



GREATER LETABA MUNICIPALITY

DRAFT ANNUAL REPORT 2020/21



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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1. MAYOR'S FOREWORD



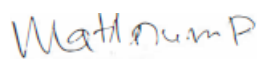
The financial year 2020/21 marks the beginning of the fifth year since the election of this administration. The year was approached with a high level of optimism because it draws us closer to the completion of tasks mandated by this administration. However, reality has not been so kind. As a country, we have been attacked by an invisible enemy which bears its origin from outside our borders and caused unbearable conditions. This invisible enemy continues to be with us and affects even our implementation of projects destined at transforming the lives of our people. With the roll-out of the vaccinating plan, the economy has gradually opened, and our people receiving the necessary services ushering in a new chapter post the pandemic. The time to pause and reflect on the successes and challenges of our service delivery mandate has arrived. It is an honour and privilege to present the Annual Report of Greater Letaba Municipality for the 2020/21 financial year to the community and all its stakeholders. This report is published in terms of the Municipal Finance Management Act No 56 Of 2003; it is a culmination of decisions which were taken by the Council for the year under review.

The Local Government: Municipal Finance Management Act 56 of 2003 requires municipalities to prepare an annual report for each financial year. The 2020/21 municipal financial year commenced on the 1st of July 2020 and ended on the 30th of June 2021. It is fundamental to indicate that transparency is one of the trademarks of democratic South Africa and Greater Letaba Local Municipality is no exception. As we consistently report every year, the Annual Report has outlined the state of the municipality. It also unveils the activities undertaken to achieve the predetermined objectives as set out in the Integrated Development Plan, against the approved budget. It has also touched on key issues which the Auditor-General has highlighted for ratification in the Auditor-General South Africa (AGSA) report for the 2020/21 financial year where the municipality received an 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.

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

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


CLLR MATLOU M.P
MAYOR

1.2. MUNICIPAL MANAGER'S FOREWORD



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

Greater Letaba Municipality strives to undertake developmentally oriented planning as enshrined in the Constitution and section 23 of the Municipal Systems Act, No.32 of 2000. Guidelines and regulatory frameworks have been developed to enable municipalities to adopt a result-based approach to manage service delivery. Different mechanisms were employed to monitor and assess the achievement of general key indicators, performance targets that are consistent with development priorities, objectives and strategies as set out in the IDP. It is therefore imperative to reflect on improvements made to service delivery performance and achievements, challenges which will subsequently determine the corrective actions to be embarked upon to enhance service delivery in the 2020/21 financial year.

i) Basic Service Delivery

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

ii) Municipal Transformation & Institutional Development

The municipality operated with a total of five (5) functional departments, namely, Technical Services, Development and Town Planning, Community Services, Corporate Services as well as Budget and Treasury

Office. The staff establishment was amended and adopted with the IDP and the budget. Out of a total of 321 posts that are in the approved staff establishment, 262 posts were filled in the financial year 2020/21. 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(1200)and EPWP(896) 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 2019/20 financial were functional which resulted in projects appointed in time, this resulted in 100% expenditure on MIG, FMG, and EPWP.

v) Governance structures

All governance structures, namely, Council, EXCO, Section 80 and MPAC, Audit, Ethics Committee and Ward committees were fully functional. The Municipality had a functional Audit Committee for the 2019/20 Financial year. Though the Risk Management Committee was not functional, risk assessment was conducted and culminated in the development of the risk register. The IDP Representative Forum was fully functional, and meetings were held as planned. Various mandatory structures such as 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 2020/21 financial year

Despite the achievements alluded to above, challenges

cutting across the key performance areas that had impacted on improved service delivery. The challenges amongst others include the following:

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

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

While the revenue base of the municipality didn't improve drastically, the implementation of split-metering to enhance collection was completed in Mokgoba and Modjadjiskloof, 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 2021. The municipality received unqualified audit opinions in both financial and performance information.

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 2020/21 financial year was functional 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 (baobab tree, Modjadji dynasty and Nature reserve), agriculture, forestry and Agro-processing industries.

Community consultation as championed by the Speaker, Cllr. M.D Makhananisa and the Mayor, Cllr. M.P. Matlou is at the heart of good governance in the Municipality to enhance community participation and informed decision making. As a result, the 2020/21 financial year has seen Greater Letaba Municipality expanding its service delivery in terms of infrastructure development through paving of gravel roads, construction of community hall and sport complex, and erection of high mast lights and electrification in rural areas and spent 100% on MIG, EPWP and FMG.

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

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

1.3.1 A short description of the municipality

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

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

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

The “gates” to the municipal area are considered to be Sekgopo in the west and Modjadjiskloof in the south. The land area of Greater Letaba Municipality extends over approximately 1891km². Greater Letaba Municipality incorporates the proclaimed towns of Modjadjiskloof, and Ga-Kgapane, situated in the extreme south of the municipal area, and Senwamokgope towards the north-west of the area of jurisdiction. There are also 132 rural villages within the municipal area. 45 paving projects were implemented since 2013/14 financial year inclusive of the following projects which were done in the 2020/21 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).

1.3.1 Social Analysis

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

1.3.2 Population and Household Size

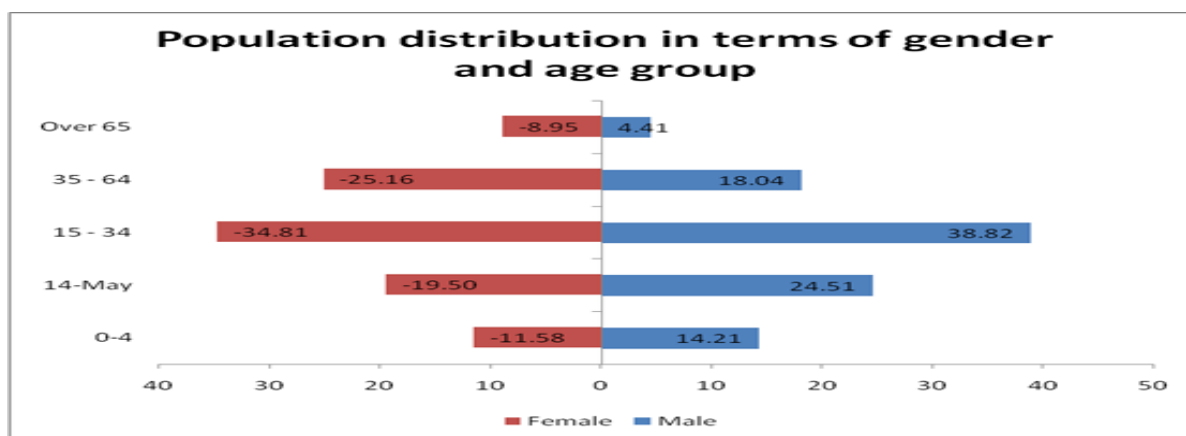
Table 1.1: Population distribution in terms of Gender and Age Group

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

1.3.3 Age and Gender Profile

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

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



Source: Census 2011

1.3.5 People with Disability and types of disability

Greater Letaba Municipality has 3993 people with disability.

Table 1.2 Disability by type

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

1.3.6 Educational Profile

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

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

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

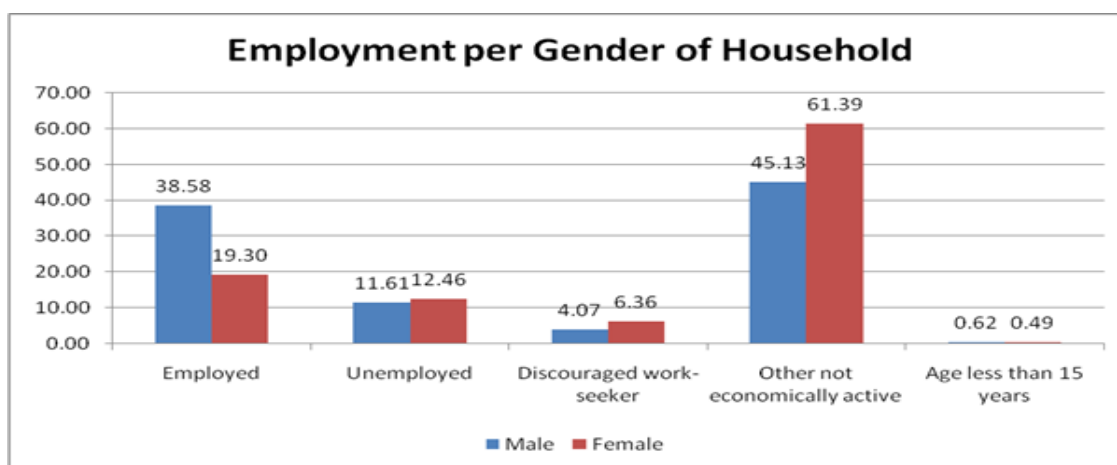
Source: 2011, STATSSA.

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

1.3.7 Employment Profile

The graph below presents the employed population of Greater Letaba according to gender of households. The statistics on the graph below shows that 9719 of male people are employed as compared to small number of 6383 of female people. And the STATSSA also depict number of youths employed and number of disabilities employed, female people, unemployed, discouraged work-seeker and economically inactive are mostly affected as indicated on the chart below.

Figure 1.3: Employment per gender of household



Source: Census 2011

1.3.7.1 Employment and Unemployment Rate

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

1.3.8 . INFRASTRUCTURE ANALYSIS

1.3.8.1 . 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.

1.3.8.2 Community facilities

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

There are ten (10) sports facilities around Greater Letaba Municipality's area of jurisdiction targeting to benefit the community thus promote social cohesion. The areas where these social amenities are located is at Sekgopo, Kgapane, Lebaka, Rotterdam, Thakgalane, Senwamokgope, 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 2021 i.e. (Kgapane, Rotterdam and Mamanyoha Sport Stadia) and by June 2022 respectively i.e. (Thakgalane and Madumeleng Sport Stadia).

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

1.3.8.3 . Water

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

Free Basic Water

The threshold for provision of Free Basic Water is a maximum of six (6) kilolitres per household per month. Indigent households which reside in the proclaimed towns do not pay for the first 6kl of water as reflected in their service accounts. There is a total of 132 villages which receive unmetered free water supply, which is presumed

to be above the FBW threshold. In areas where there are deficiencies in water availability, water supply is supplemented by water tankers at no cost to the recipients.

- **Free Basic Electricity**

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

- **Free Basic Waste**

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

- **Street Lighting**

The municipality has a strategic intention of locating streetlights or high mast lights in areas which are at entry to the municipal area or / and affected adversely by crime. Areas which are provincial, district and local growth points, areas which have economic activities especially even after sunset are also targeted for lighting. A total of one hundred and fifty-nine (167) high mast lights were erected from 2009/2010 until 2020/21 financial years benefiting all the wards. A vast increase in street lighting assets requires the municipality to adjust the budget for related operations and maintenance accordingly.

1.3.8.4. Transport Infrastructure

- **Road Networks and Backlogs**

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

- **Public transport**

Greater Letaba municipality public transport is accessible to communities; some villages take less than 10 minutes' walk to access public transport. Whereas some takes more than 10 minutes to access public transport which is above service norm and standards. Total transport network is 1228.8(Paved/Tarred-590KM unpaved 638.8Km.

1.3.8.5 Access to Health Care

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

1.3.8.6 Heritage Sites

Greater Letaba Municipality has a number of heritage sites:

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

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

1.3.8.7 Thusong Service Centers

Municipality has one Thusong Service Centre which is currently operational. The Centre is located at Mokwakwaila. Services available are: SASSA, ESCOM, Correctional Services, ECD, Library, Police Station, library and Social Work. There is a need to upgrade the Soetfontein Rural Development Agency facility in Sekgosesa to a Thusong Centre. The establishment of this Centre will empower the poor and disadvantaged through access to information, services and resources from governmental organizations, parastatals, and business.

1.4 Executive Summary

- **Vision**

Greater Letaba Municipality's vision is

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

- **Mission**

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

- **Values of Greater Letaba Municipality**

The values of Greater Letaba Municipality

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

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

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

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

- *Municipal Transformation and Organisational Development*
- *Basic Service Delivery and Infrastructural Development*
- *Local Economic Development*

- *Financial Viability and Management*
- *Good Governance and Public Participation*

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

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

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

1.5 Other Municipal Context

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

- ***The Integrated Development Plan***

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

The IDP is the municipality's strategic planning document which guides and informs all planning and development within the municipality and a tool that enables the municipality to work towards achieving development goals as

outlined in the constitution. The IDP informs and is integrally linked and co-ordinated with the municipality's budgeting and performance management process.

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

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

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

1.6. Achievements

- The Electricity Master Plan has been developed and is functional.
- The municipality has invested in the infrastructure development in areas such as street paving at Ditshoshing, Ntata, Mmaphakhathi, Las Vegas, Sekgopo-Moshate and sport complexes at Mamanyoha, Madumeleng and Ga-Kgapane storm water to name a few.
- The transfer stations in Senwamokgope and Ga-Kgapane are fully functional.
- The rate of service delivery was accelerated by procurement of plant and equipment such as Graders, Tipper Trucks and TLB.
- The Grants allocated to the Municipality were spent as follows
 - MIG: 100%
 - FMG :100%
 - EPWP: 100%
 - INEP: 100%

The Municipality received an **Unqualified Audit** opinion for 2020/21 financial year on both Annual Financial Statements and Predetermined Objectives (Performance information).

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 gazzeted.
- Outbreak of Covid 19

CHAPTER 2

GOVERNANCE



Honourable Mayor
Cllr Matlou M.P



SPEAKER
Cllr M.D MAKHANANISA



CHIEFWHIP
Cllr MAMPEULE P.J

EXECUTIVE COMMITTEE MEMBERS



Cllr Selowa G
Head Health & Social services



Cllr MP Masela
Head Economic Development,
Housing & Spatial Planning



Cllr Maeko Nkwana
Head Corporate Services &
Shared Services



Cllr ND Modiba
Head Finance



Cllr TJ Rababalela
Head Water services



Cllr RP Mosila
Head Infrastructure



Cllr Mathaba E
Head Agricultural &
Environment



Cllr Rasetsoke S
Head Sports, Recreation,
Arts & Culture



Cllr Maenetsa M.B
Head Public Transport
& Roads

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

2.2.2 Municipal Committees

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

Table 2.1: Municipal Committees

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

PORTFOLIO COMMITTEE	HEAD	CHAIRPERSON	COMMITTEE MEMBERS
			Cllr. Ndobela M.E.C
Community Services	Cllr. Selowa M. G	Cllr. Lebepe M. A	Cllr. Kgatla M.S Cllr. Hlungwane S.J Cllr. Mohale S.L Cllr. Raphokwane D
Public Transport and Roads	Cllr. Maenetja M. B	Cllr. Kgapane T. J	Cllr. Masedi M.E Cllr. Seshoka N.L Cllr. Senyolo T.J Cllr. Rasetsoke M.C
Water and Sanitation Services	Cllr. Rababalela T. J	Cllr. Selowa N	Cllr. Selamolela S Cllr. Ndobela M.C Cllr. Selomo M.M
Sports Arts and Culture	Cllr. Rasetsoke S.M	Cllr. Ramaano K. E	Cllr. Rabothata D.G Cllr. Ramabela M.E Cllr. Ramaselele D.D

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.

2.2.3. Municipal Public Accounts Committee (MPAC)

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

Table 2.2: MPAC Committee

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

Cllr Mohale P. J	Female
Cllr Ramoba M	Male
Cllr Ramalobela M.L	Male

2.2.3 Rules and Ethics Committee

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

The Rules and Ethics Committee consist of:

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

2.2.4 Disciplinary Board

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

The Financial Misconduct Disciplinary Board consist of:

Name of the Committee Member	Designation	Capacity
Makgale MM	Chairperson of the Audit Committee	Chairperson
Mokhufi E	Assistant Director: Internal Audit	Member

Chuene K. R	Assistant Director: Legal Services	Member
Chauke MM	Municipal Manager: Giyani Local Municipality	Member

2.2.5 Municipal Council

Council is a structure that is vested with executive and legislative authority. Council is chaired by the Speaker who must among other functions ensures that council meetings are conducted in line with council rules and orders and those they meet quarterly. The Council of Greater Letaba Municipality is stable. 4 Ordinary meetings were held as legislated and five (13) special councils' meetings held for 2020/21 financial year.

Table 2.3: Statistical report on attendance of Meetings.

COMMITTEE / STRUCTURE	MEETINGS SCHEDULED	MEETINGS HELD	STATUS
Council	4	14 (4 Ord & 11 Spec)	Target Exceeded
EXCO	4	17 (4 Ord & 13 Spec)	Target Exceeded
Corporate & Shared Services	12	11 meetings held	Below Target
Infrastructure	12	09 meetings held	Below Target
Local Economic Development	12	09 meetings held	Below Target
Public Transport and Roads	12	09 meetings held	Below Target
Health and Social Services	12	09 meetings held	Below Target
Environment & Agriculture	12	09 meetings held	Below Target
Sports, Arts and Culture	12	07 meetings held	Below Target
Water Services	12	07 meetings held	Below Target
Finance	12	10 meetings held	Below Target
Audit Committee	4	12 meetings held)	Target Exceeded
MPAC	12	13 meetings held	Target Exceeded

2.2.6 Portfolio Committees functionality

The Portfolio Committee system which was established in terms of S79 of the Local Government: Municipal Structures Act, No.117 of 1998, supports the Greater Letaba Municipality Council. Each Portfolio Committee

meets once a month. Their core function is to look at specific issues that relate to each Portfolio, research issues and find necessary facts before those issues could be discussed by Councillors who sit in each of the Portfolio committees. The Committee deliberates on issues and make recommendations to EXCO and Council, for the latter to take the final decisions.

2.2.7 Audit Committee functionality

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

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

All 4 ordinary Audit Committee meetings and 8 special Audit committee to consider the Annual Financial Statements, Annual Performance Report and Auditor General Report were held. The Audit Committee submitted t (04) reports to Council in 2020/21.

Names	Designation	Number of meetings held	Number of Meetings Attended	Number of Apologies rendered
Makgale MM	Audit Committee (chairperson)	12	12	0
Mrs. Mojapelo	Audit Committee member	12	12	0
Mr. Sebola T	Audit Committee member	12	12	0
Mrs. Mudau FT	Audit Committee member	12	12	0
Mr. Raphalani R	Audit Committee member	12	11	1

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

2.3. Administrative Governance Structure

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

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

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

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

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

POSITION	NAME
Municipal Manager	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 in order to ensure improved services to communities. In order to enhance operational efficiency, an organisational structure review was undertaken and adopted by Council.

- **The Municipal Manager's Office**

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

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

2.4. Intergovernmental Relations

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

2.5. Public Accountability and Participation

- ***Communication***

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

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

COMMUNICATION ACTIVITY	YES/NO
Communication Unit	Yes
Communication strategy	Yes
Communication policy	Yes
Language policy	Yes
Whistle Blowing Policy	Yes
Customer Satisfaction Survey	No
Functional Complaints Management system	Yes
No. of Newsletters issued in 2020/21	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

3. *Ward Committees*

The municipal council has established 30 functional Ward committees in line with Section 73 of the Municipal Structures Act. The term of office corresponds with the term stipulated in section 24 of the Local Government Laws Amendment Act No. 19 of 2008. The committees are chaired by ward councillors and have powers and functions to make recommendations on any matter affecting their ward to all structures of council through the ward councillors as specified in Section 74 of the Act. Ward committees give effect to public participation as outlined in chapter 4 of the Municipal Systems Act by assisting Ward councillors in mobilizing, organizing consultative meetings and activities, disseminating information, and encouraging participation from residents in the ward. Ward committees have a budget to cater for their out-of-pocket expenditure. Ward 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 the implementation of projects in the current financial year and to stimulate the needs of the community in order to provide input for the new financial year.

3.3. Corporate Governance

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

3.3.1. Risk Management

Risk management forms part of management's core responsibilities and it is an integral part of the internal processes of the municipality. 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 2020/21 financial year.

Table 2.5: Major risk identified during risk assessment workshop.

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

No	Strategic Objective	Risk Description	Mitigation Action	Risk Owner
			(Land use management unit)	
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 	•Development and Town Planning
6	Improved governance and organization excellence	Fraud, theft and corruption	<ul style="list-style-type: none"> • Disclosure of interest <p>Declaration and recusals in formal/official meetings where business decisions are taken.</p> <ul style="list-style-type: none"> • Pre-employment screenings • Implementation of fraud prevention plan 	•Corporate Services
7	Improved Human Resource	Inadequate performance management	<ul style="list-style-type: none"> •Incremental cascading of PMS to lower levels •Conduct an objective specific skills and qualifications audit. •Appointment of a Skills Development Committee 	<ul style="list-style-type: none"> •Municipal Manager's Office •Corporate Services
8	Improved Human Resource	Reliance on consultants	<ul style="list-style-type: none"> • Re-engineering organizational structure • Develop and implement staff performance management system. • Improve the management of contracts 	<ul style="list-style-type: none"> • Corporate Services •Municipal Managers Office

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

3.3.2. Anti-Corruption and Fraud

The municipality has an approved Anti-fraud and corruption policy 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.

3.3.3. Supply chain Management

The municipality's Supply Chain Management (SCM) unit is a support function for all directorates within the municipality to ensure provision of efficient, transparent, fair, equitable and cost-effective procurement services hence assisting them to implement their service delivery priorities. In terms of the MFMA SCM regulations, the SCM unit is established to implement the SCM policy adopted by council. It has operated under the direct supervision of the Chief Financial Officer. The supply chain management policies were adopted by Council and published on the website.

3.3.4. By-laws

The Municipal Systems Act of 2000, Section 11 (3) (m) provides Municipal Councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. During the financial year 2019/20 the municipality did not gazette any new by-laws.

3.3.5. Website

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

The municipality's website is functional and operational.

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

Table

DESCRIPTION OF INFORMATION AND/OR DOCUMENT	YES/NO
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	

Annual and adjustments budgets and all budget-related documents / reports	Yes
All current budget-related policies	Yes
The annual report (2020/21 published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2020/21)	Yes
All service level agreements 2020/21	No
All long-term borrowing contracts (2020/21)	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 2020/21	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2020/21	Yes
Integrated Development Plan (IDP) 2020/21	Yes
Service Delivery Budget Implementation Plan (SDBIP) 2020/21	Yes

3.4. 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 2020/2021 Financial year.						

CHAPTER 3

SERVICE DELIVERY PERFORMANCE



ANNUAL PERFORMANCE REPORT 2020 21



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 2020 /21 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 2019/20 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.

SERVICE DELIVERY PERFORMANCE SUMMARY FOR 2020/2021 ANNUAL PERFORMANCE REPORT

The table and below illustrates service delivery performance of Greater Letaba Municipality against the National Key Performance Areas

KPA's Performance Indicators	No. of Applicable	No. of targets achieved	No. of targets not achieved	% Target achieved
Municipal Transformation and Organizational Development	21	12	9	57%
Basic Service Delivery	7	4	3	71%
Local Economic Development	4	3	1	75%
Municipal Finance Management Viability	24	18	6	75%
Good Governance and Public Participation	14	9	5	69%
	70			66%

KPA's Projects	No. of Applicable	No. of targets achieved	No. of targets not achieved	% Target achieved
Municipal Transformation and Organizational Development	6	5	1	83,00%
Basic Service Delivery	53	42	11	79,00%
Local Economic Development	6	5	1	83,00%
Municipal Finance Management Viability	0	0	0	0,00%
Good Governance and Public Participation	2	2	0	10000%
	67			81%

KPA's Performance Indicators and Projects	No. of Applicabl Indicators including projects	No. of achieved	No. of not	% Target achieved
Municipal Transformation and Organizational Development	27	17	10	63%
Basic Service Delivery	60	47	13	78%
Local Economic Development	10	8	2	80%
Municipal Finance Management Viability	24	18	6	75%
Good Governance and Public Participation	16	11	5	69%
	137			74%

The 26% under performance was due to lockdown restrictions as some of the activities were halted 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 non-application by clients. .Based on the above assessment, it is therefore recommended that the municipality should come up with strategies to enhance revenue and those consumers not qualifying for paying of municipal services to apply for indigent relief.

Vote Nr	Strategic Objective	Municipal Programme	Measurable Objectives	Performance Indicator title	KPI Unit of measure	Baseline / Status	Annual Target (30/06/2021)	Budget 2020/21	Annual Actual Performance	Remarks	Challenges	Interventions	Responsible Person	Evidence requires
KPA 1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT														
KEY PERFORMANCE INDICATORS														
OUTCOME NINE (OUTPUT 1: IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT, OUTPUT 4: ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOMES)														
	Improved Governance and organizational Excellence	Human Resource Management	To ensure that the reviewed organizational structure is approved by council by 31 May 2021	Council approves the organizational structure	Date	30-May-20	Council Approved Organizational structure by 31 May 2021	Operational	Council Approved Organizational structure adopted on 28 May 2021	TARGET NOT ACHIEVED	Still consulting with the organized labor	Organizational structure to be tabled in August 2021	Director Corps	Council Approved Organizational structure, Council Resolution
	Improved Governance and organizational Excellence	Human Resource Management	Reducing the vacancy rate within the financial year	# Of vacant positions filled	Number	97 Positions filled	36 positions filled by 30 May 2021	Operational	11 positions were filled	TARGET NOT ACHIEVED	Shortlisting and interviews were postponed due to unavailability of some panel members	Scheduled to the next financial year	Director Corps	Appointment letters
	Integrated Sustainable Development	IDP	Approval of the IDP/Budget/PMS process plan by 31 July 2020	Council approves IDP/Budget/ PMS Process Plan	Date	31-Jul-19	Approval of 2020/21 IDP/Budget/PMS Process Plan by 31 July 2020	Operational	2020/21 IDP/Budget/PMS Process Plan was approved by 31 July 2020	TARGET ACHIEVED	NONE	NONE	Director PLAN	Council Approved IDP/ Budget/ PMS Process plan, Council Resolution
	Integrated Sustainable Development	IDP	Approval of the Draft 2020/21 IDP by 31 March 2020 & final IDP by 31 May 2021	Council approve IDP within financial year	Date	30-Mar-19	Approval of IDP by Council by 30 June 2021	Operational	2021/22 IDP was approved by 31 May 2021	TARGET ACHIEVED	NONE	NONE	Director PLAN	Council approved Draft & Final IDP resolution, Council Resolution
	Improved Governance and organizational Excellence	PMS	To ensure that SDBIP is finalized by 30 June 2021	Mayor Approve SDBIP within 28 days after adoption of the Budget and IDP	Date	30-Jun-19	Approval of final 2021/22 SDBIP by the Mayor within 28 days after adoption of the Budget and IDP by 30 June 2021	Operational	2021/22 SDBIP was signed by the mayor within 28 days after adoption of the Budget and IDP by 30 June 2021	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Signed SDBIP by the Mayor
	Improved Governance and Organisational Excellence	PMS	To ensure quarterly reporting and compliance within the financial year	# of Quarterly performance reports compiled	Number	4	4 Quarterly Performance Report to be compiled	Operational	4 Quarterly Performance Report were compiled	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Council approved Quarterly reports
	Improved Governance and Organisational Excellence	PMS	To ensure that S54 & 56 Managers sign the performance agreements within 30 days after adoption of the final SDBIP.	Signed Performance Agreements by all S54A & 56 Managers	Date	31-Jul-19	Performance Agreements signed by Sec 54 & 56 Managers by 31 July 2020	Operational	Performance Agreements were signed by Sec 54 & 56 Managers by 31 July 2020	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Signed Performance Agreements for Sec 54 & 56 Managers
	Improved Governance and Organisational Excellence	PMS	To ensure quarterly assessments for S54 & 56 Managers is conducted within 30 days after the end of the quarter.	# of performance assessments conducted for Sec 54A & 56 Managers	Number	0	4 Assessments to be conducted	Operational	No Assessment were conducted	TARGET NOT ACHIEVED	The 2019/20 assessment was conducted and finished	To do the assessments in the second quarter of 2021/22.	Municipal Manager	Performance Assessments report

Vote Nr	Strategic Objective	Municipal Programme	Measurable Objectives	Performance Indicator title	KPI Unit of measure	Baseline / Status	Annual Target (30/06/2021)	Budget 2020/21	Annual Actual Performance	Remarks	Challenges	Interventions	Responsible Person	Evidence requires
	Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance within the financial year	Submit Annual Institutional Performance report to CoGHSTA, Provincial Treasury and National Treasury by 30 August each year	Date	30-Aug-19	Submission of 2019/20 Annual Institutional Performance Report by 30 August 2020	Operational	2019/20 Annual Institutional Performance Report was submitted by 30 August 2020	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Dated proof of submission to CoGHSTA, Provincial and National Treasury
	Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance within the financial year	Submit Mid-Year report to CoGHSTA, Provincial and National Treasury by 25 January each year	Date	25-Jan-19	Submission of 2020/21 Mid-year report to CoGHSTA, Provincial Treasury and National Treasury by 25 January 2021	Operational	2020/21 Mid-year report was submitted to CoGHSTA, Provincial Treasury and National Treasury by 25 January 2021	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Dated proof of submission to CoGHSTA, Provincial and National Treasury
	Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance	Table Annual Report in Council by 31 January each year	Date	30-01-2020	Tabling of 2019/20 Annual report in Council by 31 January 2021	Operational	2019/20 Annual report was not tabled in Council by 31 January 2021	TARGET NOT ACHIEVED	The Annual report was tabled in May due to late conclusion of AGSA Audit	Adjust the SDBIP as and when there are changes in prescribed dates	Municipal Manager	Council approved Annual report, Council resolution
	Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance within the financial year	Table Oversight report on the Annual Report in Council by 31 March each year	Date	2019-03-31	Tabling of 2019/20 Oversight report on the Annual Report in Council by 31 March 2021	Operational	2019/20 Oversight report was not tabled on the Annual Report in Council by 31 March 2021	TARGET NOT ACHIEVED	Late conclusion of AGSA Audit	Table in the first quarter 2021/22	Municipal Manager	Council approved Oversight report on the Annual report, Council resolution
	Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance within the financial year	Publish Oversight report in the Media (Media print / Website) within 7 days of adoption	Date	07-Apr-20	Publishing of the 2019/20 Oversight report in the Newspaper & Website within 7 days of adoption by 07 April 2021	Operational	2019/20 Oversight report was not published in the Newspaper & Website within 7 days of adoption by 07 April 2021	TARGET NOT ACHIEVED	Audit was completed in April 2021 and Annual report was not completed by then	Publish oversight report in the first quarter 2021/22	Municipal Manager	Council approved Annual report, Council resolution
	Improved Governance and Organisational Excellence	PMS	To ensure municipal reporting and compliance within the financial year	The mayor approves Reviewed SDBIP within 28 days within financial year	Date	31-Mar-20	Approval of the reviewed 2020/21 SDBIP in Council by 31 March 2021	Operational	Reviewed 2020/21 SDBIP was approved in Council by 31 March 2021	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Reviewed SDBIP, Council resolution
	Improved Governance and Organisational Excellence	Legal Services	To improve efficiency and effectiveness of municipal administration within the financial year	% Signed Service Level Agreements within 30 days after the appointment of Service Providers	Percentage, (# of SLAs developed/ # of Appointments made)	100% of SLAs developed	To develop 100% of SLAs	Operational	100% of SLAs were developed	TARGET ACHIEVED	NONE	NONE	Director Municipal Manager	Dated signed Service Level Agreements

	Improved Governance and Organisational Excellence	Internal Audit	To conduct quarterly assessment on municipal performance within the financial year	# Of performance audit reports compiled and issued to the Accounting Officer	Number	4	4 Performance Audit reports to be compiled and issued to Accounting Officer	Operational	4 Performance Audit reports were compiled and issued to Accounting Officer	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Performance Audit report tabled, Council resolution, report signed off by the MM
Vote Nr	Strategic Objective	Municipal Programme	Measurable Objectives	Performance Indicator title	KPI Unit of measure	Baseline / Status	Annual Target (30/06/2021)	Budget 2020/21	Annual Actual Performance	Remarks	Challenges	Interventions	Responsible Person	Evidence requires
	Improved Governance and Organisational Excellence	Internal Audit	Functionality of Audit within the financial year	Develop Audit action plan for current financial year	Date	31-Jan-20	Development of 2020/21 Audit Action plan by 31 January 2021	Operational	2020/21 Audit Action plan was developed by 31 January 2021	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Council approved audit action plan, Council resolution
	Improved Governance and Organisational Excellence	Internal Audit	Functionality of Audit within the financial year	Develop Internal Audit plan for current financial year	Date	30-Jun-20	Development of 2019/20 Internal Audit plan by 30 June 2021	Operational	2019/20 Internal Audit was developed plan by 30 June 2021	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Approved Internal Audit Plan
	Improved Governance and Organisational Excellence	Internal Audit	To attain Clean Audit by ensuring compliance to all governance; financial management and reporting requirements by 30 June	% of internal audit issues resolved	Percentage, (# of Internal Audit issues resolved / # of issues raised)	70% Internal issues resolved	100% internal audit issues resolved (# of Internal Audit issues resolved / # of issues raised) by June 2020	Operational	67% of Internal issues were resolved	TARGET NOT ACHIEVED	Delay implementation of IA issues	Departments to speedily implement the findings	Municipal Manager	Resolved IA register/plan, POE submitted
	Improved Governance and Organisational Excellence	Internal Audit	To attain Clean Audit by ensuring compliance to all governance; financial management and reporting requirements by 30 June	% of AG issues resolved	Percentage, (# of Auditor General issues resolved / # of issues raised)	65% AG issues resolved	100% AG issues resolved by 30 June 2020	Operational	71% (17 / 24 x100) of AG issues were resolved	TARGET NOT ACHIEVED	Some issues cannot be totally resolved till the next reporting	To be resolved on submission of AFS and APR	Municipal Manager	Resolved AG issues and POE 's submitted
	Improved Governance and Organisational Excellence	Risk management	To ensure effective implementation of risk mitigations actions by 30 June 2021	% of Risk issues resolved	Percentage, (# Risk issues implemented / resolved / # of risks identified)	67% Risk issues resolved	100% Risk issues resolved by 30 June 2020	Operational	59% of Risk issues were resolved	TARGET NOT ACHIEVED	Budget constraints	priorities risk issues during budget process	Municipal Manager	Resolved Risk issues and POE submitted

Vote Nr	Strategic Objective	Municipal Program	Measurable Objectives	Performance Indicator title	KPI Unit of measure	Baseline / Status	Annual Target (30/06/2021)	Budget 2020/21	Annual Actual Performance	Remarks	Challenges	Interventions	Responsible Person	Evidence requires
KPA 2 : BASIC SERVICE DELIVERY INDICATORS														
OUTPUT 2: IMPROVING ACCESS TO BASIC SERVICES, OUTPUT 3: IMPLEMENTATION OF THE COMMUNITY WORKS PROGRAMME														
	Integrated and Sustainable Human Settlement	Spatial Planning	To ensure that land use applications are processed within 90 days of receipt.	% Of land use applications processed	Percentage, (# of applications received / # of land use applications processed) within 90 days of receipt)	100%	100%	Operational	63%	TARGET NOT ACHIEVED	Some applicants did not have all the required documents	Reject all applications with outstanding issues	Director PLAN	Dated register recording land use applications & Land use applications
	Access to Sustainable Basic Services	Waste management	Provision of waste removal within the financial year	# of HH with access to refuse removal	Number	4 579	4 579	Operational	2 863	TARGET NOT ACHIEVED	Some beneficiaries receive collection but are not yet billed	Bill all beneficiaries of Waste Management	Director COMM	Rooster/ waste management reports
	Access to Sustainable Basic Services	Electricity	To ensure provision of electricity services	# of HH with access to electricity	Number	56 905	56 905	Operational	1 031	TARGET NOT ACHIEVED	Escom not willing to provide municipality	Engage Escom at National Level for	Director TECH	Electricity/ Finance reports
	Improved Governance and Organisational Excellence	Legal	To monitor the review of by laws and policies within a financial year	# of By-laws reviewed within the financial year	Number	28	28 policies and 5 of By-laws reviewed by 30 June 2020	Operational	28 policies and 5 By-Laws reviewed	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Council approved policies and By-laws (Council Resolution)
	Improved Governance and Organisational Excellence	Legal	To monitor the review of by laws and policies within a financial year	# Of by-laws promulgated within the financial year	Number	0	5 By laws promulgated/ by laws due for promulgation by 30 June 2021	Operational	5 By-Laws were promulgated	TARGET ACHIEVED	NONE	NONE	Municipal Manager	By laws promulgated

	Access to Sustainable Basic Services	Electricity	To ensure reduction of electricity losses within a financial year	% of electricity losses reduced	Percentage	11%	21 % of electricity losses reduced: # of electricity losses / % of electricity supplied	Operational	19,16 losses	TARGET ACHIEVED	NONE	NONE	CFO	Electricity/ Finance reports
Head Office	Access to Sustainable Basic Services	Infrastructure	To monitor the development and MIG implementation plan within a financial year	Development of MIG implementation Plan	Date	30-Jul-19	Approved MIG Implementation Plan by 30 June 2020	Operational	MIG Implementation Plan approved by 30 June 2020	TARGET ACHIEVED	NONE	NONE	Director TECH	Approved MIG Implementation on Plan Council Resolution

Vote Nr	Strategic Objective	Municipal Programme	Measurable Objectives	Performance Indicator title	KPI Unit of measure	Baseline / Status	Annual Target (30/06/2021)	Budget 2020/21	Annual Actual Performance	Remarks	Challenges	Interventions	Responsible Person	Evidence requires
KPA 3 : LOCAL ECONOMIC DEVELOPMENT														
KEY PERFORMANCE INDICATORS														
OUTCOME 9: IMPLEMENTATION OF THE COMMUNITY WORK PROGRAMME														
	Improved Governance and Organizational Excellence	Improved local economy	To ensure Promotion of local economy within the financial year	# of jobs created through municipal funded Capital Projects	Number	302 jobs created	309	Operational	447	TARGET ACHIEVED	NONE	NONE	Director TECH	Proof for SMME s supported
	Improved Governance and Organisational Excellence	Improved local economy	To ensure Promotion of local economy within the financial year	# of SMME supported through Supply Chain Management	Number	559 SMME s supported	120	Operational	257	TARGET ACHIEVED	NONE	NONE	CFO	Proof for SMME s supported
	Integrated Sustainable Development	Improved local economy	To ensure Promotion of local economy within the financial year	# Of EPWP reports compiled and submitted to Council	Number	12 EPWP reports generated	12	Operational	12 reports generated	TARGET ACHIEVED	NONE	NONE	Director TECH	EPWP reports
	Integrated Sustainable Development	Improved local economy	To ensure Coordination of Agriculture forums within the financial	# Of Agriculture Forums coordinated	Number	4 Agriculture forums coordinated	4	Operational	1	TARGET NOT ACHIEVED	Covid regulations	Convene as soon as the regulations are eased	Director PLAN	Agenda, Minutes & Attendance register

Vote Nr	Strategic Objective	Municipal Programme	Measurable Objectives	Performance Indicator title	KPI Unit of measure	Baseline / Status	Annual Target (30/06/2021)	Budget 2020/21	Annual Actual Performance	Remarks	Challenges	Interventions	Responsible Person	Evidence requires
KPA 4 MUNICIPAL FINANCIAL VIABILITY														
	Sustainable Financial Institution	Revenue	To ensure improvement in revenue collection within the financial year	% Of revenue collected within the financial year	Percentage (Revenue billed for the year)	59%	95%	Operational	48% (12082000/25139000)	TARGET NOT ACHIEVED	COVID effect on consumers	Hand over debts to debt collectors	CFO	Financial reports
	Sustainable Financial Institution	Revenue	To monitor debt collections within a financial year	% In debts collected within the financial year	Percentage (Debtors)	29%	60% in debt collected (# of debt collected/	Operational	32% (12 171 809.32 / 18 691 558,93	TARGET NOT ACHIEVED	COVID effect on consumers	Hand over debts to debt collectors	CFO	Financial reports
	Sustainable Financial Institution	Revenue	To monitor the implementation of municipal services within a financial year	# Of data cleansing performed (Meter services) within the financial year	Number	1 data cleansing	4	Operational	4	TARGET ACHIEVED	NONE	NONE	CFO	Financial reports
	Sustainable Financial Institution	Expenditure Management	Provision of free basic services within the financial year	# Of HH receiving free basic services within the financial year	Number	1705	1500	Operational	711	TARGET NOT ACHIEVED	Lack of effective methodology for recruitment during lockdown	Conduct roadshows on registration for indigent benefits on an annual	CFO	Updated Indigent register
	Sustainable Financial Institution	Budget and Reporting	To ensure that quarterly financial statements are prepared within 14 days after the end of each quarter.	# of quarterly financial statements submitted to Provincial Treasury	Number	4	4	Operational	4	TARGET ACHIEVED	NONE	NONE	CFO	Dated proof of submission Financial Statements
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Council approved Budget within the financial year	Date	31-May-19	Approval of Draft 2021/22 Budget by Council on 31 May 2021	Operational	2021/22 Budget approved by Council on 31 May 2021	TARGET ACHIEVED	None	None	CFO	Council approved Draft Budget, Council Resolution
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Council approved Budget policies	Date	21 policies approved	Approval of 21 budget related policies by Council on 31 May 2021	Operational	21 budgets related policies were approved by Council on 31 May 2021	TARGET ACHIEVED	NONE	NONE	CFO	Council Approved Budget related policies, Council Resolution

	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Council approved Adjustment budget by 28 February each year	Date	28-Feb-20	Approval of 2020/21 Adjustment budget in Council by 28 February 2021	Operational	2020/21 Adjustment budget was approved in Council by 28 February 2021	TARGET APPROVED	NONE	NONE	CFO	Council approved adjustment budget, Council Resolution
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Submit Unaudited annual financial statements by 31 August each year	Date	31-Aug-19	Submission of Unaudited Financial Statements by 31 August 2020	Operational	Unaudited Financial Statements was submitted by 31 August 2020	TARGET ACHIEVED	NONE	NONE	CFO	Dated proof of submission of Unaudited AFS
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	# of Sec 32 Register developed and updated	Number	12	12 Sec 32 register developed and updated by 30 June 2020	Operational	12 Sec32 registers developed and updated	TARGET ACHIEVED	NONE	NONE	CFO	Dated proof of Sec 32 register
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Council approved Finance by-laws within the financial year	Date	Not approved	Approval of 4 Finance by-laws by 31 May 2021	Operational	4 Finance By laws were approved by council%	TARGET ACHIEVED	NONE	NONE	CFO	Council approved finance by-laws, Council Resolution
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	# Of Finance compliance report submitted to Treasuries & CoGHSTA	Number	12	12	Operational	12 reports were submitted to Treasury	TARGET ACHIEVED	NONE	NONE	CFO	Financial reports
	Sustainable Financial Institution	Budget and Reporting	To ensure compliance with legislation within the financial year	Submit monthly Sec 71 reports to Provincial treasury within 10 working days	Date	To submit to Treasury within 10 working days	Submission of monthly Sec 71 reports to Provincial treasury within 10 working	Operational	Section 71 reports were submitted within 10 days	TARGET ACHIEVED	NONE	NONE	CFO	Dated proof of submission
	Sustainable Financial Institution	Supply Chain Management	To Improve financial viability within the financial year	Appoint Supply Chain Committees	Date	31-Jul-19	Appointment of Supply Chain Structures (Bid Specifications, Bid Evaluation and Bid Adjudication Committees) by	Operational	Bid Committees were appointed by 31 July 2020	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Appointment Letters
	Sustainable Financial Institution	Supply Chain Management	To ensure payment of service providers within 30 days of the submission of invoices.	% Invoices paid within 30 days of receipt from the service providers	Percentage	Payment of invoices within 30 days of receipt from the service provider	100% Payment of invoices within 30 days of receipt from the service provider	Operational	100% of all invoices were paid within 30 days of receipt from the service provider	TARGET ACHIEVED	NONE	NONE	CFO	Dated proof of payment

	Sustainable Financial Institution	Assets Management	To ensure compliance with legislation within the financial year	# Assets verifications conducted in line with GRAP standards	Number	2	2	Operational	2 Assets verification were conducted	TARGET ACHIEVED	NONE	NONE	CFO	Quarterly Assets verification reports
	Sustainable Financial Institution	MIG	To effectively manage the financial affairs of the municipality within the financial year	% Of PMU Management budget spent as approved by Council within the financial year	Percentage (Budget spent/Budget)	100%	100% R 2 861 450 PMU Management Budget spent	Capital	100% R 2 861 450 PMU Management Budget spent	TARGET ACHIEVED	NONE	NONE	TECH	Financial reports
	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% Capital budget spent as approved by Council within the financial year	Percentage	56%	100% R 149 621 000 Capital Budget spent	Capital	71 % (106 641 000/149 621 000) capital budget spent	TARGET NOT ACHIEVED	Budget was not cash backed	All projects must be funded	CFO	Financial reports
	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% Operational and maintenance budget spent as approved by Council within the financial year	Percentage	100%	100% R 365 365 000,00 operational budget spent Operational Budget spent	Operational	92% (335 414 000/365 365 000) operational budget spent	TARGET NOT ACHIEVED	Budget was not cash backed	All projects must be funded	CFO	Financial reports
	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% MIG budget spent as approved by Council within the financial year	Percentage	100%	100% R56 527 000,00 MIG expenditure	Capital	100% R 56 527 000,00 MIG expenditure	TARGET ACHIEVED	NONE	NONE	TECH	Financial reports
Sustainable Financial Institution	Expenditure Management	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% INEP Budget spent as approved by Council within the financial year	Percentage	0%	100% R 7 000 000,00 INEP expenditure	Capital	100% R 7 000 000,00 INEP expenditure	TARGET ACHIEVED	NONE	NONE	TECH	Financial reports
	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% FMG budget spent as approved by Council within the financial year	Percentage	100%	100% R 2 000 000 FMG expenditure	Operational	100% R 2 000 000 FMG expenditure	TARGET ACHIEVED	NONE	NONE	CFO	Financial reports

	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% EPWP budget spent as approved by Council within the financial year	Percentage	100%	100% R 2 125 288,63 EPWP expenditure	Operational	100% R 2 125 288,63 EPWP expenditure	TARGET ACHIEVED	NONE	NONE	TECH	Financial reports
	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality within the financial year	% FBS budget spent as approved by Council within the financial year	Percentage	100%	100% R 1 150 064,52 FBS expenditure	Operational	25% R 291 463.16/R 1 150 064.52 FBS expenditure	TARGET NOT ACHIEVED	Lack of effective methodology for recruitment during national lock down.	Conduct roadshows on registration for indigent benefits on an annual basis	CFO	Financial reports

Vote Nr	Strategic Objective	Programme S	Measurable Objectives	Performance Indicator title	KPI Unit of measure	Baseline	Annual Target (30/06/2021)	Budget 2020/21	Annual Actual Performance	Remarks	Challenges	Interventions	Responsible Person	Evidence requires
KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
KEY PERFORMANCE INDICATORS														
OUTCOME 9 (OUTPUT 5: DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE MODEL, OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY)														
	Improved Governance and Organisational Excellence	Council	To ensure functionality of Council committee within the financial year.	# of Council Meetings held within the financial year	Number	11	4	Operational	14	TARGET ACHIEVED	NONE	NONE	Director Corp	Agenda, Minutes & attendance register
	Improved Governance and Organisational Excellence	Council	To ensure functionality of EXCO committee within the financial year.	# Of EXCO meetings held within the financial year	Number	12	4	Operational	17	TARGET ACHIEVED	NONE	NONE	Director Corp	Agenda, Minutes & attendance register
	Improved Governance and Organisational Excellence	Committees	To ensure functionality of Council committee within the financial year.	# Of Ward Committee reports submitted to Office of the Speaker	Number	360	360	Operational	270	TARGET NOT ACHIEVED	Lock down restrictions	Hold meetings as soon as the regulations are eased	Manager (Mayor's Office)	Agenda, Minutes & attendance register
	Improved Governance and Organisational Excellence	Committees	To ensure functionality of Council within the financial year	# Of MPAC meetings held within the financial year	Number	16	12	Operational	13	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Agenda, Minutes & attendance register
	Improved Governance and Organisational Excellence	Human Resource management	To ensure functionality of Council within the financial year	# Of LLF meetings held within the financial year	Number	14	12	Operational	12	TARGET ACHIEVED	NONE	NONE	Director Corp	Agenda, Minutes & attendance register
	Improved Governance and Organisational Excellence	Labor Relations	To ensure functionality of Municipality within the financial year	% In implementation of LLF resolutions within the financial year	Percentage (# of resolutions taken/ # of resolutions implemented).	100%	100%	Operational	100%	TARGET ACHIEVED	NONE	NONE	Director Corp	Updated Resolution register
	Improved Governance and Organisational Excellence	Public Participation	To ensure public involvement in the IDP review	# Of IDP/Budget/PMS REP Forum meetings held within the financial year	Number	5	5	Operational	2	TARGET NOT ACHIEVED	Meetings halted due to Lockdown restrictions	NONE	Director PLAN	Agenda & Attendance register
	Improved Governance and Organisational Excellence	Public Participation	To ensure public involvement in the IDP review within a financial year	# Of IDP/Budget/PMS Steering Committee meetings within the financial year	Number	5	5	Operational	2	TARGET NOT ACHIEVED	Meetings halted due to Lockdown restrictions	NONE	Director PLAN	Agenda & Attendance register

	Improved Governance and Organisational Excellence	Public Participation	To promote accountability within the municipality	% Of complaints resolved	Percentage (# of complaints taken/ # Of complains	100%	100% complains resolved	Operational	100%	TARGET ACHIEVED	NONE	NONE	Director Corps	Updated Complaints Management Register
	Improved Governance and Organisational Excellence	Public Participation	To ensure public involvement in Mayoral Imbizo 's within a financial year	# Of quarterly Community feedback meetings held within a financial	Number	5	4	Operational	0	TARGET NOT ACHIEVED	Covid regulations	hold meetings as soon as the regulations are eased	Manager (Mayor's Office)	Agenda & Attendance register
	Improved Governance and Organisational Excellence	Committees	To ensure functionality of Audit committee within a financial year	# Of Audit Committee meetings held within the financial year	Number (Accumulative)	5	4	Operational	4	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Agenda, Minutes & Attendance register
	Improved Governance and Organisational Excellence	Committees	To ensure functionality of Audit committee within a financial year	% Of Audit and Performance Audit Committees resolutions implemented within the financial year	Percentage	70%	100% resolutions implementation	Operational	87%	TARGET NOT ACHIEVED	Delay implementation on on of resolutions.	Directorates to Fastrack the implementation	Municipal Manager	Audit Committee resolutions register
	Improved Governance and Organisational Excellence	Risk	To ensure functionality of Risk committee within the financial year.	Council approved Fraud and Anti-Corruption strategy	Number	Fraud & Anti Corruption Strategy not reviewed	Approved Fraud and Anti Corruption strategy	Operational	Fraud and Anti corruption Strategy Approved	TARGET ACHIEVED	NONE	NONE	Municipal Manager	Approved Fraud and Anti Corruption strategy
	Improved Governance and Organisational Excellence	Legal	To monitor response in terms of the fraud and corruption cases registered	# Of Fraud and Corruption cases investigated	Number (# of cases registered / # of cases investigated within a financial year	New	# Of Fraud and Corruption cases investigated: # of cases registered / # of cases investigated yearly	operational	No fraud and corruption cases were investigated	TARGET ACHIEVED	NONE	NONE	Director Corps	Updated Fraud and Corruption case register

MUNICIPAL TRANSFORMATION AND DEVELOPMENT

2020/21 WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY /CAPITAL WORKS PLAN SUMMARY OF CAPITAL PROJECTS FOR THE YEAR																	
MUNICIPAL TRANSFORMATION																	
Region	Strategic Objective	Programme	Projects	Project Name	Start Date	Completion	Project	Baseline	Source of	Original	Annual target	Annual Actual	Remarks	Challenges	Interventions	Responsible Person	Evidence
All wards	Improved Governance and Organisational Excellence	Property Services	To purchase 60* Laptops by 30 June 2021	Supply & delivery of 60* Laptops	2020-07-01	2021-06-30	Director Corps	New	GLM	1 000 000	60* purchased & delivered	60 Laptops purchased	TARGET ACHIEVED	NONE	NONE	Director Corps	Delivery note/GRN and Payment Certificate
	Improved Governance and Organisational Excellence	Property Services	To purchase and install air conditioners (Kgapanne old sub office (facilities) & Modjadjiskloof registering authority by 30 June 2021	Supply and install air conditioners (Kgapanne old sub office (facilities) & Modjadjiskloof registering authority	2020-07-01	2021-06-30	Director Community Services	New	GLM	200 000	air conditioners (Kgapanne old sub office (facilities) & Modjadjiskloof registering authority supplied & installed	Air conditioners supplied and installed	TARGET ACHIEVED	NONE	NONE	Director Corps	Delivery note/GRN and Payment Certificate
Head office	Improved Governance and Organisational Excellence	Property Services	To purchase 20* Filing cabinets All sections (Community services) by 30 June 2021	Supply & delivery of 03* Filing cabinets All sections (Community services)	2020-07-01	2021-06-30	Director Corps	New	GLM	10 000	20* Filing cabinets All sections (Community services) purchased & delivered	Filing cabinets purchased and delivered	TARGET ACHIEVED	NONE	NONE	Director Corps	Payment Certificate and delivery note/GRN
Head office	Improved Governance and Organisational Excellence	Property Services	To purchase of vehicle 30 June 2021	Supply & delivery of vehicle	2020-07-01	2021-06-30	Director Corps	New	GLM	400 000	To purchase & deliver a vehicle	Vehicle purchased and delivered	TARGET ACHIEVED	NONE	NONE	Director Corps	Payment Certificate and delivery note/GRN
Head office	Improved Governance and Organisational Excellence	Disaster Management	To Purchase of 3* torches by 30 June 2021	Supply & delivery of 3* Torches	2020-07-01	2021-06-30	Director Comm	New	GLM	10 000	To purchase torches	Torches were purchased and delivered	TARGET ACHIEVED	NONE	NONE	Director Comm	Payment Certificate and delivery note/GRN
All Wards	Improved Governance and Organisational Excellence	Traffic & Licensing	To renovate Staff Toilet in Modjadjiskloof DLTC by 30 June	Renovation of Staff Toilet Modjadjiskloof DLTC	2020-07-01	2021-06-30	Director Comm	New	GLM	100 000	To renovate Staff Toilet Modjadjiskloof DLTC	Toilets were not renovated	TARGET NOT ACHIEVED	Cash flow challenges	consider in the new financial year	Director Comm	Delivery note/GRN

2020/21 WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY /CAPITAL WORKS PLAN SUMMARY OF CAPITAL PROJECTS FOR THE YEAR

BASIC SERVICE DELIVERY																	
Region/ Ward	Strategic Objective	Programme	Projects description	Project Name	Start Date	Completion date	Project Owner	Source of funding	Baseline	Original Budget	ANNUAL TARGET	Annual Actual Performance	Remarks	Challenges	Interventions	Responsible Person	Evidence required
5	Access to Sustainable Basic Services	Community Halls & Facilities	To construct a community hall at Ward 5 by 30 June 2021 (Multi year)	Construction of Ward 5 Community Hall (Planning)	2020-07-01	2021-06-30	Director Tech	GLM	10% physical Progress	5 450 000	Construction at 40% physical progress	15% construction	TARGET NOT ACHIEVED	Community disputes over the location of the Hall resulting in work suspension	Consultation with affected communities for a solution	Director Tech	Progress report
5	Access to Sustainable Basic Services	Community & social Services	To construct Ga-Kgapane new cemetery earthworks by 30 June 2021	Construction of Ga-Kgapane new cemetery earthworks	2020-07-01	2021-06-30	Director Tech	GLM	New Project	4 300 000	Appointment of Service provider for construction	Service Provider appointed	TARGET ACHIEVED	NONE	NONE	Director Tech	Appointment letter
Head Office	Access to Sustainable Basic Services	Disaster Management	To maintain Fire Extinguishers by 30 June 2021	Maintenance of Fire Extinguishers of fire extinguishers	2020-07-01	2021-06-30	Director Comm	GLM	Supply and delivery of Fire Extinguishers	190 000	fire extinguishers purchased and installed	Fire Extinguishers were purchased and installed	TARGET ACHIEVED	NONE	NONE	Director Comm	delivery Note/GRN and Payment certificate
27	Access to Sustainable Basic Services	Sports & Recreation	To complete construction of Sports Complex in Mamanyoha by 30 June 2021	Construction of Mamanyoha Sports Complex	2020-07-01	2021-06-30	Director Tech	GLM	Practical Completion of Mamanyoha Sports Complex	500 000	Completion of Mamanyoha Sports Complex	Project Completed	TARGET ACHIEVED	NONE	NONE	Director Tech	Completion Certificate
16	Access to Sustainable Basic Services	Sports & Recreation	To complete construction of Sports Complex in Rotterdam by 30 June 2021	Construction of Rotterdam Sports Complex	2020-07-01	2021-06-30	Director Tech	GLM	96 % completion of Rotterdam Sports complex	1 800 000	Completion of Rotterdam Sports Complex	Project Completed	TARGET ACHIEVED	NONE	NONE	Director Tech	Progress report/Completion certificate
All Wards	Access to Sustainable Basic Services	Waste Management	To supply and delivery of 30*Skip Bins by 30 June 2021	Supply & delivery of 30* Skip Bins	2020-07-01	2021-06-30	Director Comm	GLM	New Project	1 000 000	skip bins purchased and delivered	Skip Bins were purchased	TARGET ACHIEVED	NONE	NONE	Director Comm	Delivery Note/GRN and Payment certificate
Head Office	Access to Sustainable Basic Services	Waste Management	To supply and delivery of 10* Trolley Bins by 30 June 2021	Supply and delivery of 10* Trolley Bins	2020-07-01	2021-06-30	Director Comm	GLM	New Project	200 000	Trolley Bins Purchased and delivered	Trolley Bins were purchased and delivered	TARGET ACHIEVED	NONE	NONE	Director Comm	Delivery note/GRN/Payment Certificate
Head Office	Access to Sustainable Basic Services	Waste Management	To supply and delivery of 1* Skip truck by 30 June 2021	Supply and delivery of 1* Skip truck	2020-07-01	2021-06-30	Director Comm	GLM	New Project	1 200 000	Skip Truck purchased and delivered	Skip Truck was purchased	TARGET ACHIEVED	NONE	NONE	Director Comm	delivery Note/GRN and Payment certificate
Head Office	Access to Sustainable Basic Services	Waste Management	To supply and delivery of 1* Tractor by 30 June 2021	Supply and delivery of 1* Tractor	2020-07-01	2021-06-30	Director Comm	GLM	New Project	500 000	Tractor purchased and delivered	Tractor purchased and delivered	TARGET ACHIEVED	NONE	NONE	Director Tech	delivery Note/GRN and Payment certificate
All wards	Access to Sustainable Basic Services	Stormwater waste management	To construct Low Level Bridges by 30 June 2021	Construction of Low-Level Bridges	2020-07-01	2021-06-30	Director Tech	GLM	New Project	2 400 000	Approval Of designs	Designs approved	TARGET ACHIEVED	NONE	NONE	Director Tech	Detailed Designs
Ward 3	Access to Sustainable Basic Services	Stormwater waste management	To construct Meloding Stormwater Canal by 30 June 2021	Construction Meloding Stormwater	2020-07-01	2021-06-30	Director Tech	GLM	New Project	2 500 000	Approval Of designs	Designs approved	TARGET ACHIEVED	NONE	NONE	Director Tech	Detailed Designs
Head Office	Access to Sustainable Basic Services	Roads	To purchase Ton Quarter Canopy Truck (Roads & Storm) by 30 June 2021	Supply & delivery of Ton Quarter canopy Truck (Roads & Storm)	2020-07-01	2021-06-30	Director Tech	GLM	New Project	731 063	Supply and delivery of Ton Quarter Canopy (Roads & Storm water)	Ton Quarter Canopy (Roads & Storm water)purchased and delivered	TARGET ACHIEVED	NONE	NONE	Director Tech	delivery Note/GRN and Payment certificate
Head Office	Access to Sustainable Basic Services	Roads	Target Achieved To purchase 1* Tipper truck 6m3 (Bellevue, Senwamokgope & Mokwakwaila Clusters) by 30 June 2021	Supply & delivery of 1* Tipper trucks 6m3 (Bellevue, Senwamokgope & Mokwakwaila Clusters)	2020-07-01	2021-06-30	Director Tech	GLM	New Project	1 800 000	To purchase 1* Tipper trucks 6m3 (Bellevue, Senwamokgope & Mokwakwaila Clusters)	Tipper Truck purchased	TARGET ACHIEVED	NONE	NONE	Director Tech	delivery Note/GRN and Payment certificate
Head Office	Access to Sustainable Basic Services	Roads	To purchase 2* Water Tankers (Bellview & Senwamokgope Clusters) by 30 June 2021	Supply & delivery of 3* Water Tankers (Bellview, Senwamokgope & Mokwakwaila Cluster)	2020-07-01	2021-06-30	Director Tech	GLM	New Project	2 400 000	To purchase 3* Water Tankers (Bellview, Senwamokgope & Mokwakwaila Cluster)	2 Water Tankers purchased but awaiting delivery	TARGET NOT ACHIEVED	One water tanker delivered and 1 was returned back due to non-compliant specification	Speed up the delivery process of the second water tanker	Director Tech	delivery Note/GRN and Payment certificate

Head Office	Access to Sustainable Basic Services	Roads	To purchase 1* TLB (Bellview & Senwamokgope Clusters) by 30 June 2021	Supply & delivery of 1*TLB (Bellview & Senwamokgope Clusters)	2020-07-01	2021-06-30	Director Tech	GLM	New Project	1 700 000	To purchase 1*TLB (Bellview & Senwamokgope)	TLB purchased and delivered	TARGET ACHIEVED	NONE	NONE	Director Tech	delivery Note/GRN and Payment certificate
Head Office	Access to Sustainable Basic Services	Roads	To purchase 1* Grader (Mokwakwaila Clusters) by 30 June 2021	Supply & delivery of 1* Grader (Mokwakwaila Cluster)	2020-07-01	2021-06-30	Director Tech	GLM	New Project	4 800 000	To purchase 1*Grader (Mokwakwaila Cluster)	Grader purchased and delivered	TARGET ACHIEVED	NONE	NONE	Director Tech	delivery Note/GRN and Payment certificate
All Wards	Access to Sustainable Basic Services	Roads	To purchase Mechanical Broom Machinery (Street sweeping) by 30 June 2021	Supply & delivery of Mechanical Broom Machinery (Street sweeping)	2020-07-01	2021-06-30	Director Tech	GLM	New Project	950 000	To purchase Mechanical Broom Machinery	Broom not delivered	TARGET NOT ACHIEVED	Appointed service provider declined the offer due to price hike	To be prioritized in the 2022/23 financial year	Director Tech	delivery Note/GRN and Payment certificate
Head Office	Access to Sustainable Basic Services	Roads	To purchase Workshop Bakkie (4x4) by 30 June 2021	Supply & delivery of Workshop Bakkie (4x4)	2020-07-01	2021-06-30	Director Tech	GLM	New Project	2 400 000	To purchase Workshop Bakkie (4x4)	Workshop Bakkie purchased but not yet delivered	TARGET ACHIEVED	NONE	NONE	Director Tech	delivery Note/GRN and Payment certificate
03 & 04	Access to Sustainable Basic Services	Roads	To rehabilitate Modjadiskloof Streets - Phase 2 by 30 June 2021	Rehabilitation of Modjadiskloof streets -Phase 2	2020-07-01	2021-06-30	Director Tech	GLM	35 % physical progress of Modjadiskloof Phase 2 rehabilitation	3 663 000	Project completion	Project completed	TARGET ACHIEVED	NONE	NONE	Director Tech	Completion Certificate/payment certificate/progress report
1	Access to Sustainable Basic Services	Roads	To Construct Makhutukwe streets paving by 30 June 2021 (Planning)	Construction of Makhutukwe street paving	2020-07-01	2021-06-30	Director Tech	GLM	Designs of Makhutukwe Street Paving	4 500 000	3.5% Construction appointment and commencement	Contractor is appointed and project has commenced	TARGET ACHIEVED	NONE	NONE	Director Tech	Appointment letter and progress report
6	Access to Sustainable Basic Services	Roads	To Construct Mokwasele paving Cemetery by 30 June 2021 (Mulyi-year)	Construction of Mokwasele Cemetery paving	2020-07-01	2021-06-30	Director Tech	GLM	Designs of Mokwasele Street Paving	11 992 865	Construction at 99% physical progress	Construction is at 99%	TARGET ACHIEVED	NONE	NONE	Director Tech	Progress report
12	Access to Sustainable Basic Services	Roads	To construct Itieleng Sekgosesa- street paving Phase-1by 30 June 2021	Construction of Itieleng Sekgosesa street paving	2020-07-01	2021-06-30	Director Tech	GLM	Designs of Itieleng Sekgosesa Street	3 840 000	Project completion	Project Completed	TARGET ACHIEVED	NONE	NONE	Director Tech	Completion Certificate
14	Access to Sustainable Basic Services	Roads	To construct Lemondokop street paving Phase-01 by 30 June 2021	Construction of Lemondokop street paving	2020-07-01	2021-06-30	Director Tech	GLM	Designs of Lemondokop street paving	7 500 000	Project completion	Project Completed	TARGET ACHIEVED	NONE	NONE	Director Tech	practical completion certificate/completion certificate
15	Access to Sustainable Basic Services	Roads	Planning & designs of Raphahlelo street paving by 30 June 2021	Planning & designs of Raphahlelo street paving	2020-07-01	2021-06-30	Director Tech	GLM	Designs of Raphahlelo Street Paving	3 400 000	Appointment of contractor and commencement of project	3.5% progress contractor appointment and construction commencement	TARGET ACHIEVED	NONE	NONE	Director Tech	Appointment letter and progress report
13	Access to Sustainable Basic Services	Roads	Planning & designs of Ward 13 (Senwamokgope) streets paving by 30 June 2021	Planning & designs of Ward 13 (Senwamokgope) street paving	2020-07-01	2021-06-30	Director Tech	GLM	New Project	1 000 000	Scoping report/preliminary design report	2.5 % Design report approval	TARGET ACHIEVED	NONE	NONE	Director Tech	Scoping report/preliminary design report letter
16 & 18	Access to Sustainable Basic Services	Roads	Planning & designs of Sephukhubje street paving by 30 June 2021	Planning & designs of Sephukhubje street paving	2020-07-01	2021-06-30	Director Tech	GLM	Designs of Sephukhubje Street Paving	5 000 000	Appointment of contractor and commencement of project	3.5 % contractor appointment and	TARGET ACHIEVED	NONE	NONE	Director Tech	Appointment letter and progress report
All Wards	Access to Sustainable Basic Services	Traffic & Licensing	To purchase & Install Counter, Bullet Glass and Cubicles by 30 June 2021	Supply & Installation of Counter, Bullet Glass and Cubicles	2020-07-01	2021-06-30	Director Comm	GLM	New Project	400 000	Supply and installation of Counter, Bullet Glass and Cubicles	Counter, Bullet Glass and Cubicles supplied and installed	TARGET ACHIEVED	NONE	NONE	Director Comm	delivery Note/GRN and Payment certificate
All Wards	Access to Sustainable Basic Services	Traffic & Licensing	To resurface Modjadiskloof DLTC by 30 June 2021	Resurfacing of Modjadiskloof DLTC	2020-07-01	2021-06-30	Director Tech	GLM	New Project	1 600 000	To resurface Modjadiskloof DLTC	Modjadiskloof DLTC resurfaced	TARGET ACHIEVED	NONE	NONE	Director Corps	completion certificate
All Wards	Access to Sustainable Basic Services	Traffic & Licensing	To purchase 2* Traffic patrol vehicle by 30 June 2021	Supply & delivery of 2* Traffic patrol vehicle	2020-07-01	2021-06-30	Director Comm	GLM	New Project	1 500 000	Supply and deliver of 1* Traffic patrol vehicle	Patrol Vehicle not purchased	TARGET ACHIEVED	NONE	NONE	Director Comm	Proof of purchase/delivery note

Head Office	Access to Sustainable Basic Services	Traffic & Licensing	To purchase 40" Road Cones by 30 June 2021	Supply & delivery of 40" Road Cones	2020-07-01	2021-06-30	Director Comm	GLM	New Project	15 000	Supply and delivery of 40" Road Cones	Cones purchased and delivered	TARGET ACHIEVED	NONE	NONE	Director Comm	Proof of purchase/delivery note
Head Office	Access to Sustainable Basic Services	Traffic & Licensing	To purchase Traffic Blue Light 30 June 2021	Supply & delivery of Traffic Blue Light	2020-07-01	2021-06-30	Director Tech	GLM	New Project	60 000	Supply and delivery of Traffic Blue Light	Traffic Blue Light Purchased and	TARGET ACHIEVED	NONE	NONE	Director Comm	Proof of purchase/delivery note
Head Office	Access to Sustainable Basic Services	Traffic & Licensing	To purchase 3" Breathalyzers by 30 June 2021	To supply and delivery 3"	2020-07-01	2021-06-30	Director Tech	GLM	New Project	50 000	Supply and delivery of 3" Breathalyzers	Breathalyzers purchased and delivered	TARGET ACHIEVED	NONE	NONE	Director Comm	Proof of purchase/delivery note
Head Office	Access to Sustainable Basic Services	Traffic & Licensing	To purchase Guard room Kgapane Old Sub Office by 30 June 2021	Guard room Kgapane Old Sub Office	2020-07-01	2021-06-30	Director Comm	GLM	New Project	20 000	Erection of Guardroom at Kgapane Old Sub-Office	Guard Room not erected	TARGET NOT ACHIEVED	Delay in the implementation of procurement plan	Expedite the implementation of procurement plan	Director Comm	Completion Certificate
Head Office	Access to Sustainable Basic Services	Electricity	To purchase Guard room Modjadiskloof DLTC by 30 June 2021	Guard room Modjadiskloof DLTC	2020-07-01	2021-06-30	Director Tech	GLM	New Project	20 000	Erection of Guard room at Modjadiskloof DLTC	Guard Room not erected	TARGET NOT ACHIEVED	Delay in the implementation of procurement	Expedite the implementation of procurement	Director Comm	Completion certificate
Head Office	Access to Sustainable Basic Services	Electricity	To purchase Security door for Modjadiskloof RA by 30 June 2021	Supply & delivery of Security door for Modjadiskloof RA	2020-07-01	2021-06-30	Director Tech	GLM	New Project	20 000	Supply and delivery of Security door for Modjadiskloof RA	Security door not supplied	TARGET NOT ACHIEVED	Delay in the implementation of procurement plan	Expedite the implementation of procurement plan	Director Comm	Completion Certificate
Head Office	Access to Sustainable Basic Services	Electricity	To purchase 100 KVA pole transformer by 30 June 2021	Supply & delivery of 100 KVA pole transformer	2020-07-01	2021-06-30	Director Tech	GLM	New Project	110 000	Supply and delivery of 100KVA pole transformer	100 KVA pole transformer	TARGET ACHIEVED	NONE	NONE	Director Tech	Appointment letter
29	Access to Sustainable Basic Services	Electricity	To refurbish LV network by 30 June 2021	Refurbishment of LV network	2020-07-01	2021-06-30	Director Tech	GLM	New Project	800 000	Refurbish LV network	Network not refurbished	TARGET NOT ACHIEVED	Late appointment of Service provider	Speed up the work in progress	Director Tech	Completion certificate
	Access to Sustainable Basic Services	Electricity	To purchase 3 transformers by 30 June 2021	Transformers (3)	2020-07-01	2021-06-30	Director Tech	GLM	New Project	1 200 000	To purchase and deliver Transformers (3)	Transformers purchased and delivered	TARGET ACHIEVED	NONE	NONE	Director Tech	Proof of purchase/delivery note
29	Access to Sustainable Basic Services	Electricity	Refurbishment of HV Cable Network-Ringfeed by 30 June 2021	To refurbishment of HV Cable Network- Ringfeed	2020-07-01	2021-06-30	Director Tech	GLM	New Project	400 000	To refurbish HV Cable Network-Ringfeed	HV Cable network not refurbished	TARGET NOT ACHIEVED	Delay in procurement processes	SCM processes to be expedited	Director Tech	Completion certificate
19,20,21 & 30	Access to Sustainable Basic Services	Electricity	Erection of Electricity Household Connections in various villages by 30 June 2021	Erection of Electricity Household Connections in various villages	2020-07-01	2021-06-30	Director Tech	GLM	Electrification of households in various villages (Maupa,Mapana,Rasewana,senwamokgope,Mamaila)	7 000 000	To erect electricity household connection in various villages (Ramatiti, Koope, Mohlabaneng, Taulome	Project completed	TARGET ACHIEVED	NONE	NONE	Director Tech	Appointment letter and progress report
4	Access to Sustainable Basic Services	Sports & Recreation	To complete construction of Kgapane Stadium Ph3 by 30 June 2021	Construction of Kgapane Stadium Ph3	2020-07-01	2021-06-30	Director Tech	MIG	Stadium Designs	6 876 663	practical completion/project completion	Construction is at 99 %	TARGET NOT ACHIEVED	Slow performance by the contractor	Intensify monitoring of performance	Director Tech	Practical Completion Certificate
12	Access to Sustainable Basic Services	Sports & Recreation	To complete construction of sport complex in Thakgalane Ph3 by 30 June 2021	Construction of Thakgalane Sports Complex Ph3	2020-07-01	2021-06-30	Director Tech	MIG	Designs and Constructi	10 700 000	practical completion/project completion	100 % completion	TARGET ACHIEVED	NONE	NONE	Director Tech	Practical Completion Certificate
01, 06 & 07	Access to Sustainable Basic Services	Sports & Recreation	To complete construction of Sport Complex in Madumeleng/ Shotong Ph 2 by 30 June 2021	Construction of Madumeleng/shotong Sports Complex Ph2	2020-07-01	2021-06-30	Director Tech	MIG	Construction of Sephukubje Complex In Madumeleng Shotong Ph	13 623 963	practical completion/project completion	90 % physical progress	TARGET ACHIEVED	NONE	NONE	Director Tech	Practical Completion Certificate
26	Access to Sustainable Basic Services	Roads	To Complete construction of streets paving in Jokong (Multiyear) /Phase 01 & Phase 02 by 30 June 2021	Construction of Jokong Street Paving (Multi-year)	2020-07-01	2021-06-30	Director Tech	MIG	Phase Design	9 200 000	practical completion/project completion for phase 3	100 % Project Completion	TARGET ACHIEVED	NONE	NONE	Director Tech	Practical Completion Certificate
10	Access to Sustainable Basic Services	Roads & Stormwater	To designs Ramodumo Street Paving by 30 June 2021	Designs & planning of Ramodumo Street Paving	2020-07-01	2021-06-30	Director Tech	MIG	New Project	1 100 000	Scoping report/preliminary design report	2.5 % design report approval	TARGET ACHIEVED	NONE	NONE	Director Tech	Scoping report/preliminary design report letter
4	Access to Sustainable Basic Services	Roads	To construct a street in Manningburg (Multiyear) by 30 June 2021	Construction of Manningburg street paving (Construction)- Multi-year	2020-07-01	2021-06-30	Director Tech	MIG	Manningburg Street Paving practically completed	3 261 919	Completion of the project	Project Completed	TARGET ACHIEVED	NONE	NONE	Director Tech	Completion Certificate

10	Access to Sustainable Basic Services	Roads & Stormwater	To Construct Rampepe access bridge by 30 June 2021	Construction of Rampepe access bridge	2020-07-01	2021-06-30	Director Tech	MIG	Rampepe Access Bridge Design	2 000 000	appointment and commencement of construction	3.5 % contractor appointment and contractor	TARGET NOT ACHIEVED	Project delayed due to reviewing of scope of work	Project to be advertised for construction in the 2021/22 FY	Director Tech	Practical completion certificate
1	Access to Sustainable Basic Services	Roads	To Construct Rasewana and Lenokwe streets Phase 01 by 30 June 2021	Construction of Rasewana and Lenokwe Streets paving (Phase 01)	2020-07-01	2021-06-30	Director Tech	MIG	Rasewana and Lenokwe Street Paving Design	1 905 006	project completion	100 % Project completion	TARGET ACHIEVED	NONE	NONE	Director Tech	Completion Certificate
10	Access to Sustainable Basic Services	Roads & Stormwater	To designs Tshabela Matswale Street Paving by 30 June 2021	Designs & planning of Tshabela Matswale Street Paving	2020-07-01	2021-06-30	Director Tech	MIG	New Project	1 150 000	Scoping report/preliminary design report	3 % contractor appointment	TARGET ACHIEVED	NONE	NONE	Director Tech	Scoping report/preliminary design report letter
10	Access to Sustainable Basic Services	Roads & Stormwater	To designs Abel Street Paving by 30 June 2021	Designs & planning of Abel Street Paving	2020-07-01	2021-06-30	Director Tech	MIG	New Project	1 150 000	Scoping report/preliminary design report	2.5 % design approval	TARGET ACHIEVED	NONE	NONE	Director Tech	Scoping report/preliminary design report
10	Access to Sustainable Basic Services	Roads & Stormwater	To designs Malematja Street Paving by 30 June 2021	Designs & planning of Malematja Street Paving	2020-07-01	2021-06-30	Director Tech	MIG	New Project	1 150 000	Scoping report/preliminary design report	2.5 % design approval	TARGET ACHIEVED	NONE	NONE	Director Tech	Scoping report/preliminary design report letter
10	Access to Sustainable Basic Services	Roads & Stormwater	To designs Mamogadi Street Paving by 30 June 2021	Designs & planning of Mamogadi Street Paving	2020-07-01	2021-06-30	Director Tech	MIG	New Project	1 150 000	Scoping report/preliminary design report	2.5 % design approval	TARGET ACHIEVED	NONE	NONE	Director Tech	Scoping report/preliminary design report letter
10	Access to Sustainable Basic Services	Roads & Stormwater	To designs Mohlabaeng Street Paving by 30 June 2021	Designs & planning of Mohlabaeng Street Paving	2020-07-01	2021-06-30	Director Tech	MIG	New Project	1 150 000	Scoping report/preliminary design report	3 % contractor appointment	TARGET ACHIEVED	NONE	NONE	Director Tech	Scoping report/preliminary design report letter

2020/21 WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY /CAPITAL WORKS PLAN SUMMARY OF CAPITAL PROJECTS FOR THE YEAR

LOCAL ECONOMIC DEVELOPMENT																	
Region	Strategic Objective	Programme	Projects	Project Name	Start Date	Completion date	Project Owner	Source of funding	Original Budget	Baseline	Annual target	Annual Actual Performance	Remarks	Challenges	Interventions	Responsible Person	Evidence required
29	Integrated Sustainable Human Settlement	Spatial Development Framework	To Develop precinct plans for Kgapane and Senwamokgope by 30 June 2021	Development of precinct plans for Kgapane and Senwamokgope	2020-07-01	2021-06-30	Director PLAN	GLM	1 500 000	New Project	Precinct plans for Kgapane and Senwamokgope finalized		TARGET NOT ACHIEVED	Delay in implementation of procurement plan	expedite the implementation of procurement plan	Dir. Planning	Precinct plans, Progress report, Completion Certificates
Head Office	Improved and Inclusive Local Economy	Local Economic Development	Review LED Strategy by 30 June 2021	Review of LED strategy	2020-07-01	2021-06-30	Director PLAN	GLM	200 000	LED Strategy	Review and submit to Council	Strategy is reviewed	TARGET ACHIEVED	NONE	NONE	Dir. Planning	Council approved LED strategy, Payment certificate
Head Office	Integrated Sustainable Human Settlement	Spatial Development Framework	Town Establishment on Uitspan 172-LT by 30 June 2021	Town Establishment on Uitspan 172-LT	2020-07-01	2021-06-30	Director PLAN	GLM	2 431 500	New Project	Print document/Printout report	Report	TARGET ACHIEVED	NONE	NONE	Dir. Planning	Council approved Spatial Development Framework, Payment Certificate
Head Office	Integrated Sustainable Human Settlement	Spatial Development Framework	Town Establishment at Meidigen 398-LT by 30 June 2021	Town Establishment Meidigen 398-LT	2020-07-01	2021-06-30	Director PLAN	GLM	3 204 000	New Project	Print document/Printout report	Report	TARGET ACHIEVED	NONE	NONE	Dir. Planning	Council approved Spatial Development Framework, Payment Certificate
Head Office	Improved and Inclusive Local Economy	Local Economic Development	To Implementation of Land Use Scheme by 30 June 2021	Implementation of Land Use Scheme by 30 June 2020	2020-07-01	2021-06-30	Director PLAN	GLM	1 195 000	Land Use Scheme	Implementation of Land use Scheme	Land Use Scheme is implemented	TARGET ACHIEVED	NONE	NONE	Dir. Planning	Council approved LED strategy, Payment certificate
Head Office	Integrated Sustainable Human Settlement	Spatial Development Framework	Review of Spatial Development Framework by 30	Review of Spatial Development Framework	2020-07-01	2021-06-30	Director PLAN	GLM	1 100 000	Spatial Development Framework	Print document/Printout report	Spatial development framework is reviewed	TARGET ACHIEVED	NONE	NONE	Dir. Planning	Council approved Spatial Development Framework, Payment Certificate

2020/21 WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY /CAPITAL WORKS PLAN SUMMARY OF CAPITAL PROJECTS FOR THE YEAR

MUNICIPAL FINANCE VIABILITY															
Region/Ward	Strategic Objective	Programme	Projects	Project Name	Start Date	Completion date	Project Owner	Source of funding	Original Budget	ANNUAL TARGET	Annual Actual Performance	Remarks	Challenges	Interventions	Evidence required

2020/21 WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY /CAPITAL WORKS PLAN SUMMARY OF CAPITAL PROJECTS FOR THE YEAR

GOOD GOVERNANCE AND PUBLIC PARTICIPATION																	
Region/Ward	Strategic Objective	Programme	Projects	Project Name	Start Date	Completion date	Project Owner	Baseline	Source of funding	Original Budget	Annual Target	Annual Actual Performance	Remarks	Challenges	Interventions	Responsible Person	Evidence required
Head office	Improved Governance and Organisational Excellence	Executive & Council	To Purchased and Deliver vehicles by 30 June 2021	Supply & delivery of Vehicles	2020-07-01	2021-06-30	Director Corps	New Project	GLM	120 000	Vehicles purchased and delivered	Vehicle purchased and delivered	Target Achieved	NONE	NONE	Director Corps	Delivery Note
Head office	Improved Governance and Organisational Excellence	Property Services	To Refurbish Council Chamber by 30 June 2021	Refurbishment Council Chamber	2020-07-01	2021-06-30	Director Corps	New Project	GLM	600 000	Completion of refurbishment of Council Chamber	Council chamber refurbished	Target Achieved	NONE	NONE	Director Corps	Completion certificate

PROJECTS REMOVED DURING BUDGET ADJUSTMENT 2020 21

BASIC SERVICE DELIVERY													
Region/Ward	Strategic Objective	Program Me	Projects description	Project Name	Start Date	Completion date	Source of funding	Original Budget	1st Quarter (1 Jul-30 Sept 2020)	2nd Quarter (1 Oct -31 Dec 2020)	3rd Quarter (1 Jan 31 Mar 2021)	4th Quarter (1 Apr- 30 Jun 2021)	Evidence required
4	Access to Sustainable Basic Services	Roads	Planning & designs of Mapaana street paving by 30 June 2021	Planning & designs of Mapaana street paving	2020-07-01	2021-06-30	GLM	150 000	Develop Specification and Submit to SCM	Tender Advertisement	Appointment of service provider	Approved design report	Design report Approval letter
6	Access to Sustainable Basic Services	Roads	Planning & designs of Khethothone street paving by 30 June 2021	Planning & designs of Khethothone street paving	2020-07-01	2021-06-30	GLM	150 000	Develop Specification and Submit to SCM	Tender Advertisement	Appointment of service provider	Approved design report	Design report Approval letter
15	Access to Sustainable Basic Services	Roads	Planning & designs of Ward 15 (Phase 2) streets paving by 30 June 2021	Planning & designs of Ward 15 (Phase 2) street paving	2020-07-01	2021-06-30	GLM	150 000	Develop Specification and Submit to SCM	Tender Advertisement	Appointment of service provider	Approved design report	Design report Approval letter
23	Access to Sustainable Basic Services	Roads	Planning & designs of Maupa street paving by 30 June 2021	Planning & designs of Maupa street paving	2020-07-01	2021-06-30	GLM	150 000	Develop Specification and Submit to SCM	Tender Advertisement	Appointment of service provider	Approved design report	Design report Approval letter

29	Access to Sustainable Basic Services	Roads	Planning & designs of Sekgopo Ramoadi-Matlou street paving by 30 June 2021	Planning & designs of Ramoadi street paving	2020-07-01	2021-06-30	GLM	150 000	Develop Specification and Submit to SCM	Tender Advertisement	Appointment of service provider	Approved design report	Design report Approval letter
29	Access to Sustainable Basic Services	Roads	Planning & designs of Mokgoba street paving by 30 June 2021	Planning & designs of Mokgoba street paving	2020-07-01	2021-06-30	GLM	150 000	Develop Specification and Submit to SCM	Tender Advertisement	Appointment of service provider	Approved design report	Design report Approval letter
2	Access to Sustainable Basic Services	Roads	Planning & designs of Motsinoni street paving by 30 June 2021	Planning & designs of Motsinoni street paving	2020-07-01	2021-06-30	GLM	150 000	Develop Specification and Submit to SCM	Tender Advertisement	Appointment of service provider	Approved design report	Design report Approval letter
21	Access to Sustainable Basic Services	Roads	Planning & designs of Ramaroka street paving by 30 June 2021	Planning & designs of Sefhukhubje street paving	2020-07-01	2021-06-30	GLM	150 000	Develop Specification and Submit to SCM	Tender Advertisement	Appointment of service provider	Approved design report	Design report Approval letter

CAPITAL EXPENDITURE

	Original Budget	Adjusted	Total Actual
0307:2021:024: Caravan Park: Acquisition		971 320,00	437 534,13
0307:2345: Ward 05 Community Hall: Acquisition	5 450 000,00	5 450 000,00	1 329 711,75
0307:2174: Kgapane Cemetery Upgrade: Acquisition	400 000,00	4 300 000,00	2 650 394,47
0307:2318: Mamanyoha Sport Complex: Acquisition	500 000,00	500 000,00	949 700,35
0307: Madumeleng/Shotong Sports Complex (MIG)		-	-
0307: Thakgalane Sports Complex (MIG)		-	1 829 402,87
0307:2296: Rotterdam Sport Complex: Acquisition	1 800 000,00	1 800 000,00	883 674,71
0307:2033: Capex: Laptop	1 000 000,00	350 000,00	851 833,04
0307:2364: Capex: Re-Route Chritina		-	-60 869,56
0307:2021:085: HV Cable Network Refurbishment -	400 000,00	400 000,00	-
0307:2002: Household Electrification: Acquisition	7 000 000,00	7 000 000,00	7 148 274,88
0307:2009: Capex: High Masts		174 000,00	174 000,00
0307:2021:084: Refurbishment of LV network: Acquisition	600 000,00	800 000,00	562 932,60
0307:2012: Capex: Electricity Upgrade		40 687,00	149 330,59
0307:2021:083:100kVA pole transformer: Acquisition	110 000,00	110 000,00	110 000,00
0307:2021:082:500KVA mini sub: Acquisition		900 000,00	-
0307:2021:087: Transformers: Acquisition		1 200 000,00	-
0307:2021:017: Filling Cabinets: Acquisition	10 000,00	10 000,00	-
0307:2021:033: Skip Bins: Cost: Acquisitions	1 000 000,00	1 000 000,00	990 000,00
0307:2021:034: Trolley Bins: Acquisition	200 000,00	200 000,00	145 000,00
0307:2021:028: Torches: Acquisition	10 000,00	10 000,00	-
0307:2021:073: Road Cones: Acquisition	15 000,00	15 000,00	-
0307:2021:074: Traffic Blue Light: Acquisition	60 000,00	60 000,00	59 050,00
0307:2021:075: Breathalyzer: Acquisition	50 000,00	50 000,00	46 500,00
0307:2029: Capex: Fire Extinguishers		-	-
0307:2029: Fire Extinguisher's: Acquisition	110 000,00	190 000,00	133 749,59
0307:2021:076: Guard Room Kgapane Old Sub Office: Acquisition	20 000,00	20 000,00	-
0307:2021:077: Guard room modjadjiskloof DLTC: Acquisition	20 000,00	20 000,00	-
0307:2021:078: Security Door for Modjadjiskloof: Acquisition	20 000,00	20 000,00	-

0307:2021:067: Counter Bullet Glass and Cubicles	400 000,00	400 000,00	-
0307:2021:070: Staff Toilet Modjadjiskloof DLTC: Acquisition	100 000,00	200 000,00	-
0307:2277: Council Chamber Upgrade: Acquisition		600 000,00	-
0307:2021:016: Airconditioning: Acquisition		200 000,00	149 954,00
0307:2366: Capex: Workshop Fencing		-	-37 173,25
0307:2508: Capex: Upgrade Doreen		85 240,00	328 299,76
0307:2339: Capex: Moshakga Paving		-	-607 498,31
0307:2117: Low Water Bridges: Acquisition	1 600 000,00	2 000 000,00	1 688 017,72
0307:2021:051: Makhutukwe Street Paving: Acquisition	3 000 000,00	4 500 000,00	2 598 447,32
0307:2021:050: Rehabilitation of Modjadjiskloof Streets Phase	3 163 000,00	3 663 000,00	2 967 139,97
0307:2321: Mokwasele Street Paving: Acquisition	6 633 937,00	11 992 865,00	9 539 448,97
0307:2329: Itieleng Sekgosesese Street: Acquisition	3 840 000,00	3 840 000,00	2 822 666,71
0307:2021:055: Raphahlelo Street Paving: Acquisition	150 000,00	3 400 000,00	1 624 123,08
0307:2326: Lemondokop Street Paving: Acquisition	7 500 000,00	7 500 000,00	6 139 675,76
0307:2021:059: Senwamokgope Street Paving: Cost: Acquisitions	150 000,00	1 000 000,00	868 565,22
0307:2021:064: Sephukubye Street Paving: Acquisition	150 000,00	5 000 000,00	3 249 806,81
0307:2021:038: Meloding Stormwater Canal: Acquisition	400 000,00	2 500 000,00	321 348,01
0307:2021:071: Traffic Vehicle: Acquisition	400 000,00	1 500 000,00	9 648,67
0307:2021:048: Double Cap Bakkie (4x4): Acquisition	450 000,00	2 400 000,00	260 869,57
0307:2021:047: Mechanical Broom: Acquisition	500 000,00	950 000,00	-
0307:2021:045: Grader: Acquisition	3 000 000,00	4 800 000,00	4 750 000,00
0307:2021:044: TLB: Acquisition	1 400 000,00	1 700 000,00	1 210 000,00
0307:2021:043: Water Tankers: Acquisition	2 400 000,00	2 400 000,00	2 395 000,00
0307:2021:042: Tipper Truck 6m3: Acquisition	1 800 000,00	1 800 000,00	1 250 945,17
0307:2021:039: Ton Quarter Canopy truck: Acquisition		731 063,00	728 500,00
0307:2021:036: Tractor: Acquisition	500 000,00	500 000,00	498 982,56
0307:2021:035: Skip Truck: Acquisition	1 200 000,00	1 200 000,00	-
0307:2021:001: Supply Vehicle: Acquisition	400 000,00	2 000 000,00	-
0307:2021:001: Supply Vehicle: Acquisition	400 000,00	1 200 000,00	-
Mapaana Street Paving - design	150 000,00		

Khethothone Street Paving - design	150 000,00		
Ward 15 Phase 2 Street Paving - design	150 000,00		
Maupa Street Paving - design	150 000,00		
Sekgopo Ramoadi-Matlou Street Paving - design	150 000,00		
Mokgoba Street Paving - design	150 000,00		
Motsinoni street paving (Design)	150 000,00		
Ramaroka Street Paving (Design)	150 000,00		
Modjadjiskloof DTLC: Resurfacing	1 600 000,00		
	61 111 937,00	93 653 175,00	61 146 987,16

MIG

0308:2205: Kgapane Stadium: Acquisition	6 876 663,40	6 876 663,00	3 283 994,43
0308:2347: Thakgalane Sport Complex: Acquisition	10 700 000,00	10 700 000,00	9 717 664,22
0308:2334: Madumeleng Sport Complex: Acquisition	13 623 962,42	13 623 962,00	9 650 329,31
0308:2350: Jokong Street Paving: Acquisition	9 200 000,00	9 200 000,00	7 694 508,19
0308:2021:091: Ramodumo Street Paving: Acquisition	300 000,00	1 150 000,00	734 484,50
0308:2355: Manningburg Street Paving: Acquisition	3 261 918,60	3 261 919,00	3 426 504,83
0308:2021:093: Rampepe Access Bridge: Acquisition	7 000 000,00	2 000 000,00	422 743,10
0308:2348: Rasewane & Lenokwe Street Paving: Acquisition	1 905 005,58	1 905 006,00	2 009 953,99
0308:2021:095: Tshabela-Matswale Street Paving: Acquisition	300 000,00	1 150 000,00	1 747 835,98
0308:2021:096: Abel Street Paving: Acquisition	300 000,00	1 150 000,00	999 893,88
0308:2021:097: Malematja Street Paving: Acquisition	300 000,00	1 150 000,00	1 000 000,00
0308:2021:098: Mamokgadi Street paving: Acquisition	300 000,00	1 100 000,00	957 391,30
0308:2021:099: Mohlabaneng Street Paving: Acquisition	300 000,00	1 100 000,00	2 792 630,87
	54 367 550,00	54 367 550,00	44 437 934,60

Performance on Conditional Grants for 2020/2021 (Greater Letaba Municipality)							
Project/ Initiative	Planned activities	Budget	Adjustment Budget	Actual Expenditure	Budget Variance	Adjustment Variance	Reasons for deviations
<u>Municipal Infrastructure Grant (MIG)</u>							
MIG	Projects	R56 527 000	R56 527 000	R56 527 000	N/A	N/A	N/A
<u>National Electrification (INEP)</u>							
INEP	Electrification of 5 villages	R7 000 000 -	R7 000 000	R7 000 000	N/A	N/A	N/A
		-					
<u>Finance Management Grant (FMG)</u>							
FMG	Appointment of atleast 5 Interns	R500 000	R500 000	R500 000			
FMG	Support the training of municipal officials in financial management towards attaining the minimum competencies	R258 480	R258 480	R258 480	N/A	N/A	N/A
FMG	Support the preparation and timely submission of quality annual financial statements for audits.	R1 241 520	R1 241 520		N/A	N/A	N/A
	Technical support to municipalities must include the transfer of skills to municipal officials						
EEDSM		R 3 600 000.	R3 600 000	R3 600 000	N/A	N/A	N/A
EPWP INCENTIVE GRANT		R1 467 000	R1 467 000	R1 467 000		N/A	N/A
						N/A	

SERVICE PROVIDER'S PERFORMANCE 2020/21 FINANCIAL YEAR

No	Service provider	Project Name	Source of Funding	Starting date	Completion date	Budget	Progress to date	Challenges and interventions	Assessment of Service Provider Rating-Poor, Average, Satisfactory & Excellent
1	Anaka group	Rental of printers for 36 months	GLM	1/7/2020	30/06/2021	R2 083 377,88	Ongoing	None	Performance Satisfactory
2	Fidelity Cash solutions	Provision of Cash in Transit for 36 Months	GLM	1/7/2020	30/06/2021	R 214 027.02	Ongoing	None	Performance Satisfactory
3	Zev fusion (PTY)LTD	Supply and delivery of Backhoe Loader TLB	GLM	1/7/2020	30/06/2021	R 1 391 500,00	Project Completed	None	Performance Satisfactory
4	Mona Eating house business enterprise	Supply and Delivery of 6 Ton Tipper Truck (single differential Truck)	GLM	1/7/2020	30/06/2021	R 1 383 747,60	Project Completed	None	Performance Satisfactory
5	Itumiranda (PTY)LTD	Supply and delivery of 1 Ton Quarter Canopy Truck	GLM	1/7/2020	30/06/2021	R728 500,00	Project Completed	None	Performance Satisfactory
6	Moon and Earth Trading and Projects 371	Supply and delivery of 2 Water Tanker Truck (single differential truck)	GLM	1/7/2020	30/06/2021	R2 395 900,00	Ongoing	One water Tanker not compliant to specification	Performance
7	TGM Greentech	Appointment of Service providers to plan and implement Energy Efficiency Demand Side management for a period of 3 years	GLM	1/7/2020	30/06/2021	R3 239 364,82	Ongoing	None	Performance Satisfactory

8	Rivisi Electrical Contractors	Electrification of villages (Ramatiti, Mohlabaneng, New Castle, Taulome,Kobe/kebefe and Hlobola Baki)	INEP	1/7/2020	30/06/2021	R2 31 301,44	Project Completed	None	Performance Satisfactory
9	Diventia Investments (PTY)LTD	Supply and delivery of 60 Laptops	GLM	1/7/2020	30/06/2021	R960 059,10	Project Completed	None	Performance Satisfactorily
10	Cathu Consulting INC	Unbundling of Municipal Assets and compilation of GRAP compliance Asset register for a period of 36 months	GLM	1/7/2020	30/06/2021	R4 884 728,22	Work in progress	None	Performance Satisfactory
11	KHATOLA MOHALE(PTY) LTD	Installation of cubicles and bullet proof glass at Modjadjiskloof DLTC	GLM	1/7/2020	30/06/2021	R376 399,20	Project completed	None	Performance Satisfactory
12	Leseleng Civil works and supplies (Pty)Ltd	Supply and delivery of 2 traffic Patrol Vehicles	GLM	01/07/2020	30/06/2021	R 640 000,00	Project Completed	None	Performance Satisfactory
13	Perrizin Homes CC	Ga-Kgapane Cemetery	GLM	01/07/2020	30/06/2021	R12 490 385,30	Ongoing	None	Performance Satisfactory
14	Moremasefoko Trading cc	Appointment of Service Providers to upgrade of LV Electrical Network to Nersa Standard	GLM	30/06/2021	2006-12-21	R800 000,00	Project completed	None	Performance Satisfactory
15	UTAH Trading (Pty)Ltd	Supply and delivery of Grader	GLM	30/06/2021	2006-12-21	R 4 750 000,00	Project completed	None	Performance Satisfactory

16	LEBP Construction and projects	Mohlabaneng Street paving	MIG	30/06/2021	2013-06-23	R 29 089 647,11	Ongoing	None	Performance Satisfactory
17	Mamomama Trading	Makhutukwhe Street paving	GLM	30/06/2021	2013-06-23	R 16 281 672,80	Ongoing	None	Performance Satisfactory
18	Zev fusion (Pty)Ltd JV Dzungeni Group JV Machaba Tau Construction	Raphahlelo Phooko Street Paving	GLM	2014-06-21	30/06/2021	R 23 498 851,55	Ongoing	None	Performance Satisfactory
19	Sello Ramotwala Civils	Sephukubje Street Paving	GLM	01/07/2020	30/06/2021	R 21 763 876.50	Ongoing	None	Performance Satisfactory
20	Matseka construction and projects CC	Tshabela Matswale Street paving	MIG	01/07/2020	30/06/2021	R 12 690 234.38	Ongoing	None	Performance Satisfactory
21	Leseleng Civil works and Supplies (Pty)Ltd	Supply and delivery of Double Cab 4x4 Diesel Bakkie for Electrical	GLM	01/07/2020	30/06/2021	R 800 000.00	In progress	To be delivered in the first quarter of 2021/22	To be confirmed
22	Ditlou Group Enterprise	Supply and delivery of 4x2 double Cab Bakkie for Plumbing	GLM	01/07/2020	30/06/2021	R 759 870.00	In progress	To be delivered in the first quarter of 2021/22	To be confirmed

23	TTS LES HOLDINGS	Supply and delivery of 4x4 Single Cab for Workshop	GLM	01/07/2020	30/06/2021	R797 071 .00	In progress	To be delivered in the first quarter of 2021/22	To be confirmed
24	CS2m Construction and Projects (Pty)Ltd	Supply and Deliver of Skip truck	GLM	01/07/2020	30/06/2021	R 1 200 000.00	In progress	To be delivered in the first quarter of 2021/22	To be confirmed
25	Jan Adelaide Construction and Services (Pty)Ltd	Supply and delivery of 20x Notebook/Laptops	GLM	01/07/2020	30/06/2021	R345 000,00	In progress	To be delivered in the first quarter of 2021/23	To be confirmed
26	Ntshiza's Technical Services	Construction of Community Hall at Ward 5	GLM	01/07/2020	30/06/2021	R5 450,000,00	In progress	Project halted due to community dispute	To be confirmed
27	Nwatasi Business Enterprise	Maintenance of Fire Extinguishers	GLM	01/07/2020	30/06/2021	R190 000,00	Project Completed	None	Performance Satisfactory
28	Valcross Trading	Construction of Mamanyoha Sports Complex	GLM	01/07/2020	30/06/2021	R500 000.00	Project Completed	None	Performance Satisfactory
29	Bagaphala Trading and Projects	Construction of Rotterdam Sports Complex	GLM	01/07/2020	30/06/2021	R1 800 000,00	Project Completed	None	Performance Satisfactory

30	Lepalathabeni Investments (Engineer)	Construction of low- level bridges	GLM	01/07/2020	30/06/2021	R2400 000.00	Project design Completed	None	Performance Satisfactory
31	Clear Water Consulting (Engineer)	Construction of Meloding Storm Water Channels	GLM	01/07/2020	30/06/2021	R2 500 000.00	Project design Completed	None	Performance Satisfactory
32	Matseka Trading and Projects	Rehabilitation of Modjadjiskloof Streets Phase 2	GLM	01/07/2020	30/06/2021	R3 663 000,00	Project Completed	None	Performance Satisfactory
33	Maduke Trading	Itieleng Sekgosese Street paving	GLM	01/07/2020	30/06/2021	R 3 840 000,00	Project Completed	None	Performance Satisfactory
34	African Strategy Corporation	Lemondokop Street Paving	GLM	01/07/2020	30/06/2021	R7 500 000,00	Project Completed	None	Performance Satisfactory
35	VCL Consulting and Associates	Senwamokgope Street paving	GLM	01/07/2020	30/06/2021	R1 000 000,00	Project design Completed	None	Performance Satisfactory
36	Moon and Earth Trading and Projects 371 JV Moribo Wa Africa	Resurfacing of Modjadjiskloof DLTC	GLM	01/07/2020	30/06/2021	R 1 600 000,00	Project Completed	None	Performance Satisfactory
37	Bagaphala Trading and Projects	Construction of Kgapan Stadium Phase	MIG	01/07/2020	30/06/2021	R6 876 663,00	Project Not Completed	Slow performance	Performance Satisfactory
38	Maduke Trading	Construction of Madumeleng/Shoton g Sports Complex	MIG	01/07/2020	30/06/2021	R13 623 963,00	Project Completed	None	Performance Satisfactory

39	Sello Ramothwala Civils	Construction of Thakgalane Sports Complex	MIG	01/07/2020	30/06/2021	R10 700 000,00	Project Completed	None	Performance Satisfactory
40	Lebp Constructions	Construction of Jokong street Paving	MIG	01/07/2020	30/06/2021	R 9 200 000	Project Completed	None	Performance Satisfactory
41	Wa Rona Civils	Design and planning of Ramodumo Street Paving	MIG	01/07/2020	30/06/2021	R1 100 000,00	Project design Completed	None	Performance Satisfactory
42	Lokoloang Trading	Construction of Manningburg Street paving	MIG	01/07/2020	30/06/2021	R3 261 919	Project Completed	None	Performance Satisfactory
43	AES Consulting Engineers	Construction of rampepe Access Bridge	MIG	01/07/2020	30/06/2021	R2 000 000,00	Project design Completed	None	Performance Satisfactory
44	Sheboneth Trading	Construction of Rasewane Lenokwe Street	MIG	01/07/2020	30/06/2021	R1 905 006	Project Completed	None	Performance Satisfactory
45	Mosomo Consulting	Design and planning of Tshabela Matswale Street	MIG	01/07/2020	30/06/2021	R1 150 000,00	Project design Completed	None	Performance Satisfactory
46	Marunganye Projects	Design and Planning of Abel Street Paving	MIG	01/07/2020	30/06/2021	R1 150 000,00	Project design Completed	None	Performance Satisfactory
47	2MC Consulting Engineers	Design and planning of Malematja Street Paving	MIG	01/07/2020	30/06/2021	R1 150 000,00	Project design Completed	None	Performance Satisfactory

48	Impumelelo Consulting Engineers	Designs and planning of Mamokgadi Street Paving	MIG	01/07/2020	30/06/2021	R1 150 000,00	Project design Completed	None	Performance Satisfactory
49	KIPP Consulting Engineers	Designs and planning of Mohlabaneng Street Paving	MIG	01/07/2020	30/06/2021	R 1 150 000,00	Project design Completed	None	Performance Satisfactory

3.5. Service Delivery Backlog as of June 2021

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

Table 3.2: Service Delivery Backlog

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



CHAPTER 4 ORGANISATIONAL DEVELOPMENT PERFORMANCE

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*
- *Danger Allowance policy*
- *Leave Management Policy*
- *Language Policy*
- *Anti-Fraud and Corruption Policy*
- *Employees Assistance Program Policy*
- *Protective Clothing and Allowance Policy*
- *Internship and Experiential Learning Policy.*
- *Subsistence Allowance Policy*
- *Car Allowance Policy*
- *Performance Management Policy*
- *Succession Planning Policy*
- *Discrimination Policy*
- *Overtime Policy*
- *Sports Policy*
- *ICT Policy Handbook*
- *Anti-Fraud and Corruption Policy*
- *Whistle Blowing Policy*
- *Aldermanship Policy*
- *Bursary Policy For Employees*
- *Employment Equity 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 340 posts in terms of the approved organogram for 2020/21 financial year and had 262 posts filled as of 30 June 2021. It is worth indicating that the municipality had a vacancy rate of 20%. The vacancy rate is due to posts that were never filled, retirements, demise, and resignations. Below are statistics of all employees per directorate including Interns.

Table 4.1: Total Staff Establishment as at 30 June 2021

Directorate	Approved Posts	Filled	Vacant
Municipal Manager's Office	40	36	04
Corporate Services	19	16	03

Budget and Treasury	38	34	04
Technical Services	101	83	18
Community Services	130	102	28
Development and Town Planning	12	12	0
Total	340	283	57
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 2020/21 was 6.8% which is higher as compared to 2019/20 which is 4.9%. The municipality has appointed an Employee Health and Wellness Practitioner as a way of mitigating the increasing staff turnover rate.

4.5. Employment Equity

Table 4.2 below 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 2020/21. 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 2020/2021.

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 2021.

Table 4.2 Workforce profile per occupational category as of 30 June 2021.

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

4.5. Capacitating the municipal workforce

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

- **Skills Development Budget Allocation**

The table below indicates that a total amount of R759 424.00 was allocated to the Workplace Skills Plan and that 98% of the total amount was spent in 2020/21 financial year for training of employees and Councillors respectively.

Table 4.3: Budget allocated and spent for skills development

Year	Total Personnel Budget & councillors	Total Allocated for training	Total Spent for training	% Spent
2018/2019	R118 148 334.00	R759 424.00	R744 833.00	98%

2019/2020	R128 811 000.00	798 913.00	R1 201 756.00	100%
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- **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	-

4.6. Performance Management System

This chapter outlines briefly how Greater Letaba Municipality managed its performance. Performance Management is a powerful tool that can be used to measure the performance of an organisation. It involves setting of desired strategic objectives, outcomes, indicators and targets, alignment of 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 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	Panel shall be constituted as follows: Assessment of Municipal Manager <ul style="list-style-type: none"> • Mayor • Municipal Manager or Mayor from another municipality • EXCO Member • Ward Committee Member • Chairperson of Performance Audit Committee Assessment of Directors <ul style="list-style-type: none"> • Municipal Manager from another municipality • EXCO Member • Municipal Manager • Chairperson of Performance Audit Committee
Third Quarter (January to March) – Informal Assessment	No need to constitute a panel of assessors

Fourth Quarter (April to June) - Formal Assessment	Panel shall be constituted as follows: Assessment of Municipal Manager <ul style="list-style-type: none"> • Mayor • Municipal Manager or Mayor from another municipality • EXCO Member • Ward Committee Member • Chairperson of Performance Audit Committee Assessment of Directors <ul style="list-style-type: none"> • Municipal Manager from another municipality • EXCO Member • Municipal Manager Chairperson of Performance Audit Committee
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4.7 Municipal Workforce Expenditure

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

Table 4.2: Personnel Expenditure (excluding Councillors allowances)

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

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

Table 4.3: Remuneration packages- 2020/21

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

4.8 Organisational Development Performance Highlights

- Submission of Workplace skills plan and Annual training reports were submitted before the 30th April 2021.
- Employment Equity Report was submitted prior 15 January 2021.
- 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 2020/21 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 2018/2019, 2019/20, and 2020/2021.

Table: 5.1 Operating ratios

Operating Ratios			
Detail	2018/19 Ratio %	2019/20 Ratio %	2020/21 Ratio %
Employee Cost	32%	33%	34%
Repairs & Maintenance	07%	05%	7.3%
Finance Charges & Depreciation	09%	10%	10.0%

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

Table: 5.2. Financial overview

Financial Overview – 2020/21			
Details	Original Budget	Adjustment Budget	Actual
Income			
Grants	369 632 000	429 116 000	429 116 000
Taxes, Levies and tariffs	44 699 000	45 762 000	35 121 000
Other	65 091 000	41 910 000	15 381 000
Sub Total	479 390 000	516 788 000	479 618 000
Less Expenditure	360 352 000	365 364 000	415 141 000
Net Total *	1191 672 000	152 057 000	65 440 000
*Note: Surplus/ Deficit			

The table below highlights capital expenditure for the period 2018/2019, 2019/2020, and 2020/2021 comparatively.

Table: 5.3. Capital expenditure

Total Capital Expenditure from 2018/19 to 2019/20 & 2020/21			
Detail	2018/19	2019/20	2020/21
Original budget	176 454 318	151 354 000	119 672 000
Adjustment budget	193 661 406	116 706 000	149 621 000
Actual	124 679 494	88 148 000	106 641 000

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 2019/2020 has an increase in comparison with the 2016/17 and 2017/18 financial years.

- **Debtors**

The total debt owed to the municipality has increased to R304 721 594 in 2020/21 while it was R288 964 296 in 2019/20. 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 4 184 142. The municipality's current assets are more than the current liabilities, current assets amount to R 43 537 000 and current liabilities amount to R 75 576 000.

- **Expenditure analysis**

In 2018/19 financial year expenses were less than 2019/20 financial year. 2019/20 financial year expenditure amounted to R 428 066 074 and 2020/21 amounted to R 415 141 921 which is less than 2019/20.

GREATER LTABA MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2021

5.4 AUDITED 2020/2021 FINANCIAL STATEMENTS AND INFORMATION MANAGEMENT

**Greater Letaba Municipality
Audited Annual Financial
Statements For the Year-ended
30 June 2021**



Greater Letaba Municipality
Annual financial statements for the year ended 30 June 2021

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

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	Hon Cllr MP Matlou (Mayor) Hon Cllr MD Makhananisa (Speaker) Cllr PJ Mampeule (Chief Whip) Cllr ND Modiba (Finance) Cllr MM Nkwana (Corporate and shared Services) Cllr MR Mosila (Infrastructure) Cllr TJ Rababalela (Water and Sanitation Services) Cllr MP Masela (Economic Development) Cllr MG Selowa (Community Services) Cllr EM Mathaba (Public Transport and Roads) Cllr MB Maenetja (Agriculture and Environment) Cllr SM Rasetsoke (Sports, Arts and Culture)
Councillors	Cllr MV Mangoro Cllr DG Rabothata Cllr SS Malatji CllrV Nkuna Cllr MA Lebepe Cllr PJ Mchale Cllr MS Kgatla Cllr ME Ralefatane Cllr MV Rampedi Cllr KE Ramaano Cllr ME Masedi Cllr S Selamolela Cllr NF Lebeko Cllr PW Selema Cllr MP Ngobeni Cllr MM Mankgero Cllr M'Ramoba Cllr MP Monaiwa Cllr R Rathaha Cllr KB Monyela Cllr MP Mokomene Cllr ME Ramabela Cllr N Selowa Cllr BE Ngolieni Cllr NL Seshoka Cllr SJ Hlungwani Cllr MF Hlapane Cllr RG Baloyi Cllr MR Maake Cllr GH Modjadji Cllr M Mathedimosa Cllr MEG Ndobela Cllr ZT Maluleke Cllr TJ Senyolo

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

	Cllr SB Rampyapedi Cllr MM Selomo Cllr SL Mchale Cllr R Motsinone Cllr MC Rasetsoke Cl/r MI Manyama (MPAC Chairperson) Cllr TJ Kgapane Cllr PP Ralepatana Cllr ML Ramalobela Cl/r D Raphokwana Cl/r DG Rabbitats Cllr MJ Mchale Cllr DD Ramaselele Cllr SP Moshole Cllr MS Rapitsi Cl/r MS Mokhabukhi
Grading of local authority	Category 3 Local Municipality in terms of Remuneration of public Office Bearers Act (Act 20 of 1998)
Audit committee	Adv. MM Makgale (Chairperson) Ms FJ Mudau Ms MJ Mojapelo MrTW Sebola Mr R Raphaelalani
Chief Finance Officer (CFO)	Ms TM Mathabatha
Accounting Officer	Mrs MF Mankgabe
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 30 June 2021

Index

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

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Statement of Financial Performance	7
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Cash Flow Statement	9
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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 30 June 2021

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the 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 officer acknowledges that she is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical **standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach.** The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

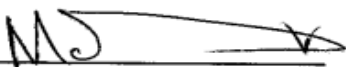
The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to **continue in operational existence for the foreseeable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

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

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the **municipality's external auditors.**

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

The annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2021 and were signed on its behalf by:


Mrs MF Mankgaba
Municipal Manager

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Officer's Report

The accounting officer submits her report for the year ended 30 June 2021.

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 30 June 2021, the municipality had an accumulated surplus (deficit) of R 984,326,595 and that the municipality's total assets exceed its total liabilities by R 984,326,595.

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

3. Subsequent events

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

4. Accounting Officer's Interest in contracts

None have been identified.

5. Accounting policies

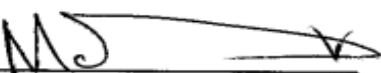
The annual financial statements prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting standards Board and in accordance with section 122(3) of the Municipal Finance Management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

8. Accounting Officer

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

Name
Mrs MF Mankgaba

The annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2021 and were signed on its behalf by:



Mrs MF Mankgaba
Municipal Manager

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated•
Assets			
Current Assets			
Inventories	7	7,237,386	6,402,663
Receivables from exchange transactions	a	11,209,055	14,118,643
Receivables from non-exchange transactions	9	5,897,905	11,561,614
VAT receivable	10		2,259,643
Consumer debtors	11	15,008,520	14,582,200
Cash and cash equivalents	12	4,184,142	911,833
		43,537,008	49,836,796
Non-Current Assets			
Investment property	2	205,568	213,057
Property, plant and equipment	3	1,033,486,383	962,886,741
Intangible assets	4	53,019	88,924
Heritage assets	5	548,500	548,500
		1,034,293,470	963,737,222
Total Assets		1,077,830,478	1,013,574,018
Liabilities			
Current Liabilities			
Finance lease obligation	46	1,378,367	
Payables from exchange transactions	14	70,895,013	80,507,421
VAT payable	15	2,427,996	
Consumer deposits	16	387,948	384,985
Employee benefit obligation	6	487,126	812,078
		75,576,450	81,704,484
Non-Current Liabilities			
Finance lease obligation	46	1,649,236	
Employee benefit obligation	6	16,278,197	12,983,317
		17,927,433	12,983,317
Total Liabilities		93,503,883	94,687,801
Net Assets		984,326,595	918,886,217
Accumulated surplus		984,326,595	918,886,217
Total Net Assets		984,326,595	918,886,217

• See Note 48

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated•
Revenue			
Revenue from exchange transactions			
Service charges	18	21,290,797	20,798,409
Rental of facilities and equipment	19	225,820	81,382
Interest received - outstanding receivables		4,238,871	5,555,733
Agency services	21	3,398,150	2,010,150
Licences and permits	22	3,611,983	2,296,227
Other income	23	762,222	1,076,247
Interest received - investment	24	1,828,957	1,710,717
Total revenue from exchange transactions		35,356,800	33,528,866
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	13,630,617	14,713,311
Interest • Property Rates		1,833,232	4,702,051
Transfer revenue			
Government grants & subsidies	26	428,414,000	348,814,989
Fines, Penalties and Forfeits	20	183,750	432,846
Total revenue from non-exchange transactions		444,261,599	368,663,197
Total revenue	17	479,618,399	402,192,062
Expenditure			
Employee related costs	29	124,601,604	111,777,445
Remuneration of councillors	30	23,654,949	22,713,915
Depreciation and amortisation	31	36,905,574	33,856,276
Finance costs	47	70,929	20,825
Debt Impairment	32	59,754,015	119,294,104
Bulk purchases	33	14,911,679	15,127,354
Contracted services	27	87,457,853	62,761,872
General Expenses	28	67,785,318	62,515,083
Total expenditure		415,141,921	428,066,874
Operating surplus (deficit)		64,476,478	(25,874,812)
Gain on disposal of assets and liabilities		963,882	
Surplus (deficit) for the year		65,440,360	(25,874,812)

* See Note 46

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2019	944,761,029	944,761,029
Changes in net assets		
Surplus for the year	(25,874,812)	(25,874,812)
Total changes	(25,874,812)	(25,874,812)
Restated* Balance at 01 July 2020	918,886,235	918,886,235
Changes in net assets		
Surplus for the year	65,440,360	65,440,360
Total changes	65,440,360	65,440,360
Balance at 30 June 2021	984,326,595	984,326,595

Note(s) "See Note 48

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated ¹
Cash flows from operating activities			
Receipts			
Sale of goods and services		15,470,396	11,990,662
Grants		428,414,000	348,810,115
Interest income		1,828,957	1,710,717
Other Income		3,551,288	3,599,384
		<u>449,264,641</u>	<u>366,110,878</u>
Payments			
Employee costs		(142,521,024)	(134,266,580)
Suppliers		(199,882,237)	(146,201,023)
		<u>(342,403,261)</u>	<u>(280,467,603)</u>
Net cash flows from operating activities	35	<u>106,861,380</u>	<u>85,643,275</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(104,167,653)	(87,739,696)
Proceeds from sale of property, plant and equipment	3	1,773,859	
		<u>(102,393,794)</u>	<u>(87,739,696)</u>
Cash flows from financing activities			
Finance lease payments		(1,195,277)	(411,321)
		<u>(1,195,277)</u>	<u>(411,321)</u>
Net increase/(decrease) in cash and cash equivalents		3,272,309	(2,507,742)
Cash and cash equivalents at the beginning of the year		911,833	3,419,575
Cash and cash equivalents at the end of the year	12	<u>4,184,142</u>	<u>911,833</u>

¹See Note 48

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

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 (See explanations below)
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	26,160,678	(4,030,352)	22,130,326	21,290,797	(839,529)	1
Rental of facilities and equipment	156,750	(20,425)	136,325	225,820	89,495	2
Interest received (trading)	10,687,728	(5,150,000)	5,537,728	4,238,871	(1,298,857)	3
Agency services	14,886,123	(384,933)	14,501,190	3,398,150	(11,103,040)	4
Licences and permits	15,595,855	4,180	15,600,035	3,611,983	(11,988,052)	5
Other income	21,636,106	(19,011,000)	2,625,106	762,222	(1,862,884)	6
Interest received - investment	2,010,256	(783,870)	1,226,386	1,828,957	602,571	7
Total revenue from exchange transactions	91,133,496	(29,376,400)	61,757,096	35,356,800	(26,400,296)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	18,538,486	5,063,503	23,601,989	13,830,617	(9,771,372)	8
Interest - Property Rates		2,266,230	2,266,230	1,833,232	(432,998)	
Transfer revenue						
Government grants & subsidies	369,632,000	59,484,000	429,116,000	428,414,000	(702,000)	g
Fines, Penalties and Forfeits	86,286	(39,260)	47,026	183,750	136,724	10
Total revenue from non-exchange transactions	388,256,772	66,774,473	455,031,245	444,261,599	(10,769,646)	
Total revenue	479,390,268	37,398,073	516,788,341	479,618,399	(37,169,942)	
Expenditure						
Personnel	(124,571,000)	3,387,000	(121,184,000)	(124,601,604)	(3,417,604)	11
Remuneration of councillors	(25,155,137)	(736,606)	(25,891,743)	(23,654,949)	2,236,794	12
Depreciation and amortisation	(13,023,088)	23,088	(13,000,000)	(36,905,574)	(23,905,574)	13
Finance costs				(70,929)	(70,929)	
Debt Impairment	(2,150,991)	1,381,072	(769,919)	(59,754,015)	(58,984,096)	14
Bulk purchases	(19,389,506)	1,960,000	(17,429,506)	(14,911,679)	2,517,827	15
Contracted Services	(94,736,753)	1,991,000	(92,745,753)	(87,457,853)	5,287,900	16
General Expenses	(81,326,000)	(13,018,000)	(94,344,000)	(67,785,318)	26,558,682	17
Total expenditure	(360,352,475)	(5,012,446)	(365,364,921)	(415,141,921)	(49,777,000)	
Operating surplus	119,037,793	32,385,627	151,423,420	64,476,478	(86,946,942)	
Gain on disposal of assets and liabilities	634,319		634,319	963,882	329,563	
Surplus before taxation	119,672,112	32,385,627	152,057,739	65,440,360	(86,617,379)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	119,672,112	32,385,627	152,057,739	65,440,360	(86,617,379)	

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

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 (See explanations below)
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Figures in Rand

Statement of Financial Position

Assets

Current Assets

Inventories	(17,202,137)	11,036,000	(6,166,137)	7,237,386	13,403,523	
Receivables from exchange transactions				11,209,055	11,209,055	
Receivables from non-exchange transactions	20,836,000	(9,508,893)	11,327,107	5,897,905	(5,429,202)	
Consumer debtors	84,761,000	92,773,000	177,534,000	15,008,520	(162,525,480)	
Cash and cash equivalents	303,413,256	(295,068,330)	8,344,928	4,184,142	(4,160,784)	
	391,808,119	(200,768,223)	191,039,896	43,537,008	(147,502,888)	

Non-Current Assets

Investment property		213,057	213,057	205,568	(7,489)	
Property, plant and equipment	106,390,902	990,171,000	1,096,561,902	1,033,486,383	(63,075,519)	
Intangible assets		88,935	88,935	53,019	(35,916)	
Heritage assets		548,500	548,500	548,500		
	106,390,902	991,021,492	1,097,412,394	1,034,293,470	(63,118,924)	

Total Assets

498,199,021 790,253,269 1,288,452,290 1,077,830,478 (210,621,812)

Liabilities

Current Liabilities

Finance lease obligation				1,378,367	1,378,367	
Payables from exchange transactions	378,527,000	(263,744,000)	114,783,000	70,895,013	(43,887,987)	
VAT payable				2,427,996	2,427,996	
Consumer deposits		385,000	385,000	387,948	2,948	
Employee benefit obligation		4,356,224	4,356,224	487,126	(3,869,098)	
	378,527,000	(259,002,776)	119,524,224	75,576,450	(43,947,774)	

Non-Current Liabilities

Finance lease obligation				1,649,236	1,649,236	
Employee benefit obligation		9,926,000	9,926,000	16,278,197	6,352,197	
		9,926,000	9,926,000	17,927,433	8,001,433	

Total Liabilities

378,527,000 (249,076,776) 129,450,224 93,503,883 (35,946,341)

Net Assets

119,672,021 1,039,330,045 1,159,002,066 984,326,595 (174,675,471)

Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Accumulated surplus	119,672,021	1,039,330,045	1,159,002,066	984,326,595	(174,675,471)	
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1. The difference is as a result of the increase in annual tariffs and taxes.
2. The municipality collected more as result of more bookings of municipal plant and other facilities.
3. The municipality did not charge inters! in the first four months.
4. The municipally collected less as expected due to covid 19 lock down regulations.
5. The reason for the decline is because low collection of revenue and the public not willing to make payment on tickets and also permits not renewed due to covid grace periods.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

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 (See explanations below)
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Figures in Rand

6. Less collectfon were received in the current year due to covid regulations restrictions.

7. The difference relates to the Interest that was received from the FNB investment account.

8. Additional revenue anticipated could not be realised due to lockdown and clients not making regular payments.

9. The decrease was as a result of Treasury not funding fully our budget request.

10. More fines charged than anticipated and less payments done by the vehicle owners.

11. The variance is due to the municipality not filling vacants posts and reduced activities as a result of covid lockdown regulations.

12. The decrease is because reduction of the municipal activities that involve councillors due to covid regulations.

13. Depreciation is higher as a result of an increase in assets procured.

14. The negative variance is caused by increase and continuation of debtors not clearing their accounts due to financial difficulties enduced by covid.

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

16. The actual expenditure is below the budget. The variance is as a result of reclassification of votes and type of goods and services due to mSCOA compliance.

17. The actual costs are less than the budget as a result of covid regulations which reduced certain expenditures such astravel and subsistence.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

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 (See explanations below)
Figures in Rand						

The accounting policies on pages 14 to 42 and the notes on pages 43 to 75 form an integral part of the annual financial statements.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

Figures in Rand	Note(s)	2021	2020
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1. Presentation of Annual Financial Statements

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

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

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 - 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

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)

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

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 - Provisions.

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.

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Debtors impairment

Consumer debtors

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

Traffic fines debtors

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

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 45.

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**.

Cost model

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

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - buildings	30 years

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

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

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

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

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

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

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

Property, plant and equipment 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
Leasehold assets	Straight-line	3
Infrastructure	Straight-line	5-100
Other assets	Straight-line	2-15

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

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.5 Property, plant and equipment (continued)

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.

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.**

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.6 Intangible assets (continued)

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.

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.**

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.8 Financial instruments (continued)

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

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

Accounting Policies

1.8 Financial Instruments (continued)

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.

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:

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Accounting Policies

1.8 Financial instruments (continued)

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 recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the municipality adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the municipality obtaining a **new financial asset or assuming a new financial liability, or a servicing liability, the municipality recognises 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 continues to recognise the transferred asset in its entirety and recognises 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

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Accounting Policies

1.8 Financial instruments (continued)

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.

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.

Greater Letaba Municipality

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Accounting Policies

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.**

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.

Greater Letaba Municipality

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Accounting Policies

1.13 Impairment of cash-generating assets (continued)

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.

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.

Greater Letaba Municipality

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Accounting Policies

1.13 Impairment of cash-generating assets (continued)

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.

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

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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.

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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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 what 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

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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.

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

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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 30 June 2021

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-measures 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 30 June 2021

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 30 June 2021

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 30 June 2021

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 37.

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, an 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 30 June 2021

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

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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

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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 30 June 2021

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.22 Comparative figures

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

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

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 get 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 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 2020/07/01 to 2021/06/30.

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

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.26 Budget information (continued)

The municipality consider all variances which are +-10% to be material and explanations are provided for them

Comparative information is not required.

1.27 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.

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.

1.28 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the 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.

1.29 Investments

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

Investments in securities

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.30 Conditional grants and receipts

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

1.31 Expenditure

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

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2. Investment property

	2021			2020		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	480,511	(274,943)	205,568	480,511	(267,454)	213,057

Reconciliation of Investment property • 2021

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

Reconciliation of investment property - 2020

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

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



Greater Letaba Municipality

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2. Investment property (continued)

- 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.

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	2021			2020		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
land	33,830,077		33,830,077	33,830,077		33,830,077
Buildings	253,090,181	(69,321,334)	183,768,847	231,436,198	(61,461,418)	169,974,780
Leasehold property	4,151,951	(1,145,104)	3,006,847			
Infrastructure	714,913,834	(138,729,006)	576,184,828	637,860,269	(111,029,464)	526,830,805
Other assets	72,476,720	(41,428,337)	31,048,383	69,313,847	(42,407,730)	26,906,117
WIP - Infrastructure	13,832,031					13,334,208
WIP - Buildings	131,814,770		73,832,631	73,334,268		132,010,694
Total	1,284,110,164	(250,623,781)	1,033,486,383	1,177,788,353	(214,898,612)	962,886,741

Greater Letaba Municipality

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	33,830,077						33,830,077
Buildings	169,974,780	45,747		21,566,710	(7,764,687)	{53,703}	183,768,847
Leasehold property		4,151,951			(1,145,104)		3,006,847
Infrastructure	526,830,805	400,161	{242,154}	71,290,775	(20,697,885)	(1,396,874)	576,184,828
Other assets	26,906,117	10,508,871	(619,985)	52,950	(5,283,678)	(515,892)	31,048,383
WIP - Infrastructure	73,334,268	60,741,318		(60,242,955)			73,832,631
WIP - Buildings	132,010,694	32,471,556		(32,667,480)			131,814,770
	962,886,741	108,319,604	(862,139)		(34,891,354)	(1,966,469)	1,033,486,383

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment. 2020

	Opening balance	Additions	Transfers	Depreciation	Impairment loss	Total
Land	33,830,077					33,830,077
Buildings	174,599,449	14,955	2,468,019	(7,044,331)	(63,312)	169,974,780
Leasehold property	335,830			(335,830)		
Infrastructure	521,711,727	1,591,291	24,095,353	(19,523,154)	(1,044,412)	526,830,805
other assets	31,027,772	1,688,938		(5,452,689)	(357,904)	26,906,117
WIP. Infrastructure	41,217,380	55,930,958	(23,814,070)			73,334,268
WIP - Buildings	106,367,221	28,513,554	(2,749,295)		(120,786)	132,010,694
	909,089,456	87,739,696	7	(32,356,004)	(1,586,414)	962,886,741

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

Project description	Carrying Amount30 June 2021	Start Dale	Planned Completion date	Revised Completion dale	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

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3. Property, plant and equipment (continued)

WIP57 - WARD 5 COMMUNITY HALL	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
	<u>122,833,313</u>				

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	1,676,306	2,790,765
Maintenance of equipment	5,074,021	3,074,511
Maintenance of unspecified assets	20,031,936	8,319,191
	<u>26,782,263</u>	<u>14,184,467</u>

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.

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4. Intangible assets

	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	88,935	(35,916)	53,019	133,822	(44,898)	88,924

Reconciliation of intangible assets • 2021

	Opening balance	Amortisation	Total
Computersoftware,other	88,924	(35,905)	53,019

Reconciliation of intangible & assets • 2020

	Opening balance	Amortisation	Total
Computer software, other	133,822	(44,898)	88,924

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5. Heritage assets

	2021		2020			
	Cost/ Valuation	Accumulated impairment losses	Carrying value	Cost/ Valuation	Accumulated impairment losses	Carrying value
Waterfall picnic site	103,000		103,000	103,000		103,000
Historical monuments and statues	190,500		190,500	190,500		190,500
Mayoral gold chain	195,000		195,000	195,000		195,000
PainUngs	60,000		60,000	60,000		60,000
Total	548,500		548,500	548,500		548,500

Reconciliation of heritage assets 202:1

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

Reconciliation of heritage assem 202:0

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

Greater Letaba Municipality

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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	(12,180,000)	(9,439,171)
Defined benefit obligation - Long service awards	(4,585,323)	(4,356,224)
	(16,765,323)	(13,795,395)
Non-current liabilities	(16,278,197)	(12,983,317)
Current liabilities	(487,126)	(812,078)
	(16,765,323)	(13,795,395)

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 2021.

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

Present value of the defined benefit obligation unfunded	12,180,000	9,439,171
Non-Current Liabilities	16,278,197	12,983,317
Current Liabilities	487,126	612,078
	16,765,323	13,795,395

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

Opening balance	9,439,171	9,257,717
Benefits paid	(109,225)	(101,167)
Net expense recognised in the statement of financial performance	2,850,054	282,621
	12,180,000	9,439,171

Net expense recognised in the statement of financial performance

Current service cost	827,910	844,560
Adjustment	91,886	17,577
Interest cost	1,059,210	897,258
Actuarial (gains) losses	871,048	(1,476,774)
	2,850,054	282,821

Greater Letaba Municipality

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6. Employee benefit obligations (continued)

Calculation of actuarial gains and losses

Actuarial (gains) losses - Obligation	871,048	(1,476,774)
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Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10.59 %	11.18%
Medical aid contribution	7.13 %	7.14 %
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 annualized compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. We do not consider these increases to be sustainable and have assumed that medical aid contribution increases would outstrip general inflation by 1% per annum over the foreseeable future.

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

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

Consequently, a discount rate of 11.18% per annum has been used. The corresponding index-linked yield at this term is 4.77%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2021.

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

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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:					
	2021 R	2020 R	2019 R	2018 R	2017 R
Defined benefit obligation	12,180,000	9,439,171	9,257,717	9,547,636	9,200,742
Surplus (deficit)	(12,180,000)	(9,439,171)	(9,257,717)	(9,547,636)	(9,200,742)
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 2021 (2020: 280). As at the valuation date, the long service leave award liability of the Municipality was unfunded, i.e. no dedicated assets have been set aside to meet this liability.					
The amounts recognised in the statement of financial position are as follows:					
Carrying value					
Present value of the defined benefit obligation-wholly unfunded				4,585,100	4,356,224
Heading					
Non-current liabilities				487,126	812,078
Changes in the present value of the defined benefit obligation are as follows:					
Opening balance				4,356,224	4,013,049
Benefits paid				(701,535)	(381,068)
Net expense recognised in the statement of financial performance				930,635	724,243
				4,585,324	4,356,224
Net expense recognised in the statement of financial performance in general expenses					
Current service cost				478,235	502,413
Adjustments				(14,670)	(13,550)
Interest cost				293,082	313,248
Actuarial (gains) losses				173,988	(77,868)
				930,635	724,243
Calculation of actuarial gains and losses					
Actuarial (gains) losses - Obligation				173,988	77,858
Key assumptions used					
Assumptions used at the reporting date:				D	ount rates
				i	used
				s	Expected
				c	increase in

salaries Average retirement
age

9.35 %	11,18%
5,81 %	7.14 %
62	62

Greater Letaba Municipality

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Figures in Rand 2021 2020

6. Employee benefit obligations (continued)

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 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:

	2021	2020	2019	2018	2017
Defined benefit obligation	4,585,100	4,356,224	4,013,049	3,360,213	3,015,427
Plan assets	(4,585,100)	(4,356,224)	(4,013,049)	(3,360,213)	(3,015,427)

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

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7. Inventories		
Consumable stores	7,237,386	6,402,663
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	2,150,160	2,072,676
Sundry debtors	8,486,807	4,400,066
Impairment: Sundry Debtors	(7,140,410)	
Mopani District Municipality	128,541,636	109,230,014
Impairment: Mopani District Municipality	(120,829,138)	(101,583,913)
	11,209,055	14,118,843
We were also unable to get the receipt history of Sundry debtors in the financial year 2020. We were therefore, unable to calculate the payment rate and hence unable to calculate provision for sundry debtors in the prior year. On further assessment, it was decided to impair the sundry debtors in the current year.		
9. Receivables from non-exchange transactions		
Fines	8,562,187	8,395,457
Consumer Debtors - Rates	61,923,372	79,799,564
Impairment of Consumer debtors - Rates	(56,043,373)	(68,363,302)
Impairment debtors - Traffic fines	(8,544,281)	(8,270,105)
	5,897,905	11,561,614
Consumer Debtors • Rates		
Current (0 -30 days)	999,565	1,453,533
31 - 60 days	698,396	1,376,904
61 - 90 days	686,225	1,337,659
91 - 120 days	671,545	1,302,856
121 -365 days	671,389	9,078,713
> 365 days	58,196,252	65,249,899
Less:Impairment	(56,043,373)	(68,363,302)
	5,879,999	11,436,262
Receivables from non-exchange transactions pledged as security		
No other receivables from non-exchange transactions were pledged as security.		
10. VAT receivable		
VAT		2,259,643

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11. Consumer debtors		
Gross balances		
Electricity	38,144,726	29,141,107
Refuse	83,442,402	62,942,235
Other	25,432,558	20,941,136
	147,019,686	113,024,478
Less: Allowance for impairment		
Electricity	(34,522,715)	(20,502,567)
Refuse	(75,521,043)	(57,574,361)
Other	(21,967,408)	(20,365,350)
	(132,011,166)	(98,442,278)
Net balance		
Electricity	3,622,011	8,638,540
Refuse	7,921,359	5,367,874
Other	3,465,150	575,786
	15,008,520	14,582,200
Electricity		
Current (0 -30 days)	3,622,011	1,661,208
31 - 60 days		848,327
61 - 90 days		1,241,937
91 - 120 days		581,283
121 -365 days		4,305,785
	3,622,011	8,638,540
Refuse		
Current (0 -30 days)	563,864	473,216
31 - 60 days	545,477	440,523
61 - 90 days	535,970	430,800
91 -120days	526,012	426,816
121 - 365 days	504,237	3,596,519
> 365 days	5,245,799	
	7,921,359	5,367,874
Other		
Current (0 -30 days)	356,935	4,487
31 -60 days	175,142	1,190
61 - 90 days	174,875	1,190
91 - 120 days	166,958	1,190
121 - 365 days	168,027	535,681
> 365 days	2,423,213	32,048
	3,465,150	575,786

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11. Consumer debtors (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	1,567,717	955,383
31 - 60 days	1,470,058	746,069
61 - 90days	1,414,801	662,989
91 -120 days	1,333,563	741,544
121 - 365 days	1,303,621	10,279,271
>365days	153,716,962	82,793,758
	180,826,742	96,179,014
Industrial/ commercial		
Current (0 -30 days)	581,156	600,534
31 - 60 days	648,577	417,166
61 - 90 days	724,033	435,667
91 - 120 days	661,777	229,017
121 -365 days	609,109	2,544,082
> 365 days	26,167,226	6,369,086
	29,391,878	10,595,652
National and provincial government		
Current (0 -30 days)	5,399,228	517,500
31 -60 days	339,334	93,720
61 • 90 days	189,935	559,578
91 - 120 days	153,128	22,481
121 -365 days	193,073	165,807
>365 days	12,338,273	1,865,028
	18,812,971	3,224,114
Total		
Current (0 -30 days)	7,568,101	2,138,857
31 -60 days	2,457,970	1,290,094
61 -90 days	2,328,770	1,673,927
91 - 120 days	2,148,467	1,009,289
121 - 365 days	2,105,803	13,179,718
> 365 days	185,998,382	93,732,593
	202,607,493	113,024,478
Less: Allowance for impairment	(187,598,973)	(98,442,278)
	15,008,520	14,582,200
Reconciliation of allowance for Impairment		
Balance at beginning of the year	(167,442,549)	(149,095,389)
Contributions to allowance	(20,156,424)	(17,710,191)
	(187,598,973)	(166,805,580)
Consumer debtors pledged aa security		
No consumer debtors were pledged as security for any liabilities.		
The fair value of consumer debtors approximates the carrying amount thereof,		
Assumptions used during the calculation of the Impairment of Debtors.		
The debtors age analysis with the outstanding balance of each debtor as at year end 30 June 2021 was drawn from the system.		

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2020

11. Consumer debtors (continued)

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

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

Twelve months payments report starting from 01 July 2020 to 30 June 2021 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%).

Consumer debtors past due but not impaired

Government debtors are not impaired. The amounts past due but not impaired is as follows:

Pastdue but not impaired	18,612,972	3,224,114
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12. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	4,184,142	911,833
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The municipality had the following bank accounts

Account number description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
FIRST NATIONAL BANK- 52100005761 • Main Bank Account	470,756	386,620	391,023	636,398	422,069	517,956
FIRST NATIONAL BANK. 62051705534	3,037,845	62,886	389,636	3,424,882	260,879	546,343
ASSA BANK- Fixed Investment	122,861	117,566	110,606	122,862	117,566	110,606
OLD MUTUAL- Investment		111,319	103,206		111,319	103,206
NEDBANK. Corporate saver			2,141,463			2,141,464
Total	3,631,462	678,391	3,135,934	4,184,142	911,833	3,419,575

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Movement during the year

Balance at the beginning of the year		4,874
Receipts during the year	70,594,000	70,560,989
Income recognition during the year	(70,594,000)	(70,565,863)

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.

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
13. Unspent conditional grants and receipts (continued)		
These amounts are invested in a ring-fenced investment until utilised.		
14. Payables from exchange transactions		
Trade payables	12,428,174	34,868,472
Payments received in advanced	9,459,739	1,288,125
Retentions	25,155,350	24,100,859
Accrued leave pay	17,069,182	15,258,514
Accrued annual bonus	2,006,362	1,862,190
Unallocated deposits	4,736,990	3,094,561
Other Creditors	39,216	34,700
	70,895,013	80,507,421
Trade payables age analysis		
Current (0 -30 days)	14,359,040	34,868,472
15. VAT payable		
Tax refunds payables	2,427,996	
16. Consumer deposits		
Electricity	387,948	384,985
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.		
17. Revenue		
Service charges	21,290,797	20,798,409
Rental of facilities and equipment	225,820	81,382
Interest received - outstanding receivables	4,238,871	5,555,733
Agency services	3,398,150	2,010,150
Licences and permits	3,611,983	2,296,227
Other income	762,222	1,076,247
Interest received - investment	1,828,957	1,710,717
Property rates	13,830,617	14,713,311
Interest - Property Rates	1,833,232	4,702,051
Government grants & subsidies	428,414,000	348,814,989
Fines, Penalties and Forfeits	183,750	432,846
	479,618,399	402,192,062
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	21,290,797	20,798,409
Rental of facilities and equipment	225,820	81,382
Interest received (trading)	4,238,871	5,555,733
Agency services	3,398,150	2,010,150
Licences and permits	3,611,983	2,296,227
Other income	762,222	1,076,247
Interest received - investment	1,828,957	1,710,717
	35,356,800	33,528,865

Greater Letaba Municipality

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Figures in Rand	2021	2020
17. Revenue (continued)		
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	13,830,617	14,713,311
Interest - Property Rates	1,833,232	4,702,051
Transfer revenue		
Government grants & subsidies	428,414,000	348,814,989
Fines, Penalties and Forfeits	183,750	432,846
	444,261,599	368,663,197
18. Service charges		
Sale of electricity	16,492,949	15,702,989
Sale of water	3,451	330,086
Solid waste	4,793,715	4,764,762
Sewerage and sanitation charges	682	572
	21,290,797	20,798,409
19. Rental of facilities and equipment		
Facilities and equipment		
Rental of facilities	225,820	81,382
20. Fines, Penalties and Forfeits		
Municipal Traffic Fines	183,750	432,846
21. Agency services		
Management fees	3,398,150	2,010,150
22. Licences and permits (exchange)		
Road and Transport	3,611,983	2,296,227
23. Other revenue		
Other income	762,222	1,076,247
24. Investment revenue		
Interest revenue		
Bank	1,828,957	1,710,717
25. Property rates		
Rates earned		
Residential	9,711,221	12,998,299
State	4,119,396	1,715,012
	13,830,617	14,713,311

Greater Letaba Municipality

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Figures in Rand	2021	2020
26. Government grants and subsidies		
Operating grants		
Equitable share	298,336,000	278,254,000
Equitable share additional funding	59,484,000	
Finance Management Grant	2,000,000	2,145,000
Extended Public Works Programme	1,467,000	1,225,000
Energy Efficiency Management Grant	3,600,000	5,000,000
Municipal Disaster Management Grant		298,000
	364,887,000	286,922,000
Capital grants		
Municipal Infrastructure Grant	56,527,000	57,607,989
Integrated National Electrification Grant	7,000,000	4,285,000
	63,527,000	61,892,989
	428,414,000	348,814,989

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)
	<hr/>

Finance Management Grant (FMG)

Balance unspent at beginning of year		4,884
Current-year receipts	2,000,000	2,145,000
Conditions met - transferred to revenue	(2,000,000)	(2,149,884)
	<hr/>	<hr/>

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

Extended Public Works Programme Grant (EPWP)

Current-year receipts	1,467,000	4,285,000
Conditions met - transferred to revenue	(1,467,000)	(4,285,000)
	<hr/>	<hr/>

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

Energy Efficiency Management Grant

Current-year receipts	3,600,000	5,000,000
Conditions met - transferred to revenue	(3,600,000)	(5,000,000)
	<hr/>	<hr/>

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

Municipal Infrastructure Grant

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
26. Government grants and subsidies (continued)		
Current-year receipts	56,527,000	57,607,989
Conditions met - transferred to revenue	(56,527,000)	(57,607,989)
Conditions still to be met - remain liabilities (see note 13).		
Integrated National Electrification Grant		
Current-year receipts	7,000,000	4,285,000
Conditions met - transferred to revenue	(7,000,000)	(4,285,000)
Conditions still to be met - remain liabilities (see note 13).		
27. Contracted services		
Outsourced Services		
Business and Advisory	197,300	87,500
Catering Services	630,687	1,538,151
Cleaning Services		44,999
Meter Management	561,148	453,600
Mini Dumping Sites	2,848,920	3,137,160
Security Services	341,964	109,421
Consultants and Professional Services		
Business and Advisory	8,535,088	5,331,005
Infrastructure and Planning	7,728,644	9,236,586
Legal Cost	13,576,405	6,204,604
Contractors		
Audio-visual Services		72,446
Bore Waterhole Drilling	43,273	26,000
Electrical	6,217,785	9,097,049
Event Promoters	1,450,169	208,890
Fire Services	506,179	457,187
Maintenance of Buildings and Facilities	1,676,306	2,790,765
Maintenance of Equipment	5,074,021	3,074,511
Maintenance of Unspecified Assets	20,031,936	8,319,191
Pest Control and Fumigation	1,176,942	232,763
Transportation	3,000	1,363,878
Safeguard and Security	16,477,746	10,436,220
Sports and Recreation		299,057
Stage and Sound Crew		181,159
Removal of Hazardous Waste	380,340	59,730
	87,457,853	62,761,872

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

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Figures in Rand	2021	2020
28. General expenses		
Advertising	1,462,153	739,616
Auditors remuneration	4,008,626	4,160,971
Bank charges	426,458	302,530
Vehicle tracking	618,951	218,881
Commission paid	340,137	3,384,529
Stores and material	12,103,310	11,869,360
Contribution to provisions - landfill sites	423,202	122,795
Hire	150,917	599,789
Insurance	3,095,108	2,859,429
IT expenses	11,575,774	4,842,395
Seminars Conferences Workshops and Events	621,458	348,399
Vehicle licences	235,757	36,746
Printing and stationery	418,946	279,330
Protective clothing	2,909,916	2,435,852
Subscriptions and membership fees	1,166,870	1,399,578
Communication	2,997,530	3,682,358
Travel - local	11,940,405	11,902,656
Rentals for printers	342,233	304,181
Assets expensed	53,800	11,611
Electricity	4,673,509	4,966,483
Bursary scheme	257,057	786,576
Interns	2,046,500	1,530,452
Free basic services and rebates	346,108	236,729
Remuneration of ward councillors	5,346,000	5,374,000
Other expenses	224,593	120,837
	67,785,318	62,515,083

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

2021 2020

29. Employee related costs

Basic	72,809,255	68,691,132
Bonus	5,454,346	4,999,257
Medical aid - company contributions	5,457,709	4,693,092
UIF	491,760	501,098
WCA	318,246	1,299,410
SDL	1,148,665	918,254
Leave pay provision charge	5,069,922	3,826,632
Pension fund and other fund contributions	16,973,786	13,010,166
Travel, motor car, accommodation, subsistence and other allowances	991,431	495,000
Overtime payments	4,847,364	3,935,106
Long-service awards	155,385	751,257
Acting allowances	874,187	1,515,987
Car allowance	6,676,248	5,560,404
Housing benefits and allowances	1,622,436	1,397,650
Cellular and telephone allowance	1,311,061	181,000
Tool allowance	399,803	2,000
	124.601.604	111.777.445

Remuneration of municipal manager

Annual Remuneration	608,372	938,514
Car Allowance	75,000	180,000
Back pay		31,473
Contributions to UIF, Medical and Pension Funds	25,000	60,000
Housing Allowance	100,000	240,000
Cellphone Allowance	21,000	360,000
Computer Allowance	7,000	12,000
Danger Allowance	1,000	
Acting Allowance	139,450	
	976,822	1,821,987

Dr Sirovha KI resigned in November 2020. Dr Letsoalo MB was the acting Municipal Manager from December 2020 to March 2021. Mrs Mathabatha TM acted in April 2021

The substantive Municipal Manager (Mankgabe MF) was appointed in May 2021

Remuneration of Chief Finance Officer

Annual Remuneration	842,227	369,951
Car Allowance	180,000	105,000
Back pay		68,606
Cellphone Allowance	36,000	31,000
Computer Allowance	12,000	7,000
Danger Allowance	7,000	
	1,077,227	581,557

TM Mathabatha was appointed CFO effective December 2019

Remuneration of Director Corporate services

Annual Remuneration	631,670	850,685
Car Allowance	90,000	120,000
Back Pay	45,000	35,120
Contributions to UIF, Medical and Pension Funds		60,000
Computer Allowances	9,000	12,000
Cellphone Allowances	27,000	36,000
Acting Allowance	117,455	

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

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Figures in Rand	2021	2020
29. Employee related costs (continued)		
Danger Allowance	5,500	
	925,625	1,113,805

Dr Letsoalo MB resigned in March 2021 and Malo/a MP has been acting since April 2021

Remuneration of Director Community Services

Annual Remuneration	842,226	846,139
Car Allowance	84,000	84,000
Performance Bonuses		35,120
Contributions to UIF, Medical and Pension Funds	84,000	100,996
Back pay	14,000	
Computer Allowance	12,000	12,000
Cellphone Allowance	24,000	24,000
Danger Allowance	8,000	
	1,068,226	1,102,256

The Director Community Services was Dr Mokoena Masi/o Daniel during the financial year.

Remuneration of Director Technical Services

Annual Remuneration	1,022,220	1,033,154
Back pay		35,120
Computer Allowance	12,000	12,000
Cellphone Allowance	36,000	36,000
Danger Allowance	7,500	
	1,077,720	1,116,274

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

Remuneration of Director Development and Planning

Annual Remuneration	931,226	937,135
Car Allowance	36,000	36,000
Back Pay		35,120
Contributions to U/F, Medical and Pension Funds	55,000	60,000
Computer Allowance	12,000	12,000
Cellphone Allowance	32,000	24,000
Danger Allowance	7,500	
	1,073,726	1,104,255

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

30. Remuneration of councillors

Executive Mayor	901,659	901,659
Mayoral Committee Members	4,465,873	2,405,381
Speaker	729,488	729,488
Councillors	17,557,929	18,677,387
	23,654,949	22,713,915

Greater Letaba Municipality

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30. Remuneration of councillors (continued)

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council owned vehicle for official duties.

The Mayor and the Deputy Mayor each have the use of separate Council owned vehicles for official duties.

The Mayor has three full-time bodyguards. The Deputy Mayor and speaker have two full-time bodyguards.

The Executive Mayor has two full-time bodyguards.

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.

31. Depreciation and amortisation

Property, plant and equipment	36,862,180	33,802,384
Investment property	7,489	9,016
Intangible assets	35,905	44,876
	<u>36,905,574</u>	<u>33,856,276</u>

32. Debt impairment

Debt impairment	59,754,015	119,294,104
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33. Bulk purchases

Electricity - Eskom	14,911,679	15,127,354
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34. Auditors' remuneration

Fees	4,008,626	4,160,971
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Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
35. Cash generated from operations		
Surplus (deficit)	65,440,360	(25,874,812)
Adjustments for:		
Depreciation and amortisation	36,905,574	33,856,276
Loss on sale of assets and liabilities	(963,882)	
Finance costs - Finance leases	70,929	20,825
Debt impairment	59,754,015	119,294,104
Movements in retirement benefit assets and liabilities	2,969,928	524,628
Other Non cash items	248,329	2,311,979
Changes in working capital:		
Inventories	(834,723)	2,195,549
Receivables from exchange transactions	(23,475,847)	(14,456,702)
Consumer debtors	(33,995,208)	(11,060,137)
Other receivables from non-exchange transactions	5,663,709	(11,328)
Mopani District Municipality		(25,968,488)
Payables from exchange transactions	(9,612,406)	5,903,429
VAT	4,687,639	(1,081,028)
Unspent conditional grants and receipts		(4,874)
Consumer deposits	2,963	(6,146)
	106,861,380	85,643,275
36. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	175,217,983	130,269,360
• Operational	41,676,417	59,168,200
	216,894,400	189,437,560
Total capital commitments		
Already contracted for but not provided for	216,894,400	189,437,560

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

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37. Contingencies

Description

1. Merifon (Pty) Ltd - is suing the municipality for R52 000 000.00 for breach of contract. The matter is being defended and still pending.	52,000,000	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.	3,635,593	3,635,593
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.	4,374,783	4,374,783
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. The matter is being defended and still pending.	67,314	300,000
6. JM Rakomane 0.8.0 MTRakomane - 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 being defended and still pending.	915,000	
7. Mavis Rangoato and Others-Eviction of respondents on piece of land commonly known as remainder of Meidingen Fsrn 398LT		
8. Elizabeth Makela and 27 and Others -Invading of Portion 4 of Farm 434 Mooiplaas.		
9. Fannie Venter & Seuns Boerdey (222)-The municipality is being litigated for alleged non-compliance in Establishment of Township in an Agricultural land		
10. SALGBC & Others-The review of the application by the municipality on arbitration award which is being alleged		
11. Maximum Profit Recovery-The applicant is challenging the municipality on appointment of service provider for VAT recovery		
12. Public Protector of South Africa-Review of remedial actions issued by Public Protector against the municipality		
Giyani Cedric Maluleke vs Greater Letaba Municipality		400,000
	68,062,127	67,779,813

38. Related parties

Relationships

Members of key management

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

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

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

For detailed amounts with respect to Members of key management kindly refer to Note 30.

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

Greater Letaba Municipality

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39. 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.

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	2021	2020
Receivables from exchange transactions	11,209,055	14,118,843
Receivables from non exchange transactions	5,897,905	11,561,614
Cash and cash equivalents	4,184,142	911,833
Consumer debtors	15,008,520	14,582,200
Trade payables	(12,428,174)	(34,868,472)
Consumer deposits	(387,948)	(384,985)

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

Greater Letaba Municipality

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39. Risk management (continued)

Interest rate risk

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

Interest risk arises from receivables and financial assets

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

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

Financial Liabilities

Employee benefit obligation

13,795,395 13,795,395

40. Unauthorised expenditure

Opening balance as previously reported

370,370,750 221,414,227

Opening balance as restated

370,370,750 221,414,227

Add: Expenditure identified - current

19,585,070 148,956,523

Closing balance

389,955,820 370,370,750

41. Fruitless and wasteful expenditure

Opening balance as previously reported

2,105,575 1,570,863

Opening balance as restated

2,105,575 1,570,863

Interest Paid and Overpayments to service provider

704,067 358,888

Stock losses due to theft and shortages

539,091 175,824

Closing balance

3,348,733 2,105,575

42. Irregular expenditure

Opening balance as previously reported

199,396,165 172,068,406

Opening balance as restated

199,396,165 172,068,406

Add: Irregular Expenditure - recurring

21,626,502 7,942,513

Add: Irregular Expenditure - current

12,245,896 19,385,246

Closing balance

233,268,563 199,396,165

Analysis of expenditure awaiting condonation per age classification

Current year

33,872,398 27,327,759

Prior years

199,396,165 172,068,406

233,268,563 199,396,165

The Irregular expenditure was caused by non compliance with the SCM policy and regulations.

43. Additional disclosure in terms of Municipal Finance Management Act

\$ALGA

Current year subscription / fee

1,233,363 1,137,439

Amount paid - current year

(1,233,363) (1,137,439)

Greater Letaba Municipality

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

	2021	2020
Electricity distribution losses		
Kwh units purchased from Eskom	(11,999,667)	(13,013,927)
Kwh units sold per billing system statistics	10,313,139	12,209,560
Distribution losses	(1,686,528)	(804,367)

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 R2 158 194 (2020: R1 954 127)

Audit fees

Current year fee	4,301,579	4,160,971
Amount paid - current year	(4,301,579)	(4,160,971)

PAYE, UIF and SOL

Current year deductions and company contributions	23,930,048	22,934,083
Amount paid - current year	(23,930,048)	(22,934,083)

Pension and Medical Aid Deductions

Current year deductions and company contributions	28,315,746	17,708,519
Amount paid - current year	(28,315,746)	(17,708,519)

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 30 June 2021:

44. Deviation from supply chain management regulations

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

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements. The total deviations for the year under review amounted to R3 989 191 (2020: R4 174 935)

45. 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

Resources (assets/liabilities) recognised by the municipality that are held/incurred on behalf of a principal		216,733
Revenue recognised as compensation for the transactions carried out on behalf of the principal	282,662	61,112
Revenue received or to be received on behalf of the principal	9,309,090	20,546,809
Expenditure paid or incurred on behalf of the principal	27,159,282	27,131,162
	36,751,034	47,955,816

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures In Rand	2021	2020
45. Entities Part of a Principle vs Agent Arrangement (continued)		
Receivables held on behalf of the principal		
Opening Balance	89,453,607	77,338,157
Revenue receivable	9,309,090	20,546,809
Amounts received	(8,688,370)	(8,431,359)
	90,074,327	89,453,607
Payables held on behalf of the principal		
Opening Balance	918,430	3,568,798
Expenses Incurred	27,159,282	18,764,664
Cash Paid	(28,077,712)	(21,415,032)
		918,430

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.

46. Finance lease obligation

Minimum lease payments due

- within one year
- in second to fifth year inclusive

1,378,367

1,649,236

Present value of minimum lease payments

3,027,603

Non-current liabilities
Current liabilities

1,649,236

1,378,367

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 lessors charge over the leased assets.

47. Finance costs

Finance leases	70,929	20,825
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Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

48. Prior period errors

1.) Mopani receivables was incorrectly not assessed and provided for impairment as required by GRAP 104. The Municipality manages the water and waste water function on behalf of Mopani District Municipality. The District Municipality has been unable to pay for payments done on their behalf. We have only been able to withhold receipts collected on their behalf from consumers. During the preparation of the Prior Period Error for the debt impairment of Mopani loan Account, we were unable to go beyond 2020 financial year due to the following reasons:

- The municipality was only able to access information as far as 2019-2020 financial year (in this case the Loan Account Reconciliation)
- For the municipality to calculate the doubtful debt required to determine a payment rate which is based on the receipts received on behalf of the municipality, only receipts that could be obtained was until 2019-2020 financial.

Thus, this became impractical to perform calculation of doubtful debt in the financial periods before the 2019-2020 financial year. This has resulted in a provision for impairment of R101583913 in the prior year (2020).

2.) Property, plant and equipment were restated due to assets not being capitalised correctly in the prior year. The asset costs and depreciation were restated as a result. This resulted in additions being overstated by R449 737 and Depreciation being overstated by R24 402

3.) Service charges were understated in the prior year by a value of R205 878

4.) Income and expenses were reclassified due to the adoption of Municipal Standard chart of accounts (**MSCOA**)

5.) Inventory - work in progress amounting to R3 538 954 was expensed to Contracted services

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

Statement of Financial Position	Note	As previously reported	Correction of errors	Reclassification on	Total
Current Assets					
Inventories					
Inventories	'7	9,941,617	(3,538,954)		6,402,663
Receivables from exchange transactions	'8	115,702,762	(101,583,913)		14,118,849
Receivables from non-exchange transactions					
Receivables from non-exchange transactions	'9	11,561,613			11,561,613
VAT receivable	'10	2,259,643			2,259,643
Consumer debtors	'11	14,376,322	205,878		14,582,200
Cash and cash equivalents	'12	911,833			911,833
Non-Current Assets					
Investment property	'2	213,057			213,057
Property, plant and equipment	'3	963,336,478	(449,737)		962,886,741
Intangible assets	'4	88,925			88,925
Heritage assets	'5	548,500			548,500
Current Liabilities					
Payables from exchange transactions	'14	(80,507,419)			(80,507,419)
Consumer deposits	'16	(384,985)			(384,985)
Finance lease obligation	'6	(812,078)			(812,078)
Non-Current Liabilities					
Employee benefit obligation	'6	(12,983,317)			(12,983,317)
Accumulated surplus		(1,024,252,951)	105,366,726		(918,886,225)

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Statement

Figures in Rand

2021

2020

48. Prior period errors (continued)

Statement of Financial Performance	Note	As previous y reported	Correctio n of errors	Reclassificatio n	Total
Revenue					
Service charges	'18	20,292,084	205,879	300,446	20,798,409
Rental of facilities and equipment	'19	57,725		23,657	81,382
Interest received - outstanding receivables		5,555,733			5,555,733
Agency services	'21	2,010,150			2,010,150
Licences and permits	'22	2,296,227			2,296,227
Other income	'23	1,109,991		(33,744)	1,076,247
Interest received - investment	'24	1,710,717			1,710,717
Property rates	'25	14,713,311			14,713,311
Interest - Property Rates		4,702,051			4,702,051
Government grants & subsidies	'26	348,814,989		-	348,814,989
Fines, Penalties and Forfeits	'20	432,846			432,846
Expenditure					
Employee related costs	'29	(108,796,221)		(2,981,224)	(111,777,445)
Remuneration of councillors	'30	(22,713,915)		-	(22,713,915)
Depreciation and amortisation	'31	(33,831,872)	(24,402)	-	(33,856,274)
Finance costs	'47			(20,825)	
Debt Impairment	'32	(17,710,		-	
Bulk purchases	'33	(15,127,354)		-	
Contracted services	'27	(22,121,108)		(37,101,810)	
General Expenses	'28	(101,920,582)		39,813,500	(62,515,083)
		79,474,581		•	



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.



Report of the auditor-general to Limpopo provincial legislature on 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 2021, statement of financial performance, statement of changes in net assets and statement of cash flows and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Greater Letaba Local Municipality as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), and the Division of Revenue Act, 2020 (Act No.4 of 2020) (DoRA).

Basis for opinion

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

Emphasis of matter paragraphs

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

Material Impairments

7. As disclosed in note 8, 9 and 11 financial statements, material impairments amounting to R 127 969 548, R56 043 373 and R 132 011 166 were made to receivables from exchange transactions, receivable non-exchange transactions and consumer debtors, respectively as a result of irrecoverable of debts.

Litigations and claims

8. With reference to note 38 to the financial statements, the municipality is the defendant in various claims, which it is opposing. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements

Restatement of corresponding figures.

9. As disclosed in note 48 to the financial statements, the corresponding figure for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.

Other matters

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

Unaudited disclosure notes

11. 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

12. 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.

13. 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

14. 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.
15. 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

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. 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.
18. 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 objectives presented in the municipality's annual performance report for the year ended 30 June 2021

Programmes	Pages in the annual performance report
KPA 2: Basic service delivery	9—10

19. 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.

20. I did not identify any material findings on the usefulness and reliability of the reported performance information for Basis service delivery programme.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. Refer to the annual performance report on pages 9 to 10 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 findings on the usefulness and reliability of the reported performance information in paragraph(s) 22 of this report

Adjustment of material misstatements

23. 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 programme. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Annual financial statements, performance and annual reports

26. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

Material misstatement of receivables from exchange transactions and non-exchange transactions, consumer debtors, revenue from exchange and non-exchange transaction, payables from exchange transactions, inventory and contingent liabilities were identified by the auditors in the submitted financial statements, were subsequently corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

27. Reasonable steps were not taken to prevent irregular expenditure amounting to

R33 872 389 as disclosed in note 42 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by noncompliance with supply chain management requirements.

28. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 243 158, as disclosed in note 41 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on late payment as well as stock losses due to stock shortage.

29. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R1 958 570, as disclosed in note 40 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.

Procurement and contract management

30. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 1 and (c). This non-compliance was identified in the procurement processes for the supply and delivery of uniforms for traffic officials at the municipality.

31. Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2). This noncompliance was identified in the procurement processes for the supply and delivery of uniform for traffic officials at the municipality.

Other information

32. 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

33. 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.

34. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report
36. The accounting officer did not adequately review the financial statements, as material misstatements were not identified and corrected by the municipality's internal systems of control.
37. The accounting officer did not adequately prepare regular, accurate and complete financial statements that is supported by reliable information.
38. The accounting officer did not adequately review and monitor compliance with legislation. Non-compliance with legislation could have been prevented had compliance been properly reviewed.

V/C.n

Auditor

Polokwane

30 November 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure — Auditor-general's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the [consolidated and separate] financial statements as described in this auditor's report, I also:
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and

obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Greater Letaba Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a [type of auditee] to cease operating as a going concern
- 0 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

FINANCIAL YEAR		2020/21									
Municipality Name		Greater Letaba Municipality									
Audit Opinion		Unqualified									
Reporting Period		2022									
Audit Findings	Category of Finding	Audit Finding Description	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability	Narrative to Progress
1 Other Disclosure	Other important matters	The audit committee did not evaluate the appropriateness of the expertise and adequacy of resources of the finance function.	New	internal Control Deficiency showing inadequate oversight from Audit Committee	Review of financial reports and resolve development by emphasizing staff training through audit committee charter.	01-Dec-21	28-Feb-22	AC Chairperson	In progress	31-Jan-22	The draft audit committee charter is in place.

2	Procurement	Other important matters	Commitments presentation and disclosure not in line with the requirements of GRAP 19.	New	Inadequate review of financial statements. Last minute preparation of financial statements not allowing adequate review.	Review of the annual financial statements, ensure that Quarterly Financial Statements are reviewed in detailed and that the issue adequately addressed.	01-Dec-21	30-Jun-22	ASD: Budget & Reporting	Not yet started	01-May-22	The review of AFS to be done at year end
						Development year end plan and implementation of these plan to Develop the AFS						To develop adequate year end plan for the AFS
												To develop adequate year end plan for the AFS

3	Other Disclosure	Other important matters	Contingent liabilities - differences between amounts disclosed on the financial statements and amounts per external confirmation .	New	lack of capacity in legal section. Last minute preparation of financial statements not allowing time for adequate of review the AFS	Verification of exposure amount to exclude legal costs charged by the legal firms. Develop and monitor a contingent liability register on a quarterly basis. Capacitate the legal section.	01-Dec-21	30-Jun-22	ASD: Budget& Reporting	Not yet started	01-May-22	The review of AFS to be done at year end. Capacitate Legal section
4	Revenue	Other important matters	General valuation roll does not consist of both Part A and B specifying exemptions, rebates, phasing in of rates or exclusions.	New	Inadequate maintenance of general valuation roll. Lack of expertise in implementation of valuation roll.	Review the valuation roll according to the correct requirements of the MPRA. Training of revenue staff on implementation of valuation roll,	01-Dec-21	28-Feb-22	ASD: Revenue	In progress	31-Jan-22	To engage AG on advice on implementation of MPRA

5

											Arrange training for staff.
Revenue	Other important matters	Existence of unallocated deposits not confirmed	New	inadequate implementation of controls(Monthly recons). Last minute preparation of financial statements not allowing time for adequate of the AFS. Lack of capacity in terms knowledge of MSCOA segments,	The Municipality to engage MUNSOFT in making sure that all transactions in the unknown account in the sub-ledger should post direct into the unknown deposit account in the ledger and It must not go to payment received in advance in order to show its movements	01-Dec-21	28-Feb-22	ASD: Revenue	In progress	31-Jan-22	The MUNSOFT is onsite assisting to clear the transactions.

6					Monthly reconciliations performed adequately.							Implementation of controls(monthly recons)
					Training on Mscoa segment especially correct mapping of transaction,							
	Inventory	Other important matters	Stock count internal control deficiencies	New	Stock count not adequately performed	Conduct stock count using count instructions and appropriately marking off items during the count.	24-Jan-22	30-Jun-22	ASD-Assets and Fleet	In progress	30-Jun-22	Stock count to be conducted on a quarterly basis.

7	Payments	Other important matters	Expenditure relating to bonuses have been accounted in the wrong vote	New	Inadequate review of work done. inadequate implementation of controls(Monthly recons). Lack of capacity in terms knowledge of MSCOA segments	Perform monthly reconciliations between the payroll system and the GL. Perform monthly review of the General Ledger to identify and correct misallocations identified. Training of staff on MSCOA	01-Dec-21	30-Jun-22	ASD Exp	In progress	30-Jun-22	Perform monthly reconciliations between the payroll system and the GL. Perform monthly review of the General Ledger to identify and correct misallocations identified. Training of staff on MSCOA
8	Payments	Other important matters	Transactions were not paid within 30 days of receiving of invoices.	Recurring	Inadequate monitoring of invoices/claims	Develop and monitor manual/ electronic register	01-Dec-21	30-Jun-22	CFO / ASD SCM	Not yet started	30-Jun-22	Manual and an electronic invoice register to developed and monitored

9	Payments	Other important matters	No evidence provided to indicate that payments made toward committee members is reviewed or approved by the accounting officer, chief financial officer or delegated official.	New	Inadequate review of work done. inadequate implementation of controls(Monthly recons). Lack of capacity in terms knowledge of MSCOA segments. Adequate approval of transaction not performed.	Review and approval of documents prior implementations in the financial system	on going	30-Jun-22	ASD Exp	In progress	30-Jun-22	Review and approval of documents prior implementations in the financial system
	Payments	Other important matters	Overstatement in payments received in advance	New	Inadequate review of work done. Monthly reconciliations not done	Perform monthly reconciliation between the debtor's sub-ledger and the general	Jan-22	1-Feb-22	ASD Revenue	Not yet started	30-Jun-22	Perform monthly reconciliation between the debtor's sub-ledger and the general ledger. Clear all reconciling items. Review the

					ledger. Clear all reconciling items. Review the interfacing of transactions on a monthly basis.							interfacing of transactions monthly.
1 1	Procurement	Other important matters	Minimum threshold for local content not stipulated	New	Inadequate monitoring of compliance with legislation . Lack of capacity of SCM staff on local content designation	Development and monitoring of compliance check list in line with SCM regulations for completeness of tender documents.	01-Dec-21	31-Jan-22	ASD-SCM	In progress	31-Jan-22	Compliance checklist developed and being monitored
					Staff Training							
1 2	Procurement	Other important matters	DTI was not notified about successful bidder in compliance with local content	New	Inadequate monitoring of compliance with legislation . Lack of capacity	Development and monitoring of compliance check list in line with SCM regulations	01-Dec-21	31-Jan-22	ASD-SCM	In progress	31-Jan-22	Compliance checklist developed and being monitored

		requirement		of SCM staff on local content designation	for completeness of tender documents.							
13	Procurement	Other important matters	Incomplete MBD 6.1 Preference points claim form	New	Inadequate monitoring of compliance with legislation	Development and monitoring of compliance check list in line with SCM regulations for completeness of tender documents.	01-Dec-21	31-Jan-22	ASD-SCM	In progress	31-Jan-22	Compliance checklist developed and being monitored
14	Procurement	Other important matters	Three quotations not obtained	New	Inadequate monitoring of compliance with legislation	Development and monitoring of compliance check list in line with SCM regulations for completeness of tender documents.	01-Dec-21	31-Jan-22	ASD-SCM	In progress	31-Jan-22	Compliance checklist developed and being monitored

15	Procurement	Other important matters	The bidder completed the witness section in the bid document	New	Inadequate monitoring of compliance with legislation	Development and monitoring of compliance check list in line with SCM regulations for completeness of tender documents.	01-Dec-21	31-Jan-22	ASD-SCM	In progress	31-Jan-22	Compliance checklist developed and being monitored
16	Procurement	Matters affecting the auditor's report	Incomplete MBD 4 Declaration of interest	New	Inadequate monitoring of compliance with legislation	Development and monitoring of compliance check list in line with SCM regulations for completeness of tender documents.	01-Dec-21	31-Jan-22	ASD-SCM	In progress	31-Jan-22	Compliance checklist developed and being monitored
17	Revenue	Other important matters	Transactions reports do not agree to the GL and AFS	New	lack of capacity in legal section. Last minute preparatio	Perform monthly reconciliation of meter readings from the external	01-Dec-21	28-Feb-22	ASD: Revenue	In progress	31-Jan-22	The MUNSOFT is onsite assisting to clear the transactions.

				<p>n of financial statements not allowing time for adequate of review the AFS</p>	<p>source to the system, follow up and correct all discrepancies identified.</p>						
					<p>The Municipality to engage with MUNSOF in making sure that all the transaction of the age analysis agrees with the General Ledger. Perform a monthly reconciliation of the Billing Reports and the General ledger, review the interfacing of transactions from the billing</p>						

					system to the to the General Ledger.									
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APPENDICES

APPENDIX A- COUNCILLORS; COMMITTEE ALLOCATION AND ATTENDANCE

Councillors, Committees Allocated and Council Attendance 2020/21					
Council Members	Full Time/Part Time	Committee Allocated	*Ward and/ or Party Represented	Number of meetings held/ attended	Percentage Council Meetings Attendance
	FT/PT			%	%
Cllr Matlou MP	FT	EXCO	ANC	017/017	100%
Cllr Makhananisa MD	FT	SPEAKER	ANC	N/A	100%
Cllr Mampeule PJ	FT	CHIEF WHIP	ANC	N/A	100%
Cllr Rababalela TJ	PT	Water & Sanitation Services	ANC	07/07	100%
Cllr Maeko –Nkwana MM	FT	Corporate and Shared Services	ANC	11/11	100%
Cllr Modiba ND	FT	Finance	ANC	10/10	100%
Cllr Rasetsoke SM	PT	Sports and Culture	ANC	07/07	100%
Cllr Mosila MR	FT	Infrastructure	ANC	09/09	100%
Cllr Selowa SG	PT	Health and Social Development	ANC	09/09	100%
Cllr Masela MP	FT	Economic Development, Housing & Spatial Planning	ANC	09/09	100%
Cllr Mabeba M.M	PT	Agriculture & Environment	EFF	04/07	57%
Cllr Raphokwane D	PT	Public Transport & Roads	EFF	05/09	55%
Cllr Manyama MI	FT	Municipal Public Accounts	ANC/ W4	13/13	100%
Cllr Mangoro MV	PT	Sports and Culture	ANC / W 1	07/07	100%

Cllr Rabothata DG	PT	Sports and Culture	ANC / W 2	07/07	100%
Cllr Malatji SS	PT	Infrastructure	ANC / W3	09/09	100%
Cllr Nkuna V	PT	Agriculture & Environment	ANC / W 5	07/07	100%
Cllr Lebepe MA	PT	Health and Social Development	ANC / W 6	08/09	88%
Cllr Mohale PJ	PT	MPAC	ANC / W 7	13/13	100%
Cllr Kgatla MS	PT	Health and Social Development	ANC / W 8	09/09	100%
Cllr Ralefatane ME	PT	MPAC	ANC/ W 9	12/13	92%
Cllr Rampedi MV	PT	Economic Development, Housing & Spatial Planning	ANC / W 10	09/09	100%
Cllr Ramaano KE	PT	Sports and Culture	ANC / W 11	07/07	100%
Cllr Masedi ME	PT	Public Transport and Roads	ANC / W 12	07/09	77%
Cllr Selamolela S	PT	Water & Sanitation	ANC / W 13	07/07	100%
Cllr Lebeko NF	PT	Corporate and Shared Services	ANC / W 14	09/11	82%
Cllr Selema PW(LATE)	PT	Agriculture & Environment	ANC / W 15	03/07	43%
Cllr Ngobeni MP	PT	Agriculture & Environment	ANC / W 16	07/07	100%
Cllr Mankgero MM	PT	Economic Development, Housing & Spatial Planning	ANC / W 17	08/09	88%
Cllr Ramoba M	PT	MPAC	ANC / W 18	12/13	92%
Cllr Monaiwa MP	PT	MPAC	ANC/ W 19	13/13	100%
Cllr Ratlhaha R	PT	Agriculture and environment	ANC/ W 20	07/07	100%

Cllr Monyela KB	PT	MPAC	ANC/ W 21	13/13	100%
Cllr Makomene MP	PT	Infrastructure	ANC/ W 22	07/09	77%
Cllr Ramabela ME	PT	Sports and Culture	ANC / W23	07/07	100%
Cllr Selowa N	PT	Water & Sanitation	ANC / W24	07/07	100%
Cllr Ngobeni BE	PT	Finance	ANC / W25	10/10	100%
Cllr Mohale MJ	PT	Economic Development, Housing and Spatial Planning	ANC / W 26	05/09	55%
Cllr Seshoka NL	PT	Public Transport & Roads	ANC/ W 27	04/09	44%
Cllr Hlungwani SJ	PT	Health & Social Development	ANC / W 28	08/09	88%
Cllr Hlapane MF	PT	Corporate & Shared Services	ANC/ W 30	11/11	100%
Cllr Kgapanane TJ	PT	Public Transport & Roads	ANC/PR	09/09	100%
Cllr Baloyi RG	PT	Corporate and Shared Services	ANC/PR	11 /11	100%
Cllr Maake MR	PT	MPAC	ANC/PR	13/13	100%
Cllr Moshole SP	PT	MPAC	ANC/PR	13/13	100%
Cllr Mathemodisa M	PT	MPAC	ANC/PR	13/13	100%
Cllr Ndobela M.E.C	PT	Agriculture and Environment	ANC/PR	07/07	100%
Cllr Modjadji GH	PT	Economic Development, Housing & Spatial Planning	ANC/PR	02/09	22%
Cllr Selomo MM	PT	Economic Development, Housing & Spatial Planning	EFF/PR	08/09	88%
Cllr Mathaba E	PT	Infrastructure	EFF/PR	08/09	88%

Cllr Ralepatane PP	PT	Agriculture & Environment	EFF/PR	07/07	100%
Cllr Mohale SL	PT	Health and Social Development	EFF/PR	04/09	44%
Cllr Maenetje MB	PT	Public transport and Roads	EFF/PR	08/09	88%
Cllr Motsinoni MR	PT	Corporate & Shared Services	EFF/PR	10/11	91%
Cllr Ramalobela ML	PT	Sports Arts & Culture	EFF/PR	07/07	100%
Cllr Ramaselela D.D	PT	Sports Arts & Culture	DA/PR	07/07	100%
Cllr Maluleke ZT	PT	Agriculture & Environment	DA/PR	04/07	58%
Cllr Senyolo J	PT	Public Transport & Roads	COPE /PR	02/09	22%
Cllr Rampyapedi S	PT	Economic Development, Housing & Spatial Planning	COPE /PR	05/09	56%
Cllr Rasetsoke MC	PT	Public Transport & Roads	LIRA /PR	09/09	100%

APPENDIX B- COMMITTEES AND COMMITTEE PURPOSES

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

APPENDIX C- THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager s Office	Municipal Manager: 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	MV MANGORO	Yes	08	08	03
Ward 2	DG RABOTHATA	Yes	08	08	03
Ward 3	SS MALATJI	Yes	08	08	03
Ward 4	MI MANYAMA	Yes	08	08	03
Ward 5	V NKUNA	Yes	08	08	03
Ward 6	MA LEBEPE	Yes	08	08	03
Ward 7	PJ MOHALE	Yes	08	08	03
Ward 8	MS KGATLA	Yes	08	08	03
Ward 9	ME RALEFATANE	Yes	08	08	03
Ward 10	MV RAMPEDI	Yes	08	08	03
Ward 11	KE RAMAANO	Yes	08	08	03
Ward 12	ME MASEDI	Yes	08	08	03
Ward 13	S SELAMOLELA	Yes	08	08	03
Ward 14	NF LEBEKO	Yes	08	08	03
Ward 15	PW SELEMA	Yes	08	08	03
Ward 16	MP NGOBENI	Yes	08	08	03
Ward 17	MM MANKGERO	Yes	08	08	03
Ward 18	M RAMOBA	Yes	08	08	03
Ward 19	MP MONAIWA	Yes	08	08	03
Ward 20	R RATLHAHA	Yes	08	08	03
Ward 21	KB MONYELA	Yes	08	08	03

Ward 22	MP MAKOMENE	Yes	08	08	03
Ward 23	ME RAMABELA	Yes	08	08	03
Ward 24	N SELOWA	Yes	08	08	03
Ward 25	BE NGOBENI	Yes	08	08	03
Ward 26	Mohale MJ	Yes	08	08	03
Ward 27	NL SESHOKA	Yes	08	08	03
Ward 28	SJ HLUNGWANI	Yes	08	08	03
Ward 29	MP MASELA	Yes	08	08	03
Ward 30	MF H LAPANE	Yes	08	08	03

APPENDIX F: WARD INFORMATION

Capital Projects: Seven Largest in 2020/21 (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
	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 2020 to 30 June 2021		
Position	Name	Description of financial interest* (Nil/or details)
Mayor	Cllr M.P Matlou	Nil
Speaker	Cllr Makhananisa D	Nil
Chief W	Cllr Mampeule P. J	Lexico Trading Modjadji Entertainment World Mazapane Trading & Printing solutions
Member of EXCO	Cllr Nkoana M.M	Boikgafo Quick Cash
	Cllr Mosila RP	Nil
	Cllr Rababalela T. J	House no.600, Mokwasele village worth R500 00.00
	Cllr Rasetsoke S	Nil
	Cllr ND Modiba	House no.700 in Senwamokgope worth R2 000 000.00, Hilus raider worth R 450 000.00 and Grand Cherokee worth R 1 300 000.00
	Cllr Masela MP	Nil
	Cllr Raphokwane D	Nil
	Cllr Mabeba M.M	Nil
	Cllr Selowa M. G	Nil
Councillors		
	Cllr Malatji S. S	3 Bedroom House no1322 worth R 780 000.00 Rental rooms worth R 160 000.00
	Cllr Manyama M. I	4 Bedroomed house worth R760 000 Tips Construction Laka Kgomo Molailai Day Care Centre (Not remunerated)
	Cllr MV Mangoro	Nil

	Cllr DG Rabothata	Nil
	Cllr V Nkuna	Nil
	Cllr MA Lebepe	Nil
	Cllr PJ Mohale	Employee of Avon-Sales Leader, Wage/salary R8000.00
	Cllr MS Kgatla	Mokwazi Pty Ltd, Movable Car-Mandelapark Worth R 382 000.00, House in Mandelapark R750 000.00
	Cllr ME Ralefatane	Nil
	Cllr MV Rampedi	Nil
	Cllr KE Ramaano	N.R Mthombeni Trading CC-Wage/Salary R5 000.00
	Cllr ME Masedi	Nil
	Cllr S Selamolela	Nil
	Cllr NF Lebeko	Mobile freezer, Self-employment, wage/salary R 2500.00,7 Bedroom house in Lemondokop Worth R 500 000.00,5 Bedroom House in Lemondokop worth R350 000.00
	Cllr PW Selema	SRDA-NPO
	Cllr MP Ngobeni	Glenfiddich Whisky-700-Dimenges Construction Company
	Cllr MM Mankgero	Nil
	Cllr M Ramoba	Seshoka Events Management
	Cllr MP Monaiwa	7 Bedroom House 45m2 worth R 400 000.00
	Cllr R Ratlhaha	Nil
	Cllr KB Monyela	Nil
	Cllr MP Makomene	Nil
	Cllr ME Ramabela	Cosmetic Shop at Bellevue worth R 30 000.00
	Cllr NS Selowa	Nil
	Cllr BE Ngobeni	Nil
	Cllr MJ Mohale	Nil
	Cllr NL Seshoka	Nil
	Cllr SJ Hlungwani	Self-employment Wage/salary R30 000.00

	Cllr MP Masela	Nil
	Cllr MF Hlapane	Nil
	Cllr TJ Kgapane	Nil
	Cllr RG Baloyi	Nil
	Cllr PP Ralefatana	House Property No.202 at Ga-Sekgopo worth R870 000.00
	Cllr MR Maake	Nil
	Cllr F Manyama	Nil
	Cllr GH Modjadji	MTN shares Mamokobe Lodge 4 Bedroom House (Ga-Kgapane Plot 1.3 Ha (Modjadjiskloof) Vexlotrix (Pty) Ltd
	Cllr ND Modiba	Nil
	Cllr SM Rasetsoke	Nil
	Cllr M Mathedimosa	Nil
	Cllr MEC Ndobela	Nil
	Cllr MR Mosila	Nil
	Cllr MG Selowa	Nil
	Cllr MD Makhananisa	Nil
	Cllr ZT Maluleke	House 50x4m Ga-Sekgopo worth R 370 000.00
	Cllr MR Motsinone	7 Bedroom House in Meloding worth R850 000.00, Car-R 287 000.00
	Cllr Ramaselela D. D	Nil
	Cllr Moshole S. P	Nil
Municipal Manager	Mrs Mankgabe M.F	Nil

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-R 1 800 000.00
Director Corporate	Dr Letsoalo M.B	Competitive Advantage Business Solution (Retail) R 7000 per month/average) 429m2 House Tzaneen (R500 000.00) 929m2 Site Tzaneen (R 450 000.00)
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 Baloyi R.G



Cllr Kgatla M.S



Cllr Hlapane M.F



Cllr Hlungwani S.J



Cllr Kgapane TJ



Cllr Lebeko N.F



Cllr Lebepe M.A



Cllr Maake M.R



Cllr Ndobela M.E.C



Cllr Ngobeni B.E



Cllr Mangoro M.V



Cllr Makomene M.P



Cllr Malatji S.S



Cllr Mankgero M.M



Cllr Manyama M.I



Cllr Masedi M.E



Cllr Mathedimosa M



Cllr Mohale P.Y



Cllr Monaiwa M.P



Cllr Monyela K.B



Cllr Ngobeni M.P



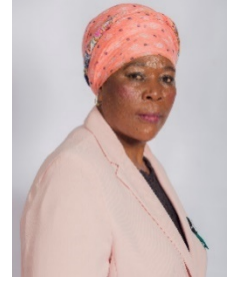
Cllr Nkuna V



Cllr Rabothata D.G



Cllr Ralefatane M.E



Cllr Ramaano K.E



Cllr Ramabela M.E



Cllr Ramoba M



Cllr Rampedi M.V



Cllr Ratlhaha R



Cllr Selamolela S



Cllr Selema P. W



Cllr Selowa N



Cllr Seshoka N.L



Cllr Mohale S.L



Cllr Ralepatana P.P



Cllr Mabeba M.M



Cllr Motsinone R



Cllr Raphokwana D



Cllr Selomo M.M



Cllr Maluleke Z.T



Cllr Rampyapedi S. B



Cllr Senyolo J



Cllr Rasetsoke M.C



Cllr Ramaselela D.D.

END OF REPORT