja T. P



Cllr Malatji M.C



Cllr Malatji M. E



Cllr Maluleke M.J



Cllr Mamaila B. A



Cllr Mamatlepa D. D



Cllr Mampeule P. J



Cllr Mankgeru M.
M



Cllr Mangena M. S



Cllr Mashao M.C



Cllr Masha0M.G



Cllr Modika M. S



Cllr Mohale M.C



Cllr Mohale M. J



Cllr Mohale R. W



Cllr Makhurupetse
M.W.M



Cllr Mulaudzi P



Cllr Monyela K. B



Cllr Moroatshehla F.M



Cllr Morwatshehla M. B



Cllr Manyama M. I



Cllr Mothomoholo P. S



Cllr Ndimba B.H



Cllr Ngobeni M. P



Cllr Matlou M. P



Cllr Ramalatso A. N



Cllr Ramapuputla L



Cllr Rampyapedi
E. S



Cllr Raesetja S.M



Cllr Raseropo S.M



Cllr Rasetsoke M.C



Cllr Selowa D.L



Cllr Senyolo T.J



Cllr Seoka L.M



Cllr Serumula M.L



Mokhomola N. P

END OF REPORT